

Statement of Profit or Loss | Other Comprehensive Income

In millions of €	Notes	2022	2021
Sales revenue	[9]	4,174.7	3,449.2
Cost of sales	[10]	-1,978.3	-1,610.3
Gross profit on sales		2,196.5	1,838.9
Selling and distribution expenses	[10]	-628.5	-580.7
Research and development expenses	[10]	-177.8	-139.9
General administrative expenses	[10]	-200.5	-165.0
Other operating income	[11]	94.3	59.3
Other operating expenses	[11]	-219.1	-109.4
Earnings before interest and taxes (EBIT)		1,064.8	903.2
Financial income	[12]	198.2	29.3
Financial expenses	[12]	-81.3	-264.0
Financial result		116.9	-234.7
Profit before tax		1,181.7	668.4
Income taxes	[13]	-268.6	-241.4
Net profit for the period		913.1	427.0
Attributable to:			
Equity holders of Sartorius AG		678.1	318.9
Non-controlling interest		235.0	108.1
Earnings per share	[14]		
Earnings per ordinary share (€) (basic)		9.91	4.66
Earnings per ordinary share (€) (diluted)		9.91	4.66
Earnings per preference share (€) (basic)		9.92	4.67
Earnings per preference share (€) (diluted)		9.92	4.67

Other operating income and expenses are reported separately since fiscal 2022. Prior year figures were restated accordingly.

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Statement of Comprehensive Income

In millions of €	2022	2021
Net profit for the period	913.1	427.0
Cash flow hedges	-5.9	-23.7
Of which effective portion of the changes in fair value	-56.2	-17.2
Of which reclassified to profit or loss	50.3	-6.5
Income tax on cash flow hedges	1.8	7.1
Net investment in a foreign operation	29.6	38.3
Income tax on net investment in a foreign operation	2.0	-10.3
Currency translation differences	13.8	85.5
Items that may be reclassified to profit or loss, net of tax	41.3	97.0
Remeasurements of the net defined benefit liability	19.6	3.7
Income tax on remeasurements of the net defined benefit liability	-3.6	-1.2
Equity instruments at FVOCI	16.3	0.0
Items that will not be reclassified to profit or loss, net of tax	32.3	2.5
Other comprehensive income after tax	73.5	99.5
Total comprehensive income	986.6	526.4
Attributable to:		
Equity holders of Sartorius AG	753.1	405.8
Non-controlling interest	233.5	120.7

Statement of Financial Position

In millions of €	Notes	Dec. 31, 2022	Dec. 31, 2021
Non-current assets			
Goodwill	[15]	1,718.9	1,362.0
Other intangible assets	[15]	1,283.1	1,095.6
Property, plant and equipment	[16][17]	1,714.8	1,305.8
Financial assets	[35]	150.9	60.8
Other assets		3.3	1.6
Deferred tax assets	[18]	83.6	75.2
		4,954.6	3,901.1
Current assets			
Inventories	[19]	1,179.1	892.8
Trade receivables	[29]	484.5	424.0
Other financial assets	[30]	47.4	24.9
Current tax assets		30.8	29.0
Other assets		115.6	83.3
Cash and cash equivalents	[28]	165.9	342.8
		2,023.2	1,796.8
		6,977.7	5,697.9
In millions of €	Notes	Dec. 31, 2022	Dec. 31, 2021
Equity			
Equity attributable to Sartorius AG shareholders		1,989.8	1,260.3
Issued capital	[20]	68.4	68.4
Capital reserves	[21]	44.6	43.3
Other reserves and retained earnings	[21]	1,876.7	1,148.6
Non-controlling interest	[22]	669.1	459.9
		2,658.9	1,720.2
Non-current liabilities			
Pension provisions	[23]	57.5	75.4
Other provisions	[24]	20.2	13.3
Loans and borrowings	[31]	1,873.8	1,649.1
Lease liabilities	[17][31]	112.4	88.9
Other financial liabilities	[32]	216.3	421.8
Deferred tax liabilities	[18]	235.2	182.0
		2,515.5	2,430.6
Current liabilities			
Provisions	[24]	66.4	58.4
Trade payables	[33]	551.9	515.0
Loans and borrowings	[31]	523.8	311.3
Lease liabilities	[17][31]	31.2	26.1
Employee benefits	[26]	114.3	153.9
Other financial liabilities	[34]	144.2	169.0
Current tax liabilities		222.0	178.7
Other liabilities	[25]	149.5	134.7
		1,803.4	1,547.2
		6,977.7	5,697.9

Statement of Cash Flows

In millions of €	Notes	2022	2021
Profit before tax		1,181.7	668.4
Financial result	[12]	-116.9	234.7
Depreciation amortization of intangible and tangible assets	[15][16][17]	287.1	231.2
Change in provisions	[23][24]	16.0	29.7
Change in receivables	[29][30]	-86.6	-99.1
Change in inventories	[19]	-261.6	-294.4
Change in liabilities	[25][33][34]	-57.3	281.6
Interest received	[12]	7.2	7.4
Income taxes paid	[13]	-239.4	-189.4
Other non-cash transactions		4.0	3.1
Cash flow from operating activities		734.2	873.2
Capital expenditures	[15][16]	-522.6	-407.2
Other payments		-71.2	-20.8
Cash flow from investing activities before acquisitions		-593.8	-427.9
Acquisitions of subsidiaries and other business operations	[8]	-536.1	-141.7
Cash flow from investing activities		-1,129.9	-569.6
Interest paid and other financial charges	[12]	-35.6	-31.5
Dividends paid to:			
- Shareholders of Sartorius AG		-85.9	-48.2
- Non-controlling interest		-32.3	-17.5
Changes in non-controlling interest	[8][22]	-41.3	-0.6
Loans and borrowings raised	[6][31]	1,648.1	137.0
Loans and borrowings repaid	[6][31]	-1,243.3	-211.7
Cash flow from financing activities		209.9	-172.6
Change in cash and cash equivalents		-185.8	131.0
Cash and cash equivalents at the beginning of the period		342.8	203.4
Changes in scope of consolidation		0.0	0.3
Net effect of currency translation on cash and cash equivalents		8.9	8.0
Cash and cash equivalents at the end of the period	[28]	165.9	342.8

Interest received are reported under cash flows from operating activities since fiscal 2022. Prior year figures were restated accordingly.

Statement of Changes in Equity

In millions of €	Issued capital	Capital reserves	Cash flow hedging reserves	Pension reserves
Balance at Jan. 1, 2021	68.4	42.0	8.3	-30.2
Net profit for the period	0.0	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	-19.1	0.0
Remeasurements of the net defined benefit liability	0.0	0.0	0.0	3.1
Currency translation differences	0.0	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0	0.0
Tax effects	0.0	0.0	5.7	-1.0
Other comprehensive income after tax	0.0	0.0	-13.4	2.1
Total comprehensive income	0.0	0.0	-13.4	2.1
Share-based payments	0.0	1.3		
Dividends				
Purchase price liabilities BI Israel / CellGenix				
Change in non-controlling interest				
Other changes in equity				
Balance at Dec. 31, 2021	68.4	43.3	-5.1	-28.1
Balance at Jan. 1, 2022	68.4	43.3	-5.1	-28.1
Net profit for the period	0.0	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	-3.4	0.0
Remeasurements of the net defined benefit liability	0.0	0.0	0.0	15.9
Currency translation differences	0.0	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0	0.0
Equity instruments at FVOCI	0.0	0.0	0.0	0.0
Tax effects	0.0	0.0	1.0	-2.6
Other comprehensive income after tax	0.0	0.0	-2.3	13.3
Total comprehensive income	0.0	0.0	-2.3	13.3
Share-based payments	0.0	1.3		
Dividends				
Issue of treasury shares for the purchase of BIA Separations				
Purchase price liabilities ALS / BI Israel / CellGenix				
Reclassification of purchase price hedge Alumedix			18.1	
Non-controlling interest ALS				
Purchase of additional shares in subsidiaries				
Change in non-controlling interest				
Other changes in equity				
Balance at Dec. 31, 2022	68.4	44.6	10.7	-14.8

Foreign currency effects from loans that are part of the Group's net investment in a foreign operation are reported within foreign currency translation reserves since fiscal 2022. Prior year figures were adjusted. An amount of €66.9 million was reclassified from retained earnings to foreign currency translation reserves in the opening balance as of January 1, 2021.

Retained earnings	Foreign currency translation reserves	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
1,064.2	-121.2	1,031.4	348.9	1,380.3
318.9	0.0	318.9	108.1	427.0
0.0	0.0	-19.1	-4.6	-23.7
0.0	0.0	3.1	0.6	3.7
0.0	70.0	70.0	15.5	85.5
0.0	38.3	38.3	0.0	38.3
0.0	-10.3	-5.5	1.1	-4.4
0.0	98.1	86.9	12.6	99.5
318.9	98.1	405.8	120.7	526.4
0.0		1.3	0.0	1.3
-48.2		-48.2	-17.5	-65.8
-130.3		-130.3	-46.2	-176.5
0.0		0.0	54.4	54.4
0.3		0.3	-0.3	0.0
1,204.9	-23.1	1,260.3	459.9	1,720.2
1,204.9	-23.1	1,260.3	459.9	1,720.2
678.1	0.0	678.1	235.0	913.1
0.0	0.0	-3.4	-2.5	-5.9
0.0	0.0	15.9	3.7	19.6
0.0	14.9	14.9	-1.1	13.8
0.0	29.6	29.6	0.0	29.6
16.3	0.0	16.3	0.0	16.3
0.0	3.3	1.7	-1.5	0.2
16.3	47.8	75.0	-1.5	73.5
694.3	47.8	753.1	233.5	986.6
0.0		1.3	0.0	1.3
-85.9		-85.9	-32.3	-118.1
64.5		64.5	3.6	68.1
4.7		4.7	13.0	17.6
0.0		18.1	0.0	18.1
0.0		0.0	7.3	7.3
-30.4		-30.4	-8.7	-39.1
4.0		4.0	-7.2	-3.2
0.0		0.0	0.0	0.0
1,856.2	24.7	1,989.8	669.1	2,658.9

The dividends paid per share are as follows:

	Per share in €	2022 total in millions of €	Per share in €	2021 total in millions of €
Dividend for ordinary shares	1.25	42.8	0.70	24.0
Dividend for preference shares	1.26	43.1	0.71	24.3
		85.9		48.2

Notes to the Financial Statements

1. General Information

Sartorius AG is a listed joint stock corporation established in accordance with German law and is the ultimate parent company of the Sartorius Group. The company is recorded in the German Commercial Register of the District Court of Göttingen (HRB 1970) and has its registered office at Otto-Brenner-Str. 20 in Göttingen, Federal Republic of Germany.

The Sartorius Group is a leading international partner of biopharmaceutical research and the industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division (LPS) concentrates on serving the needs of laboratories performing research and quality control at pharma and biopharma companies and those of academic research institutes. The Bioprocess Solutions Division (BPS), with its broad product portfolio focusing on single-use solutions, helps customers manufacture biotech medications and vaccines safely and efficiently.

In accordance with Section 315e (1) of the German Commercial Code (HGB) in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (OJ L243 p. 1), the consolidated financial statements of the Sartorius Group for the year ended December 31, 2022, were prepared in accordance with the IFRS and IFRIC Standards and Interpretations of the International Accounting Standards Board (IASB) as required to be applied by the European Union. These are available on the following website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in millions of euros (abbreviated as € in millions). In some cases, the sums of the figures given in this report may not precisely equal the stated totals, and percentages may not be exact due to rounding.

The Executive Board is scheduled to submit the consolidated financial statements to the Supervisory Board on February 10, 2023.

2. Effects of New or Amended Standards

Standards to Be Applied for the First Time in 2022

The following new accounting rules were applicable for the first time and had no material impact on the consolidated financial statements:

- Amendments to IFRS 3, IAS 16, and IAS 37, as well as Annual Improvements to IFRSs: 2018-2020 cycle (published in May 2020) with amendments to IFRS 1, IFRS 9, IAS 41, and IFRS 16

The amendments relate to minor changes to the standards mentioned: With the amendments to IFRS 3, a reference to the conceptual framework for financial reporting was updated. The amendments to IAS 16 require that proceeds from the sale of products that were already produced before the completion of a production plant are recognized as revenue rather than deducted from the acquisition and production costs of the plant. The amendments to IAS 37 clarify which costs are to be taken into account when the existence of an onerous contract is assessed. The amendments to IFRS 1 affect subsidiaries that prepare financial statements in accordance with IFRS for the first time. The amendments to IFRS 9 relate to the fees to be included in the "10%

test" when assessing the derecognition of financial liabilities. The amendments to IAS 41 relate to the consideration of tax payments when measuring biological assets. The amendments to IFRS 16 concern an example of the standard and are intended to eliminate possible ambiguity regarding the accounting for incentives by the lessor.

New Standards and Interpretations Not Yet Applied

The following Standards, Interpretations, and Amendments to Standards were not yet applied to the consolidated financial statements of the reporting year, as they had not yet been adopted by the EU, or their application was not mandatory for 2022:

Standard Interpretation	Title	Applicable for financial years from ¹	Endorsement by the EU Commission
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023	Yes
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023	Yes
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023	Yes
IFRS 17	Insurance Contracts	January 1, 2023	Yes
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023	Yes
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current, Classification of Liabilities as Current or Non-Current – Deferral of Effective Date, Non-current Liabilities with Covenants	January 1, 2024	No
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	n/a	No

¹ Mandatory application according to EU endorsement or the Standards. The Group does not plan to apply any Standard early.

To date, the Group does not expect the changes to have a material impact on its consolidated financial statements.

3. Significant Accounting Policies

Significant accounting policies are described in the notes in which the respective positions of the consolidated financial statements are further explained if they relate to specific positions. Significant general accounting policies are described below.

Basis of Preparation

The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction, or production, with the exception of items measured at fair value, such as derivative financial instruments or financial liabilities resulting from contingent consideration agreements.

Foreign Currency Translation

Subsidiaries' annual financial statements prepared in foreign currencies have been translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of functional currency. Foreign subsidiaries are regarded as independent subdivisions of the Sartorius Group. Items in the statement of financial position are generally translated at the exchange rates on the reporting date. An exception to this is the equity of consolidated subsidiaries, which is translated at historical cost. Income and expense items are converted at average rates. Any translation differences resulting from the use of different

exchange rates for items in the statement of financial position and the statement of profit or loss are recognized in the other comprehensive income in shareholders' equity.

In the individual financial statements of the consolidated companies, transactions in foreign currencies are translated into the functional currency of the company at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the closing rate on the reporting date. Gains and losses on foreign currency transactions are generally recognized in other operating income or expenses. By contrast, currency gains and losses in connection with financing activities, such as loans in a foreign currency, are recognized in the financial result.

For certain defined loans granted on a long-term basis and for which repayment is neither planned nor probable, the Group applies the principle of "net investments in a foreign operation." The foreign currency translation differences resulting from these loans are recognized in other comprehensive income according to IAS 21.32.

The exchange rates for major currencies against the euro were applied as follows:

	Year-end exchange rates		Average annual exchange rates	
	2022	2021	2022	2021
USD	1.06695	1.13245	1.05351	1.18270
GBP	0.88584	0.83902	0.85265	0.85972
CHF	0.98370	1.03336	1.00486	1.08106
JPY	140.73000	130.36000	138.04150	129.87475
SGD	1.43060	1.52820	1.45160	1.58913
KRW	1,344.77000	1,347.69000	1,357.87961	1,353.74171
CNY	7.36960	7.18870	7.08120	7.62740

4. Critical Accounting Judgment and Accounting Estimates

During the preparation of consolidated financial statements, management uses estimates and assumptions based on their best knowledge of the current situation, including expectations of future developments. However, actual results may differ from these estimates. Therefore, these estimates and assumptions are revised on a regular basis, and the impact of all changes is immediately recognized in the statement of profit or loss for the period.

Management has observed that the general uncertainty inherent in accounting estimates and assumptions remains on a higher level than usual due to the ongoing Covid-19 pandemic crisis and, especially, due to the escalation of the conflict between Russia and Ukraine since February 2022. However, in fiscal 2022, the Group again achieved double-digit revenue growth. Despite the geopolitical developments, the Group did not experience severe difficulties on the supply side, and continuity of production operations has been secured. The biopharma industry, which is of particular importance to the Group, is largely independent of economic fluctuations. This was demonstrated once again in the reporting period and is especially valid for the Bioprocess Solutions Division, a total solutions provider for the biopharma industry, which continued to experience demand in connection with the production of coronavirus vaccines and Covid-19 therapeutics, although on a lower level in comparison with the prior year reporting period. The Lab Products & Services Division also achieved double-digit revenue growth in fiscal 2022.

In addition, Group management exercises its judgment in defining the accounting treatment of specific transactions when the existing standards and interpretations do not explicitly treat the accounting problems concerned.

Significant judgments and estimates are especially relevant to the business combinations described in Note 8 and the contingent consideration liabilities recognized in connection with prior acquisitions; the values may vary due to their complex subsequent accounting at fair value (see Note 35).

Other significant judgments and estimates are described in the notes, which provide explanations to the positions of the consolidated financial statements if they relate to specific positions. The general assumptions and estimates primarily concern the following topics:

Impact of Conflict between Russia and Ukraine

In February 2022, the conflict between Russia and Ukraine escalated, and this conflict is still ongoing. The European nations and the Western world condemn this war. Since the beginning of the war, the EU and the US have imposed sanctions on Russia that restrict reciprocal trade. The war has also caused distortions in markets, especially markets for energy and raw materials, the prices of which have increased significantly in 2022. Furthermore, the transportation and logistics sector is seriously affected by the consequences of the conflict.

The Group currently employs some 130 employees in Russia. No employees are located in Belarus or Ukraine. Since the beginning of the war, Sartorius has suspended all business activities in Russia that are not related to humanitarian medical products. This is done in compliance with the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. The Group's sales revenue in Russia decreased as a result of the unexpected developments and was significantly below prior-year level in 2022. The extent of the future mid-term impact depends on further geopolitical developments and is currently not readily quantifiable. However, it needs to be emphasized that the Group's business in Russia, Belarus and Ukraine was already not of a critical size in relation to the Group before the escalation of the conflict, as it accounted for only a good 2% of total sales in 2021. Furthermore, no critical suppliers are located in Russia, Belarus, or Ukraine. The Group is therefore primarily affected by the indirect consequences of the conflict, for example, increasing energy prices and the impact on the worldwide transportation and logistics sector. The Group is monitoring these indirect consequences and currently assumes that it will be able to maintain its profitability at the current level through appropriate countermeasures, such as price increases.

The Group does not own material non-current assets in Russia, Belarus, or Ukraine. The default risks in relation to trade receivables in Russia are limited due to the immaterial volume of trade receivables on the reporting date. Cash held in Russia of a single-digit-million euro value is currently subject to restrictions regarding its use outside Russia. In particular, distributions of cash are currently impossible.

To date, the direct and indirect consequences of the conflict between Russia and Ukraine have not led to changes in the material accounting estimates and assumptions and are not affecting the consolidated financial statements, apart from the lower business volume. In particular, no indications of impairment of non-current assets were identified as of December 31, 2022.

Impairment of Assets

The carrying amounts of property, plant, and equipment (see Notes 16 and 17) and intangible assets including goodwill (Note 15) are examined to determine whether there is any indication that an asset might be impaired, pursuant to IAS 36, Impairment of Assets. If there is any indication that an asset is impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its fair value – less costs of disposal – and its value in use. If the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit (CGU) is estimated.

The calculation of the value in use is generally based on discounted cash flow methods, which use cash flow projections of up to five years. These projections take into account past experience and represent management's best estimate about future sales revenue and cost developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has

based its determination of the value in use include estimated growth rates, weighted average cost of capital, and tax rates. These estimates can have a material impact on the respective values and ultimately on the amount of any impairment.

Fair Value Measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities, including Level 3 fair values.

If third-party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRSs, including the level in the fair value hierarchy at which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest-level input that is significant to the entire measurement.

Fair value measurement is especially relevant to business combinations (Note 8), financial instruments (Note 35), and share-based payments (Note 42).

Climate-related matters

Sustainability is one of the core values of the Group. Accordingly, the Group has announced long-term plans to reduce its CO₂ emission intensity (for further details, see the Non-Financial Group Statement). The goal is predominantly to reduce actual emissions in relation to the Group's sales revenues. No compensation payments are planned to date. The future costs for the reduction measures are considered in the financial forecasts of the management and are therefore also considered in valuations made for financial reporting purposes. To date, the assets and liabilities of the Group are not affected.

5. Operating Segments

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined in accordance with the internal control and reporting structure of an entity. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses, its operating results are regularly reviewed by the entity's chief operating decision maker (= the Executive Board of Sartorius AG) for the purposes of performance management and resource allocation, and discrete financial information is available in its internal reporting. Consequently, the divisions Bioprocess Solutions (BPS) and Lab Products&Services (LPS) are considered operating segments. Essential criteria for their definition are the products sold in the divisions.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Group, as management uses this performance measure to control the Group and segments. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation, and amortization. "Underlying EBITDA" is an operating result adjusted for extraordinary items. Extraordinary items are expenses and income in connection with acquisitions, structural measures (e.g., restructuring activities, large Group projects), and other income and expenses that distort the sustainable profitability of a segment, such as gains or losses from the disposal of fixed assets and investments.

“Underlying EBITDA” is not a defined performance measure in IFRSs. The Group’s definition of underlying EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

For intersegment transactions, internal transfer prices are set at prices corresponding to those that would have been agreed with external third parties in the particular situation and under the given framework conditions. Essentially, these prices are calculated by applying the cost-plus method and the resale price method or a combination of the two methods. The methods for determining the internal transfer prices are documented promptly and updated continuously. The volume of such intersegment transactions is immaterial.

Segment assets and segment liabilities are not reported to the Executive Board as chief operating decision maker on a regular basis and are therefore not part of the segment report.

In millions of €	Sales revenue		Underlying EBITDA	
	2022	2021	2022	2021
Bioprocess Solutions	3,326.5	2,727.0	1,188.4	986.3
Lab Products & Services	848.2	722.2	222.0	188.8
Total	4,174.7	3,449.2	1,410.4	1,175.0
Reconciliation to the profit before tax				
Depreciation and amortization (excl. extraordinary items)			-285.3	-231.1
Extraordinary items			-60.4	-40.7
Earnings before interest and taxes (EBIT)			1,064.8	903.2
Financial result			116.9	-234.7
Profit before tax			1,181.7	668.4

In millions of €	Depreciation and amortization	
	2022	2021
Bioprocess Solutions	-191.0	-150.6
Lab Products & Services	-96.1	-80.6
Total	-287.1	-231.2

Extraordinary items are as follows:

In millions of €	Extraordinary items	
	2022	2021
M&A projects Integration costs	-16.1	-22.5
Structuring measures	-29.6	-10.4
Other	-14.7	-7.8
Total	-60.4	-40.7

Geographical Information

External revenue and non-current assets are regionally distributed as follows:

In millions of €	Sales revenue		Non-current assets	
	2022	2021	2022	2021
EMEA	1,550.6	1,411.0	3,313.4	2,531.5
Of which Germany	350.5	318.0	1,369.6	1,176.6
Of which France	144.7	125.7	511.5	432.8
Americas	1,543.8	1,141.2	1,280.3	1,141.8
Of which USA	1,442.0	1,061.7	1,277.8	1,139.3
Asia Pacific	1,080.3	897.0	123.1	90.2
Of which China	470.6	378.7	58.2	45.3
Of which South Korea	197.5	161.9	25.2	15.9
Group	4,174.7	3,449.2	4,716.8	3,763.5

The regional allocation of non-current assets refers to the particular company location; sales revenue is reported according to the customers' location. The non-current assets correspond to property, plant and equipment as well as to intangible assets (including goodwill).

In fiscal 2022 and the prior year, none of our customers accounted for more than 5% of sales revenue.

6. Statement of Cash Flows

The statement of cash flows shows the impact of cash inflows and outflows on the cash and cash equivalents of the Group. The cash flows are classified by operating, investing, and financing activities according to IAS 7, Statement of Cash Flows.

In this context, cash and cash equivalents are assets that can be converted into cash in the short term (generally within three months). The amount disclosed in the statement of cash flows primarily includes cash on hand, bank balances, and similar items; it equals the amount presented in the statement of financial position.

The following non-cash transactions were concluded that are not presented in the statement of cash flows:

- Additions to non-current assets related to leases according to IFRS 16 are presented in Note 17.
- The expenses incurred by granting shares to the CEO and Executive Board Chairman totaled €1.3million in 2022 and €1.3million in 2021.
- In fiscal 2022, the first tranche of the contingent consideration in connection with the acquisition of BIA Separations was settled in shares of Sartorius Stedim Biotech S.A. At the settlement date, the value of the obligation amounted to €68.1million. For further details about this contingent consideration, see Note 35.
- In connection with the acquisition of ALS Automated Lab Solutions GmbH, the holders of the non-controlling interest were granted the right to sell their remaining shares to the Group. Therefore, a financial liability of €30.9million was recognized at the acquisition date (see Note 8).

Financial liabilities resulting from financing activities changed as follows:

	Balance at Dec. 31, 2020 in millions of €	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2021 in millions of €
Loans and borrowings	2,001.8	-51.0	0.0	9.6	1,960.4
Lease liabilities	85.6	-23.7	3.9	49.3	115.0
Liabilities for the acquisition of non-controlling interests	41.5	0.0	0.0	176.5	218.0
Contingent considerations	0.7	0.0	0.1	3.8	4.6
Total financial liabilities from financing activities	2,129.6	-74.7	4.1	239.1	2,298.1

	Balance at Dec. 31, 2021 in millions of €	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2022 in millions of €
Loans and borrowings	1,960.4	434.7	0.0	2.5	2,397.6
Lease liabilities	115.0	-29.9	0.3	58.1	143.6
Liabilities for the acquisition of non-controlling interests	218.0	-39.1	0.0	21.5	200.4
Contingent considerations	4.6	0.0	0.2	-0.6	4.1
Total financial liabilities from financing activities	2,298.1	365.8	0.5	81.4	2,745.7

7. Scope of Consolidation

Scope of Consolidated Financial Statements

The consolidated financial statements of Sartorius AG include the annual financial statements of all major companies controlled directly or indirectly via its subsidiaries by Sartorius AG. Under IFRS 10, Consolidated Financial Statements, control exists if the following criteria are met:

- Power, i.e., an investor must have existing rights that give it the current ability to direct the relevant activities of an investee that affect the latter's returns;
- Exposure, or rights, to variable returns from the involvement with an investee;
- Ability to use power in a way that significantly affects the investor's returns from the investee.

Such investees are included in the consolidated financial statements from the time when Sartorius AG or its subsidiaries acquire such control. They are no longer included as of the time control is lost, e.g., due to a sale to an entity outside the Group.

Subsidiaries are included on the basis of their annual financial statements for the same reporting period as the parent company, using uniform Group-wide accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

	Ownership in %	Consolidated
Sartorius AG, Göttingen, Germany	Parent company	X
Sartorius Stedim Biotech S.A., Aubagne, France, along with its subsidiaries:	73.6	X
EMEA		
Sartorius Stedim Belgium SA, Woluwe-Saint-Lambert, Belgium	100.0	X
Sartorius Xell GmbH, Schloß Holte-Stukenbrock, Germany	100.0	X
Sartorius Stedim Biotech GmbH, Göttingen, Germany	100.0	X
Sartorius Stedim Plastics GmbH, Göttingen, Germany	100.0	X
Sartorius Stedim North America Holding GmbH, Göttingen, Germany	100.0	X
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100.0	X
Sartorius CellGenix GmbH, Fribourg i. B., Germany	51.0	X
Metreon Bioproducts GmbH, Fribourg i. B., Germany	100.0	
Sartorius Stedim Cellca GmbH, Ulm, Germany	100.0	X
Sartorius Stedim Nordic Oy, Helsinki, Finland	100.0	X
Sartorius Stedim FMT S.A.S., Aubagne, France	100.0	X
Sartorius Stedim France S.A.S., Aubagne, France	100.0	X
Sartorius Stedim Chromatography Resins S.A.S., Cergy, France	100.0	X
Sartorius Stedim Aseptics S.A.S., Lourdes, France	100.0	X
Sartorius Chromatography Equipment S.A.S., Pompey, France	100.0	X
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100.0	X
Biological Industries Israel Beit Haemek Ltd., Kibbutz Beit Haemek, Israel	100.0	X
Sartorius Stedim Italy S.p.A., Florence, Italy	100.0	X
Sartorius Stedim Netherlands B.V., Amersfoort, Netherlands	100.0	X
Sartorius Stedim Austria GmbH, Vienna, Austria	100.0	X
Sartorius Stedim Poland Sp. z o.o., Kostrzyn, Poland	100.0	X
LLC Sartorius Stedim RUS, St. Petersburg, Russia	100.0	X
Sartorius Stedim Data Analytics AB, Umeå, Sweden	100.0	X
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100.0	X
Sartorius BIA Separations, separacijske tehnologije, d.o.o., Ajdovščina, Slovenia	100.0	X
Sartorius Stedim Spain S.A., Madrid, Spain	100.0	X
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100.0	X
Sartorius Stedim Hungária Kft., Budapest, Hungary	100.0	X
Sartorius Stedim BioOutsource Ltd., Glasgow, UK	100.0	X
Sartorius Stedim UK Ltd., Epsom, UK	100.0	X
Sartorius Stedim Lab Ltd., Stonehouse, UK	100.0	X
Sartorius Stedim Chromatography Systems Ltd., Royston, UK	100.0	X
TAP Biosystems Group Ltd., Royston, UK	100.0	X
The Automation Partnership (Cambridge) Ltd., Royston, UK	100.0	X
Albumedix Ltd., Nottingham, UK	100.0	X
Americas		
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100.0	X
CellGenix Inc., Wilmington, Delaware, USA	100.0	
WaterSep BioSeparations LLC, Boston, Massachusetts, USA	100.0	X
Sartorius Stedim North America Inc., Dova, Delaware, USA	100.0	X
Asia Pacific		
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	X

Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100.0	X
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100.0	X
Biological Industries Hong Kong Ltd., Kowloon, Hong Kong	100.0	X
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100.0	X
Sartorius Stedim Japan K.K., Tokyo, Japan	100.0	X
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	X
Sartorius Stedim Singapore Pte. Ltd., Singapore, Singapore	100.0	X
Sartorius Korea Biotech LLC, Seoul, South Korea	69.0	X
Sartorius Korea Operations LLC, Seoul, South Korea	100.0	X
Sartorius Stedim Taiwan Inc., New Taipei City, Taiwan	100.0	X

EMEA

Sartorius Belgium SA, Woluwe-Saint-Lambert, Belgium	100.0	X
Sartorius Weighing Technology GmbH, Göttingen, Germany	100.0	X
Sartorius Corporate Administration GmbH, Göttingen, Germany	100.0	X
SI Weende-Verwaltungs-GmbH, Göttingen, Germany	100.0	X
SIV Weende GmbH & Co. KG, Göttingen, Germany	100.0	X
SI Grone 1-Verwaltungs-GmbH, Göttingen, Germany	100.0	X
SIV Grone 1 GmbH & Co. KG, Göttingen, Germany	100.0	X
SIV Grone 2 GmbH, Göttingen, Germany	100.0	X
SWT Treuhand GmbH, Göttingen, Germany	100.0	X
Sartorius Ventures GmbH, Göttingen, Germany	100.0	X
LabTwin GmbH, Berlin, Germany	94.0	
Life Science Factory gGmbH, Göttingen, Germany	100.0	
Life Science Factory Management GmbH, Göttingen, Germany	100.0	
Life Science Valley GmbH, Göttingen, Deutschland	80.0	
Sartorius Lab Holding GmbH, Göttingen, Germany	100.0	X
Sartorius Lab Instruments GmbH & Co. KG, Göttingen, Germany	100.0	X
ALS Automated Lab Solutions GmbH, Jena, Germany	62.5	X
Sartorius Biohit Liquid Handling Oy, Helsinki, Finland	100.0	X
Sartorius Nordic Oy, Helsinki, Finland	100.0	X
Sartorius France S.A.S., Dourdan, France	100.0	X
Sartorius Ireland Ltd., Dublin, Ireland	100.0	X
Sartorius Israel Ltd., Kibbutz Beit Haemek, Israel	100.0	X
Sartorius Italy S.r.l., Florence, Italy	100.0	X
Sartorius Netherlands B.V., Amersfoort, Netherlands	100.0	X
Sartorius Austria GmbH, Vienna, Austria	100.0	X
Sartorius Poland Sp. z o.o., Kostrzyn, Poland	100.0	X
LLC Sartogosm, St. Petersburg, Russia	100.0	X
LLC Sartorius RUS, St. Petersburg, Russia	100.0	X
Sartorius Spain S.A., Madrid, Spain	100.0	X
Sartorius South Africa (Pty) Ltd., Midrand, South Africa	100.0	X
Sartorius Hungária Kft., Budapest, Hungary	100.0	X
Essen BioScience Ltd., Royston, UK	100.0	X
Sartorius UK Ltd., Epsom, UK	100.0	X

Americas

Sartorius Argentina S.A., Buenos Aires, Argentina	100.0	X
Sartorius do Brasil Ltda., São Paulo, Brazil	100.0	X
Sartorius Canada Inc., Oakville, Canada	100.0	X

Sartorius de México S.A. de C.V., Tepetzotlán, Mexico	100.0	X
Sartorius BioAnalytical Instruments Inc., Dover, Delaware, USA	100.0	X
Sartorius North America Inc., Dover, Delaware, USA	100.0	X
Sartorius Corporation, Dover, Delaware, Delaware, USA	100.0	X
Asia Pacific		
Sartorius Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	X
Sartorius Scientific Instruments (Beijing) Co. Ltd., Beijing, China	100.0	X
Sartorius ForteBio (Shanghai) Co. Ltd., Shanghai, China	100.0	X
Sartorius (Shanghai) Trading Co. Ltd., Shanghai, China	100.0	X
Sartorius Hong Kong Ltd., Kowloon, Hong Kong	100.0	X
Sartorius India Pvt. Ltd., Bangalore, India	100.0	X
Sartorius Japan K.K., Tokyo, Japan	100.0	X
Sartorius Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	X
Sartorius Singapore Pte. Ltd., Singapore, Singapore	100.0	X
Sartorius Korea LLC, Seoul, South Korea	100.0	X
Sartorius (Thailand) Co. Ltd., Bangkok, Thailand ¹	32.7	X
Sartorius Vietnam Co. Ltd., Ho Chi Minh City, Vietnam	100.0	X

¹ Sartorius Thailand is included in the scope of consolidation due to contractual agreements (see also Note 22).

The companies marked as “non-consolidated” in the above table were not included in the scope of consolidation because the figures were of minor importance for assessing the actual net worth, financial position, and profitability of the Sartorius Group. The sales revenue and total assets of the non-consolidated companies taken together account for less than 2% of the Group figures. All companies identified with an “X” are fully consolidated.

The following companies were included in the scope of consolidation for the first time in fiscal 2022:

- ALS Automated Lab Solutions GmbH, Jena, Germany
- Novasep Equipment Solutions S.A.S., Pompey, France
- Albuemdex Ltd., Nottingham, United Kingdom

Control over ALS Automated Lab Solutions GmbH was obtained on January 3, 2022 through a business combination. The entity Novasep Equipment Solutions S.A.S. was acquired on February 7, 2022 in the course of the acquisition of the chromatograph business from Novasep. The entity was renamed Sartorius Chromatography Equipment S.A.S. immediately after the acquisition. Albuemdex Ltd. was acquired on September 30, 2022 through a business combination, too. See Note 8 for details on these acquisitions.

In the reporting period, the remaining 30% of the shares in Biological Israel Beit Haemek Ltd. were acquired from the owner of the non-controlling interest (see Note 22).

In fiscal 2022, Essen Instruments Inc., Michigan, USA was merged with and into Sartorius BioAnalytical Instruments Inc., Delaware, USA. Furthermore, Essen BioScience K.K., Tokyo, Japan was liquidated in the reporting period. The names of the entities Sartorius Korea Biotech Co., Ltd. and Sartorius Korea Ltd. were changed in fiscal 2022 to Sartorius Korea Biotech LLC and Sartorius Korea LLC, respectively, in the course of changes in the legal form of the entities.

For materiality reasons, the equity method was not applied to the investment in Distribio GmbH (ownership percentage: 26%).

8. Business Combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and liabilities assumed by the Group, as well as the consideration transferred are recognized at fair value at the acquisition date. Expenses directly related to business combinations are reported in profit or loss of the period.

Accounting for acquisitions requires certain estimates and assumptions to be made, especially about the fair value of the consideration transferred, as well as the fair values of intangible assets and of the property, plant, and equipment acquired, liabilities assumed at the acquisition date, as well as the useful lives of intangible assets and property, plant, and equipment acquired. Their measurement is largely based on projected cash flows. Differences between the expected and actual cash flows may have a material impact on future Group results.

For significant acquisitions, purchase price allocation is generally carried out with the assistance of independent third-party valuation specialists. The valuations are based on the information available at the acquisition date.

If there is a non-controlling interest in an acquiree subsequent to an acquisition, and the Group is committed to acquiring this remaining interest in the future on the basis of written put options, the Group assesses whether substantially all of the risks and rewards of ownership of this interest had been transferred to the Group by the acquisition date. In case material risks and rewards remain with the non-controlling shareholders, the Group decided to continue to present the non-controlling interest in the acquiree. The liability that needs to be recognized for such obligations is recognized against retained earnings at the acquisition date. The Group decided to recognize any changes in connection with the subsequent accounting directly in equity.

Acquisition ALS Automated Lab Solutions

On January 3, 2022, the Group acquired the majority of shares and voting rights in ALS Automated Lab Solutions GmbH, thereby strengthening its bioanalytics portfolio of the LPS Division with an additional complementary element. This laboratory technology company based in Jena, Germany, develops, manufactures, and markets solutions for the automated analysis, selection, and isolation of cells. With these solutions, ALS enables life science customers to significantly reduce time to result and cost in cell line development and antibody discovery. Other application areas are the development of cell and gene therapeutics as well as rare single-cell molecular diagnostics in cancer and prenatal research. The company employed some 30 employees as of the acquisition date.

The purchase price allocation is as follows:

In millions of €	Final purchase price allocation
Other intangible assets	19.2
Property, plant and equipment	5.4
Inventories	1.5
Trade receivables	0.4
Other assets	0.1
Cash and cash equivalents	5.0
Deferred taxes - net	-7.1
Loans and borrowings	-2.5
Other liabilities	-2.7
Net assets acquired	19.3
Purchase price	25.6
Non-controlling interest	7.3
Goodwill	13.5

The purchase price for the acquired stake of 62.5% of ALS Automated Lab Solutions GmbH amounted to €25.6 million and was paid in cash. Expenses of €0.1 million directly attributable to the acquisition were already recognized as other expenses in profit or loss in 2021. Non-controlling interests are measured at their proportionate share of the net assets.

The material intangible assets to be recognized separately relate to technologies with limited useful life (€18.1 million). Goodwill is attributable to synergies, e.g., from the integration of the acquired business into the sales and distribution network of the Group and the expansion of the bioanalytics portfolio of the Lab Products & Services Division, as well as intangible assets not recognizable separately, such as the know-how of the workforce acquired. Goodwill is not deductible for tax purposes.

The parties agreed on put and call options according to which the acquisition of the remaining 37.5% of the shares is planned in 2026. The exercise price of the options depends on the future sales revenues of the acquired business. The significant risks and rewards in relation to the ownership of these shares are not yet transferred to the Group. For its obligation to purchase the remaining shares, the Group recognized a financial liability amounting to €30.9 million at the acquisition date. Subsequent to the acquisition, the liability is measured according to the effective interest rate method with changes directly recognized in equity. At the reporting date of December 31, 2022, the liability was measured at €31.5 million. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €1.7 million (decrease of approximately €2.3 million).

Acquisition of chromatography business of Novasep

On February 7, 2022, the Group closed the acquisition of the Novasep chromatography division. As of the acquisition date, approximately 100 employees were taken on as part of the Group workforce. The majority of these currently work at the site in Pompey in northern France, with some in the USA, China, and India. The chromatography business acquired comprises batch and intensified chromatography systems, and primarily focuses on applications for smaller molecules, such as oligonucleotides, peptides, and insulin. It is complementary to the Group's chromatography offering and will be integrated into the Bioprocess Solutions Division.

The purchase price allocation is as follows:

In millions of €	Final purchase price allocation
Other intangible assets	26.9
Property, plant and equipment	1.0
Inventories	7.5
Trade receivables	12.0
Other assets	0.8
Cash and cash equivalents	8.1
Deferred taxes - net	0.9
Trade payables and payments received for orders	-14.2
Other liabilities	-4.3
Net assets acquired	38.6
Purchase price	53.0
Goodwill	14.4

The purchase price for the acquired chromatography business amounted to approx. €53.0million and was paid in cash. Expenses directly attributable to the acquisition of €6.3million were recognized in other expenses through profit or loss, mostly in prior years. The intangible assets relate mainly to technologies (€17.0million) and customer relationships (€9.4million) with limited useful lives. Goodwill is attributable to synergies, e.g., from the integration of the acquired business into the Bioprocess Solutions Division and the expansion of the product portfolio in the field of chromatography, as well as intangible assets not recognizable separately, such as the know-how of the acquired workforce. Goodwill is not deductible for tax purposes.

Acquisition of Albumedix

On September 30, 2022, the Group acquired 100% of the shares and voting rights in Albumedix Ltd. based in Nottingham, UK. The company founded in 1984 is a leader in the field of recombinant albumin-based solutions. Recombinant human albumin is an important component for the biopharmaceutical industry and is required for various applications, for example as an animal-free additive to cell culture media and for the stabilization of vaccines and viral therapies. The company employed some 120 employees as of the acquisition date.

The purchase price allocation is as follows:

In millions of €	Final purchase price allocation
Other intangible assets	190.4
Property, plant and equipment	30.0
Inventories	12.1
Trade receivables	4.4
Other assets	3.0
Cash and cash equivalents	7.8
Deferred taxes - net	-47.8
Employee benefits liabilities (short-term)	-18.6
Provisions	-3.2
Other liabilities	-8.1
Net assets acquired	170.1
Purchase price	460.3
Effective portion of hedge of purchase price	18.1
Goodwill	308.3

The purchase price amounting to approx. €460.3million was paid in cash. The Group hedged the foreign currency exchange rate risk in relation to the purchase price denominated in GBP almost completely with a forward transaction executed on the acquisition date and designated the spot component of this forward and the purchase price up to an amount of 400 million GBP as a hedging relationship in accordance with IFRS 9. Accordingly, the value change of the spot component (approx. -€18.1million) recognized in other comprehensive income was removed from equity and included in the consideration transferred in the course of the business combination on the acquisition date. The value change of the forward component was recognized within the financial result in profit or loss (€1.1million). The directly attributable acquisition-related costs totaled €3.7million and were recognized in other expenses.

The intangible assets recognized separately are related to technologies (€148.7million) with useful lives of up to 16 years, customer relationships (€36.5million), and brands (€5.1million) with limited useful lives. The resulting goodwill reflects synergies, e.g., those realized by the acquiree's access to the Group's global sales and distribution network and the combination of the acquired business with the Group's existing competencies and capacities in the field of Advanced Therapies (esp. with the cell culture media business), the expansion of the product offering of the Bioprocess Solutions Division, and intangible assets that are not recognizable separately, such as the know-how of the acquired workforce. Goodwill is not deductible for tax purposes.

Effects of the Acquisitions on the Group's Sales Revenue and Net Result in 2022

Since their first-time consolidation, the companies acquired in 2022 contributed sales revenue of €6.2 million (ALS), €30.3million (chromatography business of Novasep), and €10.3million (Albumedix) to the sales of the Group. Excluding one-time items from the purchase price allocations, the impact on the Group's net result is immaterial. If the acquisitions closed in the reporting period had all taken place as of January 1, 2022, sales revenue of the Group for 2022 would have amounted to around €4,199.4million. The impact on the Group's net result would have been immaterial.

Notes to the Statement of Profit or Loss

9. Sales Revenue

Revenue is recognized according to IFRS 15, Revenue from Contracts with Customers. Revenue is disaggregated into the categories of “nature of products” and “geographical regions” as shown in the following table. The categorization by “nature of products” corresponds to the reportable segments, as the identification of the reportable segments is based in particular on the different products sold. Regional disaggregation of revenue is based on the customers’ location.

In millions of €	2022						2021
	Group	Bioprocess Solutions	Lab	Group	Bioprocess Solutions	Lab	
			Products & Services			Products & Services	
Sales revenue	4,174.7	3,326.5	848.2	3,449.2	2,727.0	722.2	
EMEA	1,550.6	1,260.5	290.1	1,411.0	1,130.5	280.5	
Americas	1,543.8	1,240.8	303.0	1,141.2	913.1	228.2	
Asia Pacific	1,080.3	825.2	255.1	897.0	683.5	213.5	

The Group produces and sells instruments and consumables as well as related services in its two segments BPS and LPS. The Group satisfies its performance obligations depending on the goods to be transferred and the services promised. Most of the revenues from the sale of products are recognized at the point in time where the customer obtains control over the goods. Typically, this is when the significant risks and rewards of ownership of the goods are transferred to the customer. Therefore, the point in time may vary depending on the agreement with the individual customer.

For complex products that require installation at the customer’s site, revenue is recognized upon formal customer acceptance. To a low extent, revenue is recognized over time in the customer-specific project business. In these cases, revenue is recognized according to project progress, which is measured based on the percentage of costs to date compared to total estimated contract costs. The amount of actual costs incurred to date appropriately reflects the progress and the transfer of control to the customer, as the Group has a right to reimbursement of costs to date plus an appropriate margin if the project is cancelled by the customer without cause. Revenue from services is generally recognized when the services are performed or have been performed. If the services are performed continuously over a period of time, the Group recognizes the related revenue over time. In this case, revenue is generally recognized pro rata in relation to the total contract period. Product sales are typically accompanied by the legally required warranty. Any material extended warranties are accounted for as separate performance obligations.

According to the general payment terms, customer payments are due in the short term, typically within 30 to 60 days. To some extent, the Group obtains advance payments, e.g., to avoid credit risks. Therefore, the Group regularly has contract liabilities (payments received on account of orders). In addition, the Group recognizes contract liabilities in connection with service contracts (deferred revenues) when customers pay in advance.

The contracts typically do not contain significant financing components. The Group uses the practical expedient provided by IFRS 15 regarding the existence of a significant financing component. This means that a financing component is only taken into consideration when the length of time between the transfer of goods or services and the receipt of consideration is expected to exceed one year and the effect is material.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period amounted to €1,998.3million (2021: €2,057.7million). The Group expects that these unsatisfied performance obligations will, for the most part, be satisfied in 2023.

There were no extraordinary changes in the carrying amounts of the contract liabilities and contract assets in the reporting period. Revenue in the amount of €249.1million was recognized in the reporting period that was included in the contract liability balance at the beginning of the reporting period (2021: €134.0million).

The balances of trade receivables and contract assets are presented in Note 29. For details on the impairment losses on trade receivables and contract assets recognized in the reporting period, see Note 40. The following table shows the balances of the Group's contract liabilities.

In millions of €	Line item in statement of financial position	Carrying amount Dec. 31, 2022	Carrying amount Dec. 31, 2021
Deferred revenue	Other liabilities	76.5	73.9
Payments received on account of orders	Trade payables	247.1	232.0
Total contract liabilities		323.5	306.0

10. Functional Costs

The statement of profit or loss is prepared according to the function of expense method, also known as "cost of sales." The expenses are allocated to the respective functional areas of production, sales and distribution, research and development, as well as to general administration.

Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The "Cost of sales" item includes the cost of products sold and the cost of merchandise sold. In addition to directly attributable expenses, such as raw materials and supplies, employee benefits expenses, and energy expenses, cost of sales also includes overheads that can be attributed to the manufacturing area, and the corresponding depreciation and amortization.

The selling and distribution expenses relate in particular to the costs of the sales organization, distribution, and marketing.

Research and development expenses comprise the cost of research and product and process development, provided they are not capitalized.

The "General administrative expenses" item primarily comprises employee benefits expense and the cost of materials of the general administrative area.

All profit and loss items that cannot be allocated to one of the functional areas mentioned are recognized as other operating income and expenses. These essentially include effects from currency translation, disposal of non-current assets, allowances on trade receivables, and extraordinary income and expenses. Income from grants related to expenses is recognized as other income when there is reasonable assurance that the conditions associated with the grants will be complied with and the grants will be received.

The total expenses incurred by the functional areas for materials and employee benefits are as follows:

Raw Materials and Supplies

In millions of €	2022	2021
Expenses for raw materials and supplies and for purchased goods (incl. changes in inventories)	774.7	620.3
Cost of purchased services	294.9	236.9
	1,069.7	857.2

Employee benefits can be broken down as follows:

Employee Benefits

In millions of €	2022	2021
Wages and salaries	912.3	789.5
Social security	198.2	158.3
Expenses for retirement benefits and pensions	23.4	17.7
	1,133.9	965.5

11. Other Operating Income and Expenses

In millions of €	2022	2021
Currency translation gains	74.4	45.9
Income from the decrease in allowances for bad debts	6.2	5.3
Income from grants	3.9	1.7
Other income	9.8	6.4
Other operating income	94.3	59.3
Extraordinary expenses	-60.4	-40.7
Currency translation losses	-125.4	-35.3
Allowances for bad debts	-7.6	-4.7
Other expenses	-25.8	-28.6
Other operating expenses	-219.1	-109.4
Other operating income and expenses	-124.8	-50.2

The item reported as income from grants discloses the grants for expenses (essentially related to research and development projects), which are recognized as income as soon as there are sufficiently reliable indications that the necessary prerequisites have been met.

For details about the extraordinary expenses see Note 5.

In 2022, currency translation gains include €50.3million (2021: -€6.5million) from the reclassification of amounts in relation to hedging relationships that had previously been recognized in equity (see Note 37).

12. Financial Result

In millions of €	2022	2021
Interest and similar income	1.0	0.4
Income from derivative financial instruments	5.3	6.1
Income from valuation of contingent considerations and similar agreements	148.9	0.0
Other financial income	42.9	22.8
Financial income	198.2	29.3
Interest and similar expenses	-34.5	-26.6
Expenses for derivative financial instruments	-12.5	-5.9
Interest for pensions and other retirement benefits	-0.7	-0.4
Expenses from valuation of contingent considerations and similar agreements	-0.3	-212.3
Other financial charges	-33.4	-19.0
Financial expenses	-81.3	-264.0
Financial result	116.9	-234.7

Other financial expenses and income include the effects of compound interest and the measurement of loans and other financial liabilities denominated in foreign currencies. The income from the valuation of contingent considerations results to the extent of €148.0 million from the remeasurement of the contingent consideration in connection with the acquisition of BIA Separations (prior year: -€207.7million). See Note 35 for details about this liability.

13. Income Taxes

In millions of €	2022	2021
Current income taxes	-278.1	-260.9
Deferred taxes	9.5	19.4
Of which from tax losses	-7.2	-1.7
Of which from temporary differences	16.7	21.1
	-268.6	-241.4

Current income taxes are calculated based on the particular national taxable income for the year, as well as according to national tax regulations. In addition, current taxes may contain adjusted amounts to cover any tax payments or refunds for years not yet assessed.

The following table explains the differences between the tax expense expected and the income tax expenses reported for the particular fiscal year. The expected tax rate is determined based on a weighted average tax rate applied to the pre-tax income of the Group.

In millions of €	2022	2021
Expected tax rate	25.7%	22.7%
Expected tax expense	-304.1	-152.0
Effects from intragroup dividends and other non-deductible expenses	-11.4	-75.1
Tax-free income and tax credits	58.6	5.7
Deductible temporary differences and tax losses not capitalized	-7.0	-3.2
Taxes from previous years		
thereof deferred taxes	-7.8	-14.1
thereof current taxes	6.2	1.9
Withholding and other income taxes with different tax base	-2.6	-3.9
Other	-0.6	-0.8
Income taxes	-268.6	-241.4
Effective tax rate	22.7%	36.1%

The decrease in the effective tax rate is particularly due to the effect from the remeasurement of the contingent consideration in connection with the acquisition of BIA Separations (see Notes 12 and 35). The corresponding income is not taxable and, therefore, results in a decrease in the tax rate in relation to the profit before tax reported in these consolidated financial statements.

14. Earnings per Share

IAS 33, Earnings per Share, requires earnings per share to be calculated separately for each class of share. The undiluted earnings per share (basic EPS) are calculated based on the number of shares outstanding during the period. Treasury shares are not included in the calculation of the average number of shares outstanding.

	2022	2021
Ordinary shares		
Basis for calculating basic earnings per ordinary share (net profit after non-controlling interest), in millions of €	339.0	159.4
Weighted average number of shares outstanding	34,226,009	34,226,009
Basic earnings per ordinary share in €	9.91	4.66
Weighted average number of shares outstanding for calculating the diluted earnings per share	34,226,009	34,226,009
Diluted earnings per ordinary share, in €	9.91	4.66
Preference shares		
Basis for calculating basic earnings per preference share (net profit after non-controlling interest), in millions of €	339.0	159.5
Weighted average number of shares outstanding	34,189,853	34,189,853
Basic earnings per preference share in €	9.92	4.67
Weighted average number of shares outstanding for calculating the diluted earnings per share	34,189,853	34,189,853
Diluted earnings per preference share, in €	9.92	4.67

Notes to the Statement of Financial Position

15. Goodwill and Intangible Assets

Goodwill

In millions of €	Goodwill
Gross book values at Jan. 1, 2021	1,231.4
Currency translation	45.4
Acquisitions through business combinations	85.3
Gross book values at Dec. 31, 2021	1,362.0
Impairment losses at Jan. 1, 2021	0.0
Currency translation	0.0
Impairment losses 2021	0.0
Impairment losses at Dec. 31, 2021	0.0
Net book values at Dec. 31, 2021	1,362.0
Gross book values at Jan. 1, 2022	1,362.0
Currency translation	20.7
Acquisitions through business combinations	336.2
Gross book values at Dec. 31, 2022	1,718.9
Impairment losses at Jan. 1, 2022	0.0
Currency translation	0.0
Impairment losses 2022	0.0
Impairment losses at Dec. 31, 2022	0.0
Net book values at Dec. 31, 2022	1,718.9

The additions in fiscal 2022 were attributable to the acquisitions of ALS Automated Lab Solutions GmbH, the Chromatography business of Novasep, and AlbuMedix Ltd. (see Note 8). The additions in the prior period were attributable to the acquisitions of CellGenix GmbH and Xell AG.

Owing to the integration of our businesses in the Bioprocess Solutions and Lab Products & Services divisions and our respective positioning as a total solutions provider, goodwill is monitored at the level of these cash-generating units and tested annually for impairment according to IAS 36 (impairment test).

Thus, goodwill is allocated to the segments as follows:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Bioprocess Solutions	1,339.2	1,010.9
Lab Products & Services	379.7	351.1
	1,718.9	1,362.0

The impairment tests for fiscal 2022 were conducted as of November 30, as in prior periods. The calculations measure the recoverable amount on the basis of the value in use of the particular cash-generating unit. The cash flow forecasts consider previous experience and are generally based on the current projections of Group

management for a period of four years. For the Bioprocess Solutions Division, calculations were based on an average terminal growth rate of 2.5% for the fiscal years after 2026. This terminal growth rate is derived from market expectations, which forecast medium-term growth rates in the high upper single-digit to double-digit range for the biopharmaceutical market targeted by the division. The major growth drivers will include the aging population, the increase in population, and improved access to pharmaceuticals in emerging-market countries, as well as the ongoing paradigm shift toward the utilization of single-use products in the manufacture of biopharmaceuticals. For the Lab Products&Services Division, a terminal growth rate of 1.5% was used for fiscal years after 2026.

The discount rates of the cash-generating units correspond to their weighted average cost of capital (WACC) and were determined as follows:

	2022		2021	
	Before tax	After tax	Before tax	After tax
Bioprocess Solutions	10.6%	8.4%	7.8%	6.3%
Lab Products&Services	10.9%	8.3%	8.4%	6.4%

In fiscal 2022, these impairment tests did not result in the recognition of impairment losses. Even realistic changes in the basic assumptions on which measurement of value in use is based would not result in the carrying amount of the cash-generating units exceeding their value in use.

Other Intangible Assets

In millions of €	Patents, licenses, technologies and similar rights	Brand names	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2021	807.1	50.1	334.2	234.1	0.2	1,425.7
Currency translation	33.2	2.8	14.7	3.5	0.0	54.2
Acquisitions through business combinations	89.6	5.2	35.2	0.0	0.0	130.1
Capital expenditures	8.1	0.0	0.0	50.9	0.2	59.2
Disposals	-0.1	0.0	0.0	0.0	0.0	-0.1
Transfers	0.1	-0.4	0.4	0.0	0.0	0.1
Gross book values at Dec. 31, 2021	938.0	57.7	384.6	288.4	0.4	1,669.1
Amortization and impairment losses at Jan. 1, 2021	-170.8	-10.5	-152.4	-100.2	0.0	-433.9
Currency translation	-7.0	-0.6	-5.0	-1.0	0.0	-13.7
Amortization and impairment losses in 2021	-66.6	-3.3	-30.8	-25.2	0.0	-126.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2021	-244.4	-14.4	-188.3	-126.4	0.0	-573.5
Net book values at Dec. 31, 2021	693.6	43.3	196.3	162.0	0.4	1,095.6

In millions of €	Patents, licenses, technologies and similar rights	Brand names	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2022	938.0	57.7	384.6	288.4	0.4	1,669.1
Currency translation	17.1	1.7	1.8	-0.8	0.0	19.9
Acquisitions through business combinations	181.5	5.8	46.6	2.7	0.0	236.5
Capital expenditures	3.1	0.0	0.3	81.7	0.3	85.4
Disposals	-12.8	-0.6	-6.5	-2.3	-0.1	-22.3
Transfers	0.2	0.0	0.0	0.0	-0.2	0.0
Gross book values at Dec. 31, 2022	1,127.1	64.7	426.7	369.6	0.5	1,988.7
Amortization and impairment losses at Jan. 1, 2022	-244.4	-14.4	-188.3	-126.4	0.0	-573.5
Currency translation	-3.8	-0.4	0.0	0.3	0.0	-3.9
Amortization and impairment losses in 2022	-81.8	-3.2	-31.8	-33.8	0.0	-150.6
Disposals	12.8	0.6	6.5	2.5	0.0	22.4
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2022	-317.2	-17.5	-213.5	-157.4	0.0	-705.6
Net book values at Dec. 31, 2022	809.9	47.2	213.2	212.2	0.5	1,283.1

Intangible assets acquired are reported at cost less accumulated, regular amortization calculated according to the straight-line method. The useful life of an intangible asset is the period over which this asset is expected to contribute directly or indirectly to the cash flows of the entity.

Costs incurred within the scope of the development of new products and methods are capitalized as internally generated intangible assets only if the criteria according to IAS 38.57 are met. The capitalization of internally-generated intangible assets includes a certain level of estimates and assumptions, e.g., the assessment of the technical feasibility of a development project, its expected market prospects, and the determination of useful lives.

The capitalized development costs essentially cover the costs attributable to the staff involved in R&D, raw materials and supplies, external services, and directly attributable overheads. Internally-generated intangible assets are amortized over their useful lives on a straight-line basis.

If an internally-generated intangible asset cannot be capitalized, the development costs are recognized as expenses in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

Amortization of intangible assets is based on the following periods of useful life:

Software	2 to 10 years
Technologies	3 to 20 years
Capitalized development expenses	4 to 6 years
Customer relationship	1 to 20 years
Brand name	2 years to an indefinite period

The brand name acquired in the Stedim transaction (carrying amount: €10.8 million) is considered to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the company. However, because of the integration of the "Stedim" brand into the name of the "Sartorius Stedim Biotech" sub-group and the name of that sub-group's parent entity, the relevant cash flows cannot be measured separately. The recoverability of the brand name was considered at the next-higher level of the cash-generating unit (CGU), i.e., the Bioprocess Solutions Division.

The useful lives of the remaining brand names acquired through business combinations are estimated at up to 20 years.

Amortization of intangible assets is allocated to the corresponding functions in the statement of profit or loss. For capitalized development costs, amortization is reported in the cost of sales.

In fiscal 2022, impairment losses of €9.9 million (thereof LPS: €6.0 million, BPS: €3.9 million) were recognized in relation to capitalized development costs (prior year: €0.9 million).

16. Property, Plant and Equipment

In millions of €	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Payments on account and construction in progress	Total
Gross book values at Jan. 1, 2021	596.0	297.9	211.5	167.8	1,273.1
Currency translation	12.7	8.4	2.7	5.1	29.0
Acquisitions through business combinations	13.0	5.6	1.0	0.1	19.7
Capital expenditures	45.5	44.2	35.0	222.4	347.1
Disposals	-0.4	-5.3	-5.3	0.0	-11.1
Transfers	55.2	17.1	3.2	-75.6	-0.1
Gross book values at Dec. 31, 2021	722.0	367.9	248.1	319.8	1,657.7
Depreciation and impairment losses at Jan. 1, 2021	-111.0	-145.9	-126.4	0.0	-383.3
Currency translation	-2.3	-3.3	-1.9	0.0	-7.6
Amortization and impairment losses in 2021	-26.4	-30.1	-22.9	0.0	-79.5
Disposals	0.6	4.1	5.0	0.0	9.7
Transfers	0.1	0.1	-0.1	0.0	0.0
Depreciation and impairment losses at Dec. 31, 2021	-139.1	-175.1	-146.4	0.0	-460.6
Net book values at Dec. 31, 2021	582.9	192.8	101.7	319.8	1,196.9
Net book values of right-of-use assets at Dec. 31, 2021	95.3	1.9	11.5	0.0	108.7
Total book values property, plant & equipment at Dec. 31, 2021	678.2	194.7	113.2	319.8	1,305.8

In millions of €	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Payments on account and construction in progress	Total
Gross book values at Jan. 1, 2022	722.0	367.9	248.1	319.8	1,657.7
Currency translation	2.4	1.0	-0.7	3.0	5.7
Acquisitions through business combinations	10.7	17.4	1.0	3.7	32.8
Capital expenditures	45.5	45.6	47.7	312.1	450.9
Disposals	-1.6	-10.1	-33.1	-0.1	-44.9
Transfers	56.9	46.2	14.4	-115.5	2.0
Gross book values at Dec. 31, 2022	835.9	468.0	277.5	522.9	2,104.2
Depreciation and impairment losses at Jan. 1, 2022	-139.1	-175.1	-146.4	0.0	-460.6
Currency translation	0.2	-0.1	0.5	0.0	0.6
Amortization and impairment losses in 2022	-33.7	-41.5	-29.5	0.0	-104.8
Disposals	1.1	9.2	31.8	0.0	42.1
Transfers	-1.7	0.9	-0.8	0.0	-1.7
Depreciation and impairment losses at Dec. 31, 2022	-173.3	-206.6	-144.4	0.0	-524.4
Net book values at Dec. 31, 2022	662.5	261.4	133.0	522.9	1,579.9
Net book values of right-of-use assets at Dec. 31, 2022	121.9	1.9	11.2	0.0	134.9
Total book values property, plant & equipment at Dec. 31, 2022	784.4	263.3	144.2	522.9	1,714.8

The "Property, plant and equipment" item is reported at cost and, if subject to depreciation, reduced by regular depreciation. Impairment tests are conducted when impairment indicators are identified. The straight-line method is applied to depreciation reported in the consolidated financial statements.

Depreciation of property, plant and equipment is based on the economic useful life. The following assumptions for the useful life are typically applied:

Buildings	15 to 50 years
Machinery	5 to 15 years
Factory and office equipment	3 to 13 years

Depreciation is presented in the statement of profit or loss according to how the assets are used: in the cost of sales, selling and distribution expenses, research and development expenses, administrative expenses, or other operating expenses.

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction, or production of a qualifying asset and are therefore part of the cost of that asset.

Grants related to assets are generally deducted from the cost of assets.

17. Leases

Lease accounting follows IFRS 16, Leases. For the financing structure of the Sartorius Group, leases are not of high relevance. In fiscal 2022 and in the past, the Group invested heavily in its sites. The main considerations for leases are therefore generally of a practical nature, for example, with regard to the company's management of IT hardware or fleet management. Accordingly, leases of IT hardware and cars represent the major number

of the Group's lease contracts. The lease term of such leases is generally fixed, typically extending to between three and five years.

Furthermore, at some sites, the Group has leases of buildings, which are negotiated and managed locally. These contracts may contain extension options, which are included in the lease term according to IFRS 16 when the Group is reasonably certain that the option will be exercised. The Group does not act as a lessor to a material extent.

According to IFRS 16, a lessee generally recognizes a right-of-use asset as well as a lease liability, which represents its obligation to make lease payments. The Group makes use of the exemptions for short-term leases and leases of low-value assets and recognizes the corresponding lease payments as an expense generally on a straight-line basis over the particular lease term. Accordingly, no right-of-use assets and no lease liabilities are recognized for these leases. Furthermore, taking IFRS 16 under consideration, no right-of-use assets and no liabilities are recognized for leases between Group entities. The Group does not apply this Standard to leases of intangible assets.

In the statement of financial position, the Group presents right-of-use assets according to the nature of the underlying lease assets under "Property, plant and equipment." Right-of-use assets are recognized at cost less accumulated depreciation and any impairment losses. The cost of the right-of-use assets comprises the present value of the future lease payments, any payments paid upon or before commencement of the lease, any initial direct costs, and costs for dismantling or removing the lease asset. The right-of-use assets are typically depreciated over the lease term. If the transfer of legal ownership of a lease asset is planned at the end of the lease term, the right-of-use asset is depreciated over the economic useful life of the lease asset. In the statement of profit or loss, depreciation is recognized within functional costs.

The lease liabilities are disclosed separately on the face of the statement of financial position. Lease liabilities are initially recognized at an amount equal to the present value of the future lease payments. The lease payments generally do not include any payments in relation to non-lease components. In general, the specific applicable incremental borrowing rate of the Group is used for discounting. Subsequently, the carrying amount of the lease liabilities is increased by interest expenses and reduced by lease payments. Interest expenses are reported in the financial result and, to the extent they are paid, in the financing section of the cash flow statement together with "Interest paid."

As of December 31, 2022, lease liabilities stood at €144 million (2021: €115 million). The maturities of the future lease payments are presented in Note 39. The composition of the right-of-use assets included in "Property, plant and equipment" as of December 31, 2022, as well as of the preceding reporting date and the main changes, are presented in the table below.

In millions of €	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2021	98.9	3.1	21.6	123.7
Currency translation	5.3	0.0	0.4	5.7
Acquisitions through business combinations	3.3	1.0	0.1	4.4
Additions	39.4	0.3	7.3	47.1
Disposals	-5.0	-0.1	-2.5	-7.7
Transfers	0.0	0.0	-0.1	-0.1
Gross book values at Dec. 31, 2021	141.9	4.4	26.8	173.1
Depreciation and impairment losses at Jan. 1, 2021	-30.6	-1.8	-9.9	-42.3
Currency translation	-1.7	0.0	-0.2	-1.9
Amortization and impairment losses in 2021	-18.3	-0.8	-6.6	-25.7
Disposals	4.1	0.0	1.4	5.5
Transfers	0.0	0.0	0.0	0.0
Depreciation and impairment losses at Dec. 31, 2021	-46.6	-2.5	-15.3	-64.4
Net book values at Dec. 31, 2021	95.3	1.9	11.5	108.5

In millions of €	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2022	141.9	4.4	26.8	173.1
Currency translation	0.1	0.0	0.0	0.1
Acquisitions through business combinations	3.6	0.0	0.0	3.6
Additions	50.4	0.8	7.6	58.8
Disposals	-4.3	0.0	-1.6	-5.9
Transfers	-2.4	0.4	0.0	-2.0
Gross book values at Dec. 31, 2022	189.4	5.5	32.8	227.8
Depreciation and impairment losses at Jan. 1, 2022	-46.6	-2.5	-15.3	-64.4
Currency translation	0.1	0.0	0.1	0.1
Amortization and impairment losses in 2022	-23.7	-1.0	-6.9	-31.7
Disposals	1.0	0.0	0.5	1.5
Transfers	1.7	-0.1	0.0	1.6
Depreciation and impairment losses at Dec. 31, 2022	-67.6	-3.6	-21.6	-92.8
Net book values at Dec. 31, 2022	121.9	1.9	11.2	134.9

The table below shows the interest expenses presented in the financial result, the total cash outflows for existing leases, and expenses recognized for short-term leases and leases of low-value assets during the reporting period. No material expenses were recognized for variable lease payments in the reporting period.

In millions of €	2022	2021
Interest expenses for leases	3.8	3.1
Expenses for short-term leases	4.0	2.7
Expenses for leases of low value assets	7.8	7.1
Repayment of lease liabilities	29.9	23.7
Total cash outflows for leases	45.5	36.5

18. Deferred Taxes

In millions of €	Deferred tax assets		Deferred tax liabilities		Changes recognized in profit or loss
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	
Other intangible assets	4.5	2.1	221.8	174.2	8.9
Tangible assets	0.0	0.0	24.0	18.1	-1.2
Inventories	52.6	31.8	0.0	5.8	28.0
Receivables and other current assets	2.3	5.4	1.7	0.0	-4.3
Provisions	13.6	17.3	0.0	0.0	-0.5
Liabilities	23.3	28.5	0.0	0.0	-14.1
Taxable losses carried forward	5.3	11.8	0.0	0.0	-7.2
Interest carry-forwards	0.0	0.0	0.0	0.0	0.0
Tax on investments in subsidiaries	0.0	0.0	5.7	5.7	0.0
Total	101.5	96.9	253.1	203.8	9.5
Offset	-18.0	-21.7	-18.0	-21.7	
Total (net)	83.6	75.2	235.2	182.0	

Deferred tax assets and liabilities are determined based on temporary differences between the carrying amounts and the tax bases of assets and liabilities, including differences from consolidation. In addition, loss and interest carry-forwards and tax credits are considered. Measurement is based on the tax rates expected to be effective in the period in which the asset is realized, the liability is settled, or the loss or interest carry-forwards are used. Changes in deferred tax assets and liabilities are reflected in income taxes in the statement of profit or loss. The exceptions are changes that are to be recognized in other comprehensive income directly in equity, as well as effects from acquisitions.

In principle, tax rates and tax rules are used that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit at the level of the relevant tax authority will be available for the utilization of the deductible temporary differences or losses carried forward.

The Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views, which can be complex and subject to different interpretations by

taxpayers and local tax authorities. The amount of uncertain tax positions is determined on the basis of the best estimate of expected tax payments.

In 2021, more than 130 countries agreed on the introduction of a minimum taxation (so-called Pillar Two) for multinational groups with global sales revenues exceeding €750 million. The aim of minimum taxation is that the companies concerned pay an effective corporate tax rate of 15%. As soon as the changes in the tax laws in the countries in which the Group operates come into effect, the Group may be subject to the minimum tax. At the time these consolidated financial statements are authorized for issue, tax legislation relating to the minimum tax does not apply in any of the countries where the Group operates. As of December 31, 2022, the Group had no sufficient information to determine the potential quantitative impact.

Deferred tax assets have to be recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will be recovered.

Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account.

Deferred Tax Assets

For losses of €141 million to be carried forward (prior year: €128 million), no deferred tax amounts were recognized because of the lack of foreseeability of future taxable profits. Of these unused tax losses, €6.0 million can still be carried forward for a limited time (prior year: €7.1 million), of which €4.1 million will expire in the next five years (prior year: €5.2 million). In addition, the Group had unused interest carry-forwards in the amount of €3.0 million (prior year: €2.1 million). No deferred tax assets were considered for these carry-forwards in the reporting year as in the prior year. Furthermore, no deferred tax assets were recognized for deductible temporary differences amounting to €20 million (prior year: €30 million).

Deferred tax assets of about €3 million (prior year: about €1 million) relate to companies that reported losses in the year under review or in the prior reporting period. These losses carried forward were reported as assets to the extent that it is assumed that taxable profits will be available in the future, against which the unused tax losses and the deductible temporary differences can be offset.

Deferred Tax Liabilities

The deferred tax liabilities in connection with intangible assets essentially relate to assets acquired in business combinations and, consequently, are mainly linked to customer relationships and technologies.

For temporary differences in connection with shares in subsidiaries, which amounted to €87 million (prior year: €55 million), deferred tax liabilities were not recognized on these differences, as the Group controls the development of the temporary differences and the realization of such liabilities is not expected within the foreseeable future.

The income taxes recognized in other comprehensive income are disclosed in the following table:

In millions of €	2022	2021
Cash flow hedges	1.8	7.1
Remeasurements of the net defined benefit liability	-3.6	-1.2
Net investment in a foreign operation	2.0	-10.3
Currency translation	-0.2	-2.3
Total	0.0	-6.7

19. Inventories

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Raw materials and supplies	454.8	307.1
Work in progress	239.9	210.8
Finished goods and merchandise	466.1	356.2
Payments on account	18.3	18.8
	1,179.1	892.8

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Gross amount of inventories	1,278.8	961.5
Write-downs	-99.7	-68.7
Net amount of inventories	1,179.1	892.8

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. In principle, finished goods and work in progress are reported at cost of conversion. This cost includes direct costs attributable to these materials and the appropriate portion of production and material handling overheads, general administrative expenses, and depreciation and/or amortization of non-current assets, provided that these expenses are caused by production.

Inventories must be measured at the lower of cost and the net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for marketing, sales, and distribution. Where inventory risks exist, such as the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly.

20. Issued Capital

The issued capital of Sartorius AG is divided into 37,440,000 bearer ordinary shares and 37,440,000 non-voting preference shares, each with a calculated par value of €1.00. Preference share owners receive an increased dividend (surplus dividend) of €0.01 per preference share from the distributable profit; however, the dividend must amount to at least €0.02 per preference share. All shares are fully paid up.

Sartorius AG exercised the authority granted at the Annual General Meeting on June 21, 2000, to repurchase treasury shares in the amount of €16,082K pursuant to Section 71 (1), no. 8 of the German Stock Corporation Act (AktG). As required by IAS 32, treasury shares were deducted from equity and capital reserves.

These shares are held in particular as currency for future acquisitions of companies. From October 27, 2000, to the reporting date, a total of 831,944 ordinary shares were repurchased at an average price of €11.27 and a total of 840,983 preference shares at an average price of €7.98. In December 2015, 25,000 ordinary shares and 25,000 preference shares were issued to the CEO and Executive Board Chairman Dr. Joachim Kreuzburg in accordance with his 2014 remuneration agreement. In November 2020, 13,785 ordinary shares and 13,785 preference shares were issued to the CEO and Executive Board Chairman Dr. Joachim Kreuzburg in accordance with his 2019 remuneration agreement.

Following the stock split carried out in 2016, 3,213,991 ordinary shares and 3,250,147 preference shares remain as treasury stock, representing a proportion of €6,464 K (8.6%) of the share capital.

As in the prior year, no treasury shares were purchased in fiscal 2022.

21. Reserves

Capital Reserves

Capital reserves include the amounts generated above the nominal amount in previous years, when Sartorius AG issued shares. As part of the stock split, an amount of €51.3 million was reclassified from capital reserves to issued capital.

In fiscal 2022, capital reserves rose by €1.3 million (prior year: €1.3 million) due to the employee benefits expense to be offset in connection with the share-based remuneration agreement with Dr. Kreuzburg.

Cash Flow Hedging Reserves

Amounts recognized in other comprehensive income as part of an effective hedging relationship are transferred to the cash flow hedging reserves. In particular, these are fluctuations in the fair value of currency hedges as well as their respective tax effects. The cumulative amount transferred to other comprehensive income as of the reporting date stands at -€15.2 million (prior year: -€9.3 million).

Pension Reserves

Actuarial gains and losses from defined benefit plan commitments, including their respective tax effects, are included in pension reserves. For further details, see Note 23.

22. Non-Controlling Interest

The Sartorius Stedim Biotech subgroup headquartered in Aubagne, France, accounts for the majority of non-controlling interest in the Sartorius Group. The latter holds approximately 74% of the capital and 85% of the voting rights in this subgroup. The following subsidiaries account for further non-controlling interest amounts:

- ALS Automated Lab Solutions GmbH, Jena, Germany (share capital of the Group: 62.5%)
- Sartorius CellGenix GmbH, Fribourg i. B., Germany (51%)
- Sartorius Korea Biotech, Seoul, South Korea (69%)
- Sartorius Thailand, Bangkok, Thailand (33%)

In 2022, the Group purchased the remaining interest of about 30% in Biological Industries Israel Beit Haemek Ltd. for a purchase price of approximately €39.1 million in cash. The corresponding cash flow is presented within cash flow from financing activities. The financial liability that had been recognized for the corresponding

put option of the non-controlling interest amounting to €44.5million has been reclassified to retained earnings. The impact on the non-controlling interest and the equity attributable to the owners of the parent is presented in the statement of changes in equity.

Sartorius Thailand is consolidated due to contractual arrangements over the exercise of voting rights that ensure control.

In millions of €	2022	2021
Cumulative non-controlling interest as of Dec. 31		
Sartorius Stedim Biotech	597.2	384.2
Sartorius CellGenix GmbH	52.0	50.7
Other	19.9	25.0
	669.1	459.9
Profit or loss allocated to non-controlling interest		
Sartorius Stedim Biotech	231.3	108.5
Sartorius CellGenix GmbH	1.3	-3.7
Other	2.3	3.3
	235.0	108.1
Dividends paid to non-controlling interest		
Sartorius Stedim Biotech	30.6	16.4
Sartorius CellGenix GmbH	0.0	0.0
Other	1.6	1.1
	32.3	17.5

The following condensed financial information refers to the Sartorius Stedim Biotech Group:

Condensed Statement of Financial Position

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Non-current assets	3,394.2	2,495.5
Current assets	1,671.2	1,455.6
	5,065.4	3,951.1
Equity	2,514.2	1,733.2
Non-current liabilities	1,515.3	1,180.8
Current liabilities	1,035.9	1,037.1
	5,065.4	3,951.1

Condensed Statement of Profit or Loss and Other Comprehensive Income

In millions of €	2022	2021
Sales revenue	3,492.7	2,887.0
Profit before tax	1,130.4	646.7
Income taxes	-250.5	-232.4
Net profit for the period	879.9	414.3
Other comprehensive income after tax	-6.2	42.9
Total comprehensive income	873.7	457.2

Condensed Statement of Cash Flows

In millions of €	2022	2021
Cash flow from operating activities	612.3	701.9
Cash flow from investing activities	-957.5	-465.2
Cash flow from financing activities	220.7	-77.7
Change in cash and cash equivalents	-124.5	159.0
Cash and cash equivalents at the beginning of the period	223.6	59.8
Net effect of currency translation on cash and cash equivalents	8.0	4.8
Cash and cash equivalents at the end of the period	107.1	223.6

The following condensed financial information refer to Sartorius CellGenix GmbH:

Condensed Statement of Financial Position

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Non-current assets	98.4	111.2
Current assets	47.3	33.1
	145.7	144.3
Equity	106.2	103.4
Non-current liabilities	31.1	36.0
Current liabilities	8.5	4.8
	145.7	144.3

Condensed Statement of Profit or Loss and Other Comprehensive Income

In millions of €	2022	2021
Sales revenue	32.0	12.5
Net profit for the period	2.8	-7.6

The prior year's figures relate to the period since the acquisition of the company on July 2, 2021.

23. Pension and Employee Benefits Provisions

Defined Contribution Plans

Most companies in the Group have defined contribution plans, frequently in the form of government-backed retirement insurances. In fiscal 2022, an amount of €60.6million was recognized for defined contribution plans (prior year: €51.9million).

Defined Benefit Plans

Pension provisions and similar obligations are recognized in accordance with IAS 19, Employee Benefits, applying the projected unit credit method. Under this method, obligations for pensions and other post-employment benefits are determined in accordance with actuarial valuations. In addition to known pensions and entitlements, these valuations rely on certain assumptions including discount rates, future salary and pension increases, and mortality rates.

The assumed discount factors reflect the interest rates that were paid on the reporting date for prime corporate (industrial) bonds with matching maturities and denominated in the relevant currencies. If such

corporate bonds are not available with matching long-term maturities or are insufficiently available, their matching interest rates are determined by extrapolation.

Due to changing market and economic conditions, the underlying key assumptions may differ from actual developments and may lead to significant changes in pension and other post-employment benefit obligations. All resulting differences are shown directly in other comprehensive income of the respective period according to IAS 19 and do therefore not affect profit or loss. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled -€21.2million (prior year: -€40.8million).

An amount of €44.1million (prior year: €57.4million) relates in particular to the net amount of pension provisions for retirement pension plans in Germany. These provisions are based on direct commitments to employees under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The pension benefits are generally not funded by assets. A substantial portion of these provisions relates to Sartorius AG. In this case, the obligations measured pertain, firstly, to the General Pension Plan ("Allgemeine Versorgungsordnung") for employees whose employment commenced prior to January 1, 1983. Secondly, individual commitments have been made to current and former Executive Board members and executives.

Measurement of the post-employment benefit obligations of the German Group companies is based on the following actuarial assumptions:

	2022	2021
Discount rate	3.16%	0.90%
Future salary increases	3.00%	3.00%
Future pension increases	2.10%	2.00%

Concerning the assumptions on mortality and invalidity, the actuarial tables (RT) 2018 G compiled by Klaus Heubeck were used.

The following parameters were used for the French companies:

	2022	2021
Discount rate	3.60%	0.90%
Future salary increases	2.25%	2.00%

The amounts reported in the statement of profit or loss and in the statement of comprehensive income consist of the following:

In millions of €	2022	2021
Service cost	2.6	2.2
Net interest cost	0.6	0.3
Components of defined benefit costs recognized in profit or loss	3.2	2.5
Return on plan assets (excl. interest)	-0.2	0.0
Actuarial gains losses	-19.4	-3.7
Components of defined benefit costs recognized in other comprehensive income	-19.6	-3.7
Total defined benefit costs	-16.4	-1.2

In the statement of profit or loss, the current service cost is disclosed according to the assignment of employees to the respective functions.

The net amount or present value included in the consolidated statement of financial position arising from the Group's obligation in respect of defined benefit plans is as follows:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Present value of obligations	79.3	97.4
Fair value of the plan assets	21.8	22.0
Net liability	57.5	75.4

Defined Benefit Obligation

In millions of €	2022	2021
Present value of obligations as of Jan. 1	97.4	98.4
Current service cost	3.5	3.4
Past service cost	-0.9	-1.2
Interest cost	0.9	0.5
Actuarial gains losses	-19.5	-3.8
Currency translation differences	0.9	0.8
Retirement benefits paid in the reporting year	-8.3	-2.6
Employer contributions	0.6	0.3
Employee contributions	0.8	0.5
Change in the scope of consolidation	0.0	0.0
Contributions by the plan participants	3.1	2.5
Other changes	0.7	-1.5
Present value of obligations as of Dec. 31	79.3	97.4

The actuarial gains and losses of the defined benefit obligation are allocated as follows:

In millions of €	2022	2021
Experience adjustments	4.0	2.2
Changes in demographic assumptions	-5.5	-1.0
Changes in financial assumptions	-18.0	-5.0
Total	-19.5	-3.8

Plan Assets

In millions of €	2022	2021
Plan assets at Jan. 1	22.0	18.1
Interest income	0.3	0.2
Return on plan assets (excl. interest)	0.2	0.0
Actuarial gains losses	-0.1	-0.1
Group contribution & payments	-6.9	-2.0
Employee contributions	0.8	0.5
Currency translation differences	0.7	0.6
Employer contributions	3.3	2.2
Contributions by the plan participants	3.2	2.5
Other changes	-1.7	0.0
Plan assets as of Dec. 31	21.8	22.0

Composition of Plan Assets

Plan assets essentially consist of insurance contracts with insurance companies in Germany and Switzerland. An amount of €6.3 million (prior year: €7.6 million) is held by local banks as securities for subsidiaries in South Korea.

Risks

The defined benefit plans do not entail any significant entity-specific or plan-specific risks. Due to the rather low coverage of the defined benefit obligation by plan assets, liquidity risks arise in principle, which are immaterial for the Group due to their low monetary amount.

Sensitivity Analysis

An increase or a decrease in the actuarial assumptions would have the following impacts on the defined benefit obligations for the year ended December 31, 2022 (a plus sign before the number indicates an increase in the obligation):

Demographic assumptions

	-1 year	+1 year
Change in life expectancy	-1 year	+1 year
Effect	-2.9	3.0

Financial assumptions

	-100 bps	+100 bps
Change in discount rate	-100 bps	+100 bps
Effect	9.1	-7.3
Change in future salary increase	-50 bps	+50 bps
Effect	-2.1	2.3
Change in future pension increase	-25 bps	+25 bps
Effect	-2.4	2.5

Present value of the defined benefit obligations for the year ended December 31, 2021:

Demographic assumptions

	-1 year	+1 year
Change in life expectancy		
Effect	-3.9	4.0

Financial assumptions

	-100 bps	+100 bps
Change in discount rate		
Effect	12.9	-11.2
Change in future salary increase	-50 bps	+50 bps
Effect	-2.6	2.7
Change in future pension increase	-25 bps	+25 bps
Effect	-3.2	3.4

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, as it is unlikely that changes in assumptions occur in isolation. Furthermore, the present value of the defined benefit obligation was calculated using the same method that was applied in calculating the defined benefit obligation liability recognized in the statement of financial position (projected unit credit method).

Maturity Analysis

The undiscounted cash flows from defined benefit obligations can be allocated to maturities as follows:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
< 1 year	4.8	4.3
1-5 years	18.4	17.0
6-10 years	28.9	27.0
>10 years	145.3	138.0

The weighted average duration of the defined benefit obligations is 13.8 years (prior year: 15.4 years).

For fiscal 2023, payments of €6.2 million for defined benefit plan commitments are expected (prior year: €5.8 million). These cover contributions to plan assets and payment of retirement benefits.

24. Other Provisions

Provisions are recognized if a legal or constructive obligation or liability to third parties exists and if an outflow of resources is probable and the expected obligation can be reliably estimated. The amount recognized for a provision represents the best estimate of the obligation at the reporting date.

To determine the amount of the obligations, certain estimates and assumptions need to be applied, including an evaluation of the probability that such an obligation could occur, and the amount of costs incurred. Typically, significant uncertainties are involved in the determination of provisions related to onerous contracts, warranty costs, closure of business locations, asset retirement obligations, and legal proceedings.

Non-Current Provisions

In millions of €	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2021	5.1	6.8	11.9
Change in the scope of consolidation	0.0	0.0	0.0
Currency translation	0.0	0.0	0.0
Consumption	-2.4	-0.4	-2.8
Reversals Utilization	0.0	-0.1	-0.1
Additions	3.7	0.7	4.3
Balance at Dec. 31, 2021	6.3	7.0	13.3

In millions of €	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2022	6.3	7.0	13.3
Change in the scope of consolidation	0.0	3.2	3.2
Currency translation	0.0	-0.2	-0.2
Consumption	-2.9	-0.4	-3.3
Reclassifications	0.0	2.4	2.4
Reversals Utilization	0.0	-1.2	-1.2
Additions	3.4	2.5	6.0
Balance at Dec. 31, 2022	6.8	13.4	20.2

The non-current provisions comprise mainly provisions for partial retirement agreements, a type of early retirement plan, and employee bonuses for their company anniversaries. These obligations arise mainly at German Group companies. In addition, the long-term obligations in connection with the newly introduced so-called Long-Term Incentive Program ("LTI Program", see Note 42) are also reported under this position since fiscal 2022.

The early retirement plans are partial retirement plans that permit employees to work part-time for 3 to 5 years directly before they are due to retire at the legal retirement age and that are financially supported by the company. According to IAS 19, the expenses related to severance payments to be earned in future periods must be spread over the active employee's respective remaining period of service. Actuarial gains and losses, as well as past service costs, are to be recognized in profit or loss.

Bonuses for service anniversaries are generally granted to employees who have completed 20, 25, 30, and 40 years of service and cover additional special vacation as well as relatively small amounts of money.

Non-current provisions are reported at their present value on the reporting date. The discount rate is -2.9% (prior year: -0.2%) for employees on the early retirement plan and 3.16% (prior year: 0.77%) for provisions recognized for service anniversaries. In fiscal 2021 and 2022, the effect of compounding non-current provisions, including the effects of changes in the interest rate, were immaterial.

Current Provisions

In millions of €	Warranties	Other	Total
Balance at Jan. 1, 2021	13.2	16.3	29.5
Currency translation	0.8	0.1	0.9
Consumption	-1.1	-1.1	-2.2
Reversals	-4.0	-3.6	-7.6
Additions	25.7	11.6	37.3
Balance at Dec. 31, 2021	34.7	23.7	58.4

In millions of €	Warranties	Other	Total
Balance at Jan. 1, 2022	34.7	23.7	58.4
Currency translation	0.6	-0.1	0.5
Consumption	-1.9	-1.6	-3.5
Reversals	-11.0	-7.2	-18.2
Additions	23.9	5.3	29.2
Balance at Dec. 31, 2022	48.5	17.9	66.4

Provisions for warranties cover expected replacement deliveries and repairs. Such provisions are recognized to cover individual risks, provided that their occurrence is more likely than not, as well as to cover general warranty risks based on past experience.

Other provisions include those for pending losses on onerous contracts and for uncertain obligations concerning employee benefits, as well as provisions for interest in connection with tax risks.

25. Other Liabilities

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Tax and social security	52.2	54.5
Other	97.3	80.2
Other liabilities	149.5	134.7

26. Employee Benefits

The liabilities for employee benefits reflect the following accruals for personnel expenses:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Variable benefits	67.9	108.2
Vacation and overtime	25.0	17.0
Other	21.5	28.7
Employee benefits	114.3	153.9

Financial Instruments | Financial Risks

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Such financial instruments are recognized on the trade date. The following sections provide a comprehensive overview of the relevance of financial instruments to Sartorius and additional information on the items of the statement of financial position that include financial instruments.

Financial assets are primarily comprised of cash and cash equivalents, trade receivables, as well as derivatives with a positive fair value.

Financial liabilities of the Group mainly comprise loans from banks, trade payables, lease liabilities, and derivative financial instruments with a negative fair value. Furthermore, material financial liabilities result from contingent consideration according to IFRS 3 and from written put options over non-controlling interests. Except for derivative financial instruments and contingent consideration, financial liabilities are measured at amortized cost using the effective interest method.

27. Financial Instruments: Significant Accounting Policies

Financial instruments are accounted for according to IFRS 9, Financial Instruments. Under IFRS 9, the classification and measurement approach for financial assets reflects both the entity's business model (held-to-collect, held-to-collect-and-sell, other) within the scope of which assets are held and the contractual cash flow characteristics ("SPPI" criterion: solely payments of principal and interest). There were no reclassifications of financial instruments during the reporting period.

With regard to the impairment of financial assets, IFRS 9 sets out an expected-loss model. Financial assets are generally regarded as credit-impaired when there are objective indications that cast doubt on the probability of fully collecting the cash flows of the respective financial assets. With regard to the financial assets of the Group, the simplified approach applied to trade receivables is of particular importance.

Aside from trade receivables, cash and cash equivalents are the most material financial assets on the Group's statement of financial position as of the reporting date, December 31, 2022. No impairment is recognized for these financial assets due to materiality considerations. As on the last reporting date, for the remaining financial assets that are measured at amortized cost, no impairment is recognized as of December 31, 2022, for the 12-month expected credit losses, given the Group's immaterial historical losses.

Derivatives such as forward contracts on foreign currencies are measured at fair value. In this context, the derivatives are recognized at fair value calculated applying recognized mathematical methods. The fair values are based on the market data available at the time the value of these derivatives is calculated. Instruments that are not designated as hedging instruments and to which no hedge accounting is applied are classified as held for trading. Changes in the fair values of derivative financial instruments are either recognized in profit or loss or, in the case of hedging relationships, in other comprehensive income.

The Group applies the hedge accounting rules of IFRS 9. The Group uses forward transactions to hedge cash flow risks that result from changes in foreign exchange rates in relation to sales of products and the production activities, and designates only the spot element of the hedging instrument.

Financial Assets

28. Cash and Cash Equivalents

The Group considers all highly liquid investments with up to three months' maturity from the date of acquisition to be cash or cash equivalents. These mainly comprise deposits in banks. Cash and cash equivalents are measured at cost. As of the reporting date on December 31, 2022, cash and cash equivalents stood at around €165.9 million (prior year: €342.8 million).

29. Current Trade and Other Receivables

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Trade receivables from third parties	470.3	419.9
Contract assets (IFRS 15)	13.8	4.1
Receivables from non-consolidated affiliates	0.4	0.0
Trade receivables	484.5	424.0

The carrying amounts of trade receivables approximate the receivables' fair value due to their short maturities. Contract assets result from customer-specific construction contracts that meet the criteria for recognition of revenue over time in accordance with IFRS 15 (see Note 9). The amount of trade receivables presented as of December 31, 2022, is reduced by €240.0 million as a result of factoring because substantially all risks and rewards in relation to the financial assets sold were transferred to the buyer (prior year: €168.1 million). In particular, credit risk and any foreign exchange rate risks were transferred completely.

Impairment losses on trade and other receivables are recognized using separate allowance accounts. For information on how these allowances were determined, see Note 40.

30. Other Financial Assets

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Derivative financial instruments	8.1	1.5
Loan receivables from affiliates	8.4	5.3
Miscellaneous other financial assets	30.9	18.2
Other financial assets	47.4	24.9

The carrying amount of derivatives represents the positive market values of currency hedges. The remaining other financial assets are measured at amortized cost, less any impairment losses, by application of the effective interest method.

Financial Liabilities

31. Loans and Borrowings and Lease Liabilities

In millions of €	Balance at Dec. 31, 2022	Of which non- current	Balance at Dec. 31, 2021	Of which non- current
Loans and borrowings	2,397.6	1,873.8	1,960.4	1,649.1
Lease liabilities	143.6	112.4	115.0	88.9
	2,541.2	1,986.2	2,075.5	1,738.0

A major pillar of financing for the Sartorius Group is the syndicated credit line of €800 million concluded in May 2022 with a minimum maturity up to 2027, which can be extended in spring 2023 and in spring 2024 for one year each upon unanimous agreement of the parties. On the reporting date, this credit line is utilized to the extent of €80 million (prior year: €0 million). Further elements of the company's financing are various note loans ("Schuldscheindarlehen") placed in 2016, 2017, 2020, and 2022, respectively, with a total volume on the reporting date of approximately €1,550 million and original maturities of up to 13 years. An additional amount of €210 million of the note loans issued in 2022 will be paid out in the first quarter of 2023. Furthermore, the company has several current and non-current loans totaling around €665 million.

These predominantly long-term financing instruments are supplemented by various short-term credit lines totaling around €475 million.

32. Other Non-Current Liabilities

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Liabilities for the acquisition of non-controlling interests	134.2	211.7
Contingent considerations	76.2	194.9
Liability for phantom stock units in connection with the AllPure acquisition	0.0	7.8
Other liabilities	5.8	7.4
Total	216.2	421.8

For the liabilities resulting from the contingent consideration agreements in connection with the acquisitions of BIA Separations, WaterSep BioSeparations, and Xell, as well as for the liabilities in connection with the potential acquisition of the remaining non-controlling interest in Sartorius CellGenix and ALS Automated Lab Solutions GmbH due to the put options of the owners, see Notes 8 and 35. The liability in connection with the acquisition of AllPure was settled in advance in the reporting period.

Furthermore, the Group agreed with the former non-controlling shareholders of Biological Industries to acquire the remaining 30% of the shares in the entity earlier and acquired these shares already in fiscal 2022 (see Note 22).

33. Trade Payables

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Payments received on account of orders ¹	247.1	232.0
Trade payables to third parties	303.1	281.9
Payables to affiliated companies	1.8	1.1
Trade payables	551.9	515.0

¹ Contract liabilities according to IFRS 15 (see Note 9).

34. Other Current Financial Liabilities

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Derivative financial instruments	11.3	11.5
Liabilities for the acquisition of non-controlling interests	66.1	6.3
Refund liabilities (IFRS 15)	29.5	21.9
Other	37.3	129.3
Other financial liabilities	144.2	169.0

In the reporting period, the liabilities for the potential acquisition of non-controlling interests include the current portion of the liability for the potential acquisition of the remaining shares in Sartorius CellGenix (prior year: Biological Industries). On the preceding reporting date, the position "Other" included the current portion of the contingent consideration in connection with the acquisition of BIA Separations (€97.9 million). For the acquisition of the non-controlling interest in Biological Industries in 2022, see Note 22. For the settlement of the first tranche of the contingent consideration in connection with the acquisition of BIA Separations in fiscal 2022, see Note 35.

35. Carrying Amounts and Fair Values

The following table shows the carrying amounts and fair values of the Group's financial instruments according to IFRS 9 as of December 31, 2022, and as of December 31, 2021:

In millions of €	Category acc. to IFRS 9	Carrying amount Dec. 31, 2022	Fair value Dec. 31, 2022	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
Investments in non-consolidated subsidiaries	n/a	45.4	45.4	31.6	31.6
Financial investments	Equity instruments at fair value through profit or loss	4.4	4.4	4.5	4.5
Financial investments	Equity instruments at fair value through other comprehensive income	67.7	67.7	0.0	0.0
Financial investments	Debt instruments at fair value through profit or loss	26.4	26.4	17.3	17.3
Financial assets	Measured at amortized cost	7.0	7.0	7.4	7.4
Financial assets (non-current)		150.9	150.9	60.8	60.8
Amounts due from customers for contract work (contract assets)	n/a	13.8	13.8	4.1	4.1
Trade receivables	Debt instruments at fair value through other comprehensive income	213.9	213.9	180.9	180.9
Trade receivables	Measured at amortized cost	256.7	256.7	239.0	239.0
Trade receivables		484.5	484.5	424.0	424.0
Receivables and other assets	Measured at amortized cost	39.3	39.3	23.4	23.4
Derivative financial instruments in hedge relationships ¹	n/a	8.1	8.1	1.5	1.5
Other financial assets (current)		47.4	47.4	24.9	24.9
Cash and cash equivalents	Measured at amortized cost	165.9	165.9	342.8	342.8
Loans and borrowings	Financial liabilities at cost	2,397.6	2,241.5	1,960.4	1,986.6
Trade payables	Financial liabilities at cost	304.9	304.9	283.0	283.0
Trade payables payments received for orders (contract liabilities)	n/a	247.1	247.1	232.0	232.0
Trade payables		551.9	551.9	515.0	515.0
Derivative financial instruments in hedge relationships ¹	n/a	11.4	11.4	11.5	11.5
Other financial liabilities	Financial liabilities at fair value through profit or loss	76.2	76.2	292.8	292.8
Other financial liabilities	Financial liabilities at cost	273.0	258.6	286.5	286.1
Other financial liabilities		360.5	346.2	590.8	590.4

¹ The amounts include the non-designated portion of the derivatives with a total amount of -€6.2 million (prior year: -€0.6 million).

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date, and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors that can be derived

from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

The financial instruments recognized at fair value as at December 31, 2022, relate especially to the contingent considerations in connection with the acquisitions of BIA Separations, WaterSep BioSeparations, and Xell. Since the valuations depend, among other factors, on the predicted sales performance of the acquired businesses, the valuations are regarded as Level 3 inputs. The valuations are performed using updated valuation parameters on the reporting date.

In connection with the acquisition of BIA Separations, the parties agreed on three tranches of earn-out payments based on the sales performance of BIA Separations over the five fiscal years subsequent to the acquisition. Depending on this sales performance, the sellers are entitled to receive additional shares in Sartorius Stedim Biotech S.A. The valuation of this liability considers the expected future sales performance and the assumed number of shares to be transferred, as well as the present value of the expected future share prices at the expected settlement dates. As of the reporting date on December 31, 2022, the fair value of the remaining contingent consideration liability was measured at €72.1million. The change since December 31, 2021 (value: €288.2million; thereof current: €97.9million) mainly reflects the decline of the share price of Sartorius Stedim Biotech S.A. as well as the settlement of the first tranche that was reported as a current liability in the 2021 consolidated financial statements (value upon settlement in first half of 2022: €68.1million). Furthermore, the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates on December 31, 2022. The difference between the valuation as of December 31, 2021, and the reporting date that is not related to the settlement amount described above amounts to €148.0million and was recognized in the financial result.

The key input parameters for the valuation of the financial liability are the sales revenue expectations for the next plan years as well as the share price of Sartorius Stedim Biotech S.A. at the respective valuation date. The valuation results are less sensitive to realistic changes in other valuation parameters, e.g., the discount rates applied. Assuming 20% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date by approximately €29.5million (decrease by approximately €26.9million). If the share price had been 20% higher (lower) at the reporting date, the liability would have been €14.4million higher (€14.4million lower). The actual future outcomes may differ from these sensitivities, which are determined by changing only the respective key input parameter in isolation. The lower end of the bandwidth of possible outcomes of the remaining tranches of this contingent consideration is zero, while the upper limit cannot be quantified due to settlement in shares.

In connection with the acquisition of WaterSep BioSeparations, the parties agreed on an earn-out component, which depends on the future sales revenue in the years of 2021 to 2023 and is due in 2024. The lower (upper) end of the bandwidth of possible outcomes of this contingent consideration remains zero (US\$9million). This contingent consideration was measured at a fair value of €3.0million on the reporting date of December 31, 2022. The change since December 31, 2021 (value: €2.6million) amounting to €0.4million was recognized within the financial result.

In connection with the acquisition of Xell AG, the sellers were granted two additional earn-out components, which are due in 2024 and 2026 and depend on future sales revenues in the years 2022 to 2025. On the reporting date of December 31, 2022, the fair value of the financial liability amounts to €1.1million. The change since December 31, 2021 (value: €2.0million) amounting to €0.9million was recognized within the financial result. Assuming 10% higher (lower) sales revenues in each of the remaining years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €0.9million (decrease of approximately €0.6million). The lower (upper) end of the bandwidth of possible outcomes of this contingent considerations remains zero (€25.6million).

The remaining financial instruments recognized at fair value on the reporting date are mainly trade receivables of the entities participating in the factoring program that are therefore part of a portfolio that is “held-to-collect-and-sell,” as well as derivatives in the form of forward contracts. These trade receivables are valued in the same way as trade receivables measured at amortized cost due to their short contractual maturities and immaterial credit risks. The derivatives were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The investment in the Swedish BICO Group AB (shareholding of about 10%) acquired in December 2022 is measured at fair value according to IFRS 9. Due to the stock exchange listing on Nasdaq Stockholm, the fair value is measured regularly on the basis of the current share price on the reporting date (Level 1). The value changes of this investment are recognized in other comprehensive income in accordance with the policy choice provided by IFRS 9 due to the volatility resulting from the stock exchange listing. On the reporting date, the fair value of the investment amounted to €67.7million. The value change recognized in other comprehensive income amounts to about €16.5million.

The remaining “financial investments” measured at fair value are measured on the basis of the most recent reliable indicators available as of the reporting date, e.g., on the basis of the most recent financing round, the latest investor’s updates, or at historical cost of acquisition (Level 3).

The fair values disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans (“Schuldscheindarlehen”), were measured on the basis of the yield curve, taking the current indicative credit spreads into account (Level 2). The liabilities for the acquisitions of the remaining non-controlling interests in ALS Automated Lab Solutions GmbH (see Note 8) and Sartorius CellGenix GmbH are reported under “Other financial liabilities” and are measured using the effective interest rate method, with any changes recognized directly in equity. The liability in relation to the latter entity is divided into a current amount of €66.1million and a non-current amount of €102.8million on the reporting date of December 31, 2022. The non-current portion is variable and depends on the future sales of the CellGenix business in the next three years. Assuming 10% higher (lower) sales revenues compared to the current plan in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €6.2million (decrease of approximately €6.7million).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts because of their predominantly short maturities. The maximum default risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which the change has occurred. In the current reporting period, there were no transfers between the levels.

36. Net Result for Financial Instruments

The net gains and losses of the various categories of financial instruments are presented in the following table:

Category acc. to IFRS 9 in millions of €	2022	2021
Financial assets at amortized cost	19.3	17.7
Financial assets and liabilities at fair value through profit or loss	151.3	-207.5
Debt instruments at fair value through other comprehensive income	-2.4	1.8
Equity instruments at fair value through other comprehensive income	16.5	0.0
Financial liabilities at cost	-16.2	-14.1

The net result of financial assets measured at amortized cost primarily consists of currency translation effects as well as changes in allowances.

The net result of financial assets and liabilities measured at fair value through profit or loss consists primarily of changes in the fair value of derivative financial instruments as well as of interest income and expenses for these instruments, and of changes in the value of contingent consideration in connection with business combinations (see Note 35).

The valuation gains for the investment in BICO Group AB recognized in other comprehensive income is separately presented under equity instruments at fair value through other comprehensive income (see Note 35). The net result of the remaining financial instruments at fair value through other comprehensive income consists of income and expenses in connection with trade receivables that are not solely held to collect contractual cash flows, but may also be sold under the factoring program.

The net result of liabilities measured at amortized cost mainly consists of the effects of foreign currency translation.

The total interest income and expenses for financial assets and liabilities that are not recognized at fair value through profit and loss are as follows:

In millions of €	2022	2021
Interest income	2.5	1.7
Interest expenses	-27.7	-22.7

Capital and Financial Risk Management

Capital Management

In the Sartorius Group, capital is managed in order to maximize earnings of the company's stakeholders by optimizing the ratio of equity to liabilities.

Furthermore, we ensure that all Group companies operate under the premise of the going-concern principle. The financial liabilities described in Note 31 are regarded as managed capital, as are the cash and cash equivalents and equity capital.

Goals of Financial Risk Management

The Treasury Management unit of the Group coordinates access to national and international financial markets. In addition, the Treasury Management unit monitors and controls financial risks, which essentially entail currency, interest rate, liquidity, and credit risks.

The Sartorius Group strives to minimize the impact of currency and interest rate risks using (derivative) financial instruments. Hedging transactions and their control are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Derivative financial instruments are traded for hedging purposes only.

37. Management of Exchange Rate Risks and Hedge Accounting

Management of Exchange Rate Risks

The Group is exposed to currency risks, as approximately two-thirds of its sales revenue is generated in foreign currencies and, of this amount, approximately two-thirds is generated in U.S. dollars. At the same time, Sartorius' global manufacturing network enables the company to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. The remaining net currency exposures are hedged according to a cash flow at risk (CfaR) model within the limits of a risk budget with derivative financial instruments. The resulting hedge ratios reach up to 80% for the relevant currencies, respectively. The Group generally follows a rolling hedging strategy of up to 12 months in advance. These hedging measures are reviewed at regular intervals in the light of current market risk parameters and adapted where necessary.

On the basis of the material forward contracts concluded by the end of the reporting date, we secure the right, and simultaneously create the obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the actual exchange rate on that date. The profit or loss resulting from the difference between the current and the previously agreed exchange rate is generally recognized as income or expense in the statement of profit or loss.

The following table shows the forward transactions as of the reporting date:

December 31, 2021	Currency	Volume in millions	Maturity	Fair value in millions of €
Forward contract	USD	426.7	2022	-10.2
	USD	426.7		-10.2
Forward contract	JPY	3,750.0	2022	0.2
	JPY	3,750.0		0.2
Forward contract	CHF	-5.0	2022	0.0
	CHF	-5.0		0.0
Forward contract	GBP	93.8	2022	0.2
	GBP	93.8		0.2
Forward contract	SEK	120.0	2022	-0.1
	SEK	120.0		-0.1

December 31, 2022	Currency	Volume in millions	Maturity	Fair value in millions of €
Forward contract	USD	549.1	2023	-3.3
	USD	549.1		-3.3
Forward contract	JPY	6,690.0	2023	0.7
	JPY	450.0	2024	-0.1
	JPY	7,140.0		0.6
Forward contract	CHF	8.0	2023	0.0
	CHF	8.0		0.0
Forward contract	GBP	5.0	2023	-0.1
	GBP	5.0		-0.1
Forward contract	SEK	87.0	2023	-0.5
	SEK	87.0		-0.5

Sartorius uses a cash flow at risk (CfaR) model to measure foreign currency risk. The basis for the analysis of foreign currency risks are the expected cash inflows and outflows in foreign currencies (so-called net exposures). The total foreign currency risk to which all absolute values of the net exposures are aggregated is as follows at the reporting date for the following 12 months:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Foreign currency exposure	1,100.4	1,056.0
Of which short positions	189.9	58.0

The risk position of the Group is reflected by the CfaR that remains after considering all hedging activities of the Group. The CfaR approach takes into account the impact of possible currency fluctuations on the cash flows in foreign currencies (against the euro) on the basis of probability distributions. In this context, the covariances of the foreign currencies weighted with the net exposures serve as input factors for the estimation of portfolio volatility, which is decisive for determining the CfaR. Correlations between the currencies are taken into account in this method as risk is reduced in the risk aggregation.

The possible negative impact on EBITDA is determined for each currency based on actual exchange rates and net exposures with a confidence level of 95% for the next 12 months. The following table presents the possible negative impact for the Group as determined by the CfaR approach for the following 12 months:

In millions of €	Dec. 31, 2022	Dec. 31, 2021
Cashflow-at-Risk	32.7	37.0

Hedge Accounting

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent reporting dates. The changes in value of the derivative financial instruments are generally recognized in the statement of profit or loss on the reporting date.

If the derivative financial instruments are used to hedge cash flow risks arising from exchange rate risks and a qualifying hedging relationship exists based on the criteria of IFRS 9, the valuation adjustments for the effective portion are recognized in other comprehensive income. Only the change in the spot element of the forward contracts used as cash flow hedges are regularly designated. Amounts accumulated in equity are reclassified to profit or loss in other income and other expenses (see Note 11) in the same periods in which the hedged items affect profit or loss. The changes in the cash flow hedging reserves are shown in the statement of changes in equity and in the statement of comprehensive income. The non-designated or ineffective part is recognized immediately in profit or loss in the financial result.

The critical terms match method is used to test the effectiveness of a hedging relationship; in other words, the economic relationship between the hedging instrument and the underlying hedged item is determined based on the consistency of the significant contractual features of the transactions. To this extent, the Group conducts a qualitative assessment. Hedge ineffectiveness may possibly arise if the timing of future transactions deviates from the original assumptions or the credit risk of the counterparties of the forward contract changes.

The following table shows the impact of foreign currency hedges on the net worth, financial position, and earnings of the Group:

Currency	Carrying amount (assets) Dec. 31, 2021 in millions of €	Carrying amount (liabilities) Dec. 31, 2021 in millions of €	Hedge ratio	Change in value of hedging instruments in millions of €	Change in value of hedged items in millions of €	Nominal amount in each foreign currency in millions	Maturity: 1-6 months	Maturity: 7-12 months	Average exercise price
USD	0.2	9.6	100%	-9.4	-9.4	426.7	253.4	173.3	1.17
CHF	0.0	0.0	100%	0.0	0.0	5.0	5.0	0.0	1.04
JPY	0.2	0.0	100%	0.2	0.2	3,750.0	1,420.0	2,330.0	130.28
GBP	0.9	0.8	100%	0.1	0.1	93.8	88.8	5.0	0.86
SEK	0.0	0.1	100%	-0.1	-0.1	120.0	49.0	71.0	10.22

Currency	Carrying amount (assets) Dec. 31, 2022 in millions of €	Carrying amount (liabilities) Dec. 31, 2022 in millions of €	Hedge ratio	Change in value of hedging instruments in millions of €	Change in value of hedged items in millions of €	Nominal amount in each foreign currency in millions	Maturity: 1-6 months	Maturity: 7-12 months	Maturity: after one year	Average exercise price
USD	10.3	7.4	100%	2.8	2.8	549.1	390.4	158.7	0.0	1.09
CHF	0.0	0.0	100%	0.0	0.0	8.0	8.0	0.0	0.0	0.99
JPY	1.2	0.5	100%	0.7	0.7	7,140.0	5,490.0	1,200.0	450.0	138.90
GBP	0.0	0.1	100%	-0.1	-0.1	5.0	5.0	0.0	0.0	0.88
SEK	0.0	0.5	100%	-0.5	-0.5	87.0	87.0	0.0	0.0	10.52

In the statement of financial position, hedging instruments with a positive fair value are disclosed under "Financial assets (non-current)" and "Other financial assets (current)," while instruments with a negative fair value are reported under "Other financial liabilities (non-current)" and "Other financial liabilities (current)."

38. Interest Risk Management

The entire Sartorius Group is generally financed through Sartorius AG, which uses internal Group loans to ensure the financing of all Group companies. The Sartorius Group is exposed to interest rate risks, as some loans are taken out at variable interest rates. As of December 31, 2022, the Group predominantly obtained financing at fixed interest rates (approx. 80%), meaning that interest rate risk is of minor significance for the Group's net worth, financial position, and earnings. As in the prior year, the interest rate hedges concluded by the Group in the past to hedge against increasing interest rates are not currently being used. The Group is again not materially affected by the IBOR reform.

As of December 31, 2022, the volume of variable interest loans was around €439million (prior year: €140million). For the financial instruments held as of the reporting date, a sensitivity analysis yields the following results: if the market interest rate had been 1.0 percentage point higher on the reporting date, this would have had an impact on annual profit before taxes of -€3.3million resulting from the variable interest loans (prior year: -€1.1million). If the market interest rate had been lower by 1.0 percentage point, the impact from the variable interest rate loans on the profit before taxes would have been €0.9million (prior year: €0.3million, with an assumed base rate of 0%).

39. Liquidity Risk Management

The following table shows the liquidity analysis for financial liabilities, excluding derivatives, in the form of contractually agreed undiscounted cash flows based on conditions as of the reporting date:

In millions of €	Carrying amount	Cash flow	< 1 year	1 to 5 years	> 5 years
	Dec. 31, 2021	Dec. 31, 2021			
Loans and borrowings	1,960.4	2,043.0	330.0	1,065.7	647.3
Lease liabilities	115.0	133.8	29.1	66.9	37.7
Trade payables	283.0	283.0	283.0	0.0	0.0
Other liabilities (excluding derivatives)	579.3	585.2	167.7	307.1	110.4
Financial liabilities	2,937.8	3,045.0	809.8	1,439.8	795.4

In millions of €	Carrying amount	Cash flow	< 1 year	1 to 5 years	> 5 years
	Dec. 31, 2022	Dec. 31, 2022			
Loans and borrowings	2,397.6	2,598.3	564.0	1,504.4	529.8
Lease liabilities	143.6	171.5	36.3	77.4	57.8
Trade payables	304.9	304.9	304.9	0.0	0.0
Other liabilities (excluding derivatives)	349.2	357.7	133.0	224.7	0.1
Financial liabilities	3,195.3	3,432.4	1,038.2	1,806.5	587.7

The carrying amounts and cash flows for the derivatives are shown as follows:

In millions of €	Carrying amount	Cash flow	< 1 year	1 to 5 years	> 5 years
	Dec. 31, 2021	Dec. 31, 2021			
Gross fulfillment					
Forward contracts	11.5	11.5	11.5	0.0	0.0
Payment obligation			395.7	0.0	0.0
Payment claim			-384.3	0.0	0.0
Derivatives	11.5	11.5	11.5	0.0	0.0

In millions of €	Carrying amount	Cash flow	< 1 year	1 to 5 years	> 5 years
	Dec. 31, 2022	Dec. 31, 2022			
Gross fulfillment					
Forward contracts	11.4	11.4	11.3	0.1	0.0
Payment obligation			294.5	3.3	0.0
Payment claim			-283.2	-3.2	0.0
Derivatives	11.4	11.4	11.3	0.1	0.0

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, continuously tracking the forecasted and actual cash flows, and managing the maturity profiles of financial assets and liabilities.

It is not expected that cash outflows will occur at materially different reporting dates or in materially different amounts.

Local cash funds in certain countries (e.g., China and India) are only available to the Group for cross-border transactions subject to exchange controls. For the restrictions regarding local cash funds in Russia, see Note 4.

As in the previous year, all derivative financial instruments of the Group are subject to the German Master Agreement for Financial Futures with regard to offsetting of the cash flows.

The syndicated credit line amounting to €800million at variable interest rates was used to the extent of €80million as of December 31, 2022 (utilization prior year: €0million). In addition, the Group had further bilateral credit lines at variable interest rates available amounting to €475million as of December 31, 2022 (prior year: €270million), of which approximately €100million had been drawn at the reporting date (prior year: €33million).

As of December 31, 2022, there were no financing agreements that require the Group to comply with financial key ratios, so-called financial covenants.

40. Credit Risk Management

Credit risk is the risk of financial loss to the Sartorius Group if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risks arise in particular from trade receivables as well as from cash and cash equivalents and bank deposits. Moreover, the Group is exposed to credit risks arising from derivatives with a positive fair value and, to a low degree, to other contractual cash flows from debt securities.

Credit risk is managed centrally for the Group by the Treasury Management unit. The creditworthiness of banks and financial institutions as counterparties of the Group is continuously monitored in order to detect increases in credit risks at an early stage. If no new information is obtained, the Group assumes that its related financial assets still have only a low credit risk.

Customers are assigned to different risk limits, which are essentially based on business volume, past experience, and the net worth and financial situation of these customers. The management responsible for these customers regularly reviews compliance of their assigned customers with these credit limits. In some cases, advance payments are required for deliveries to avoid credit risks. There are no significant concentrations of credit risks arising from individual customers or regions.

For some trade receivables, the Group has collateral, such as guarantees, financial securities, and suretyship contracts to which the Group can resort under the contractual arrangements should a counterparty default on its payment obligations.

Impairment of Financial Assets Trade Receivables and Contract Assets

Trade receivables and contract assets, in particular, are required to be measured according to the model for recognition of expected credit losses.

The Sartorius Group applies the simplified impairment approach according to IFRS 9 for trade receivables and contract assets, thus taking lifetime expected credit losses into account. The impairment model starts with an analysis of the actual historical credit loss rates. These are adjusted, taking into consideration forward-looking information and the effects of current changes in the macroeconomic environment, if significant. Because of the Group's focus on the biopharma industry that has presented itself largely stable and independent of macroeconomic developments, the Group does currently not see material impact from macroeconomic

developments and forward-looking information on the expected credit losses (see also Note 4). Due to the immaterial level of historical credit losses, the Group continues to determine the expected credit losses for its portfolio of trade receivables as a whole. However, historical loss rates are analyzed regularly in more detail in order to apply different loss rates to different portfolios if necessary. Contract assets relate to projects for typical Sartorius customers so that the Group assumes that the loss rates applied to trade receivables appropriately approximate the loss rates of the contract assets. Accordingly, there is no further differentiation between trade receivables and contract assets.

On this basis, the allowances for trade receivables and contract assets were determined as follows for the year ended December 31, 2022, and as of the previous reporting date on December 31, 2021:

Dec. 31, 2021 in millions of €	Not due	1- 30 days overdue	31- 60 days overdue	61- 90 days overdue	More than 90 days overdue	Total
Gross carrying amount of trade receivables	324.6	29.4	26.3	18.6	36.6	435.4
Gross carrying amount of contract assets	4.1	0.0	0.0	0.0	0.0	4.1
Impairment loss allowance	0.7	0.1	0.6	0.1	14.0	15.5

Dec. 31, 2022 in millions of €	Not due	1- 30 days overdue	31- 60 days overdue	61- 90 days overdue	More than 90 days overdue	Total
Gross carrying amount of trade receivables	367.6	9.8	22.8	19.0	66.9	486.2
Gross carrying amount of contract assets	13.8	0.0	0.0	0.0	0.0	13.8
Impairment loss allowance	0.2	0.0	0.0	0.3	15.0	15.6

The impairments in fiscal 2022 include those related to trade receivables measured at fair value through other comprehensive income, which amount to approximately €4.1million (prior year: €3.4million).

The expected credit losses are determined based on a loss rate of 0.05%. In addition, impairments are determined on the basis of individual assessments. Days overdue are one essential criterion in this context. A default is generally presumed when there is no longer any reasonable expectation of recovering a financial asset. In such a case, the respective receivables are derecognized.

The movements in the allowance for impairment losses on trade receivables and contract assets are presented below:

In millions of €	2022	2021
Valuation allowances at January 1	-15.5	-15.9
Net remeasurement of loss allowance recognized in profit or loss	-7.6	-4.7
Derecognition and consumption	1.4	0.4
Recoveries of amounts previously impaired	6.3	5.3
Currency effects	-0.1	-0.5
Changes in scope of consolidation	0.0	-0.1
Valuation allowances at December 31	-15.6	-15.5

Cash and Cash Equivalents

Besides trade receivables, cash and cash equivalents were the most significant financial assets in the Group's statement of financial position as of December 31, 2022, as was the case in the previous year. The expected credit losses are monitored at regular intervals. Due to the high creditworthiness of the counterparties and the short maturities or contract terms, which are short by definition, any impairment that would theoretically have

to be recognized for these financial assets is immaterial. Therefore, no impairment is recognized for cash and cash equivalents.

Other Financial Assets

For the other financial assets measured at amortized cost, as in the previous year, no impairment was recognized as of December 31, 2022, for the twelve months of expected credit losses due to immaterial historical credit losses. In the event of a significant increase in credit risk, which is generally presumed when a payment is more than 30 days past due, the lifetime expected credit losses are recognized for the respective financial asset. A default is generally presumed if there is no longer any reasonable expectation of recovering a financial asset. This is generally presumed when payments are more than 90 days past due. As of the reporting date, there are no indications of increases in credit risk to a material extent. The carrying amounts of the financial assets reflect the maximum credit loss for these assets at the end of the fiscal year.

41. Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Group was exposed to risks arising from the volatility of the share price of Sartorius Stedim Biotech S.A. because of the contingent consideration in connection with the acquisition of BIA Separations. As of the reporting date, there were no other significant risks of volatility in share prices; only vested portions of share-based payments are linked directly to the price development of Sartorius stock.

For details on other types of risk, please refer to the Group Management Report.

42. Share-based Payments

Within the Sartorius Group, share-based payments are made in the form of so-called phantom stock units at Sartorius AG as well as in the context of the so-called Long-Term Incentive Program (LTI Program).

In fiscal 2022, the Group introduced a new long-term remuneration component for selected employees on the higher management levels, the so-called LTI Program. At the beginning of a calendar year, each participant of this program is granted virtual preference shares of Sartorius AG that will be paid out in cash after four years. Accordingly, the payment for the tranche of virtual shares granted in 2022 is planned for the first quarter of 2026. The number of virtual shares varies with the performance achieved over the four years preceding the payout period. Goals are defined for the dimensions organic sales growth, underlying EBITDA margin, and CO₂ emission intensity, which are equally weighted. The measurement of the share-based payment obligations is based on the performance achieved to date, assumptions about future performance in the remaining years until payment, and the current share price. The personnel expenses related to the LTI Program, including effects from fair value measurement, and the fair value of the obligation on the reporting date of December 31, 2022, amounted to €0.6 million. This obligation is reported under "Other non-current provisions" (see Note 24).

The phantom stock units are virtual options on the shares of Sartorius AG. Specifically, the company's phantom stock plan credits each member of the Executive Board at the beginning of every year with phantom stock units valued at an agreed amount. These phantom stock options may be exercised no earlier than four years after this sum has been credited and only if certain conditions with respect to the performance of Sartorius AG shares are met. If an Executive Board member exercises an option, the number of phantom stock units granted is evaluated at the current stock exchange price. The amount paid out is capped at 2.5 times the grant price. The fair value of the phantom stock units was measured using a Black-Scholes model and is disclosed as follows:

Components with a long-term incentive effect	Number of phantom stock units	Fair value at year-end on Dec. 31, 2022 in millions of €	Fair value at year-end on Dec. 31, 2021 in millions of €	Paid out in millions of €
Tranche for fiscal 2018	5,647	0.0	1.1	1.1
Tranche for fiscal 2019	5,413	1.5	1.5	0.0
Tranche for fiscal 2020	3,332	1.2	1.6	0.0
Tranche for fiscal 2021	2,084	0.7	1.1	0.0
Tranche for fiscal 2022	1,646	0.5	0.0	0.0
	18,122	4.0	5.4	1.1

In fiscal 2022, expenses relating to granting and measuring phantom stock units amounted to -€0.3million (prior year: €1.8million). As in the prior year, no phantom stock units were exercisable on the reporting date. All phantom stock units granted in the reporting year were attributable to members of the Executive Board.

Based on resolutions of the Supervisory Board on December 5, 2019, Dr. Kreuzburg was granted a supplementary compensation component, which provides for transferring shares of the company to him. These share-based payments are subject to the rules of IFRS 2. Based on the agreed conditions, the resulting amounts are to be spread as an employee benefits expense from the respective grant date over the full vesting period of the respective plan. In fiscal 2022, an amount of €1.3million (prior year: €1.3million) was therefore recognized as an employee benefits expense resulting from the grant of shares. For further details on the phantom stocks and the share-based remuneration of Dr. Kreuzburg, please refer to the Remuneration Report.

Other Disclosures

The consolidated financial statements were prepared on a going-concern basis.

The exemption options provided by Section 264 (3) of the German Commercial Code (HGB) were applied to the annual financial statements reported by Sartorius Lab Holding GmbH, Sartorius Weighing Technology GmbH, and Sartorius Corporate Administration GmbH, all based in Göttingen, Germany, for the year ended December 31, 2022.

The exemption options provided by Section 264b of the HGB were applied to the annual financial statements reported by SIV Weende GmbH & Co. KG, SIV Grone 1 GmbH & Co. KG, and Sartorius Lab Instruments GmbH & Co. KG, all based in Göttingen, Germany, for the year ended December 31, 2022.

Material Events after the Reporting Date

No material events occurred up to the end of the preparation of these consolidated financial statements.

Declaration According to Section 314 (1) No. 8 of the German Commercial Code (HGB)

The declaration prescribed by Section 161 of the German Stock Corporation Act (AktG) was submitted on December 8, 2022, and made available to the shareholders of Sartorius AG on the company's website at www.sartorius.com.

Members of the Supervisory Board and the Executive Board

The members of the Supervisory Board and the Executive Board are listed at the end of this section, as are the further additional disclosures pursuant to Section 285 no. 10 of the German Commercial Code (HGB).

Number of Employees

This table shows the average workforce employed during the fiscal year:

	2022	2021
Bioprocess Solutions	12,434	9,536
Lab Products & Services	3,272	2,974
Total	15,707	12,510

Auditors' Fee

In fiscal 2021 and 2022, the following fees were incurred by the Group for the auditors, KPMG AG:

In millions of €	2022	2021
Audits	1.0	0.9
Tax consultation services	0.0	0.0
Other attestation services	0.1	0.1
Other services	0.0	0.0
	1.2	1.0

The fees for statutory audits include the audit review fee of €0.1million (prior year: €0.1million) for the first-half financial report pursuant to Section 115 (5) of the German Securities Trading Act (WpHG), as well as other services directly prompted by the audit.

Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries that are generally entered into on an arm's length basis. A long-term service contract exists with an affiliated company. For this contract, expenses of €15.7million were incurred and reported in the statement of profit or loss in the reporting year (prior year: €11.7million). Details on the transactions completed in the reporting year and the balances outstanding on the reporting date are provided in the relevant sections of these Notes to the Financial Statements, specifically in Note 29.

According to IAS 24, related persons are those individuals responsible for the planning, management, and control of a reporting entity. In particular, such persons include the members of the Executive Board and of the Supervisory Board of Sartorius AG. In the reporting year, the total remuneration of the Supervisory Board members was €1.0million (prior year: €1.1million); that of the Executive Board members amounted to €5.9million (prior year: €5.8million). The remuneration of former managing directors and members of the Executive Board and their surviving dependents was €0.7million (prior year: €0.9million). The pension obligations to former managing directors and members of the Executive Board and their surviving dependents totaled €9.0million (prior year: €9.1million). For details on remuneration, please refer to the Remuneration Report. In addition to their Supervisory Board remuneration, the employee representatives who are employees of the Sartorius Group receive compensation that is not related to their service on the Supervisory Board.

The total remuneration of the Executive Board members according to IFRS is shown in the following table:

In millions of €	2022	2021
Short-term benefits (excl. share-based remuneration)	3.7	4.2
Post-employment benefits	0.7	0.5
Other long-term benefits	0.7	0.7
Share-based payments	1.1	3.0
Total remuneration	6.3	8.3

Partial payments on multi-year variable remuneration of the Executive Board members:

In millions of €	2022	2021
Balance as of Jan. 1 of a fiscal year	0.6	0.5
Partial payments deducted	-0.3	-0.2
Partial payments effected	0.4	0.3
Balance as of Dec. 31 of a fiscal year	0.8	0.6

The total remuneration of the Supervisory Board members is as follows:

In millions of €	2022	2021
Short-term benefits (excl. share-based remuneration)	1.0	1.1
Post-employment benefits	0.0	0.0
Other long-term benefits	0.0	0.0
Share-based payments	0.0	0.0
Total remuneration	1.0	1.1

Proposal for Appropriation of Profit

The Supervisory Board and the Executive Board will submit a proposal to the Annual General Meeting to appropriate the retained profit of €267,109,441.57 reported by Sartorius AG for the year ended December 31, 2022, for dividend payments in the amount of €98,176,581.19 (€1.43 per ordinary share, €1.44 per preference share):

	€
Payment of a dividend of €1.43 per ordinary share	48,943,192.87
Payment of a dividend of €1.44 per preference share	49,233,388.32
Unappropriated profit carried forward	168,932,860.38
	267,109,441.57

Independent Auditors' Report

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of Sartorius Aktiengesellschaft, Göttingen, Germany, and its subsidiaries (the Group) – which comprise the consolidated statement of financial position as of December 31, 2022, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year from January 1 until December 31, 2022 and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the report on the position of the company and the Group (hereinafter referred to as the “group management report”) of Sartorius Aktiengesellschaft for the fiscal year from January 1 to December 31, 2022.

In accordance with the German legal requirements, we have not audited the content of the parts of the group management report mentioned in the section on “Other Information” of our independent auditor’s report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e(1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2022 as well as of the results of its operations for the fiscal year from January 1 to December 31, 2022 and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities of and risks to future performance. Our opinion on the group management report does not cover the content of the group management report mentioned in the section “Other Information.”

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the group management report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements

of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of the Carrying Amount of Goodwill

The accounting policies as well as the assumptions made are disclosed in the notes to the consolidated financial statements in note 15. Disclosure of the amount of goodwill is provided in the notes to the consolidated financial statements in note 15.

The Financial Statement Risk

Goodwill totaled 1,719 million euros as of December 31, 2022, and represents a significant share of assets at 25% of total assets.

Goodwill is tested for impairment annually at the level of the Bioprocess Solutions Division (carrying amount of goodwill as of December 31, 2022: 1,339 million euros) and the Lab Products & Services Division (carrying amount of goodwill as of December 31, 2022: 380 million euros). If impairment triggers occur during the year that indicate goodwill impairment, a trigger-based impairment test is also performed during the year. For the purpose of testing goodwill for impairment, the carrying amount is compared with the recoverable amount of the respective operating segment. If the carrying amount exceeds the recoverable amount of the respective operating segment, an impairment is recorded. The recoverable amount is the higher of the operating segment's fair value less costs to sell and its value in use. The impairment test was carried out on November 30, 2022.

Testing goodwill for impairment is a complex process and is based on a number of discretionary assumptions. These include, among others, the expected business and earnings performance of the operating segments for the upcoming four years, the assumed long-term growth rates, and the discount rate used.

There is a risk for the consolidated financial statements that an impairment loss existing as of the reporting date has not been recognized in an appropriate amount. There is also a risk that the related disclosures in the notes are not appropriate.

Our Audit Approach

With the support of our valuation specialists, we assessed, among other aspects, the appropriateness of the significant assumptions as well as the Company's valuation model. To this end, we discussed the expected development of business and earnings and the assumed long-term growth rate with those responsible for planning. We also performed reconciliations with other internally available forecasts, e.g., the 2023 budget prepared by the Executive Board and approved by the Supervisory Board, as well as the plan prepared by the Executive Board for the years 2024 to 2026. Furthermore, we assessed the consistency of the assumptions with external market assessments.

We also examined the company's past forecasting performance by comparing forecasts from previous fiscal years with actual results and analyzing deviations. We compared the assumptions and data underlying the discount rate with our own assumptions and publicly available data.

To reflect the existing uncertainty with respect to forecasts as well as the earlier valuation date for the impairment test, we have assessed the effect of possible changes in the discount rate, sales revenue, and earnings development and the long-term growth rate on the recoverable amount by calculating alternative scenarios and comparing these with the company's valuation results (sensitivity analysis).

We have updated our findings from the impairment test as of November 30, 2022, to December 31, 2022, by considering our findings from further audit work.

In order to assess the methodologically and mathematically appropriate implementation of the valuation method, we replicated the valuation performed by the company using our own calculations and analyzed deviations.

Finally, we assessed whether the disclosures in the notes with respect to the recoverability of the carrying amount of the goodwill are appropriate. This also included assessing the appropriateness of the disclosures in the notes to the financial statements in accordance with IAS 36.134(f) on sensitivities in the event of a deemed possible change in significant assumptions underlying the measurement.

Our Conclusion

The underlying valuation model used in the impairment test of goodwill is appropriate and consistent with the applicable accounting principles.

The company's assumptions and data underlying the valuation are appropriate.

The related disclosures in the notes are appropriate.

Other Information

The legal representatives and/or the Supervisory Board are responsible for the other information. Other information comprises the following parts of the group management report, the content of which has not been audited:

- The information contained in the "Sustainability" section of the group management report,
- The non-financial group statement which is included in the section of the same name in the group management report, and
- The corporate governance statement, contained in the section of the same name in the group management report

The other information additionally covers the remaining parts of the annual report.

Other information does not encompass the consolidated financial statements, the content of the audited group management report disclosures, or our associated auditor's report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of audit conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information:

- Is materially inconsistent with the consolidated financial statements, with the group management report, or our knowledge obtained in the audit
- Otherwise appears to be materially misstated

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that company, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e(1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and results of operations of the Group. Furthermore, the legal representatives are responsible for the internal controls that they have determined are necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error (i.e., manipulation of the financial statements and misstatement of assets).

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they have the responsibility for disclosing, as applicable, matters related to continuing as a going concern. Furthermore, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the position of the Group and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks to future performance. In addition, the legal representatives are responsible for such arrangements and measures (systems) they have deemed necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the financial reporting process used by the Group to prepare the consolidated financial statements and the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the position of the Group and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks to future performance, and to issue an

auditor's report that includes our audit opinion on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence financial decisions made on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements and in the group management report, whether due to fraud or error; plan and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements resulting from fraudulent activities will not be detected is higher than the risk that material misstatements resulting from errors will not be detected, as fraudulent activities may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group in compliance with in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the position of the Group that it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address threats to our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance Engagement for the Electronic Reproductions of the Consolidated Financial Statements and the Group Management Report Prepared for the Purposes of Disclosure Pursuant to Section 317(3a) of the German Commercial Code (HGB)

In accordance with Section 317(3a) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the file "sartoriusag.zip" (SHA256-hash value: 08f2ab8e04784b2bee1aa65f4639f6134b82707ec0753eb4288f2b88c7625627) and prepared for disclosure purposes comply in all material respects with the requirements of Section 328(1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the aforementioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328(1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the aforementioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying

consolidated financial statements and the accompanying group management report for the fiscal year from January 1 to December 31, 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above.

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the aforementioned provided file in accordance with Section 317 (3a) of the German Commercial Code (HGB) and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) of the HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below. Our auditing practice has applied the quality assurance system requirements stipulated in the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1).

The company's legal representatives are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Section 328(1) sentence 4 item 1 of the German Commercial Code (HGB) and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 of the German Commercial Code (HGB).

In addition, the company's legal representatives are responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328(1) of the German Commercial Code (HGB) for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328(1) HGB, whether due to fraud or error. During the audit, we exercise professional judgment and maintain a critical attitude. We also:

- Identify and assess the risks of material non-compliance with the requirements of Section 328(1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion
- Obtain an understanding of internal control relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of these controls
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date relating to the technical specification for this electronic file
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report
- Evaluate whether tagging the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date provides an appropriate and complete machine-readable XBRL copy of the XHTML reproduction

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on March 25, 2022. We were engaged by the Supervisory Board on December 8, 2022. We have been the group auditor of Sartorius AG without interruption since the 2015 fiscal year.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the consolidated financial statements, we audited the annual financial statements of Sartorius Aktiengesellschaft and carried out various audits of annual financial statements of subsidiaries. In addition, we audited interim financial statements. Furthermore, contractual audits were performed, such as the review of the Non-financial Group Statement as well as the audit of the Remuneration Report

Other Matters – Use of the Auditor's Report

Our auditor's report must always be read in connection with the audited consolidated financial statements, the audited group management report, and the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format – including the versions to be entered in Germany's Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our opinion in it must be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

Haiko Schmidt is the German Public Auditor (Wirtschaftsprüfer) responsible for conducting the audit.

Hanover, February 8, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt **Error! Reference
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(German Public Auditor)

Hartke
(German Public Auditor)

Executive Board and Supervisory Board

During Fiscal 2022

Executive Board

Dr. Joachim Kreuzburg

Dipl.-Ingenieur (Graduate Engineer)

CEO and Chairman

Executive for Labor Relations

Corporate Strategy, Human Resources, Corporate Research, Legal Affairs & Compliance and Corporate Communications

Born April 22, 1965

Resident of Göttingen, Germany

Member since November 11, 2002

“Sprecher” (Spokesman) from May 1, 2003, to November 10, 2005

Chairman since November 11, 2005

Appointed until November 10, 2025

Dr. René Fáber

Dipl.-Chemiker (Graduate Chemical Engineer)

Bioprocess Solutions Division

Born July 18, 1975

Resident of Göttingen, Germany

Member since January 1, 2019

Appointed until December 31, 2026

Rainer Lehmann

Dipl.-Kaufmann (Graduate in Business Administration)

Finance, IT and Business Processes

Born March 2, 1975

Resident of Brightwaters, New York, USA

Member since March 1, 2017

Appointed until February 28, 2025

John Gerard Mackay

B.Sc. Honors Degree in Biochemistry

Master of Education

Lab Products & Services Division

Born May 11, 1962

Resident of Glasgow, Scotland, UK

Member since January 1, 2019

Appointed until December 31, 2023

Supervisory Board

Dr. Lothar Kappich

Dipl.-Ökonom (Graduate Economist)

Chairman

Freelance Consultant, formerly Managing Director of ECE Projektmanagement GmbH & Co. KG in Hamburg, Germany

Resident of Hamburg, Germany

Manfred Zaffke

Dipl.-Volkswirt (Graduate Political Economist)

Vice Chairman

Project Secretary responsible for special tasks at the German Metalworkers' Union (IG Metall) branch office of the southern Lower Saxony/Harz region in Northeim, Germany

Resident of Osterode am Harz, Germany

Annette Becker

Personalfachkauffrau (HR Specialist)

Chairwoman of the Employees' Council of Sartorius Corporate Administration GmbH in Göttingen, Germany

Vice Chairwoman of the Group Employees' Council of Sartorius AG in Göttingen, Germany

Resident of Göttingen, Germany

Professor David Raymond Ebsworth, Ph.D.

B.Sc. in Chemistry and German; Ph.D. in Comparative Industrial Relations

Consultant, especially in the Healthcare and Financial Investment Industry

Resident of Overath, Germany

Dr. Daniela Favoccia

Attorney and Partner of the Hengeler Mueller partnership of lawyers in Frankfurt am Main, Germany

Resident of Frankfurt am Main, Germany

Petra Kirchhoff

Dipl.-Volkswirtin (Graduate Political Economist)

Head of Corporate Communications and Investor Relations

Sartorius Corporate Administration GmbH in Göttingen, Germany

Resident of Göttingen, Germany

Dietmar Müller

Betriebswirt (VWA Göttingen) (Business Economist)

Chairman of the Employees' Council of Sartorius Stedim Biotech GmbH in Göttingen, Germany

Chairman of the Group Employees' Council of Sartorius AG in Göttingen, Germany

Resident of Gleichen, Germany

Ilke Hildegard Panzer

M.Sc. in Engineering, Computer and Systems Engineering

Freelance Consultant in the Healthcare Innovation Industry

Resident of Fredonia, Wisconsin, USA

Frank Riemensperger

Dipl.-Informatiker (Graduate Degree in Computer Science)
Founder and Managing Director of 440.digital GmbH in Dietzenbach, Germany
Consultant and Investor in Digital Companies
Member since March 25, 2022
Resident of Dietzenbach, Germany

Hermann Jens Ritzau

Chairman of the Employees' Council of Sartorius Lab Instruments GmbH & Co. KG in Göttingen, Germany
Member of the Group Employees' Council of Sartorius AG in Göttingen, Germany
Resident of Katlenburg-Lindau, Germany

Prof. Dr. Klaus Rüdiger Trützschler

Dipl.-Wirtschaftsmathematiker (Graduate Business Mathematician)
and Dipl.-Mathematiker (Graduate Mathematician)
Freelance Business Consultant
Resident of Essen, Germany

Sabrina Wirth

B.A. in Social Science
Political Secretary for Organizational Policy in the District Management of the German Metalworkers' Union (IG Metall) District of Lower Saxony and Saxony-Anhalt in Hanover, Germany
Member since March 25, 2022
Resident of Nienburg/Weser, Germany

Exited during fiscal 2022:

Karoline Kleinschmidt

Dipl.-Sozialwirtin (Graduate Social Economist)
Secretary and First Authorized Representative of the
German Metalworkers' Union (IG Metall) in the Alfeld-Hameln-Hildesheim region in Hameln, Germany
Member until March 25, 2022
Resident of Hanover, Germany

Prof. Dr. Thomas Scheper

Dipl.-Chemiker (Graduate Chemical Engineer)
University professor and deputy director of the Institute of
Technical Chemistry, Gottfried Wilhelm Leibniz University in Hanover, Germany
Member until March 25, 2022
Resident of Hanover, Germany

Committees of the Supervisory Board

Executive Task Committee

Dr. Lothar Kappich (Chairman)
Annette Becker
Prof. Dr. Klaus Rüdiger Trützscher
Manfred Zaffke

Audit Committee

Prof. Dr. Klaus Rüdiger Trützscher (Chairman)
Dr. Lothar Kappich
Dietmar Müller
Manfred Zaffke

Conciliation Committee

Dr. Lothar Kappich (Chairman)
Annette Becker
Prof. Dr. Klaus Rüdiger Trützscher
Manfred Zaffke

Nomination Committee

Dr. Daniela Favoccia
Dr. Lothar Kappich
Prof. Dr. Klaus Rüdiger Trützscher

Positions Held by the Members of the Executive Board as of December 31, 2022

Dr. Joachim Kreuzburg

Positions held within the Group:

On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.¹, France, Chairman (Président-Directeur Général)

On the Beirat (Advisory Board) of:

- LabTwin GmbH, Germany, Chairman

On the Board of Directors of:

- Sartorius North America, Inc., USA, Chairman

External positions:

On the Supervisory Board of:

- Carl Zeiss AG, Germany

On the Verwaltungsrat (Administrative Board) of:

- Ottobock Management SE, Germany

On the Wirtschaftsbeirat (Economic Advisory Board) of:

- Norddeutsche Landesbank, Germany

Dr. René Fáber

Positions held within the Group:

On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.¹, France (Directeur Général Délégué)

On the Supervisory Board of:

- Sartorius Stedim Biotech GmbH, Germany, Chairman

On the Beirat (Advisory Board) of:

Sartorius CellGenix GmbH, Germany, Chairman

¹ public listed

On the Board of Directors of:

- Sartorius Stedim (Shanghai) Trading Co., Ltd., China
- Sartorius Stedim Japan K.K, Japan
- Albumedix Ltd., UK
- Sartorius Korea Biotech LLC, South Korea
- Sartorius Korea Operations LLC, South Korea

On the Comité Exécutif (Executive Committee) of:

- Sartorius Stedim FMT S.A.S., France, Chairman

On the Advisory Board of:

- Sartorius BIA Separations d.o.o., Slovenia, Chairman

External positions:

On the Beirat (Advisory Board) of:

- Curexsys GmbH, Germany

Rainer Lehmann

Positions held within the Group:

On the Board of Directors of:

- Sartorius Corporation, USA
- Sartorius North America, Inc., USA
- Sartorius Stedim North America, Inc., USA
- Sartorius BioAnalytical Instruments, Inc., USA
- Sartorius Stedim Filters, Inc., Puerto Rico

External positions:

On the Unternehmerbeirat (Employers' Advisory Board) of:

- Gothaer Versicherungsbank VVaG, Germany

On the Regionalbeirat (Regional Advisory Board) of:

- Commerzbank AG¹, Germany

¹ public listed

John Gerard Mackay

Positions held within the Group:

On the Board of Directors of:

- Sartorius BioAnalytical Instruments, Inc., USA
- Sartorius Biohit Liquid Handling Oy, Finland
- Sartorius Stedim BioOutsource Ltd., Scotland, UK
- Sartorius Scientific Instruments (Beijing) Co., Ltd., China, Vice Chairman
- Sartorius Hong Kong Ltd., China
- Sartorius ForteBio (Shanghai) Co., Ltd., China
- Sartorius (Shanghai) Trading Co., Ltd., China
- Sartorius Japan K.K, Japan
- Sartorius Korea LLC, South Korea

External positions:

None

Positions Held by the Members of the Supervisory Board as of December 31, 2022

Dr. Lothar Kappich

Positions held within the Group:

On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.¹, France

External positions:

None

Manfred Zaffke

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

- Demag Cranes & Components GmbH, Germany
- Konecranes Holding GmbH, Germany

Annette Becker

None

Professor David Raymond Ebsworth, Ph.D.

Positions held within the Group:

None

External positions:

On the Board of Directors of:

- Verona Pharma plc¹, UK, Chairman
- Actimed Therapeutics Ltd., UK, Chairman
- Kyowa Kirin International plc, UK
- Interpharma Investments Ltd., British Virgin Islands

On the Supervisory Board of:

- Synlab AG¹, Germany, Chairman

On the Verwaltungsrat (Administrative Board) of:

- Opterion Health AG, Switzerland, Chairman

Dr. Daniela Favoccia

None

¹ public listed

Petra Kirchhoff

Positions held within the Group:

None

External positions:

On the Stock Exchange Council (Börsenrat) of:

- The Hanover Stock Exchange of Lower Saxony (Niedersächsische Börse zu Hannover), Germany

Dietmar Müller

Positions held within the Group:

None

External positions:

Deputy member of the General Assembly of:

- Gesellschaft für Gemeindeentwicklung und Wirtschaftsförderung Gleichen mbH (company for community and business development), Germany

Ilke Hildegard Panzer

None

Frank Riemensperger

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

- DRM Datenraum Mobilität GmbH, Germany

Hermann Jens Ritzau

None

Prof. Dr. Klaus Rüdiger Trützscher

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

- Zwiesel Kristallglas AG, Germany, Chairman

On the Beirat (Advisory Board) of:

- Odenwald Faserplatten GmbH, Germany

Sabrina Wirth

None