Sartorius Stedim Biotech

Universal Registration Document 2023 Including the Annual Financial Report

Simplifying Progress

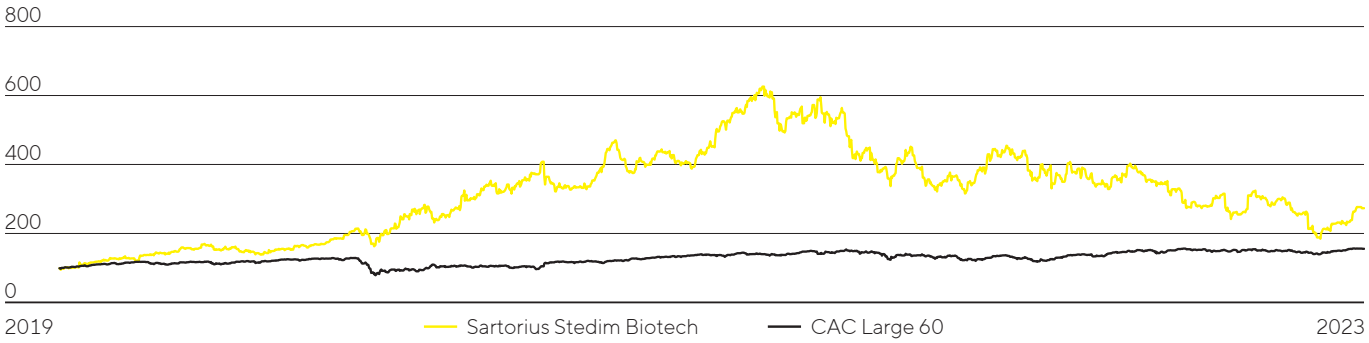
SARTORIUS

Key Figures

All figures are stated in millions of € according to IFRS, unless otherwise specified	2023	Δ in %	2022	2021	2020	2019
Order intake, sales revenue, and earnings						
Order intake[1]	2,476.1	-25.3	3,314.8	3,664.4	2,381.0	1,543.5
Sales revenue	2,775.5	-20.5	3,492.7	2,887.0	1,910.1	1,440.6
Underlying EBITDA[2, 3]	785.4	-35.7	1,221.4	1,033.4	604.7	421.5
Underlying EBITDA[2, 3] as % of sales revenue	28.3	-6.7pp	35.0	35.8	31.7	29.3
Net profit after non-controlling interest	309.7	-64.6	876.1	414.4	335.9	234.5
Underlying net profit after non-controlling interest[4]	385.9	-51.6	796.6	687.8	383.8	263.0
Research and development costs	129.5	-2.2	132.4	110.5	84.5	79.2
Financial data per share						
Earnings per share (in €)	3.36	-64.6	9.51	4.50	3.64	2.54
Earnings per share (in €)[4]	4.19	-51.6	8.64	7.46	4.16	2.85
Dividend per share (in €)	0.69[5]	-52.1	1.44	1.26	0.68	0.34
Balance sheet						
Balance sheet total	7,739.9	52.8	5,065.4	3,951.1	2,856.7	1,845.4
Equity	2,673.2	6.3	2,514.2	1,733.2	1,461.0	1,188.9
Equity ratio (in %)[6]	34.5	-15.1pp	49.6	43.9	51.1	64.4
Financials						
Capital expenditures as % of sales revenue	17.1	4.8pp	12.3	11.2	8.3	9.4
Depreciation and amortization	237.6	32.1	179.9	141.5	100.3	72.8
Cash flow from operating activities[7]	746.4	21.9	612.3	701.9	416.9	310.1
Net debt[8]	3,565.2	246.6	1,028.6	401.9	527.3	110.4
Ratio of net debt to underlying EBITDA[2, 3, 9]	4.5		0.8	0.4	0.8	0.3
Total number of employees as of December 31	10,662	-10.7	11,934	10,409	7,566	6,223

1 All customer orders contractually concluded and booked during the respective reporting period.
2 Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.
3 For more information on EBITDA, net profit, and the underlying presentation, please refer to the Group Business Development chapter and to the Glossary.
4 Profit for the period after non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.
5 Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.
6 Equity in relation to the balance sheet total.
7 Interest received are reported under cash flows from operating activities since fiscal 2022. The prior year figure was restated accordingly.
8 The net debt excludes the liability for the remaining purchase price for acquisitions; 2023: €80.6 million, 2022: €245.1 million, 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million.
9 Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.

Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 (Indexed)



25+

Sites in more than 25 countries, headquartered in Aubagne, France

>10,600

Employees

~17%

Sales CAGR 2013–2023

~90%

Sales share with life science customers

+5.3pp

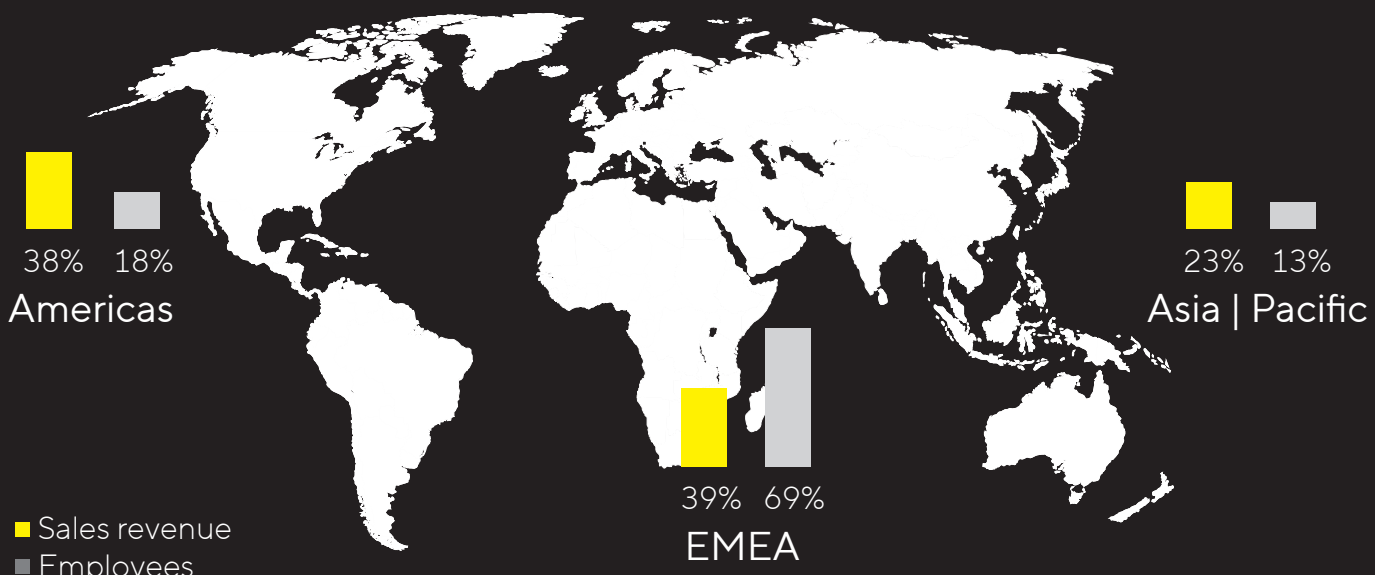
Change in underlying EBITDA margin 2013–2023

~€22.1bn

Sartorius Stedim Biotech S.A. market capitalization; listed on the CAC Large 60

Underlying = excluding extraordinary items

Strong Presence in All Major Biopharma Markets



Innovative Solutions for Better Medications

With its pioneering spirit and a profound understanding of customer requirements, Sartorius Stedim Biotech has evolved into a key partner for biopharmaceutical research and the industry. Our goal is to make complex and expensive development of biotech medicines and their production safer and more efficient. We cover the entire value-added chain of the biopharmaceutical industry and help with our products and services to ensure that novel therapies and vaccines reach the market faster and are accessible to more people worldwide.

See page 18, Sartorius Stedim Biotech Group at a glance

Mission

At Sartorius Stedim Biotech, we empower engineers to simplify and accelerate progress in bioprocessing. In this way, we enable new and better pharmaceuticals to be manufactured and help keep medications affordable.

Vision

We are a magnet and dynamic platform for pioneers and leading experts in our field. We bring creative minds together for a common goal: technological breakthroughs that lead to better health for more people.

Universal Registration Document 2023

This Universal Registration Document has been filed on February 15, 2024, with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (EU) n°2017/1129, the following information is incorporated by reference in the present Universal Registration Document:

- The year 2022 consolidated financial statements of Sartorius Stedim Biotech prepared using IFRS as adopted by the European Union and the report of the statutory auditors relating to these statements, and the Group 2022 management report appearing on pages 125 to 188 and 17 to 72, respectively, of the Universal Registration Document filed with the Autorité des Marchés Financiers on February 16, 2023, under the number D.23-0040.

- The year 2021 consolidated financial statements of Sartorius Stedim Biotech prepared using IFRS as adopted by the European Union and the report of the statutory auditors relating to these statements, and the Group 2021 management report appearing on pages 118 to 180 and 17 to 70, respectively, of the Universal Registration Document filed with the Autorité des Marchés Financiers on February 17, 2022, under the number D.22-0039.

The sections of these documents not incorporated by reference either are not of interest to an investor, or are covered in another part of this Universal Registration Document.

Copies of the present Universal Registration Document can be obtained from the following:

- Sartorius Stedim Biotech S.A. - Z.I. Les Paluds - Avenue de Jouques CS 91051-13781 Aubagne Cedex

- Group website: www.sartorius.com

- Autorité des Marchés Financiers website: www.amf-france.org

Contents

This is a translation into English of the (Universal) Registration Document of the company issued in French, and it is available on the website of the issuer

SARTORIUS

To Our Shareholders

01

1.1 Joint report of the Chairman and CEO

Dear Shareholders and Business Partners,

A challenging year lies behind the life science industry. Following three years of extraordinary and partially unsustainable growth due to the coronavirus pandemic, 2023 was characterized by an overall expected normalization of demand for the entire sector, including Sartorius Stedim Biotech. In addition, geopolitical tensions have had a growing impact on business in recent years.

Accordingly, in 2023, sales revenue of the Sartorius Stedim Biotech Group declined by 18.7% in constant currencies and stood at 2.8 billion euros; compared to 2019, the last year before the pandemic, however, this corresponds to an increase of 97 percent. The underlying EBITDA margin of 28.3 percent was below the high level of the previous year but remained on a robust and healthy level. The development was primarily due to the after-effects of the coronavirus pandemic, in particular the longer-than-expected reduction of customer inventories and relatively low production levels, but also to the discontinued business with Russian customers and an overall muted investment activity, primarily among customers in China and the USA. However, since the end of the third quarter, business has been picking up, with order intake exceeding sales levels in the fourth quarter, and we expect this trend to gradually gain traction over the course of the year 2024.

After creating many new jobs at our sites around the world to meet the demand for our urgently needed products during the pandemic, we have adjusted our headcount from around 11,900 a year ago to 10,700 by the end of December 2023, in line with our business development. The reduction resulted primarily from the expiry of fixed-term employment contracts and regular attrition. In view of the sales development, we have also systematically reduced costs in other areas and postponed some investments.

The demand normalization in the biopharmaceutical industry has had an impact on the capital market valuations in the life science tools sector and also on the Sartorius Stedim Biotech share price. After years of strong increases, the share closed the year at a price of 239.50 euros, which corresponds to a decline of about 21 percent. To put this into perspective, including the decline in 2023, the market capitalization of Sartorius Stedim Biotech has increased more than 11-fold over the past ten years.

After four years that were dominated by extraordinary effects, we expect to now enter a phase that will be more strongly characterized by fundamental, very positive growth drivers. By 2050, the world's population will grow to more than 9.5 billion people, about 1.6 billion of whom will be over the age of 65 and have increased need for medical care. Biopharmaceuticals, based on established concepts such as monoclonal antibodies to the new approaches in cell and gene therapy, promise to improve people's lives and fight diseases that are not yet curable or treatable. Innovative technologies are vital in making biopharmaceutical development and production more efficient and bringing these promising approaches to life faster.

Our broad product portfolio, ranging from bioreactors to critical cell culture media and reagents, helps customers to bring new therapeutics to the market faster and to manufacture them more cost efficiently. Through a series of acquisitions over the past years, we have combined key technologies for the cell and gene therapy segment and created a comprehensive technology platform for the particularly dynamic segment of cell and gene therapies. Last year, we added the most important building block with the acquisition of Polyplus. Its transfection reagents are key to the efficient production of viral vectors used in many of these new therapies.

Furthermore, we continued our long-term investment program as part of our growth strategy, including the expansion of our capacities at sites in Europe and the United States and the start of construction of a new facility in South Korea, and thereby also investing in resilience in the face of geopolitical uncertainties.

Given the robust market trends, our latest acquisitions, and our investments, we are very well positioned to continue to grow profitably in the long term. Based on the demand recovery since the end of the third quarter of 2023 and the market outlook forecast by industry observers, we anticipate Group sales revenue to increase by a mid to high single-digit percentage range, while the underlying EBITDA margin is expected to rise to more than 30 percent. In the current year, we will put special focus on efficiency gains and strong cash generation to rapidly run down the elevated debt leverage following the Polyplus acquisition. At the beginning of February 2024, we accelerated this deleveraging and created additional strategic flexibility through an equity raise of Sartorius Stedim Biotech S.A. by in total 1,200 million euros in which the majority shareholder Sartorius AG participated by a third.

Moreover, we have set ourselves a new medium-term ambition: For the five-year period to 2028, Sartorius Stedim Biotech expects average annual growth in the low- to mid-teens percentage range, with the underlying EBITDA margin reaching around 35 percent in 2028.

Last year's challenges were different from the pandemic, but no less demanding. Our employees once again went the extra mile and achieved extraordinary successes. On behalf of the entire Board of Directors, I would like to thank each and every one of them for their outstanding efforts over the past year. Special thanks go to the teams who kept our production and deliveries to our customers going in exceptional situations - for example at the Beit Haemek site in Israel.

And we want to particularly thank you, our valued customers, business partners, and shareholders, for the trust you have placed in us for many years. We are confident that we can continue our long-term, successful path together and would be delighted if you accompanied us in 2024 and beyond.

Sincerely,

Joachim Kreuzburg
Chairman

René Fáber
CEO

Board of Directors

1.2 Board of Directors

The Board of Sartorius Stedim Biotech is the central management and supervisory entity of the company, and it is composed of eight members. The directors are appointed for a three-year term.

Joachim Kreuzburg
Chairman

René Fáber
CEO

Pascale Boissel

Susan Dexter

Romaine Fernandes

Anne-Marie Graffin

Lothar Kappich

Henri Riey

1.3 Sartorius Stedim Biotech Shares

Facts about the Share [1]

ISIN	FR0013154002
Liquidity provider	Kepler Cheuvreux
Stock exchange	Euronext Paris
Market segment	Local Securities - Compartment A (Large Caps)
Indexes	SBF 120; CAC Next 20; CAC Large 60; CAC All-Tradable; CAC All Shares; CAC Healthcare; STOXX Europe 600; MSCI France
Number of shares	92,180,190
thereof Sartorius AG	73.6%
thereof free float	26.4%
Voting rights	160,432,470
thereof Sartorius AG	84.6%
thereof free float	15.4%

1 As of December 31, 2023.

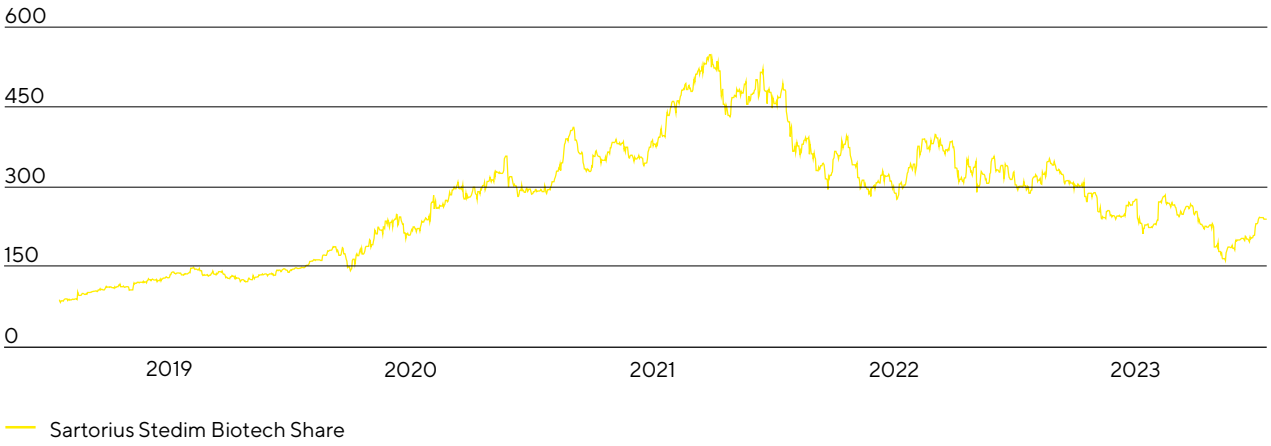
Global Stock Markets with Positive Performance

In 2023, international stock markets recorded price increases despite declining economic momentum and rising bond yields. Falling inflation rates and the associated expectations by market players of a reverse in interest rates had a positive impact on stock market sentiment. In addition, the U.S. economy in particular was more robust than originally expected, meaning that a recession was regarded as increasingly unlikely. Against this backdrop, the Dow Jones ended the reporting year at 37,690 points and up 13.7%. The MSCI Europe closed out the year approximately 11.2% higher at 1,917 points. The French benchmark indexes CAC 40 and the CAC Large 60, the latter which includes the Sartorius Stedim Biotech shares, also rose by 16.5% to 7,543 points and 16.1% to 8,139 points respectively.

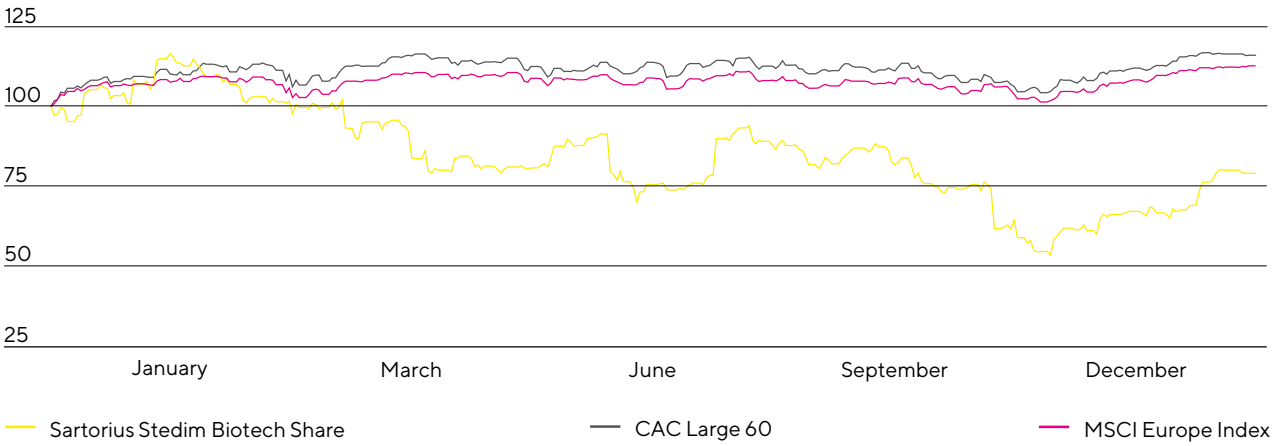
Price of Sartorius Stedim Biotech Shares Decline

The performance of the Sartorius Stedim Biotech share was affected in 2023 by the temporarily dampened growth prospects. In view of post-pandemic inventory reductions by customers taking longer than expected and a delayed demand recovery, the financial forecast had to be lowered twice. The general market weakness also dampened business development for the other leading manufacturers of bioprocess technology and laboratory instruments, meaning that share price development for companies in the life science sector was below average compared with the market as a whole. Against this backdrop, the Sartorius Stedim Biotech share closed the 2023 stock market year at €239.50 – down 20.8% year over year.

Sartorius Stedim Biotech Share in €
January 1, 2019 to December 31, 2023



Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 and MSCI Europe Index (indexed)
January 1, 2023 to December 31, 2023



Investor Relations Activities

Sartorius Stedim Biotech's investor relations (IR) activities follow the objective of making the current and future development of the company transparent for its stakeholders and other interested parties. To achieve this objective, the company maintains an ongoing, open dialog with shareholders, potential investors, and financial analysts.

Besides providing quarterly, first-half, and annual reports, we inform the capital market and the interested public at quarterly teleconferences and in regularly published press releases about the current development of the business and other material events at the company. Additionally, Group management and the IR team communicated with capital market participants at conferences and road shows. Two virtual capital market tutorials were also held during the reporting year, in which the Group provided participants with in-depth information on specific product areas and the topic of sustainability.

All information and publications relating to our company and its shares are provided on our website at www.sartorius.com.

Analysts

The recommendations of financial analysts serve as a foundation for the decisions of private and institutional investors when investing in shares. Currently, 17 institutions regularly prepare reports and updates on Sartorius Stedim Biotech shares.

Research Coverage

Date	Institute	Price target in €	Recommendation
Jan. 25, 2024	Bernstein	271.00	Buy
Jan. 24, 2024	Intron Health	165.00	Sell
Jan. 23, 2024	ODDO BHF	205.00	Hold
Jan. 16, 2024	Morgan Stanley	250.00	Hold
Jan. 15, 2024	UBS	260.00	Hold
Jan. 10, 2024	HSBC	330.00	Buy
Jan. 9, 2024	Société Générale	188.00	Sell
Jan. 2, 2024	JP Morgan	280.00	Buy
Dec. 20, 2023	Barclays	210.00	Hold
Dec. 19, 2023	AlphaValue	282.00	Buy
Dec. 12, 2023	Jefferies	240.00	Buy
Nov. 28, 2023	CIC Market Solutions	203.00	Hold
Nov. 16, 2023	Morningstar	240.00	-
Nov. 13, 2023	Kepler Cheuvreux	215.00	Buy
Oct. 27, 2023	Berenberg	226.00	Buy
Oct. 20, 2023	Exane BNP Paribas	235.00	Buy
Jun. 19, 2023	Gilbert Dupont	280.00	Buy

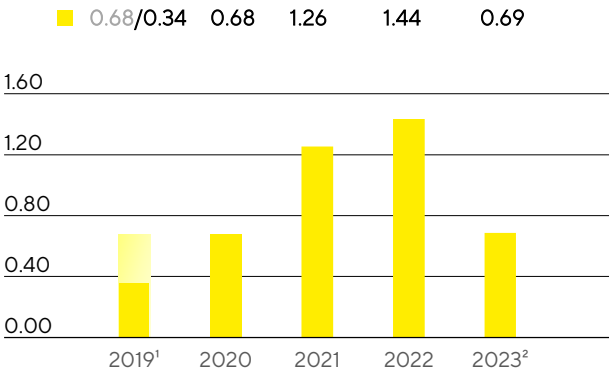
Dividends

The total return generated by Sartorius Stedim Biotech shares has generally been based almost entirely on the positive development of the share price and only to a very small extent on dividend payments. In line with the rapid and highly innovation-driven development of our industry, the main focus of the company's management is on successfully continuing on our dynamic profitable growth track and on making extensive investments in capacity expansions, innovations, and acquisitions that are constantly required for this purpose. Yet within this context, Sartorius Stedim Biotech strives to enable its shareholders to participate appropriately in the company's success through dividends.

The Board of Directors will submit a proposal to the Annual Shareholders' Meeting on March 26, 2024, to pay a dividend of €0.69 per share from the underlying net profit of €385.9 million for fiscal 2023, compared to the previous year's figure of €796.6 million. If this proposal is approved, the total profit distributed would be €63.6[1] million (2022: €132.7 million). The corresponding dividend payout ratio would be 16.5%, compared to the prior-year ratio of 16.7%.

1 Calculation based on the number of shares entitled to dividends after the share capital increase on February 7, 2024, totaling 97,315,214

Dividends
in €



1 The original dividend proposal of €0.68 per share was adjusted in light of the pandemic crisis.
2 Amount suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting.

Total Shareholder Return

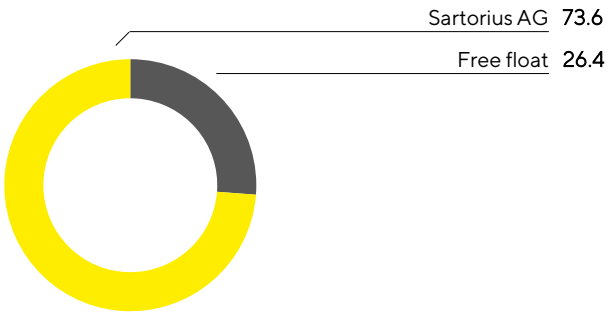
Total shareholder return (TSR) considers both the dividends paid out and any share price increases over a certain period, and thus reflects the entire performance of an investment. In 2023, Sartorius Stedim Biotech shares delivered a TSR of –20.6%, compared to – 37.0% a year earlier.

Shareholder Structure

Sartorius Stedim Biotech S.A.'s issued capital amounted to €18.4 million as of December 31, 2023, and was divided into 92,180,190 shares, each with a calculated par value of €0.20. As some of the shares confer double voting rights, there were 160,432,470 voting rights in total as of the reporting date.

As of December 31, 2023, Sartorius AG has held 73.6% of the Stedim Biotech S.A.'s share capital and 84.6% of the voting rights outstanding. The remaining 26.4% of Stedim Biotech S.A. shares are in free float, corresponding to 15.4% of the voting rights outstanding.

Shareholding Structure
in % of share capital



Key Figures for Sartorius Stedim Biotech Share

		2023	2022	2021	2020	2019
Share price[1] in €	Reporting date[4]	239.50	302.50	482.40	291.20	147.70
	High	353.00	482.40	548.20	357.60	149.20
	Low	162.00	276.70	287.60	143.00	83.30
Dividends[2] in €		0.69	1.44	1.26	0.68	0.34
Total dividends paid[2] in millions of €		63.6	132.7	116.1	62.7	31.3
Dividend yield[3] in %		0.3	0.5	0.3	0.2	0.2
Market capitalization in millions of €		22,077.2	27,884.5	44,467.7	26,842.9	13,615.0
Average daily trading number of shares		58,852	48,754	52,717	70,414	63,935
Trading volume of shares in millions of €		3,730.2	4,266.1	5,524.1	4,234.6	2,037.8
CAC Large 60 (closing prices of the year)		8,139	7,011	7,806	6,144	6,598
SBF 120 (closing prices of the year)		5,732	4,973	5,546	4,432	4,704

1 Daily closing price.
2 For 2023, amounts suggested by the Board of Directors and subject to approval by the Annual Shareholders' Meeting.
3 Dividends in relation to the corresponding closing prices of the year.
4 As of December 31 of the respective year.

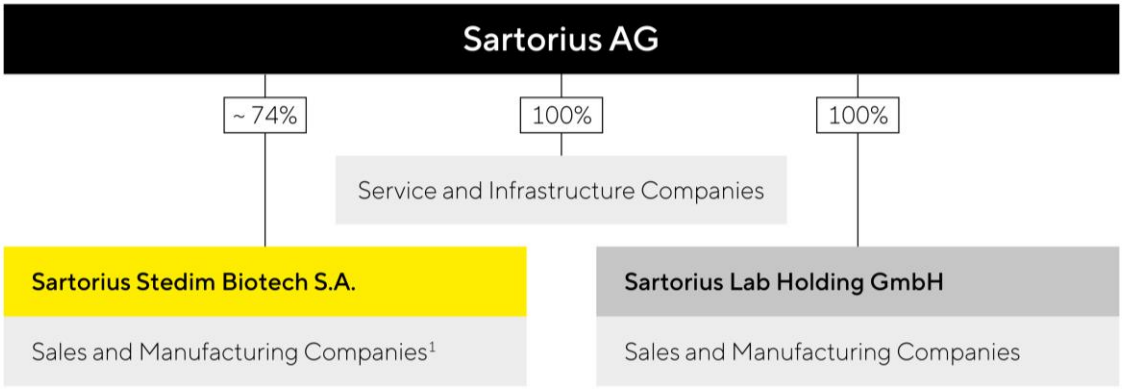
Sources: Euronext; NASDAQ

SARTORIUS

Management Report

02

2.1 Structure and Management of the Group



1 The full list of companies included in the scope of consolidation of Sartorius Stedim Biotech as of December 31, 2023, is set forth in Note 7 to the consolidate financial statements

Group Legal Structure

Sartorius Stedim Biotech is a globally operating company with subsidiaries in more than 25 countries and more than 10,600 employees worldwide. The parent company of the Sartorius Stedim Biotech Group is Sartorius Stedim Biotech S.A., headquartered in Aubagne, France.

Sartorius Stedim Biotech S.A. is listed on the Euronext stock exchange in Paris. Approximately 74% of the share capital and around 85% of the voting rights of Sartorius Stedim Biotech S.A. are held by Sartorius AG.

Sartorius AG is an international leading partner for life science research and the biopharmaceutical industry and is headquartered in Göttingen, Germany. It is listed on the German Stock Exchange and operates two divisions: the bioprocess business as a subgroup under its parent corporation Sartorius Stedim Biotech S.A., and the laboratory business as a further subgroup.

The consolidated financial statements of the Sartorius Stedim Biotech Group include Sartorius Stedim Biotech S.A. and all affiliates in which Sartorius Stedim Biotech S.A. has a controlling interest pursuant to IFRS 10.

Organization and Management of the Group

The Sartorius Stedim Biotech Group is largely organized by function on a worldwide basis. Accordingly, the respective management responsibilities are performed along the company's core functions across all sites and regions.

This global functional organization forms an effective platform for central strategic control and for fast, efficient collaboration and execution within the Group. It enables the company to realize its total solutions provider strategy and position itself effectively in respect of global customers.

The Board of Directors of Sartorius Stedim Biotech S.A. is composed of eight members, one executive director and seven nonexecutive directors. Due to the shareholding structure of the Company, the composition of the Board of Directors and its Committees reflects the aim by our controlling shareholder of a long-lasting balance between the Directors representing these shareholders, the independent Directors, the executive Directors and the Director representing the employees. The Company's controlling shareholder Sartorius AG takes its own responsibility towards the other shareholders, direct and distinct from the Board of Directors' one. It takes particular care to avoid possible conflicts of interests, ensures transparent information provided to the market and fairly takes all interests into account (see the paragraph on the balance of powers and the composition of the Board of Directors on page 83). In addition, Sartorius AG complies with all duties regarding transparency and communication as required by German and European regulation (https://www.sartorius.com/en/company/about-sartorius-ag/compliance).

Implementing the Group's various strategies and initiatives at the local level is the responsibility of the national affiliates. The management bodies of the local companies run their organizations in accordance with applicable statutory provisions, articles of association, and rules of procedure, and in keeping with the principles of corporate governance that apply throughout the Sartorius Stedim Biotech Group worldwide. Please see details of the Board of Directors in the Corporate Governance section.

Changes in the Group Portfolio

Sartorius Stedim Biotech expanded its product portfolio in the reporting year by acquiring the French company Polyplus. The transaction was completed in July 2023, once the required approvals by the authorities had been granted.

Polyplus is a provider of innovative cell and gene therapy technologies. Established in 2001, the company is based in Strasbourg, France, with sites in France, Belgium, the United States, and China, employing around 270 people. The transfection reagents developed and produced by Polyplus are success-critical components in the manufacture of viral vectors used in cell and gene therapies as well as other new medical therapy methods. The company has recently enlarged its focus beyond this field and, through acquisitions in adjacent technologies, such as plasmid development and protein and plasmid manufacture, expanded its offering for gene therapies and genetically modified cell therapies.

Moreover, in June 2023, Sartorius Stedim Biotech acquired Sartonet Seperasyon Teknolojileri Anonim Şirketi, which is based in Istanbul, Türkiye. The company imports and distributes the products of the Sartorius Group in Türkiye and in addition offers its pharmaceutical customers a wide range of services, such as process development, technical support, calibration, and training. Sartonet had around 40 employees at the acquisition date.

Financial Controlling and Key Performance Indicators

The Sartorius Stedim Biotech Group is managed using a number of key performance indicators, which are also decisive for the determination of the variable remuneration component for the Board of Directors and managers.

A key management parameter that Sartorius Stedim Biotech uses to measure the development of its size is currency-adjusted growth of sales revenue, i.e., sales in constant currencies. The key indicator for managing profitability is the adjusted EBITDA margin, which is based on EBITDA adjusted for extraordinary items, i.e., underlying EBITDA.

For a definition of this term and more information on its presentation, see the Glossary on page 242.

With regard to the Sartorius Stedim Biotech Group's debt financing capacity, the ratio of net debt to underlying EBITDA serves as the key metric. It is calculated as the ratio of net debt to underlying EBITDA for the last twelve months, including the pro forma amount contributed by acquisitions for this period. Furthermore, the CAPEX ratio, i.e., capital expenditures in proportion to sales revenue, represents a key control parameter.

The following financial and nonfinancial indicators are also reported on a regular basis:

- Order intake
- Underlying net profit | Earnings per share
- Net profit | Earnings per share
- Equity ratio
- Net working capital
- Net cash flow from operating activities
- Number of employees
- Employee Net Promoter Score (ENPS)
- Reduction of CO_2 emission intensity

The annual financial forecast published at the beginning of a fiscal year for the Group generally refers to the development of sales revenue and of the underlying EBITDA margin. The expected CAPEX ratio as well as a forecast for the ratio of net debt to underlying EBITDA are also indicated for the Group.

2.2 Business Model, Strategy, and Goals

Market and Strategic Positioning

As a leading partner of the biopharmaceutical industry, Sartorius Stedim Biotech helps its customers to develop their production processes and manufacture biotech medications and vaccines more efficiently.

Biopharmaceuticals are integral components of advanced medicine and are used to treat many illnesses, mostly of a serious nature. However, long development times and complex production make these medications very expensive. This leads to high healthcare costs in industrialized countries and to the situation that patients in less developed countries are often excluded from treatment with such drugs. The development of a biopharmaceutical medication is a long haul: it takes more than ten years on average to bring a new drug out on the market, costing more than two billion euros. On top of this, biotechnological manufacturing processes for such high-tech medications are demanding and must be developed individually for each biologic compound. As a pioneer and technology leader in the biopharma sector, Sartorius Stedim Biotech with its products and services is enabling its customers to make their production processes easier and more efficient so that advanced therapeutics can reach the market faster and become accessible for more people worldwide. Therefore, the United Nations' sustainability goal "Good Health and Well-Being" is an integral component of Sartorius' business model.

The maturity and intensity of competition in this comparably young industry are successively increasing. To support customers in meeting this challenge, Sartorius Stedim Biotech is constantly developing its portfolio further. A key competitive advantage is the broad understanding of applications based on its clear focus on the sector. The company is thoroughly familiar with customers' value-added chains and understands the interaction of the employed systems particularly well. A further success factor of the company is that it offers highly differentiating technologies. The innovative power rests on three pillars: the company's own specialized product development, alliances with partners, and the integration of innovations through acquisitions.

With the biopharma industry, Sartorius Stedim Biotech is focusing on an attractive market that is characterized by strong growth momentum in view of long-term trends and significant innovative strength. Medical progress provides positive impetus, leading to the discovery and approval of new biopharmaceuticals. The biopharmaceutical industry is thus increasingly relying on advanced therapies, such as cell and gene therapeutics and biotech tissue products. Further primary growth drivers are a growing world population and an increase in age-related diseases in industrialized countries. In addition, rising incomes in emerging countries are leading to improved access to healthcare and rising demand for medications. Biosimilars, the generic versions of reference biologics that have lost their patent protection, account for a share of the biopharma market that is currently still small but especially fast-growing. As a result of these factors, the volumes of biotech medications and the demand for the appropriate production technologies are steadily increasing, with market growth largely independent of business cycles.

Products & Services

Sartorius Stedim Biotech offers a broad portfolio of products that focuses on all major steps in the manufacture of a biopharmaceutical, as well as in process development as prerequisite procedures. The product range includes cell lines, cell culture media, and other components for the development and manufacture of advanced therapies, bioreactors, and a wide range of products for the separation, purification, and concentration of biological intermediates and finished products, as well as solutions for their storage and transportation. Sartorius Stedim Biotech also offers data analytics software for modeling and optimizing

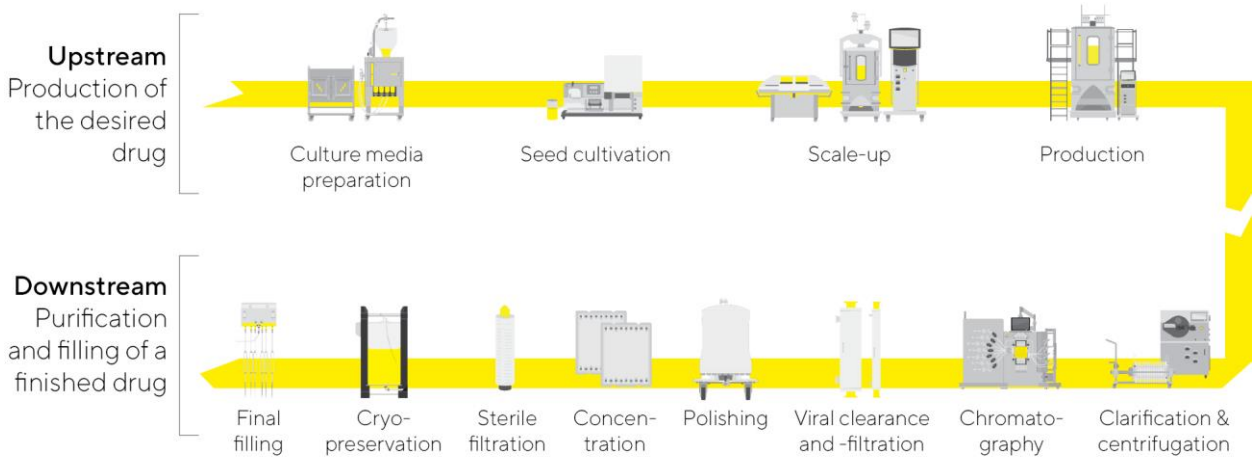
processes of biopharmaceutical development and production. In its core technologies, the company has leading market positions with high double-digit market shares.

The breadth of the company's product portfolio is one of the key factors that differentiates it from many of its competitors. Sartorius Stedim Biotech can provide customers with complete process solutions from a single source, as well as assisting with preceding project planning, process integration, and subsequent validation. The company's products are used in the manufacture of all classes of medical drugs, from vaccines and monoclonal antibodies to advanced viral vector-based gene therapeutics.

Repeat business with sterile single-use products accounts for about three-quarters of the company's sales revenue. These offer customers cost advantages, flexibility, and less resource usage, and thus a better ecological footprint compared with conventional processes employing reusable stainless steel components. The high share of recurring revenues is also bolstered by the strict regulatory requirements on the part of the customers. Because health authorities validate production processes as an integral part of an application for approval of a new medical drug, the components initially validated can be replaced only at considerable expense once they have been approved. Beyond this, the company's broad and stable customer base that is primarily addressed directly through a specialized sales force also contributes to this favorable risk profile.

The strong strategic positioning and the above-average expansion of the sector are a good foundation for profitable growth in the future as well.

Technologies for the Entire Added-Value Chain in Biopharmaceutical Production



Schematic illustration

Regulatory aspects

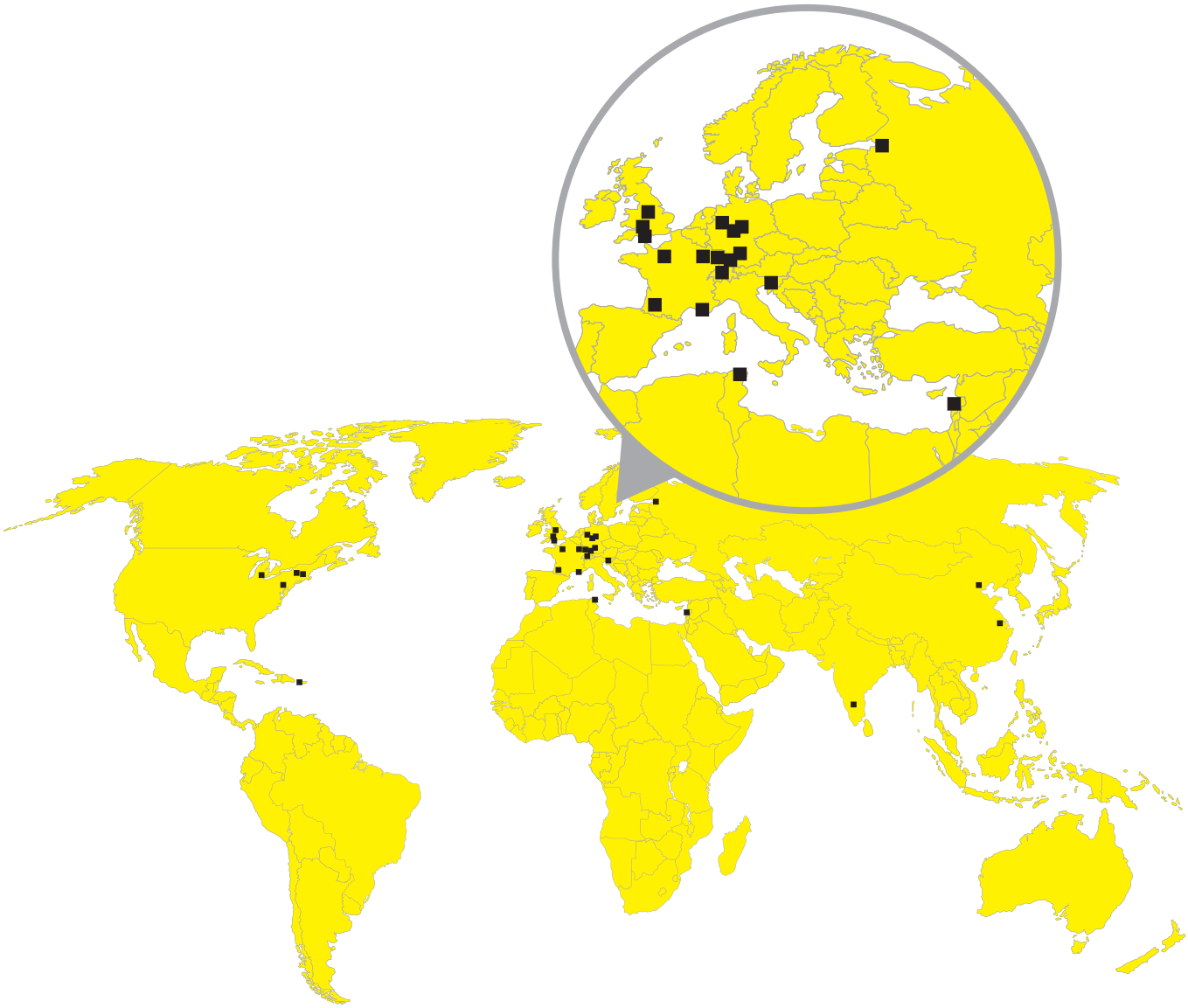
Sartorius Stedim Biotech's products are primarily used in the biopharmaceutical industry for critical production processes such as drug manufacturing. Our customers are subject to regulation by national regulatory authorities such as the Food & Drug Administration (FDA) in the USA, the European Medicines Agency (EMA) in Europe and other national and international bodies involved in the approval of new drugs and in the maintenance of approval status for these drugs. Compliance with the regulations of other relevant authorities (e.g. Environmental Protection Agency or Department of Agriculture in the USA) is also important. With regard to its own portfolio, some specific products of Sartorius Stedim Biotech are also subject to the same national regulatory authorities as our customers and subject to extensive approval, registration and reporting obligations in numerous countries. In these cases, the strict application of Good Manufacturing Practice, as described in the Eudralex guidelines Vol. 4 "The rules governing medicinal products in the European Union" and the ICH guidelines (International Council for Harmonization of Technical Requirements

for Pharmaceuticals for Human Use), is implemented to ensure that the products are placed on the market safely and in compliance with these regulations.

The strict regulation of the pharmaceutical industry and the increasing requirements of the responsible authorities for patient protection and product safety result in a high demand for quality on the part of our customers. Through extensive quality assurance processes as well as quality controls and the use of modern manufacturing techniques in a classified cleanroom environment, Sartorius Stedim Biotech ensures that all products meet the highest quality standards and the stringent regulatory requirements. Furthermore, these manufacturing techniques and processes are subject to continuous review as part of improvement processes and are optimized in line with current requirements. Quality controls are carried out both within the manufacturing processes and as part of test procedures on the end products. In addition, quality assurance is maintained through the rigorous implementation of quality management systems defined according to recognized industry standards such as ISO 9001 and, where applicable, ISO 13485. This ensures that critical or essential product properties are continuously fulfilled. A strict product approval process also ensures that only products that meet the agreed specifications are shipped.

The effectiveness of the existing quality systems is confirmed by the successful completion of regular customer audits as well as by certification in accordance with ISO 9001 and, where applicable, ISO 13485.

Global Presence



Americas

Puerto Rico – Yauco
USA – Ann Arbor (MI), Hopkinton (MA), Marlborough (MA), New Oxford (PA)

Asia | Pacific

China – Peking, Shanghai
India – Bangalore

Europe | Middle East | Africa

France – Aubagne, Cergy, Lourdes, Pompey, Strasbourg
Germany – Bielefeld, Freiburg, Göttingen, Guxhagen, Ulm
Israel – Beit Haemek
Russia – St. Petersburg
Slovenia - Ajdovščina
Switzerland – Tagelswangen
Tunisia – Mohamdia
United Kingdom – Havant, Nottingham, Stonehouse

Medium-term planning until 2025 and 2028

In 2018, Sartorius Stedim Biotech presented its medium-term planning up to 2025, according to which sales revenue was projected at €2.8 billion with an underlying EBITDA margin of around 30%. These targets were raised twice in the following years and most recently envisaged sales revenue of around €4.4 billion with an underlying EBITDA margin of more than 35%. Against the backdrop of the weaker than expected market situation in the entire life science sector following the pandemic and the resulting temporary decline in sales and earnings, a review of the medium-term targets was announced in October 2023. The new medium-term ambition until 2028 communicated at the end of January 2024 replaces the previous planning until 2025.

Sartorius Stedim Biotech intends to continue its profitable growth course in the long term and expects to grow faster than the market. According to the new medium-term targets, the Group plans to achieve average annual growth in the low- to mid-teens percentage range over the five-year period to 2028 of which acquisitions are anticipated to contribute around a fifth. The underlying EBITDA margin is also expected to increase and reach above 35% in 2028. The margin target includes expenses of around 1 percent of Group sales revenue for measures to reduce the company's CO_2 emission intensity.

Forecasts have been prepared based on historical information and are consistent with accounting policies. All forecast figures are based on constant currencies, as in the past years. Management points out that the dynamics and volatilities in the industry have increased significantly in recent years. In addition, uncertainties due to the changed geopolitical situation, such as the emerging decoupling tendencies of various countries, are playing a greater role. This results in higher uncertainty when forecasting business figures.

The objectives are implemented through various growth initiatives with the following focal points:

Expansion of the Product Portfolio

Sartorius Stedim Biotech has a broad product portfolio that is aligned with the value chain of the biopharma industry and that the company is continuously expanding. The focus is on products that offer solutions for customers' needs and make the company's offering even more attractive from the customer's perspective. Aside from its own research and development activities and strategic partnerships, acquisitions that are complementary to or extend the company's strengths appropriately will remain part of the portfolio strategy. Due to high innovation dynamics, the company considers further additions to be possible on an ongoing basis across the entire breadth of the product portfolio. When identifying suitable companies, Sartorius Stedim Biotech considers the following criteria in particular: complementarity of technologies to its existing portfolio; strong market positioning, for example, through innovative products with unique selling propositions; integration capability; appropriate valuation; and growth and profitability profile.

Regional Growth Initiatives

Sartorius Stedim Biotech continued to expand its production capacity in the reporting year. Capital expenditures totaled approximately €473.6 million in 2023 and were used to expand sites in Germany, France, Puerto Rico, the USA, and South Korea, among other countries.

North America and Asia are the key focal areas of the regional growth strategy. The USA is the world's largest market for bioprocess equipment. Yet because it is home to the company's main competitors, Sartorius Stedim Biotech formerly had lower market share in this region than in Europe and Asia. By systematically strengthening its sales and service capacities, Sartorius Stedim Biotech has gained market share in the USA in recent years.

In Asia, one focus is on the construction of a new production facility in South Korea, which offers excellent growth prospects with its dynamically expanding biopharma market.

Optimization of Work Processes

Sufficient production capacity and a powerful supply chain are an essential foundation of future growth. In recent years, Sartorius Stedim Biotech has substantially expanded its capacities for nearly all product groups at various Group sites in order to optimize delivery times and reliably maintain delivery capability even in the event of local transport restrictions.

Sartorius Stedim Biotech is driving forward digitalization and automation in many areas to further accelerate and enhance processes and, wherever meaningful, to standardize such processes throughout the Group.

This also includes extending the company's activities in the areas of e-commerce, digital marketing, and analytics, as well as on the topic of IT security.

2.3 Sector Conditions

Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry, which makes its business particularly sensitive to the development of this industry.

Further Growth in the Biopharmaceutical Market

After continuous – and in some cases significant – expansion in the global pharmaceutical market in prior years, growth stagnated in 2023 according to EvaluatePharma. Even revenue generated with biopharmaceuticals, which commonly increases faster than that generated by the pharmaceutical market as a whole, remained constant at around $436 billion. This was primarily due to lower sales of coronavirus vaccines and therapeutics, which fell by more than half in the reporting year from the previous level of $100 billion. Biopharma's share of the total pharmaceutical market was unchanged at around 39%.

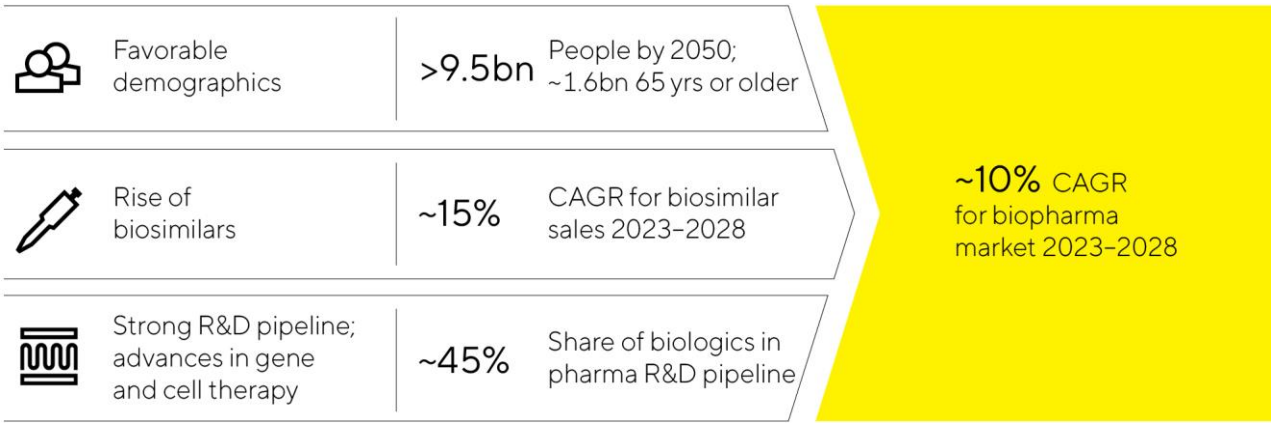
The leading manufacturers of bioprocess technology recorded declining sales in 2023 and repeatedly lowered their growth forecast communicated at the start of the year. The influencing factors were of a temporary nature and included in particular the sharp decline in Covid-19-related business and the reduction of elevated inventory levels. In addition, production levels at some biopharma companies were relatively low and investment activity was generally subdued after several years of intensive capacity expansion. Toward the end of the third quarter, the order situation recovered for some companies, and a gradual improvement in the business situation is expected for 2024.

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. Significant impetus here is provided by the globally increasing demand for drugs and the approval and market launch of innovative biopharmaceuticals. Other growth factors are the extension of the range of indications for already approved medications and their further market penetration. The number of new biopharmaceutical approvals by the U.S. Food and Drug Administration (FDA) remained high in the year under review, at 42 (2022: 31).

The growing significance and acceptance of biologics is reflected not only in their increasing share of sales revenue within the global pharmaceutical market but also in the development activities of the pharmaceutical industry. For example, biopharmaceutical compounds account for around 45% of the R&D pipeline. A growing number of active substances manufactured using biotech production methods is being approved for the treatment of rare illnesses that have been incurable so far. In this context, the pharmaceutical industry is increasingly focusing on advanced therapies, such as cell and gene therapeutics and biotechnologically processed tissue products. In 2023, more than 1,600 clinical trials with such treatment approaches were conducted, meaning that this area offers significant growth potential over the medium to long term. The rising number of approved biopharmaceuticals and an increasing variety of therapy types and substance classes, coupled with growing demand for medications, are the main drivers for the worldwide increase in production capacities for biopharmaceuticals.

Biosimilars, the generic versions of reference biologics that have lost their patent protection, are also playing an increasingly important role in the biotechnology market. According to market studies, their sales volume in 2023 remained modest at an estimated $29 billion, but is expanding at faster rates than the biopharma market as a whole. The market is expected to continue to grow strongly during the years to come, owing to the expiration of several patents for high-selling biopharmaceuticals and an increasing number of new approvals of biosimilars and market launches. Particularly in the USA, where development has been comparatively slow due to regulatory, patent-law-related, and marketing hurdles, market penetration is expected to accelerate significantly in the next few years. A compound annual growth rate of around 15% is expected globally through 2028.

Attractive Market Environment with Good Growth Prospects



Laboratory Market Continues to Grow

The global laboratory market had a total value of around $84 billion in the reporting year and, according to estimates by various market observers, is growing at an average annual rate of around 5% over the long term. Market growth is related, among other things, to the levels of research and development spending in the individual end markets, which is partly linked to economic development.

However, this applies to a lesser extent to labs in the pharmaceutical and biopharma industries, the leading customer groups for laboratory instruments and consumables: in this industry, demand is more strongly influenced by fundamental growth drivers, such as continuous research to find new active pharmaceutical ingredients. According to EvaluatePharma, sector-specific research spending increased by 7% to $262 billion in 2023. The investment focus is on the automation of process workflows and innovative analytical instruments that are equipped with enhanced or novel functionalities. Products from the field of bioanalytics, for example, have above-average growth rates within the laboratory market, and demand in the life science sector is generally growing faster than in other industries. In view of the above-average growth in previous years, this customer segment trended weaker in the reporting year, and the majority of leading suppliers of laboratory instruments and consumables recorded declines in sales revenue. In addition to the high basis for comparison, the reasons cited include restrained investment activity in the current interest rate environment, the persistently muted funding environment, especially for small and medium-sized biotech companies, and severe market weakness in China. Declining demand for Covid-19 test components also had a dampening effect.

Research and quality-assurance labs in the chemical and food industry are another customer group. This segment's demand for laboratory products depends in part on economic trends. Additional momentum can also be generated in this sector by regulatory changes, such as stricter requirements for quality control tests in the food industry. Demand from industrial end markets was generally robust in 2023 according to several leading laboratory product manufacturers, despite a weaker macroeconomic environment.

Academic and public-sector research institutions also use laboratory instruments and consumables manufactured by Sartorius. Growth in demand is related to such factors as government budgets and funding programs, all of which can vary from one country to another. In the USA, the National Institutes of Health (NIH) is the leading government agency for biomedical research and also the world's largest research funding agency. The NIH's budget has increased steadily over the past ten years, rising again by about 6.5% in the reporting year. The proposed budget for 2024 includes another slight increase. The European Union has likewise continuously scaled up its research spending in past budget cycles. Around €95.5 billion of research

and innovation funding is to be provided in the period from 2021 to 2027, an increase of 19% compared with the previous program. Many manufacturers of laboratory products recorded robust demand from academic and public research institutions in the reporting year.

Competitive Environment

The competitive environment of Sartorius Stedim Biotech is characterized by relatively high entry barriers arising in part from the biopharmaceutical industry's strong degree of regulation and its technological complexity. New players, in particular, seek to capitalize on the opportunities inherent in this environment to gain a foothold in the market with carefully targeted niche products. The more established companies, meanwhile, are expanding their product range continuously. In this competitive landscape, Sartorius Stedim Biotech operates as a total solutions provider, covering the core process steps in biopharmaceutical production and preceding process development. It has leading market positions in key technologies, especially in the areas of bioreactors, filtration, and the transport and storage of liquids.

The principal competitors of Sartorius Stedim Biotech in the bioprocess area are certain business units of Merck KGaA, Danaher Corporation, and Thermo Fisher Scientific Inc. Thermo Fisher and Merck are also key players in the laboratory field. In addition, the company faces competition from smaller players in individual segments.

Sources: BioPlan: 20th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2023; Evaluate-Pharma: World Preview 2023, August 2023; Alliance for Regenerative Medicine: Sector Snapshot, August 2023; citeline: Pharma R&D Annual Review 2023, May 2023; Markets and Markets: Biosimilars Market – Forecast to 2028, 2023; SDi: Global Assessment Report 2023, June 2023; www.fda.gov

2.4 Group Business Development

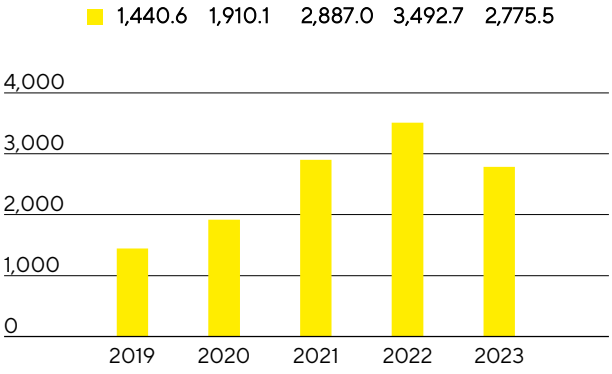
Sales Revenue and Order Intake

After the pandemic-related extraordinary business and inventory buildup by customers led to strong additional growth momentum in the years 2020 to 2022, the temporary normalization of demand expected by the company management set in during the reporting year. This was more pronounced than anticipated at the beginning of the year, and the reduction in customer inventories also lasted longer than expected, which led to numerous forecast revisions across the entire life science sector. Other industry-wide factors also had a dampening effect, such as relatively low production levels, the largely discontinued business with Russian customers, and an overall muted investment activity on the part of customers, primarily in China and the USA. Against this backdrop, Group sales revenue decreased by 18.7% in constant currencies[1] (organic:[2] -20.7%; reported: -20.5%) to €2,775.5 million. The recent acquisitions of Albumedix, Polyplus and the chromatography business of Novasep developed in line with expectations and contributed around 2 percentage points of non-organic growth. Excluding the pandemic-related business, the decline in constant currencies stood at around 14%.

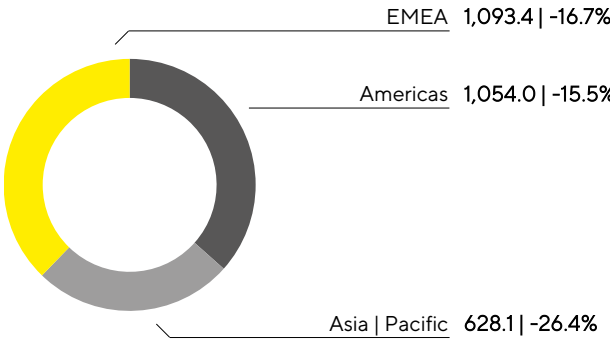
The temporarily weaker market environment was even more significantly reflected in order intake[3], which decreased by 23.6% in constant currencies (reported: -25.3%) to €2,476.1 million in the reporting year. In line with progress made by customers in reducing their inventories, business began to recover at the end of the third quarter, so that order intake was slightly above sales revenue in the fourth quarter.

A comparison of the actual business development and the forecast is shown on page 40.

Sales Revenue 2019 to 2023
€ in millions



Sales Revenue and Growth[1] by Region[4]
€ in millions unless otherwise specified



1 Constant currencies: Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
2 Organic: Organic growth figures exclude the impact from changes in exchange rates and changes in the scope of consolidation.
3 Order intake: All customer orders contractually concluded and booked during the respective reporting period.
4 Acc. to customer location.

In terms of regional development, sales revenue declined in all regions due to the normalization of demand and the pandemic-related high prior-year base.

In the EMEA region, which accounted for around 39% of total Group revenue, sales fell by 16.7% to €1,093.4 million compared to the previous year, which was heavily influenced by business with vaccine manufacturers. The discontinuation of business with Russian customers dampened growth by slightly less than 4 percentage points.

In the Americas region, sales amounted to €1,054.0 million (-15.5%) against the backdrop of inventory reductions and low investment activity by customers in the USA. This corresponds to a share of around 38% of total Group revenue.

The reluctance to invest was even more noticeable in China and led to a significant decline in sales. This development also had a significant impact on business in the Asia | Pacific region as a whole, which stood at €628.1 million (-26.4%) and thus accounted for around 23% of total Group revenue.

All growth rates for the regional development are in constant currencies unless otherwise stated.

Further information on the development of sales revenue by region can be found in the table on page 148 of the Notes.

Sales Revenue and Order Intake

€ in millions	2023	2022	Δ in % reported	Δ in % const. fx
Sales revenue	2,775.5	3,492.7	-20.5	-18.7
Order intake	2,476.1	3,314.8	-25.3	-23.6

Development of Costs and Earnings

In 2023, cost of sales fell by 8.0% to €1,542.0 million. The respective cost of sales ratio (ratio of cost of sales to sales revenue) was 55.6%, compared to 48.0% in the previous year. The decline was mainly due to the lower business volume and negative product mix effects.

Selling and distribution costs remained almost unchanged at €449.1 million (previous year: €449.7 million), while the ratio of these costs to sales revenue increased year-on-year to 16.2% (previous year: 12.9%) in connection with the decline in sales. Research and development expenses fell by 2.2% to €129.5 million in the reporting year; the corresponding R&D ratio (ratio of R&D expenses to sales revenue) was 4.7% (previous year: 3.8%). General administrative expenses rose by 3.0% to €167.1 million; the administrative expense ratio (ratio of administrative expense to sales revenue) amounted to 6.0% in 2023 (previous year: 4.6%). Extraordinary items explicitly attributable to the functional areas are reported in the respective functional area since the 2023 reporting year. The previous year's figures were restated accordingly.

Expenses and income that could not be allocated to a functional area were recognized in the balance of other operating income and expenses. This figure amounted to -€39.1 million in 2023 after -€77.8 million in the previous year and also includes net expenses of €6.8 million (previous year: -€41.2 million) from valuation effects and the realization of currency hedges, in particular due to the development of the US-dollar exchange rate.

Earnings before interest and taxes (EBIT) fell by 54.9% year-on-year to €448.7 million; the corresponding margin was 16.2% (previous year: 28.5%). This development was mainly due to the decline in gross profit.

The financial result was -€47.6 million in 2023, compared to €135.2 million in 2022. This includes non-cash-effective income of €71.5 million, predominantly from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations (previous year: €148.9 million). After adjustment for this effect, the increase in remaining net financing expenses resulted, among other things, from the increased debt in connection with the most recent acquisitions.

In 2023, tax expenses amounted to €89.0 million (previous year: €250.5 million). In relation to the reported earnings before taxes, the tax rate is 22.2% (previous year: 22.2%).

Net result fell by 64.5% to €312.1 million (previous year: €879.9 million), and the net result attributable to shareholders of Sartorius Stedim Biotech S.A. declined by 64.6% to €309.7 million (previous year: €876.1 million).

Statement of Profit or Loss

€ in millions	2023	2022	Δ in %
Sales revenue	2,775.5	3,492.7	-20.5
Cost of sales	-1,542.0	-1,675.4	8.0
Gross profit on sales	1,233.5	1,817.4	-32.1
Selling and distribution costs	-449.1	-449.7	0.1
Research and development costs	-129.5	-132.4	2.2
General administrative expenses	-167.1	-162.2	-3.0
Other operating income and expenses	-39.1	-77.8	49.8
Earnings before interest and taxes (EBIT)	448.7	995.2	-54.9
Financial income	94.4	185.8	-49.2
Financial expenses	-141.9	-50.7	-180.1
Financial result	-47.6	135.2	n.m.
Profit before tax	401.1	1,130.4	-64.5
Income taxes	-89.0	-250.5	64.5
Net result	312.1	879.9	-64.5
Attributable to:			
Equity holders of SSB S.A.	309.7	876.1	-64.6
Non-controlling interest	2.4	3.8	-37.3

Extraordinary items are reported within functional expenses as of fiscal 2023. Prior-year figures were restated accordingly.

Earnings

At the Sartorius Stedim Biotech Group, EBITDA (earnings before interest, taxes, depreciation, and amortization) are used as the key profitability indicator. To provide a complete and transparent picture of the Group's profitability, also in an international comparison, earnings are adjusted for extraordinary items (underlying EBITDA). For more information about definitions, please refer to the Glossary on page 242.

Reconciliation between EBIT and Underlying EBITDA

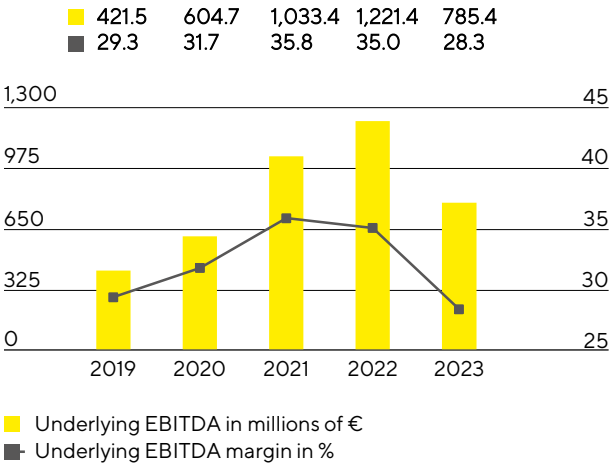
€ in millions	2023	2022
EBIT	448.7	995.2
Extraordinary items	99.1	46.3
Depreciation and amortization	237.6	179.9
Underlying EBITDA	785.4	1,221.4

Extraordinary Items

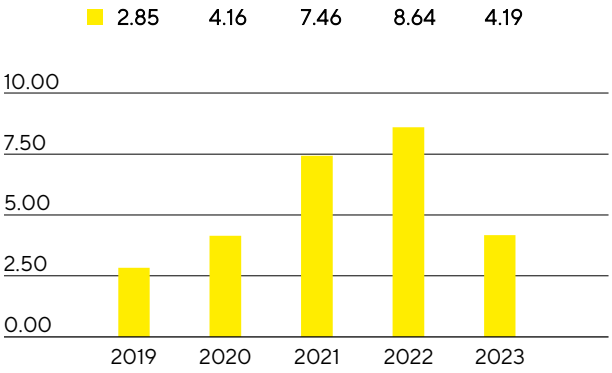
€ in millions	2023	2022
M&A projects	Integration costs	−21.1	−13.7
Structural measures	−74.2	−22.9
Other	−3.8	−9.7
Group	**−99.1**	**−46.3**

Mainly as a result of the lower volume development, underlying EBITDA decreased by 35.7% to €785.4 million; the resulting margin was 28.3% (previous year: 35.0%). Negative product mix effects also had a dampening effect, as the reduction in inventories on the customer side particularly affected demand for higher-margin consumables and led to a lower share of such products in total sales. Price effects on the procurement and customer sides largely offset each other.

Underlying EBITDA[1] and Margin



Underlying Earnings per Share[2]
in €



1 Underlying EBITDA: Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.
2 Profit for the period after non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.

The underlying net result after non-controlling interest for the Group fell from €796.6 million in 2022 to €385.9 million in fiscal 2023. This figure is the basis for calculating the profit to be appropriated and is computed by adjusting for extraordinary items, eliminating amortization of €91.1 million (previous year: €60.7 million), and is based on the normalized financial result and a normalized tax rate (see Glossary). Underlying earnings per share fell by 51.6% from €8.64 a year earlier to €4.19.

€ in millions	2023	2022
EBIT (operating result)	**448.7**	**995.2**
Extraordinary items	99.1	46.3
Amortization	IFRS 3	91.1	60.7
Normalized financial result[1]	**–114.1**	**–20.6**
Normalized income tax (26%)[2]	–136.4	–281.2
Underlying net result	**388.3**	**800.4**
Non-controlling interest	–2.4	–3.8
Underlying net result after non-controlling interest	**385.9**	**796.6**
Underlying earnings per share (in €)	4.19	8.64

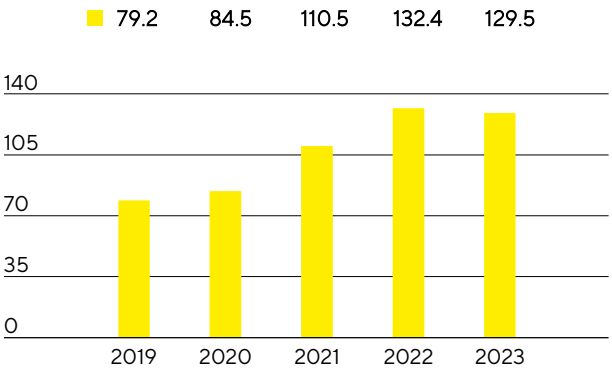
1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability.
2 Normalized income tax based on the underlying profit before taxes and amortization.

See Glossary on page 242 for the definitions of the totals listed above.

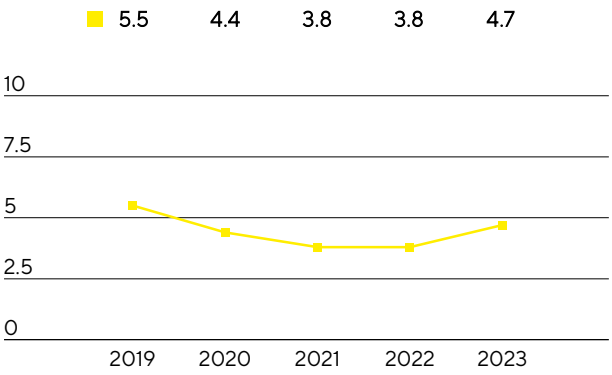
Research and Development

Sartorius Stedim Biotech continuously expands its product portfolio by investing in both new and further development of its products, as well as in the integration of new technologies through alliances and cooperations. In 2023, the Group spent €129.5 million on R&D, corresponding to a decline of 2.2% compared to the previous year's investment of €132.4 million. The R&D ratio was 4.7% (previous year: 3.8%). The gross R&D ratio of 7.4% was above the prior-year ratio of 5.6%; this ratio is even more meaningful for the assessment of innovation-related expenses and includes capitalized development costs of €75.4 million (previous year: €63.1 million) that are disclosed in the statement of financial position.

Research & Development Costs
€ in millions



Research & Development Ratio
in % of sales revenue



To protect know-how, Sartorius Stedim Biotech pursues a targeted intellectual and industrial property rights policy. The company systematically monitors compliance with these rights and reviews from a cost-benefit viewpoint whether it is necessary to continue to maintain individual rights.

The number of applications for intellectual property rights filed in 2023 totaled 216 compared with 171 in the previous year. As a result of the applications submitted in the past years, the company was issued 307 patents and trademarks (previous year: 267). As of the balance sheet date, there was a total of 4,913 patents and trademarks in the portfolio (previous year: 4,067).

	2023	2022
Number of patent and trademark applications	216	171
Registered patents and trademarks	307	267

Capital Expenditures

In the reporting year, Sartorius Stedim Biotech continued to invest considerably in the expansion of new capacities in all regions. In addition to significantly expanding production capacities, the investment program aims to further diversify the production network and make it more flexible. In line with the company's expansion plans, some expansion projects were completed in 2023. Further projects will be completed in the current year or in subsequent years.

At €473.6 million, capital expenditures in 2023 were slightly higher than the previous year's figure of €430.6 million, as planned. The ratio of capital expenditures (Capex) to sales revenue rose to 17.1% (previous year: 12.3%) due to the decline in Group sales revenue.

The company's largest investment projects in the reporting year included the expansion of membrane manufacturing capacities and new laboratory space for product development in Göttingen, Germany.

At its site in Yauco, Puerto Rico, a production line for cell culture media was set up and put into operation in 2023.

Sartorius Stedim Biotech made further substantial investments in additional clean room space for the manufacture of sterile disposables at its site in Aubagne, France, in the reporting year.

In the Asia|Pacific region, the company invested considerably in Songdo, South Korea, where construction work began on a plant for cell culture media production and sterile consumables processing. In addition, Sartorius Stedim Biotech plans to build a technology center for customer consulting and product demonstrations as well as laboratory space at the new site, which is located in the middle of a biopharma park.

Production capacities were also expanded at other locations. For example, the company carried out expansion projects at other sites in Germany as well as in the USA, the UK, and Slovenia.

Capital Expenditures

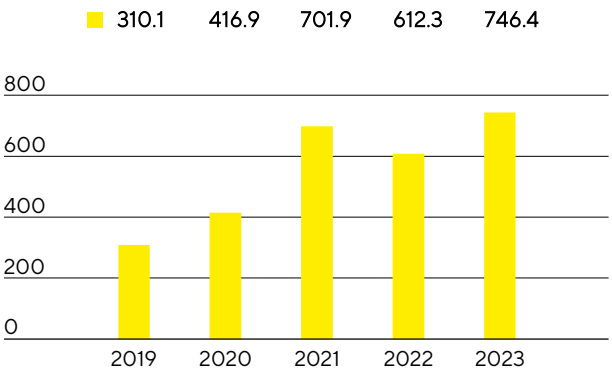
in millions of € unless otherwise specified	2023	2022
Sales revenue	2,775.5	3,492.7
Capital expenditures	473.6	430.6
Capital expenditures as % of sales revenue	17.1	12.3

2.5 Net Worth and Financial Position

Cash Flow

Cash flow from operating activities rose by 21.9% to €746.4 million in 2023 (previous year: €612.3 million) despite the decline in earnings. The increase resulted primarily from the optimization of working capital[1]. While Sartorius Stedim Biotech had increased inventories as planned in 2022 and previous years to secure supply ability in view of the temporary tensions in supply chains, these were significantly reduced in 2023. In addition, lower tax payments also had a positive effect.

Net Cash Flow from Operating Activities
€ in millions



Based on fundamentally intact growth drivers in the end markets and its medium-term growth targets, Sartorius Stedim Biotech continued its investment program to expand and diversify its production capacities, although the pace of implementation of individual measures was slowed down in view of the temporarily weaker demand. Cash outflows from investing activities increased by 9.0% to €481.8 million (previous year: -€442.0 million). Due to acquisition-related expenses of €2,240.9 million (previous year: -€515.6 million), primarily in connection with the acquisition of Polyplus, a provider of innovative cell and gene therapy technologies, cash flow from investing activities and acquisitions rose to -€2,722.7 million (previous year: -€957.5 million).

Mainly driven by a new loan agreement amounting to €3 billion signed with the parent company Sartorius AG and its affiliate Sartorius Finance B.V., cash flow from financing activities was €1,986.1 million (previous year: €220.7 million). This also included dividend payments for the 2022 financial year of €133.9 million (previous year: €117.7 million).

1 Sum of inventories and trade receivables.

Cash Flow Statement		
€ in millions	2023	2022
Cash flow from operating activities	746.4	612.3
thereof change in working capital	184.0	–265.3
Cash flow from investing activities and acquisitions	–2,722.7	–957.5
Cash flow from financing activities	1,986.1	220.7
Cash and cash equivalents	116.6	107.1
Gross debt	3,681.8	1,135.7
Net debt	3,565.2	1,028.6

Consolidated Statement of Financial Position

The balance sheet total of the Sartorius Stedim Biotech Group was €7,739.9 million as of the end of fiscal 2023 and thus €2,674.5 million higher than the prior-year level. This increase is largely due to the rise in non-current assets by €2,930.6 million to €6,324.8 million, mainly due to the increase in goodwill, other intangible assets and property, plant and equipment as a result of the acquisition of Polyplus and by the continuation of the investment program. Current assets decreased by €256.0 million year-over-year to €1,415.1 million, mainly as a result of the reduction in inventories and trade receivables, while cash and cash equivalents increased slightly. Working capital amounted to €1,176.1 million as of December 31, 2023 (previous year: €1,429.3 million).

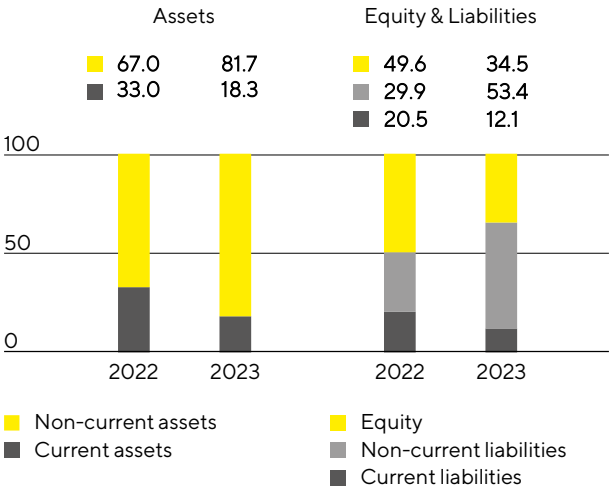
Key Working Capital Figures			
in days		2023	2022
Days inventories outstanding			
Inventories | Sales revenue[1]	x 360	113	105
Days sales outstanding			
Trade receivables | Sales revenue[1]	x 360	38	41
Days payables outstanding			
Trade payables | Sales revenue[1]	x 360	57	50
Net working capital days			
Net working capital[2] | Sales revenue[1]	x 360	94	96

1 Including pro forma sales of recent acquisitions.
2 Sum of inventories and trade receivables less the trade payables.

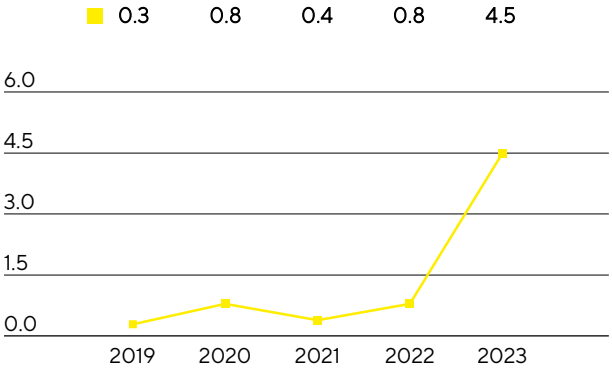
Equity grew by €159.0 million to €2,673.2 million as of year-end. The equity ratio – defined as the quotient of equity to the balance sheet total – was 34.5% (previous year: 49.6%).

Non-current liabilities increased from €1,515.3 million in the previous year to €4,129.4 million, mainly attributable to loans from the parent company Sartorius AG of €3 billion. In addition to financing the Polyplus acquisition, a smaller portion of the funds was used to repay current financial liabilities or was held in cash. As a result, current liabilities fell by €98.6 million to €937.3 million. The decrease in trade payables also had a positive effect.

Balance Sheet Structure
in %



Ratio of Net Debt[1] to Underlying EBITDA[2]



1 The net debt excludes the liability for the remaining purchase price for acquisitions; 2023: €80.6 million, 2022: €245.1 million, 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million.
2 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period.

Gross debt, which is comprised of bank liabilities and loans from the parent company Sartorius AG and its affiliate Sartorius Finance B.V as well as lease liabilities, rose to €3,681.8 million as of December 31, 2023, compared with €1,135.7 million as of December 31, 2022. The increase is mainly due to the aforementioned loan agreement. Net debt, defined as gross debt less cash and cash equivalents, was €3,565.2 million, compared to €1,028.6 million a year ago.

In relation to the debt financing capacity of Sartorius Stedim Biotech, the ratio of net debt to underlying EBITDA is a key metric. It is defined as the quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period. Following the completion of the Polyplus acquisition and the investments made in the reporting year, the ratio of net debt to underlying EBITDA as at December 31, 2023, was, as expected, at a higher level of 4.5 (previous year: 0.8). This figure is expected to be significantly reduced in 2024, to which a strong expected cash flow as well as the further reduction of inventories and lower investments in capacity expansions should contribute.

Calculation of Net Debt and Ratio of Net Debt to Underyling EBITDA

€ in millions	2023	2022
Non-current		
Loans and borrowings	3,509.7	1,020.6
Lease liabilities	93.1	91.1
Current		
Loans and borrowings	57.7	4.5
Lease liabilities	21.4	19.5
Gross debt	3,681.8	1,135.7
- Cash and cash equivalents	116.6	107.1
Net debt	**3,565.2**	**1,028.6**
Underlying EBITDA (12 months)	785.4	1,221.4
+ Pro forma EBITDA (12 months)	14.7	11.7
Pro forma underlying EBITDA (12 months)	**800.0**	**1,233.1**
Ratio of net debt to underlying EBITDA	**4.5**	**0.8**

Financing | Treasury

Sartorius Stedim Biotech covers its operational and strategic financing needs through a combination of operating cash flows and the assumption of short-, medium- and long-term financial liabilities.

As of December 31, 2023, the total volume of credit lines provided by the parent company Sartorius AG was €260 million. Additional bilateral credit lines of approximately €110 million were provided by banks. Of these amounts, Sartorius Stedim Biotech had utilized €5 million, leaving available credit lines of €365 million. This ensures that all Group entities have sufficient funds to cover short-term financing requirements.

Loans are taken out via the parent company Sartorius AG and its affiliate Sartorius Finance B.V. To finance the acquisition of Polyplus and refinance existing debt, Sartorius Stedim S.A. and Sartorius Stedim Biotech GmbH took out €3 billion of new loans with initial maturities of 3 to 12 years from Sartorius Finance B.V. in 2023. As at the reporting date, all outstanding loan agreements amounted to €3.57 billion. The proportion of fixed-interest instruments was around 95%.

The company uses hedging transactions to counteract the fluctuations in foreign exchange rates to which the Group is exposed on account of its worldwide business operations. At the end of 2023, foreign exchange contracts amounted to €549.0 million on a reported basis, with a market value of €4.0 million.

Assessment of Economic Position

After the pandemic-related extraordinary business and inventory buildup by customers led to strong additional growth momentum in the years 2020 to 2022, the temporary normalization of demand expected by the company management set in during the reporting year. This was more pronounced than anticipated at the beginning of the year, and the reduction in customer inventories also lasted longer than expected, which led to numerous forecast revisions throughout the life science sector. Other industry-wide factors also had a dampening effect, such as relatively low production levels, the largely discontinued business with Russian customers, and an overall muted investment activity on the part of customers, primarily in China and the USA. Against the backdrop of the temporarily weaker market environment, the company's management lowered its growth and earnings forecast for the Group in June and October 2023. In line with progress made by customers in reducing their inventories, business began to recover at the end of the third quarter, so that order intake was slightly above sales revenue in the fourth quarter. The company management therefore expects profitable growth for 2024.

Group sales revenue decreased by 18.7% in constant currencies to €2,775.5 million (reported: -20.5%). The corresponding underlying EBITDA margin stood at 28.3%. The forecast given in October for a decline in sales revenue of around 19% with profitability of just over 28% was therefore achieved.

The ratio of net debt to underlying EBITDA rose to 4.5 as of December 31, 2023, mainly due to the financing of the Polyplus acquisition, and was in line with the forecast value of just over 4.5.

In line with its ambitious mid-term growth targets, Sartorius Stedim Biotech continued to expand its production capacity in the reporting year. The ratio of capital expenditures to sales revenue reached 17.1% and was therefore slightly below the forecast of approximately 18%.

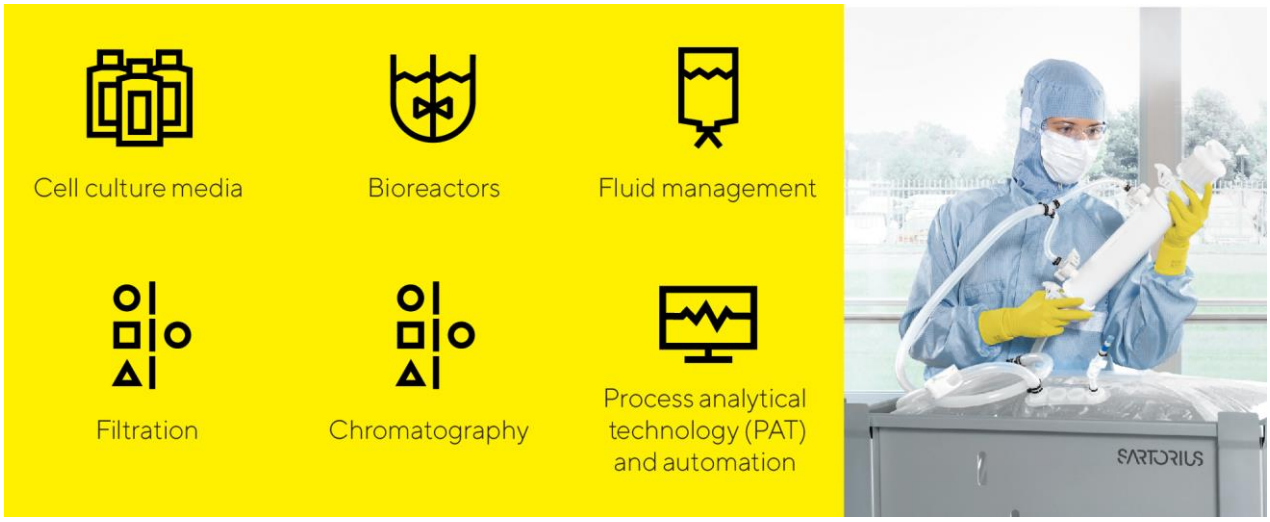
Projected | Actual Comparison for the Year 2023

	Actual	Guidance	Guidance	Guidance	Actual
	2022	January 2023	June 2023	October 2023	2023
Sartorius Stedim Biotech Group					
Sales growth[1]	15.1%	Low single-digit percentage range	Decline in the low to mid-teens percentage range	~-19%	-18.7%
Underlying EBITDA margin in %	35.0%	Around the level of the prior year	~30%	Slightly above 28%	28.3%
Net debt to underlying EBITDA	0.8	~0.5[2]	Slightly below 4[2]	~4.5[2]	4.5
Capital expenditures as % of sales revenue	12.3%	~12.5%	~15%	~18%	17.1%

1 In constant currencies.
2 Possible acquisitions are not considered.

2.6 Products and Sales

Sartorius Stedim Biotech markets products and services for the entire value chain in biopharmaceutical production and preceding process development. The portfolio includes cell lines, cell culture media, bioreactors, a wide range of products for separation, purification, and concentration, and products and systems for storage and transportation of intermediate and finished biological products.



As a result of the acquisition of the French company Polyplus, Sartorius Stedim Biotech has significantly expanded its product portfolio in the area of cell and gene therapies. Polyplus develops and produces high-quality, GMP-compliant transfection as well as DNA and RNA delivery reagents and plasmid DNA. These components are success-critical in the manufacture of viral vectors used in cell and gene therapies as well as other new medical therapy methods. The solutions from Polyplus are highly complementary to the portfolio created by Sartorius Stedim Biotech in recent years, which now comprises various cell culture media, other critical raw materials, and purification technologies for the manufacture of advanced therapies.

In the area of filtration, the Bioprocess Solutions Division introduced a new platform for the large-scale manufacture of biopharmaceuticals, which can be preconfigured with a wide range of filter types. The platform is suitable for a large number of separation steps, from cell culture media to virus depletion to subsequent sterile filtration; it is particularly user-friendly in its handling and achieves significant cuts in production times. In addition, a high-throughput tool for clarifying and purifying monoclonal antibodies was launched that helps customers speed up the preparation of small cell culture samples for downstream analysis in cell line development. Moreover, a system was introduced that allows single-use bags to be filled evenly at the same time, for example, with cell culture media for the manufacture of cell therapies, thus accelerating the filling process significantly.

Sales Activities

Sartorius Stedim Biotech markets most of its product portfolio directly. Sales activities for key accounts are coordinated and supported by global key account management.

Communication with customers via on-site visits is now supplemented by digital channels: many contacts with customers are made through digital communication tools. Video conferencing and augmented reality are used for such direct interactions, for example, when demonstrating products, conducting training sessions, and bringing systems into service. Other focuses aimed at strengthening the sales force are on expanding the

company's international presence and on continually enhancing sales efficiency, for example with product and application training or further specialized training programs for employees.

Product Development

Development activities at Sartorius Stedim Biotech essentially focus on technology areas such as membranes, which are the core component of the filter products; diverse technology platforms such as sterile containers for fluid management in biopharmaceutical processes and sensors; and control technologies for processes such as fermentation. Additional focal areas encompass developments in materials and components that include plastics, elastomers, and intelligent polymers; expanded data analysis; cell line development; and critical media components for protein-based, viral, and advanced therapies.

Product development is aimed at expanding the existing portfolio on a complementary basis and further enhancing the range of integrated complete solutions for the manufacture of biopharmaceuticals – from the early phase of development to commercial production.

The largest product development site is located in Göttingen, Germany, where a new product development building began its operations in the reporting year. Further important activities take place in France, India, the USA, and the UK, as well as in Sweden, Israel, Slovenia, and other locations in Germany.

Production and Supply Chain Management

Sartorius Stedim Biotech has a very well-developed global production network that was expanded at several sites in the reporting year. The largest production facilities are located in Germany, France, and Puerto Rico. Beyond these locations, the company also manufactures in the UK, Switzerland, Tunisia, India, the USA, China, Israel, and Slovenia. The most recent acquisition has added sites in France, Belgium, the USA, and China.

In the reporting year, Sartorius expanded its plant in Puerto Rico by adding a production facility for cell culture media. The new facility allows the company to supply, from its plant in Yauco, high-quality cell culture media in powder form, which are used in the manufacture of therapeutic proteins and other modalities. Production in Yauco is focused on customers in the Americas region.

Moreover, construction started in Freiburg im Breisgau, Germany, on a center of excellence for the development and production of quality-critical reagents for the cell and gene therapy market. The new building will increase the existing production of cytokines and growth factors and significantly expand research and development. The building is scheduled for completion in 2025 and production is expected to start in 2026.

The supply chain situation continued to ease in 2023 compared with previous years. Delivery times for most products have normalized, and the availability of electronic components and some chemical raw materials also improved over the course of the year.

2.7 Sustainability

In accordance with the provisions of Article L.225-102-1 IV of the French Commercial Code, the Sartorius Stedim Biotech S.A. subgroup is exempt from the obligation to prepare its own non-financial statement upon submission of the non-financial statement of Sartorius AG for the Sartorius Group. Sartorius Stedim Biotech as a Sartorius subgroup accounts for ~82% of the business in terms of sales revenues. Hence, and in accordance with Articles L225-100-1 al 2 and 225-10-35 of the French Commercial Code the overarching sustainability ambition and strategy along with concepts to key sustainability topis as described below apply to the Sartorius Group as well as to Sartorius Stedim Biotech in the same way. In addition, non-financial performance indicators are part of the Sartorius Stedim Biotech CEO variable remuneration, namely the Employee Net Promoter Score a short-term target and the CO_2 eq emission intensity reduction as a long-term target.

Sustainability Ambition and Strategy

As a signatory to the United Nations Global Compact, Sartorius is committed to complying with certain social and environmental standards when conducting its business activities. The aim is to identify and assess adverse impacts that are arising or may arise throughout the upstream and downstream value chain as a result of business operations and, based on this, to prevent or mitigate significant adverse impacts and provide remediation where they occur. The addition of sustainability aspects as a new element of corporate management is a long-term transformation and requires ongoing dialogue, coordination and close collaboration with relevant stakeholders along the value chain.

The company's key stakeholders principally include customers and business partners, employees, investors and local residents near Sartorius sites. Particularly in the case of customers, Sartorius uses a range of formats to remain in constant dialogue regarding sustainability aspects of products, decarbonization and climate neutrality, and other environmental and social standards. Employees, investors and suppliers are regularly informed about relevant sustainability targets, measures and results. As part of its regular capital market communication and SRI conferences, Sartorius was in constant discussion with analysts and investors. A virtual capital market tutorial also took place, focused on the company's decarbonization strategies and measures. The sustainability strategy was discussed with selected suppliers at a supplier day. In addition, Sartorius is involved in industry associations such as BioPhorum, NIMBL and PSCI on sustainability-related topics and actively shapes industry initiatives.

Sartorius defined the following strategic sustainability topics for the Group back in fiscal 2022, taking its key stakeholders' concerns into account:

- Climate
- Materials and circularity
- Water and wastewater
- Social responsibility
- Corporate governance
- Sustainability in the supply chains

Concepts for the Strategic Topics

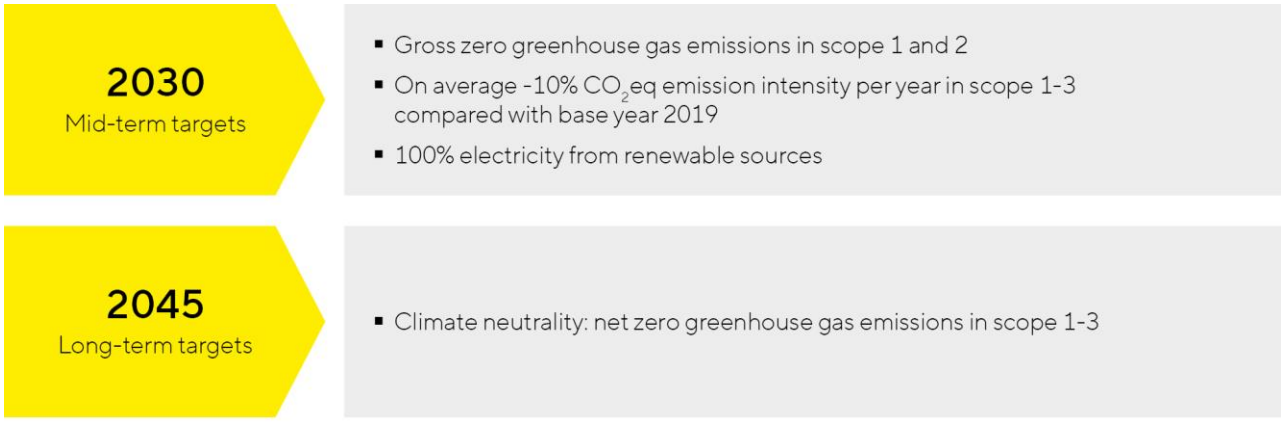
Climate

The company is aiming to make its business activities net-climate neutral by 2045. This is to be achieved through continuous decarbonization along the value chain and by removing unavoidable residual emissions in line with the Paris Agreement.

In fiscal 2021, the Group set itself the target of reducing CO_2eq emission intensity by an average of 10% per year by 2030 in comparison with the base year 2019. Sartorius has defined this indicator as adjusted greenhouse gas (GHG) emissions by market-based calculation per net turnover in gCO_2eq/€ based on the Accounting and Reporting Standards of the GHG Protocol. It includes Scope 1, 2 and 3 under the GHG Protocol. The adjustment means that in the "Purchased goods and services" GHG category it accounts only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. This indicator forms part of the Executive Board's and management's long-term variable remuneration components.

The Group has also set a target of cutting its avoidable, energy consumption-related gross Scope 1 and 2 emissions to zero by 2030. Process emissions generated during membrane production are currently deemed unavoidable based on the technology available at present

Overview of climate targets at Sartorius



In the reporting year, the company also committed to preparing medium-term, science-based climate targets, which will be validated by the independent Science Based Targets Initiative (SBTi). The targets are due to be submitted to the SBTi by October 2025.

Sartorius already identified a range of decarbonization levers along the value chain back in 2021. These particularly include product design, the associated energy efficiency and selection of materials, and the Group's transport activities. The company is currently working on a concrete transition plan. As a first step, it was decided in the reporting year to switch all energy consumption to renewable sources by 2030.

Materials and Circularity

The company's ambition formulated in the 2023 financial year is to minimize recyclable waste and optimize the use of resources along the value chain. In the reporting year, the Executive Board set the target for 2030 of generating at least 75% of the Group's sales revenue with products designed acccording to circularity principles. This includes product and transport packaging. The principles of circular design include durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, and other ways of improving the use of the product or material based on the circular economy.

A detailed implementation plan is currently being worked out. The company will start by driving the creation of Group-wide data transparency around resource flows. A multi-year master data program was launched in the reporting year to initiate the first steps toward accounting for the inflow and outflow of resources at the company.

Conducting life cycle assessments is another key measure for quantifying the environmental impacts of products, packaging and processes and identifying potential for improvement. Sustainability experts in the operating divisions began these analyses in the reporting year, focusing on particularly relevant products and product groups.

Operational waste is already avoided during the production process by reducing or reusing scraps. This primarily applies to bag, membrane and filter cartridge production. The relevant sites run an operational waste management system. The Executive Board resolved in the reporting year to send no more operational waste to landfill by 2030.

Overview of circularity targets at Sartorius

2030

- At least 75% of Group sales revenue with products designed according to circularity criteria (including product and transport packaging)
- Zero operational waste to landfill

Water and Wastewater

Distillation plants are operated at the membrane production sites in Göttingen, Germany, and Yauco, Puerto Rico, that enable almost full recycling of solvents from the production process for own reuse. For solvents not recycled in this process, the disposal by external service providers is arranged. Production wastewater that has been pre-cleaned in accordance with legal limits is discharged into the sewage system or external service providers are commissioned for further treatment.

EHS managers at the sites are responsible for local environmental management. Environmental aspects must be regularly identified and analyzed as part of the local environmental management systems and improvement measures drawn up on this basis.

Social Responsibility

Human Rights and Labor Standards

The Group has made a policy statement on respect for human rights and a position statement on labor and social standards and occupational health and safety available to all employees worldwide on the intranet. Sartorius is committed to upholding human rights and labor standards that include the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, in particular the Universal Declaration of Human Rights, the UN International Covenant on Civil and Political Rights and the UN International Covenant on Economic, Social and Cultural Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The Sartorius Code of Conduct sets binding minimum standards for law-abiding and ethical conduct throughout the Group, which also include binding labor standards.

These labor standards are overseen by various functions at different levels at Sartorius. For example, the Environment, Health, and Safety (EHS) Department coordinates the global concepts in the field of occupational health and safety. Individual sites have also introduced specific management systems in accordance with ISO 45001.

The company monitors compliance with the provisions of the Code as part of its compliance management system, for example through regular internal audits by the Group Auditing Department. Once a year, a report is submitted to the responsible Supervisory Board committee. Further information on the compliance management system can be found in the corporate governance statement of the Sartorius Group's annual report.

Compliance with the human rights requirements set out in the Sartorius Code of Conduct is also verified by external audits performed by an accredited organization in accordance with the standards of the Pharmaceutical Supply Chain Initiative (PSCI). The PSCI has established itself as an initiative in the pharmaceutical industry to promote sustainability throughout the value chain. In a rolling process, five sites selected on the basis of risk are chosen for audit each year.

Employees also have the ability to report human rights and labor standards violations at any time to the appropriate manager, employee representatives, compliance officer, or via the compliance or whistleblower hotline as well as anonymously via the whistleblower portal.

Diversity

As a signatory to the Diversity Charter, Sartorius is committed to promoting workforce diversity beyond these basic labor standards. Company-wide networks have been established in this context, such as an LGBTQ Alliance and the Sartorius Business Women Association (SBWA) to achieve gender parity in management positions.

Employability

Sartorius is committed to promoting its employees' ongoing personal and professional development and has also enshrined this in its management guidelines.

Annual performance reviews between employees and their managers provide a forum for discussing performance, targets, and individual development opportunities. The company offers a wide range of training opportunities across the Group, such as management development and mentoring programs, self-learning opportunities, and also opportunities to work abroad.

Satisfaction

Within the framework of a global employee survey conducted twice a year, the Group regularly determines its employees' overall opinion of the company and its leadership culture, the workplace, and job satisfaction in general, for example.

The employee net promoter score, which measures the extent to which employees would recommend Sartorius as an employer, forms part of the Executive Board's and management's short-term variable remuneration components. Sartorius has set itself the goal of achieving an average annual score of 35.

Corporate Governance

Corporate governance is based on the requirements defined in the German Stock Corporation Act ("Aktiengesetz") and the recommendations of the Corporate Governance Code. The corporate governance statement and declaration of compliance can be found in the Sartorius Group annual report.

Through its Group-wide compliance management system, Sartorius aims to ensure that members of its individual boards, executives, and employees comply with all legal regulations and codes and perform their activities in accordance with the company's internal guidelines. A Compliance Management Manual was introduced in the reporting year, summarizing the responsibilities and authority of individual functions and setting out the processes for efficient collaboration between them. The basic principles of the compliance management system are explained in the corporate governance statement of the Sartorius Group annual report.

The issue of anti-corruption is also a central component of the compliance management system. The related requirements employees must comply with are laid out in a dedicated Anti-Corruption Code, and employees regularly receive training focused specifically on the contents of the Code.

Sustainability in the Supply Chain

Our fundamental sustainability requirements were laid out in our Code of Conduct for Business Partners, which was updated in September 2022 with respect to some human rights issues in the context of the implementation of Germany's Supply Chain Due Diligence Act (LkSG) and published in a new version. This Code of Conduct has been binding for new suppliers since 2019. Both new and existing suppliers are required to sign the updated Code of Conduct.

A standardized, multi-stage process is in place to assess supplier sustainability. This is based on internal and external information and requires corrective measures to be taken in the event of non-compliance. In the Bioprocess Solutions Division, a risk committee has been set up, which receives regular reports on the results and decides on the action to be taken. The supplier evaluation process involves reviewing compliance with sustainability requirements using self-assessments based on standardized questionnaires via recognized providers. For selected suppliers, Sartorius engages external, independent on-site sustainability audits. Furthermore, sustainability aspects form part of the on-site quality audits conducted by Sartorius itself. The sourcing departments are responsible for ensuring that suppliers are bound by the Code of Conduct and for verifying compliance with the requirements. The quality departments are responsible for carrying out the quality audits.

In addition, Sartorius maintains a continuous dialogue with suppliers to promote their commitment to sustainability issues.

Further Information

Further information on sustainability, particularly the results of our concepts for strategic sustainability topics and the reporting in accordance with Article 8 of the EU Taxonomy Regulation 2020/852, can be found in the Non-financial Statement of the Sartorius Group annual report.

Sustainability reporting in this Non-financial Statement is supplemented by the Sustainability Report of the Sartorius Group, which is prepared based on the GRI Standards. The Sustainability Report for the past fiscal year will be published in the first quarter of 2024.

2.8 Risk Management Organization

Principles

Every business activity entails risks that have to be managed, and their management is a decisive success factor for the future development of a company's shareholder value.

The point of risk management is not to always eliminate every risk possible; rather, the company's approach is to intentionally take a certain measure of risk in business activities in order to be successful in unlocking opportunities. In this context, it is important to keep risks within acceptable limits and to control them carefully. Through appropriate guidelines, it is ensured that risk assessments are taken into account in the decision-making processes from the very beginning.

At Sartorius Stedim Biotech, identification and management of risks is a cross-functional component of Group management. In this respect, Sartorius Stedim Biotech's risk management is integrated into the Sartorius Group organization. The risk management organization reflects a global functional organization in which individuals heading a functional area are each responsible for their own management of risks. The Finance & Controlling department ensures a regular reporting process and is responsible for the further development of the Group's risk management system as a whole (Central Risk Management function).

Organization

Overall responsibility for an effective risk management system lies with the Audit Committee. The coordination and further development of this system as well as the combined risk reporting are the responsibilities of the Finance department, while the particular functional areas are responsible for identifying and reporting individual risks, as well as for assessing their potential impact and for taking the appropriate countermeasures.

The Audit Committee monitors the effectiveness of the risk management system: while carrying out their statutory audit mandate for the annual financial statements and consolidated financial statements, the independent auditors examine whether the early warning system in place is capable of prompt identification of risks that could jeopardize the future of the company. Finally, the Internal Audit department regularly reviews the risk management process and system. The main results and findings of these audits are discussed in the Board and Audit Committee meetings. Any adjustments to the risk management system are implemented by Central Risk Management.

Insurance

Sartorius Stedim Biotech has taken out insurance policies to cover a wide range of risks where possible and economically advisable. These insurance policies include coverage against product liability, property damage, business interruption, and cyber, transport, and financial losses and provide comprehensive coverage for legal costs. The type and scope of insurance coverage are regularly reviewed and adjusted by an independent department in cooperation with an external insurance broker.

When selecting insurers, the Group considers particularly the credit rating of these entities, as well as the target to achieve a high degree of diversification to mitigate the related risks.

Risk Management System and Risk Reporting

The risk management system of the Sartorius Group is documented in a Risk Management Handbook that applies throughout the entire Group and includes definitions of the framework, the structural organization, processes, risk reporting and monitoring, and controlling of the effectiveness of the risk management system. This Handbook is based on the ISO 31000 "Risk Management - Guidelines" standard and the COSO standard (COSO = Committee of Sponsoring Organizations of the Treadway Commission). There are also a number of other sources that contain guidelines for dealing with risks, including the Articles of Association and rules of procedure of the Group companies and other internal guidelines. The Group's dynamic development over the past years and the increasing demands of customers and regulators meanwhile require that the guidelines and rules are adapted continuously.

The reporting process in the risk categories subsequently described establishes the rules for the ongoing review of and gathering of information on risk situations. If specific risks are identified, these are documented with respect to their assessment, probability of occurrence, and measures to be taken to eliminate such risks or to mitigate their impact. Assessment of risks is governed by the remaining net risk, after any risk-mitigating action has been taken. In addition, as soon as these risks reach defined size criteria, they are reported into the risk management tool. Central Risk Management aggregates these risks and informs the Audit Committee regularly on the Group's risk situation. This information includes a comparison of the risk portfolio with the risk-bearing capacity of the Group, determined on the basis of a rolling liquidity planning. An urgent reporting procedure is in place to ensure that when a new or emerging significant risk to the Group's net worth, financial position, and profitability is identified, the Audit Committee receives all of the necessary details without delay.

Sartorius Stedim Biotech has defined a risk matrix that categorizes the probability of occurrence and potential impact on the net profit into specific classes as follows:

Probability of Occurrence	
Remote	< 10%
Possible	10% - 50%
Probable	50% - 75%
Very likely	> 75%

Significance	
in millions of €	Impact on Earnings
Insignificant	< 10
Moderate	10 - 50
Significant	50 - 100
Critical	> 100

These two elements are combined to form the following matrix that indicates the importance of the individual risks for the Group:

> 75%	low	medium	high	high
50 - 75%	low	medium	medium	high
10 - 50%	low	medium	medium	medium
< 10%	low	low	medium	medium
Probability | Impact	< €10 million	€10 - 50 million	€50 - 100 million	> €100 million

Risk Factors

Overview

To structure risks in a meaningful way, four main categories have been defined: external risks, operating risks, financial risks and compliance risks. Each main category is divided into several subcategories that are shown in the table below and further described in the following sections.

For the purposes of this report, the probability of occurrence of the risks has been assessed as shown below and, in the adjacent columns, classified according to their particular significance for the entire Group. The most significant risks in each category are marked with an asterisk.

Risk Category	Probability of Occurrence	Significance	Net Impact
External risks	Probable	Significant	Medium
Operating risks			
Procurement risks*	Possible	Significant	Medium
Production risks	Possible	Significant	Medium
Sales and distribution risks	Possible	Significant	Medium
Competitive risks	Possible	Moderate	Medium
Quality risks	Remote	Significant	Medium
Research and development risks	Possible	Significant	Medium
Acquisition risks	Possible	Significant	Medium
Personnel risks	Possible	Significant	Medium
IT risks	Possible	Significant	Medium
Financial risks			
Exchange rate risks*	Probable	Moderate	Medium
Interest rate risks	Probable	Moderate	Medium
Liquidity risks	Remote	Moderate	Low
Tax risks	Possible	Moderate	Medium
Compliance risks			
Regulatory risks*	Possible	Significant	Medium
Environmental risks from the production process	Remote	Moderate	Low
Litigation risks	Possible	Moderate	Medium

External Risks

General Risks

The effects of the coronavirus pandemic had a significant temporary impact on Sartorius Stedim Biotech's business development. As one of the leading bioprocess technology providers, the Group was able to contribute to overcoming the pandemic by supplying products for the manufacture of coronavirus vaccines and test components and to generate extraordinary increases in revenue in 2021 and 2022. In 2023, the significant reduction of the Covid-19-related business combined with customers' inventory reductions led to a double-digit decline in orders and revenue.

Since the beginning of Russia's attack on Ukraine, Sartorius Stedim Biotech has suspended all business activities in Russia that are not related to humanitarian medical products. As a result, sales generated in Russia dropped significantly and had a moderate impact on the Group. The indirect effects of the war, for example inflation, impacted supply chains, and potential gas or energy shortages were controlled by the Group through a variety of measures. Price increases were introduced to compensate for the higher procurement costs. The German Group locations have been able to make themselves largely independent of the Russian gas supply, for example, by creating the technical prerequisites for a conversion to oil. Regarding suppliers with energy-intensive production processes, safety stocks have been increased.

Overall, the direct and indirect effects of the Ukraine war on the Group's future business development are not significant. Since the conflict is ongoing and the further development of the dispute and the indirect effects cannot be reliably estimated, there is a high level of uncertainty in this context.

Sartorius Stedim Biotech runs a cell culture media facility in Beit Haemek in the northern part of Israel. While most of the fighting following the attack by Hamas is centered at the surrounding of the Gaza Strip, the southern region of Israel and the greater Tel Aviv area, the situation in the northern border region is also becoming increasingly tense. Local production as well as transport and logistics have been maintained so far. A further escalation of the conflict in Israel or the whole region might lead to temporary production stops. To strengthen resilience and safeguard delivery reliability, Sartorius Stedim Biotech is working on building backup capacities for the products currently only manufactured at this site. Overall, the business volume of the products manufactured in Israel is not critical for Sartorius Stedim Biotech (<1% of Group revenue).

In addition to the above-mentioned conflicts, other events, such as natural disasters, may also have an impact on the Group's business activities. The largest sites in Germany and France do not face any major risks in this respect, while especially the production plant in Puerto Rico is exposed to the risk of severe hurricanes or earthquakes and could be impacted accordingly. This plant is producing a wide range of products for the US market, and any major damage could therefore have a significant impact on the Group's earnings. By applying the highest possible safety standards to the buildings and explicitly considering this risk in the warehousing and international production network strategies, Sartorius Stedim Biotech is reducing the related exposure.

Since the Group companies operate globally and have international interdependencies, punitive tariffs and trade conflicts can have negative effects on the business activities. To reduce any possible impacts, various measures are currently being reviewed, such as an extension of the supplier network.

Overall, the importance of geopolitical risks for the Group's business activities has increased significantly in recent years. Developments in this regard are being observed, and measures to reduce risks are being initiated as early as possible.

Operational Risks

Procurement Risks

The company purchases a wide range of raw materials, components, parts, and services from suppliers and is consequently exposed to the risks of unexpected delivery bottlenecks and|or price increases. The global economic environment in 2022 and 2023 has led to price increases in nearly all areas. Price effects on the purchasing and customer sides largely offset each other, with the result that inflation did not have a significant negative impact on the Group's profitability. In future it might not always be possible to impose further price increases on customers, and margins would be diluted accordingly.

In the field of supplier management, powerful tools and robust processes have been implemented in recent years to manage risks and ensure supply continuity. Important measures to reduce potential supply bottlenecks include maintaining safety stock levels and identifying alternative materials and suppliers. Consequently, the Group does not consider itself to be specifically dependent on individual suppliers. In addition, the Group regularly conducts supplier reviews and carefully monitors the delivery status and inventory coverage of critical raw materials.

The Group actively mitigates procurement risks arising from potential shortages of raw materials and components in the market. By concluding binding purchase agreements with suppliers and|or by seeking alternatives within the supplier network, their impact can be reduced and continuous supply largely secured. In 2023, the Group observed a normalization of global supply chains in many areas following partial supply bottlenecks for raw materials and components as a result of the coronavirus pandemic and the Ukraine war.

In addition, Sartorius Stedim Biotech identifies and evaluates the supplier base in accordance with legal requirements (for example from the Supply Chain Due Diligence Act) as well as regarding compliance with internal and external sustainability standards. In the event of deviations, the process provides for a large number of measures that are coordinated with the suppliers concerned.

Production Risks

The Group manufactures a significant proportion of products that involve a high level of vertical integration (for example filters). Other products, such as fermenters and bioreactors, are manufactured in collaboration with suppliers so that some of the production risks are transferred to external third parties. Where products are manufactured internally, the Group bears the associated risks of capacity bottlenecks or overcapacity, production downtimes, excessive reject rates, and high levels of tied-up working capital, as well as dependency on individual manufacturing sites.

These risks are reduced by planning production capacities carefully, using versatile machines and semi-automated individual workstations in conjunction with flex-time work schedules, and continuously monitoring production processes. Moreover, a global manufacturing network enables the Group to compensate partially for capacity bottlenecks by shifting production to other regional plants and to limit the dependency on individual local manufacturing sites. Strong demand volatility, as has been the case since the beginning of the coronavirus pandemic, can nevertheless lead to temporary over- or underutilization of production capacities, with corresponding positive or negative effects on profitability.

Some production processes use highly flammable or explosive materials. The improper handling of such materials can result in significant damage to property and business interruptions. The Group has taken all necessary organizational and structural measures at the affected locations to mitigate this risk as much as possible.

Sales and Distribution Risks

Sartorius Stedim Biotech uses a variety of channels to sell and distribute its products around the world. The potential risks entailed are unexpected changes in the demand structure, growing price pressure, and non-compliance with supply agreements concluded with customers. The ongoing normalization of demand as a result of the decline in Covid-19-related additional business and the reduction of increased inventories on the customer side is likely to have only a temporary impact on the development of the industry. The Group considers the basic growth drivers as intact and expects profitable growth again in the coming years (see chapter Sector Conditions on page 27 and 30 and the Forecast Report, page 66).

The Group employs targeted market analyses to identify emerging demand trends in individual segments early on so that appropriate responses can be initiated. Technical innovations and the fact that a large number of the Group's products are used in validated production processes in the biopharmaceutical industry reduce the exposure to the risk of growing price pressure.

Geopolitical crises often lead to trade restrictions or sanctions on certain products in individual countries or regions. A tightening of sanctions in the current conflicts or the adoption of further restrictions, for example due to new crises, may therefore also lead to further restrictions on the Group's sales opportunities.

Sartorius Stedim Biotech sources its key customers from the pharmaceutical, chemical, and food industries. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings and accordingly low credit risks. Most business areas have a highly diversified customer base, so the Group as a whole is not dependent on individual key accounts to any significant degree.

Competitive Risks

Sartorius Stedim Biotech has a leading competitive position in its core technologies and competes mainly with larger rivals sharing the status of a globally operating company. As the Group serves a large number of customers from highly regulated sectors like the pharmaceutical and food industries, and the technology barriers to market entry are fairly high, the probability of new competitors emerging within the short term is regarded as relatively low.

The fact that many of the Group's products are used in validated processes, especially those in the biopharmaceutical industry, reduces the risk of losing significant market share within a short time frame. Conversely, the hurdles faced by Sartorius Stedim Biotech in winning clients from competitors in this industry are also higher.

Further risks could arise from changes in the competitive environment, for example, further consolidation in the markets or new competitors, for instance in China. Sartorius Stedim Biotech has been continuously making acquisitions in recent years, thus further strengthening its market position and opening up new potential synergies.

Quality Risks

Customers use Sartorius Stedim Biotech's products in a wide range of critical production processes, including the manufacture of vaccines, medications, foods, and chemicals, as well as in research and development laboratories. The main risk encountered in these areas is non-compliance with specified quality criteria, impacting the performance of the products, which can lead to losses for the Group's customers, or the customers`, for which the Group may be made liable through compensation claims. Especially in the field of vaccine or drug production, the damage caused can be significant, even if only small production volumes are lost on the customer side.

The company applies rigorous quality checks and advanced production methods and processes, such as cleanroom technology – where necessary - to ensure that all products satisfy the most stringent quality standards and high regulatory requirements. These manufacturing methods and processes are subject to constant review under the continual improvement processes and are optimized as requirements evolve. Quality control tests are implemented through in-process control tests and test procedures of final products to ensure that critical or essential product properties are continuously met. A rigid product release process ensures that only products will be shipped that are in compliance with the agreed specifications.

The effectiveness of the Group's quality system is confirmed through the successful completion of regular audits by customers as much as through implementation of certified quality systems compliant with ISO 9001 and, where applicable, with ISO 13485 to document the high level of quality achieved in Sartorius Stedim Biotech's products and processes. Irrespective of these measures, significant insurance coverage against product liability risks is maintained.

Sartorius Stedim Biotech is continuously expanding its product portfolio with new technologies and applications, not only through its own developments, but also through collaborations with partners. To ensure that partners meet the high quality standards, a rigorous qualification process has been established. The Group also helps its partners to improve their quality systems when needed.

In addition, a traceability system has been established that enables the Group to efficiently identify and, if required, recall an entire production batch immediately. This minimizes the consequences in the event that a defect or non-conforming item is discovered in a product and ensures compliance with regulations. A complaint management system has also been installed to deal with customer requests promptly and to ensure efficient documentation.

In the addressed sectors, quality requirements are growing more and more stringent all the time, not least as a result of increasing requirements on protection of medical patients and on product safety by regulatory authorities. There is a risk that new regulations may be overlooked or be difficult to implement. Through the work on professional committees, and the membership in industry associations and standards committees, the Group actively takes part in drafting new standards and guidelines and is able to identify emerging requirements at an early stage and make the necessary preparations.

R&D Risks

The Group devotes a considerable share of its resources to research and development. Potential risks in this area may arise from development results that diverge from market needs or application requirements and from exceeding planned development deadlines and budgets. These risks are substantially limited through trend monitoring as well as extensive proof-of-concept activities to de-risk product development, as well as project management, intensive R&D controlling, and early involvement of customers in the development process. In particular, the company ensures that proofs of concept and product designs are always reviewed promptly with regard to how well they meet customers' needs so products can be adapted accordingly as required. The continuous tracking of technology trends and competitor activities together with early-stage patent filing ensure the Group's technology and marketing position.

Acquisition Risks

The purchase of companies or parts of companies entail, a number of typical risks, such as incorrect valuation assumptions, insufficient usage of anticipated synergy effects, and unsuccessful integration.

Sartorius Stedim Biotech takes various measures to reduce these risks. These include performing a thorough due diligence review of important areas and carrying out a comprehensive analysis of the market concerned. In addition, the Group involves external consultants and experts in the purchase or sales process as required. A special focus is on the construction of transaction contracts so that they adequately counter such risks, especially by clauses assuring specific characteristics, or by contractual warranty or guarantee provisions, as well as agreements on mechanisms for adjustment of the purchase price and on liability clauses. Appropriate insurance policies are taken out when necessary. Immediately after an acquisition has taken place, an integration phase is initiated in which any potential risks can likewise be detected as early as possible and prevented or minimized by taking the appropriate counteractions. A Post-Merger Integration (PMI) Office has been established as an independent function to ensure the efficiency of the integration process and minimization of the associated risks.

In the past years Sartorius Stedim Biotech has made significant acquisitions, mainly in the field of cell and gene therapy. In 2023 the Group acquired Polyplus, a leading developer and manufacturer of transfection and other DNA|RNA delivery reagents and plasmid DNA in high quality and GMP grade. The purchase price of this transaction was approx. 2.4 billion euros (including assumed debts). In combination with further acquisitions in the areas of critical components for the development and manufacture of advanced therapies (Biological Industries Israel, CellGenix, Xell, Albumedix) and downstream solutions for the manufacture of gene therapeutics (BIA Separations), the Group sees itself well-positioned in the dynamically growing field of advanced therapies.

At the same time, net debt and interest expenses have increased significantly. If the targeted modalities like cell and gene therapies do not develop as expected or the acquisitions cannot be integrated appropriately, this could have a significant impact on the Group's performance, and asset impairments (intangible assets and goodwill) in the financial statements cannot be excluded.

Personnel Risks

As an innovative technology group, Sartorius Stedim Biotech employs a large percentage of highly qualified people. This entails the risk that Sartorius Stedim Biotech may not be able to hire highly qualified employees with the right company fit in the future or may lose high performers currently working for the company. The increasing volatility of the business volume over the past years poses major challenges for the integration and training of new employees (growth scenario), and on the other hand, a great deal of flexibility is required, along with the ability to implement organizational changes efficiently and effectively.

Sartorius Stedim Biotech strives to retain employees in key positions and talented individuals over the long term by offering compensation models in line with the market, targeted training opportunities, and attractive long- and short-term working time and workplace models, and by highlighting interesting development prospects. In this context, the Group particularly continued to enhance staff development initiatives and management programs. The success of these measures is reflected in the low attrition rates seen in recent years. In certain cases, employment contracts contain a clause prohibiting any move to a direct competitor.

Sartorius Stedim Biotech is countering demographic change primarily by training junior employees and promoting continuous learning for every employee, accompanied by appropriate performance development processes. This, in turn, creates opportunities for the Group, as training its own employees ensures that Sartorius can meet its own demand for qualified personnel.

In order to smoothly onboard new employees and ensure an appropriate transfer of knowledge, the Group has developed and implemented specific onboarding processes for employees and managers. In addition, Sartorius Stedim Biotech uses a digital HR platform that supports secure and stable processes and enables decisions to be made on the basis of high-quality data.

IT Risks

The Group's business processes are supported by a wide range of specific IT systems and software applications. The technical IT infrastructure and the global network connecting the Group's locations play a decisive role in the operation and optimization of business processes.

However, the increasing dependence on these systems also harbors risks. In addition to others, cyber-attacks represent a significant threat, which can lead to considerable restrictions and even failures of business processes. In the worst-case scenario, such attacks could lead to uncontrolled data loss or manipulation of data, as well as downtime and failure of applications, systems, and facilities.

To minimize these risks, the Group continuously invests in new and reliable technologies and ensures the safe operation of applications, systems, and plants. In the past fiscal year, another important step was taken to ensure the secure operation of the global IT infrastructure and application landscape with the certification according to ISO 27001 and the associated establishment of a management system for information security.

Sartorius Stedim Biotech also works with certified IT security partners, with whom strategic concepts for IT security and efficiency are developed, and systems and equipment for security are tested in regular audits.

Additions and adaptations to dynamic risks and threats in the security strategy are continuously integrated and implemented in the system and application landscape. These measures provide reliable protection and make it possible to detect potential threats at an early stage and respond to them quickly and appropriately.

The Group involves employees in the security strategy by regularly providing them with easy-to-implement but effective strategies for safe behavior and secure handling of information technology in addition to basic training and encourages them to report suspicious activities directly to the IT department for further investigation.

Financial Risks

The global nature of the Sartorius Stedim Biotech Group’s operations means that its business activities are inevitably exposed to financial risks. The most significant of these are exchange rate risks, interest rate risks, liquidity risks, and tax risks.

Exchange Rate Risks

As a consequence of its global business activities, the Group is exposed to risks arising from currency fluctuations in foreign exchange rates. Since around two-thirds of consolidated sales revenue are generated in foreign currencies and, in turn, approximately two-thirds of this total revenue is in US dollars or in currencies pegged to the US dollar, the Group is positively or negatively impacted by currency effects when converting the currencies of balance sheet items and profit or loss items, respectively. Other currencies relevant to the Sartorius Stedim Biotech Group are the British pound, the Singapore dollar, the South Korean won, the Japanese yen, the Chinese renminbi and the Swiss franc.

The global production network enables the Group to offset the majority of sales revenues generated in foreign currencies against costs likewise incurred in foreign currency. For example, many products for the North American market are manufactured locally, and the Group is therefore not disadvantaged on the cost side in competing with US rivals, insofar as this risk is concerned.

The risk exposure is monitored continuously with a cash flow at-risk model in order to evaluate and steer the remaining risk based on the expected net exposure for the next 12 months and taking into consideration hedging transactions already executed. This is the basis to decide on whether to employ additional derivative financial instruments, especially spot, forward, and swap transactions, to adjust for maximum loss. Please refer to page 184 for further details on fx hedging.

Interest Rate Risks

The Group has concluded fixed interest agreements for about 95% of its debt instruments outstanding so that any changes in the interest rate will not have any meaningful effect on consolidated earnings. The remaining portion of the financing instruments outstanding as of the reporting date is subject to variable interest rates based on short-term money market rates. The Group constantly monitors interest rate trends and the Group's interest rate exposure and arranges for hedging transactions where it is considered necessary and financially advisable to do so for individual loans. As of December 31, 2023, the Group did not hold any interest rate derivatives in its portfolio of financial instruments.

Liquidity Risks

The general risk is that Sartorius Stedim Biotech will not be able to pay its creditors. In order to minimize those liquidity risks in the individual Group companies on the one hand and to optimize the Group's net interest income on the other, a variety of long-term and short-term financing instruments are used. With regard to the maturities of loans, Sartorius generally adopts a risk-averse approach.

As described in chapter 2.11, the Group is largely financed by its majority shareholder Sartorius AG and other affiliated companies of Sartorius Group. Therefore, Sartorius Stedim Biotech depends on its controlling shareholder with regard to financing. Since Sartorius Stedim Biotech is generating a large portion (>75%) of the Sartorius Group's revenues, profits, and cash flows, the risk that the funding will be stopped is very limited.

In September 2023, the Sartorius Group issued long-term, unsecured, and fixed-rate bonds with a total volume of €3 billion. Maturities range from 3 to 12 years with interest rates ranging from 4.375% to 4.875%. The funds were used in particular to refinance the bridge financing taken out for the Polyplus acquisition and also for general corporate financing. Sartorius Stedim Biotech has received corresponding loans by Sartorius AG and its affiliates. The interest rates and maturities are line with those of the underlying bonds.

There are some bilateral credit lines in place on a smaller scale for individual Group companies. Furthermore, cash pooling agreements are used between selected Group companies as the primary instrument for managing liquidity within the Group.

On the level of the Sartorius Group and Sartorius Stedim Biotech Group, there are currently no financing agreements that include clauses regarding compliance with financial covenants.

Tax Risks

Sartorius Stedim Biotech and its subsidiaries do business across the globe and are therefore subject to the tax laws and regimes of various countries. Changes in tax laws, rulings by the courts, and interpretation of the laws by the fiscal authorities or courts in these countries can result in additional tax expenses and payments and thus also affect the corresponding tax items in the statements of financial position and profit or loss.

The central Group Tax department manages the resulting risks by continually monitoring and analyzing tax conditions along with the support of third-party consultants in the respective countries.

In 2021 the OECD published detailed rules to implement the reform of the international tax system, which will ensure that multinational companies are subject to a minimum tax rate of 15%. The minimum tax will apply to multinational companies with a turnover of more than €750 million and therefore have an impact on Sartorius Stedim Biotech. Based on the currently available information regarding the implementation of this regime in the countries with the Group's major business activities, the impact is expected to be rather low.

Compliance Risks

Regulatory Risks

As a partner of the biopharmaceutical industry and healthcare providers, Sartorius Stedim Biotech can also be affected by underlying developments in these areas. In this context, the principle source of risk is the possibility that regulatory authorities, such as the U.S. Food & Drug Administration (FDA), the European Medicines Agency (EMA), and other national or international bodies might adopt a more restrictive approach to the approval of new medications or medical devices of the Group's customers. Due to the breadth of the Group's product portfolio, an increasing number of relevant regulations have to be observed. This includes but is not limited to requirements from authorities like the Environmental Protection Agency or the Department of Agriculture in the USA, or equivalents of theses authorities in other countries. Global initiatives to reduce or even ban the consumption of certain chemicals (for example PFAS) may have a significant impact on the Group's products, their applications and availability, of critical raw materials.

Failure on the part of Sartorius Stedim Biotech's customers to adequately comply with the regulations in force at any given time could delay approval processes or even reduce the number of newly approved drugs and thus also worsen the Group's future prospects in the medium term. With regard to its own products, the Group is also subject to extensive approval, registration, and reporting obligations in numerous countries. Failure to comply with the often complex requirements could result in sales or import bans as well as penalties. The functions responsible for regulatory affairs monitor the affected markets and assess whether the Group needs to make any changes to its processes or actively participate in consultations, if required.

In recent years, environmental, social, and governance regulations have intensified, which play a major role in the reputation of companies. As a manufacturer of numerous plastic products with production sites around the globe, Sartorius faces a multitude of challenges. Accordingly, environmental and sustainability aspects are playing an increasingly important role in many business processes at Sartorius.

Environmental Risks from the production process

Sartorius Stedim Biotech employs a range of raw materials, consumables, and supplies in its manufacturing processes, including chemicals, plastics, metals, electronic components, and packaging. Some production processes generate waste from solvents, that must be recycled and disposed of in accordance with specific regulations. There is a risk that the Group may not adhere to the necessary legal requirements in this area. Environmental damages could affect Sartorius Stedim Biotech's reputation and have legal and financial consequences. To further enhance the Group's agility to fulfill legal requirements and meet industry expectations platforms for environmental, health, and safety data management must be continuously improved.

The responsibility for compliance with all applicable regulations lies with the sites and divisions. The Environment, Health and Safety department provides support and conducts audits. To address environmental concerns and mitigate risks, Sartorius Stedim Biotech has established environmental management systems (in line with ISO 14001: 2015). Most of the Group's production sites, including several in Germany, France, India, Puerto Rico, and China have achieved ISO 14001:2015 certification. These sites have appropriate measures in place to ensure compliance with legal and internal requirements and to continually introduce sustainable technical innovation to enhance environmental aspects of production processes.

Litigation Risks

Litigation risks for Sartorius Stedim Biotech can arise from pending or forthcoming legal disputes or from administrative proceedings. All judicial or extrajudicial disputes are attended to by the company's own attorneys and legal experts, who engage external lawyers as needed.

At present, there are no pending or discernible legal disputes or proceedings that lack any cost coverage allowances in the statement of financial position or that could have a substantial negative impact on the Group.

2.9 Internal Control Procedures

Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are as follows:

- Prevent risks that would endanger the quality of the assets of Sartorius Stedim Biotech or even its existence;
- Ensure that the executive management activities, the transactions completed, and the conduct of employees comply with the guidelines defined by executive management, applicable laws and regulations, the fundamental values, standards, and internal rules of the business, and the ethical codes and conventions of the healthcare industry;
- Ensure that accounting and financial information and management data provided to the executive management of the company accurately reflect the operations of Sartorius Stedim Biotech;
- Prevent risks arising from operations, errors, or fraud, especially in the accounting and financial area.

Scope of Internal Control

The internal control system described covers the parent company and its affiliates.

Components of Internal Control

Environment for Internal Control

The core of any business is its people (their individual attributes, including integrity, ethical values, and expertise) and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

Risk Assessment Process – Risk Mapping

The company must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate them into its sales, production, marketing, finance, and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyze and, manage the related risks.

Control Activities

These control activities are carried out at every level of the Group to ensure efficient internal control: checking the accuracy, completeness, authorization, validation, and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

Information and Communication

The availability of accurate, reliable, and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

Monitoring, Control, and Management

Responsibilities and authorities must be defined and understood at all levels of a company for internal controls to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned permits, responsibility for initiating, authorizing, recording, and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

Internal Controlling Roles

Executive Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation, monitoring, and management of the internal controlling systems and for providing the necessary assurances that these steps have been implemented.

Audit Committee of the Board of Directors

The Audit Committee is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee, see page 106.

Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks by the nature of its operations around the world. Accordingly, an internal risk management system has been set up to help identify, assess, and manage these risks efficiently. Within this system, representatives from different business and functional areas regularly address issues related to the management of financial and nonfinancial risks (including environmental or social risks related to sustainability topics) in a quarterly reporting process. The risk typology is described on page 50. The Audit Committee of the Board of Directors and the General Management regularly hear the Head of Controlling, who gives an overview of such financial and non-financial risks to which the company is exposed. This organization enables management to take appropriate actions, as the CEO attends the Audit Committee as a guest.

Internal Auditing Department

Based on the annual audit plan approved by the Audit Committee of the Board of Directors, the Internal Auditing department (IA) evaluates and improves the effectiveness of the organization's governance, risk management, and the internal controls in all Sartorius Group companies. As part of the internal control system, IA contributes to the compliance with internal and external rules and standards. Based on the internal audits performed during the year, IA compiles major findings and respective recommendations, which are presented to the Audit Committee of the Board of Directors by the Internal Audit Management and the Head of Trade Compliance. In 2023, the Company continued to review all policies, internal procedures, and organizational measures and update them with the view of continuous improvement and to report annually at the Board of Directors level.

Finance and Controlling Departments

The Finance and Controlling departments track and monitor operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

These two departments define the Group's accounting rules and methods and its principle financial processes (multiyear business plan, budget, etc.) as well as reporting tools in order to monitor and support the day-to-day business.

Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of affiliates are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce company accounts that comply with the applicable local legal and tax provisions. Integrated consolidation software is used both for management reporting purposes and to produce the Group financial statements.

The Group has implemented a hard-close process as of November 30 in order to anticipate and improve the annual audit.

Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS accounting standards as currently adopted by the European Union. The consolidated financial statements comply with accounting rules and methods as detailed in the notes to the consolidated financial statements.

Roles of the Group's Finance and Controlling Departments

The Finance and Controlling departments check the quality of the reporting packages submitted by affiliates, for example, by verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.

The Finance department also verifies the results of procedures, including currency translation, intercompany eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Financial Reporting Manual. Application of and compliance with these principles, rules, and procedures are the direct responsibility of the Finance Director of each affiliate. They must ensure that information provided via the Management Information System fully complies with all applicable disclosure requirements.

Executive management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS international accounting standards as applied by the Group and as set out in the Financial Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

Code of Conduct and Anti-Corruption Code

The Sartorius Code of Conduct defines the requirements for responsible conduct by all employees of the Sartorius Group. The Code provides employees with guidance, for example on human rights, international social and environmental standards, conflicts of interest, and other general standards and helps them to act in a legally correct and ethically appropriate manner in their daily work.

In addition, Sartorius has implemented an anti-corruption code. The Sartorius Anti-Corruption Code is intended to serve as the basis for sensitizing all employees to the dangers of corruption and, at the same time, as a guideline, manual, and aid in the fight against corruption. For example, it governs the handling of gifts/presents and sponsorships/donations.

The Company ensures that employees are familiar with the content of both codes by requiring them to take part in an annual and mandatory online training course.

The Company also expects its business partners to comply with internationally recognized social and environmental standards, to abide by the laws, uphold the tenets of fair competition, and to respect human rights. These requirements are set forth in the Code of Conduct for Business Partners.

A complaint system ensures that anyone inside or outside Sartorius can report established or soundly suspected breaches of applicable laws, standards, and regulations and internal policies and guidelines. Sartorius provides various channels for this purpose, which are available around the clock in various languages and can be used anonymously if the reporter wishes. The compliance team can be contacted face-to-face, via a telephone hotline, the department’s electronic mailbox, or the whistleblower system. The reporting channels can be found on both the intranet and the external website.

The Company monitors compliance with the provisions of the Codes as part of its Compliance Management System, and once a year, a report is submitted to the Audit Committee of the Board of Directors.

Compliance Management System

The Sartorius Group's Compliance Management System is designed to ensure compliance with legal and regulatory requirements in order to protect the company from sanctions, financial losses, and damage to its reputation. At the same time, it contributes to the quality of Sartorius products and the long-term success of the company. To ensure compliance within the Sartorius Group, Sartorius has implemented a Group-wide standard that is described in a Compliance Management Handbook. This handbook summarizes the responsibilities and authorities of specific functions and sets out the processes for efficient cooperation between them.

Corporate Transactions

The company complies with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "Market Abuse Regulation") and the AFEP-MEDEF Code, as amended in December 2022. Thus, transactions involving the purchase or sale of the company’s securities or financial instruments are prohibited during the periods between the date on which managers, persons considered managers under the law, and any person having regular or occasional access to privileged information are aware of precise information on the course of business or prospects that, if made public, could have a significant influence on the price and the date on which the information is made public.

In addition, pursuant to Article 19 of the Market Abuse Regulation, these transactions are also prohibited for a period of thirty calendar days prior to the date of publication of the company's annual and half-yearly financial statements.

In accordance with the Market Abuse Regulation and the recommendations of the AFEP-MEDEF Code, hedging transactions of any kind on the company's shares in connection with stock options are prohibited.

In addition, transactions in the company's shares by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code must be reported to the Autorité des Marchés Financiers (the "AMF") in accordance with the procedures and time limits set out in Article 223-22-A et seq. of the AMF's General Regulations and Article 19 of the Market Abuse Regulation. These statements are available on the AMF website (www.amf-france.org).

During the year ended December 31, 2023, the members of the Board and persons mentioned in Article L.621 – 18 – 2 of the French Monetary and Financial Code have not carried out transactions on the company's shares.

In accordance with the recommendations of the AFEP-MEDEF Code and the Autorité des Marchés Financiers Recommendation No. 2010-07 of November 3, 2010, hedging transactions of any kind on the company's shares with regard to stock options are prohibited.

Mid-Term Prospects

The Group will continue to work on internal control issues by strengthening its approach to risk mapping and risk management. This process is based on elements of the AMF Internal Control Reference Framework.

2.10 Forecast Report

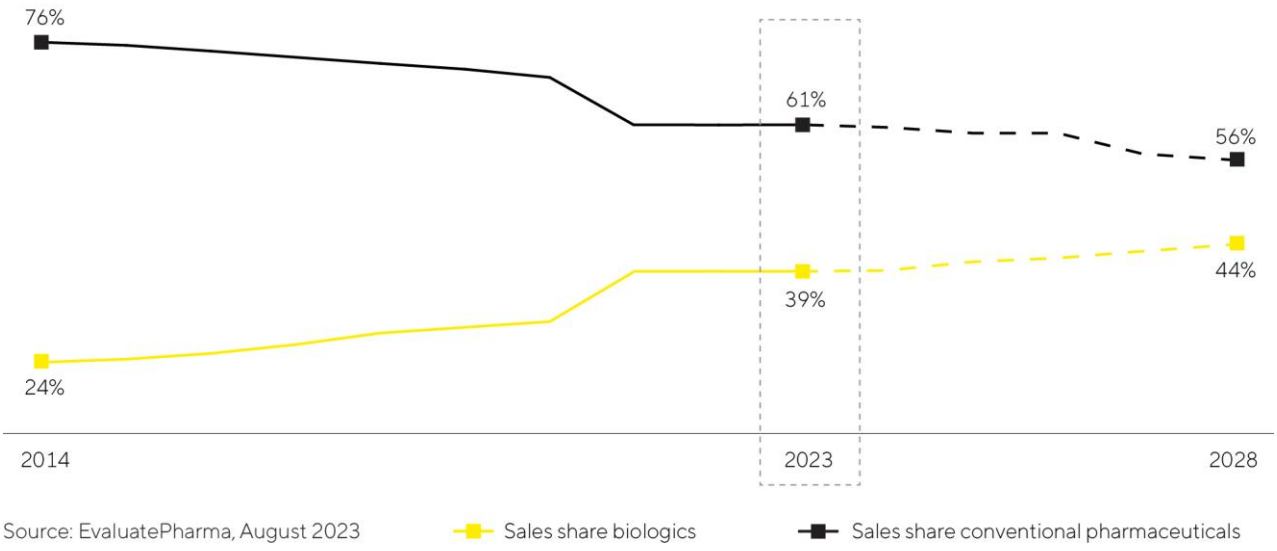
Biopharmaceutical Industry Expected to Grow

Strong, long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. A number of different studies estimate that the global pharmaceutical market will grow by between 3% and 6% annually in the period up to 2027. Within the pharmaceutical market, the biopharma segment has been enjoying particularly strong performance for years and will continue to outperform the market according to various forecasts. Average annual growth is expected to be around 10% in the coming years. The market is anticipated to have a total value of around $695 billion in 2028, which means that the share of biological medications and vaccines as a percentage of total revenue in the global pharmaceutical market could rise from the current 39% to 44%.

Growth is driven in particular by the increasing demand for medications from the growing and ageing global population as well as the great catch-up potential and improved access to biopharmaceuticals in emerging markets. In addition, the number of approved biopharmaceutical medications is steadily increasing. Of the estimated 20,000+ medications in R&D pipelines, almost 45% are based on biological manufacturing processes. For example, biopharmaceuticals are increasingly being used in yet-to-be fully explored therapeutic areas and in the treatment of rare diseases that have so far been incurable. The pharma industry is increasingly concentrating on advanced therapies such as cell and gene therapeutics or biotechnologically processed tissue products. In 2023, more than 1,600 clinical trials with such treatment approaches were conducted, meaning that this area offers significant growth potential over the medium-to-long term. Innovative types of therapy for regenerative medicine and new substance classes, such as antibody-drug conjugates (ADCs) or mRNA-based drugs, are increasing the number and range of approved biopharmaceuticals in the long term and necessitating investments in innovative production technologies. As a result, they are key growth drivers.

Biosimilars, that is, generic versions of reference biologics with comparable or better efficacy or fewer side effects than the original compounds, are also playing an increasingly important role in the growth of the biotechnology market. Current estimates indicate that by 2028, the market could grow by an annual average of around 15% and reach a total value of approximately $67 billion. The significantly lower prices of biosimilars, particularly in emerging and developing countries, are creating new, affordable therapy options and are projected to result in increased demand and rising production volume. The development of national production capacities to meet the growing demand for medications is receiving political support in these countries and is fueling the establishment of local biotech companies. The biosimilars market in industrialized countries is also likely to expand considerably in the coming years due to the expiration of patents for high-selling biopharmaceuticals and an increasing number of approved biosimilars. While such generic medications have been widely used in Europe for many years and have been able to gain significant market share in some areas, progress in the USA has been rather slow until now due to regulatory, patent-law-related, and marketing hurdles. In the next few years, however, the trend toward increased usage of biosimilars is likely to accelerate.

Biopharmaceuticals are Gaining Importance - Growing Share of Sales in the Global Pharmaceutical Market



The biopharmaceutical industry must meet growing demand for medications while producing an increasing number of approved medications and ensuring new types of therapy. Therefore, industry observers expect that worldwide bioreactor capacities will continue to expand in the years to come. At the same time, the industry faces rising cost pressure. This increases the significance of innovations for boosting flexibility and efficiency in biopharmaceutical research and production. In the future, the biopharmaceutical market will shift away from a low number of especially high-selling medications that account for a majority of total production volume toward an expanding range of products for smaller groups of patients. Technological progress leads to ongoing improvements in the productivity of biopharmaceutical production processes. Therefore, according to the research and consulting institute BioPlan, many manufacturers will likely rely increasingly on flexibly usable single-use technologies for the commercial production of many new medications. Particularly in the case of relatively small batches, single-use technologies already ensure more cost-effective production than conventional stainless-steel units and have a better environmental footprint. To master these challenges, more and more pharmaceutical companies are relying on digitalization and automation as well as innovative software solutions for controlling and optimizing their processes. A further trend is process intensification, in which several process steps, called unit operations, are interconnected, which, among other things, enables greater product quantities to be manufactured faster while achieving higher quality.

Further Growth Expected in the Laboratory Market

Various market observers expect the market for laboratory instruments and consumables to grow by around 5% annually in the next few years and to reach a total value of around $103 billion in 2027.

Regarding end markets, the greatest dynamics will probably continue to be generated by the pharmaceutical and biopharma industries, in particular, as a result of continuous research into and approval of new medications, the high momentum of scientific and technological innovations, and strong growth in China. For instance, EvaluatePharma expects sector-specific research spending to increase annually by 3.6% during the period from 2023 to 2028. According to market studies, the product area of bioanalytical instruments should particularly benefit from this and further grow at an above-average rate within the laboratory market. According to leading providers of laboratory instruments, demand for laboratory products in the pharmaceutical and biopharmaceutical industries is expected to expand moderately in 2024, despite the

encouraging medium-term outlook. The reasons cited include restrained investment activity in the current interest rate environment, the persistently muted funding environment, especially for small and medium-sized biotech companies, and severe market weakness in China.

Budget increases for academic and public-sector research institutions should continue to act as a growth driver in some countries, while the projected slowdown in global economic growth poses risks to demand from industrial end markets. Market observers continue to expect China and India to generate the highest growth rates in the medium term. Stricter regulatory requirements in a range of industries are also stimulating increased demand for instruments used in sample analysis and quality control. In addition, investments in laboratory infrastructure are becoming more attractive, especially in China, as a result of government-supported efforts to promote innovativeness in several key industries. In previous years, this had entailed a rise in the share of global R&D spending attributable to China.

Sources: BioPlan: 20th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2023; Evaluate Pharma: World Preview 2023, August 2023; Alliance for Regenerative Medicine: Sector Snapshot, August 2023; citeline: Pharma R&D Annual Review 2023, May 2023; Markets and Markets: Biosimilars Market – Forecast to 2028, 2023; SDi: Global Assessment Report 2023, April 2023; www.fda.gov

Future Business Development

Based on the slight demand recovery since the end of the third quarter of 2023 and the market outlook forecast by industry observers, Sartorius Stedim Biotech expects profitable growth for 2024 and beyond. However, as inventory optimization measures of customers have not yet been fully completed the company projects business momentum to increase only gradually over the course of the year leading to a moderate first half of 2024. In addition, business performance could also be affected by increasing geopolitical tensions going forward.

Against this backdrop of still somewhat unstable market trends and therefore limited visibility, management forecasts an increase in Group sales revenue in the mid to high single-digit percentage range, including a contribution of acquired businesses of around 2 percentage points. In terms of profitability, management expects the underlying EBITDA margin to rise to more than 30% compared to the previous year's figure of 28.3%. The above-average profitability of the Polyplus business will have a slightly positive effect on the margin development. The capex ratio is projected to be around 13%, below the prior-year figure of 17.1%. Excluding potential capital measures and/or acquisitions the ratio of net debt to underlying EBITDA is expected to be 3.5.

Forecasts have been prepared based on historical information and are consistent with accounting policies. All forecast figures are based on constant currencies, as in the past years. Management points out that the dynamics and volatilities in the industry have increased significantly in recent years. In addition, uncertainties due to the changed geopolitical situation, such as the emerging decoupling tendencies of various countries, are playing a greater role. This results in higher uncertainty when forecasting business figures.

2.11 Management Report of the Parent Company Sartorius Stedim Biotech S.A.

Financial Statements of the Parent Company as of December 31, 2023

Sartorius Stedim Biotech S.A. is the parent company of the Group. The company is a mixed holding company. The company from now on is managing investments of the Group and real estates for the French companies.

In 2023, sales revenue generated at Sartorius Stedim Biotech S.A. was €M 2.3 compared to €M 2.6 in 2022. The operating profit is €billion -4.1 versus €billion -4.9 in 2022. The net financing income totalled €M 102.7 versus €M 158.9 in 2021.

The net profit for 2023 is €M 100.6 compared to €M 154.7 in 2022.

Appropriation of the Net Profit

The ASM will suggest to appropriate the net profit of €100,601,092 for the reporting year of 2023 as follows:

- The following amount is to be added to this balance: Year-earlier profit carried forward: €96,730,909
- This would yield a distributable profit of €197,332,001
- Total amount of dividends to be disbursed to shareholders: €63,593,849 excluding treasury shares
- Balance resulting from disbursement: €133,738,152

The remaining amount of €133,738,152 is to be carried over to the next year.

Dividends of the Last Three Financial Years (Information Updated as of 1st January 2023)

The table below lists the amount of the dividend per share distributed, since 2020, as well as the applicable tax provisions.

Exercise	Dividend[1]	Amount eligible for the 40% abatement	Amount not eligible for the 40% abatement	Dividend per shares[1]
Dec. 31, 2022	132,721,775	132,721,775	0	1.44 €
Dec. 31, 2021	116,142,805	116,142,805	0	1.26 €
Dec. 31, 2020	62,681,786	62,681,786	0	0.68 €

1 Prior deduction of social contribution on the dividend paid to physical person.

Proposition of Dividend for the 2023 Financial Year

The Board of Directors has decided to propose on March 27, 2024 Annual Shareholders' Meeting a net dividend of €0.69 per share for the 2023 financial year in comparison with €1.44 for 2022.

The dividends are distributed to the shareholders based on the proportion of the capital they hold.

The dividend will be paid on March 31, 2024.

Dividend Distribution Policy

The company has a policy of dividend distribution linked to the Group's profit over the financial year concerned on the one hand and to the Group's predictable evolution and profitability on the other hand.

On the March 27, 2023, the Shareholders' Meeting voted a net dividend of €1.44 per share. The payment of the dividend was done on March 31, 2023.

Dividends and interim dividends paid and unclaimed are prescribed in favour of the State five years after their date of payment (article 2277 of the Civil Code).

Elements Likely to Have an Impact in the Event of a Public Offer

According to article L. 225-100-3 of the French Commercial Code, an element is likely to have an impact in the event of a public offer: the first shareholder of Sartorius Stedim Biotech S.A. holds a significant percentage of its capital and voting rights.

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2023

As of December 31, 2023, the share capital amounts to eighteen million four hundred and thirty-six thousand thirty-eight euros (€18,436,038). It is divided into ninety-two million one hundred and eighty thousand one hundred and ninety (92,180,190) shares worth twenty euro cent (€0.20) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws), all of which are entitled to the dividend for the financial year 2023, with the exception of shares held by the company.

Date	Nature of the transaction	Share par value	Share capital increase	Share premium	Number of new shares	Number of shares after the transaction	Share capital after the transaction
Year 2017						92,180,190	18,436,038.0
Year 2018						92,180,190	18,436,038.0
Year 2019						92,180,190	18,436,038.0
Year 2020						92,180,190	18,436,038.0
Year 2021						92,180,190	18,436,038.0
Year 2022						92,180,190	18,436,038.0
Year 2023						92,180,190	18,436,038.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2023

Situation of Sartorius Stedim Biotech S.A. Shareholdings

Shareholders	Shares	Voting rights
More than 50%	Sartorius AG	Sartorius AG
More than 10% but less than 50%	None	None
More than 5% but less than 10%	None	None

Over the past three years, the ownership of Sartorius Stedim Biotech S.A. share capital has been distributed as follows:

	December 31, 2021			December 31, 2022			December 31, 2023		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Sartorius AG	68,044,513	73.8%	84.8%	67,844,071	73.6%	84.6%	67,844,071	73.6%	84.6%
Single voting rights									
Double voting rights	68,044,513	73.8%	84.8%	67,844,071	73.6%	84.6%	67,844,071	73.6%	84.6%
Total Sartorius Group	**68,044,513**	**73.8%**	**84.8%**	**67,844,071**	**73.6%**	**84.6%**	**67,844,071**	**73.6%**	**84.6%**
Treasury shares	1,093			12,921			15,191		
Personnel and other shareholders									
General public	24,134,584	26.2%	15.2%	24,323,198	26.4%	15.4%	24,320,928	26.4%	15.4%
Single voting rights	23,827,327	25.8%	14.8%	23,914,989	25.9%	14.9%	23,912,719	25.9%	14.9%
Double voting rights	307,257	0.3%	0.4%	408,209	0.4%	0.5%	408,209	0.4%	0.5%
Total shares	**92,180,190**	**100.0%**	**100.0%**	**92,180,190**	**100.0%**	**100.0%**	**92,180,190**	**100.0%**	**100.0%**

Legal Disclosure of Thresholds Crossed

No legal disclosure of thresholds crossed has been registered during the fiscal year under study.

	Shares	% Issued Capital	Voting rights	% Voting rights
Sartorius AG	67,844,071	73.6	135,688,142	84.6
Total Sartorius AG	**67,844,071**	**73.6**	**135,688,142**	**84.6**

Control of the Company as of December 31, 2023

Sartorius AG holds, directly or indirectly, 73.6% of the share capital and 84.6% of the outstanding voting rights. Treasury shares are without voting rights.

Staff Shareholdings

None

Treasury Shares Held by Sartorius Stedim Biotech S.A.

15,191

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority Granted by the Annual Shareholders' Meeting to the Board of Directors Still Valid.

Delegation granted for increase in capital by the Shareholder's Meeting to the Board of Directors

Object - Duration	Limit	Use in 2023
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders. (EGM 29/03/2022 – Resolution n°17) Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments and €500,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments, it being specified that the limits of the nominal amount of the share capital increases and debt instrument, with or without preferential subscription rights of the shareholders, set from the eighteenth (18th) to the twenty-first (21st) resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit.	None
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right of the allotment of debt instruments, without preferential subscription rights of the shareholders – through public offerings,other than those referred to in the Article L. 411 - 2 of the French Monetary and Financial Code. (EGM 29/03/2022 – Resolution n°18) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of €6,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offers addressed exclusively to qualified investors or to a restricted circle of investors as defined in the article L. 411 - 2 of the French Monetary and Financial Code. (EGM 29/03/2022 – Resolution n°19) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of €6,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments), it being specified that pursuant to Article L. 225 - 136, 2° of the French Commercial Code, the issue of new shares shall be limited to 20% of the share capital per year.	None
Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders. (EGM 29/03/2022 – Resolution n°20) Granted for a period of 26 months as from 29/03/2022	The limit amount 15% of initial issue of shares, pursuant to the resolutions n°17 to 19 described above.	None
Ability to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders. (EGM 29/03/2022 – Resolution n°21) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of 10% of the share capital of the Company at the date of the share capital increase (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. (EGM 29/03/2022 – Resolution n° 22) Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 (corresponding to the maximum nominal amount of the increase of the share capital), it being specified that it is an independent limit.	None

Ability to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders (EGM 29/03/2022– Resolution n° 23) Cancelled by EGM 27/03/2023 – Resolution N°15 Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital, it being specified that it is an independent limit.	None
Ability to grant free new or existing shares to the benefit of employees or corporate officers (EGM 29/03/2022 - Resolution N°24) Granted for a period of 38 months as from 29/03/2022.	The limit amount of 10% of the Company's share capital calculated on the attribution date	None
Ability to reduce the capital by cancelling shares acquired under buyback program (EGM 29/03/2022 - Resolution n°25) Cancelled by EGM 27/03/2023 – Resolution N°14 Granted for a period of 24 months as from 29/03/2022	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to issue share, without preferential subscription rights of the shareholders to named beneficiaries EGM 27/03/203 – Resolution n°13) Granted for a period of 18 months as from 27/03/2023	Nominal amount of the share capital increase or share capital increases limited to 133,980 Euros	None
Ability to reduce the capital in accordance with Article L. 22 - 10 - 62 of the French Commercial Code; (EGM 27/03/203 – Resolution N°14) Granted for a period of period of twenty-four (24) months as from 27/03/2023	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders. (EGM 27/03/2023 – Resolution N°15) Granted for a period of a period of twenty-six (26) months as from 27/03/2023	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital, it being specified that it is an independent limit.	None

Other Securities Giving Access to the Share Capital

None

Stock Options

None

Share Capital Dilution

None

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2023

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2023 Fiscal Year

None

Options Exercised During the Fiscal Year

All options have been exercised in 2015. The stock option plans are now expired.

in €	2022	2021	2020	2019	2018
Dividend per share for the fiscal year	1.44	1.26	0.68	0.34	0.57
Number of shares	92,180,190	92,180,190	92,180,190	92,180,190	92,180,190
Dividend corrected per share[1]	**1.44**	**1.26**	**0.68**	**0.34**	**0.57**

1 Compared to the number of shares as of December 31, 2018

Share Subscription Plan

The stock option plans are detailed in the tables above. The authority delegated to the Board of Directors for setting up a new plan has recently expired. The Board of Directors no longer has any such delegated authority to set up any new plan.

Share Subscription Warrants

Sartorius Stedim Biotech S.A. has not issued any share subscription warrants.

Pledging of Shares

No Sartorius Stedim Biotech S.A. shares were pledged.

Pledging of Assets

None

Senior Executives

Information on Sartorius Stedim Biotech S.A. senior executives and a list of the positions they hold or have held over the past five years are included in the Corporate Governance report.

Directors' Fees

Directors' fees are calculated on an annual basis. The method of calculating these fees remains the same. It is as follows:

- The Directors receive Directors' fees which amount and allocation are fixed by the Shareholders Meeting upon proposal of the Board of Directors and on recommendation of the Remuneration and Nomination Committee. This information is made public in the Universal Registration Document and is available on the Company's website.

- Each Director receives a fixed remuneration of €20,000 per year, to be paid after the annual financial statements have been approved by the Annual Shareholders' Meeting and which falls due for payment after the Annual Shareholders' Meeting. The Chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €5,000 per meeting for the first six (6) meetings per year and reimbursement of its expenses in addition to the fixed remuneration. For additional meetings, the members of the Board receive an attendance fee of €3,000 per meeting.

- For their membership on the Audit Committee, each director receives a lump-sum amount of €6,000 per full year of membership in addition to the attendance fee of €3,000. If they chair the committee of the Audit Committee, instead of this, they receive a lump-sum amount of €12,000 per full year that they hold the chairperson in addition to the attendance fee.

- For their membership on the Remunerations & Nominations Committee, each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,500. Insofar as they hold the chair of the Remunerations & Nominations Committee, instead of this, they receive a lump-sum amount of €8,000 per full year that they hold the chairperson in addition to the attendance fee.

The remuneration for the activities on any committee is due together with the remuneration under

- the terms of previous subsection hereof.

- Any value-added tax is reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.

- All these resolutions will not be applied to the Directors that got an executive top management activity at the Group level, nor for the director(s) representing the employees. In this context, the executive corporate officers, as well as the Director(s) representing the employees, will not receive any remuneration for their membership.

A total of €408,000 has been provisioned in directors' fees for 2023 (payment in 2024).

Compensation of the Executive Management Team[1]

		Base	fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K
Total 2023	**1,005**	**690**	**0**	**315**
Joachim Kreuzburg 2023	216	150	0	66
René Fáber 2023	789	540	0	249
Total 2022	**1,520**	**788**	**336**	**396**
Joachim Kreuzburg 2022	942	500	214	228
René Fáber 2022	578	288	122	168

1 For more details please refer to the chapter Corporate Governance on pages 81 - 113.

Independent Auditors

The independent auditors for Sartorius Stedim Biotech S.A. are:

- KPMG S.A., represented by Nicolas Blasquez.
- Deloitte & Associés, represented by Philippe Battisti.

Payment Terms of Trade Payables & Receivables

Payment Terms for Trade Payables & Receivables

	Article D. 441-1st : Invoices received but not paid at the date of the end of the Year whose term has expired						Article D. 441-2nd: Invoices sent but not paid at the date of the end of the Year whose term has expired					
	0 day	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total	0 day	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total
(A) Repartition of late payment												
Number of invoices concerned	0	7	1	1	12	21	0	3	2	2	2	9
Total Amount of concerned invoices (including all taxes)	0	675,847	6,000	5,829	13,011	700,687	0	-1,056,570	-890558	-920243	-2,196,709	-5,064,080
Percentage of Total amount of purchases including taxes for the year	0%	5%	0%	0%	0%	5%						
Percentage of sales including taxes for the year								6%	5%	6%	13%	30%
(B) Invoices excluded from (A) relating to disputed and and contentious Receivables non recorded												
Number of invoices excluded	0					0	0					0
Total amount of excluded invoices including taxes	0					0	0					0

(C) Reference payment terms used (Contractual or statutory period - article L. 441-6 or article L. 441-3 of Commerce Code)

Payment terms used for the payment term calculation	Contractual time limit:	30 days		Contractual time limit:	30 days	
	Legal time limit:			Legal time limit:		

Five-Year Financial Results of the Parent Company Sartorius Stedim Biotech S.A.

in millions of € and € earning per share	2019	2020	2021	2022	2023
Share capital at end of period					
Share capital (capital stock)	18.4	18.4	18.4	18.4	18.4
Number of shares outstanding	92,180,190	92,180,190	92,180,190	92,180,190	92,180,190
Transactions and financial performance					
Sales revenue (excl. VAT)	2.1	1.9	2.1	2.6	2.3
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	57.2	81.4	115.0	154.9	100.5
Income tax	−0.4	−0.7	−1.4	−0.8	−2.5
Contribution to employee profit-sharing plan	0.0	0.0	0.0	0.0	0.0
Net profit	56.8	81.2	115.5	154.7	100.6
Dividends paid or proposal of dividend	52.5	31.3	62.7	116.1	132.7
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	0.63	0.89	1.26	1.69	1.12
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	0.62	0.88	1.25	1.68	1.09
Dividend per share	0.57	0.34	0.68	1.26	1.44
Personnel					
Workforce size	0	0	0	0	0
Personnel costs	0	0	0	0	0
Social security costs	0	0	0	0	0

SARTORIUS

Corporate Governance

03

In accordance with Articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code, the following section includes the Report of the Board of Directors on corporate governance, the composition of the Board of Directors and the conditions for preparation and organization of the Board's work. In accordance with Article L. 22-10-10 of the French Commercial Code, the Company acknowledges that it voluntarily adheres to the corporate governance Code for listed companies (AFEP-MEDEF Code - December 2022). This report was prepared by the Legal Affairs and Compliance Department and the Investor Relations Department, with the input of the Financial Department and Human Resources Department. The governance report was presented and approved by the Board of Directors on February 7, 2024.

3.1 The Board of Directors and its Committees

The Company is administered by a Board of Directors composed of eight members, three of whom are independent. The directors are appointed for a three-year period. With the exception of the Director representing the employees, the members of the Board of Directors are elected individually by the shareholders at Ordinary General Meetings at the recommendation of the Board, which, first, has received proposals from the Nomination and Remuneration Committee.

The organization of the works of the Board of Directors and its composition must be suited to the shareholding structure, to the size and the nature of the activity of Sartorius Stedim Biotech S.A. and the particular circumstances it can face.

Composition of the Board of Directors as of December 31, 2023

Further, taking into account the above, the Board of Directors, in the context of its corporate frame, ensures the good governance of the Company by considering, on a yearly basis, the balance in its composition and of its Committees, in particular in the representation of women and men, nationalities, balance of powers and diversity of skills by taking appropriate measures to guarantee to the shareholders and to the market that its missions are carried out with the necessary independence and objectivity. It makes public, via the following sections of this Universal Registration Document the objectives, methods and results of its politics on these subjects.

The Board of Directors

Name	Mandate	Gender	Age	Nationality	Number of mandates in non-Sartorius Group listed companies	Independent[1]	No. of years on the board	First Appointment	Expiration of current mandate[2]	Audit Committee member	Remuneration & Nomination Committee member	Individual attendance at Board meetings[7]	Individual attendance at the Audit Committee	Individual attendance at the Remuneration & Nomination
Joachim KREUZBURG[3]	Chairman of the Board	m	58	German	0		16	2007	2025			7/8		
René FÁBER[4]	Chief Executive Officer	m	48	Slovak	0		4	2019	2025			6/8		
Christelle BAUDERE [5]	Director representing employees	f	49	French	0		2	2021	2023			5/8		
Pascale BOISSEL	Director	f	57	French	2	•	4	2019	2025	•	•	8/8	6/6	2/2
Susan DEXTER	Director	f	68	American	0	•	8	2015	2024	•	•	7/8	6/6	2/2
Romaine FERNANDES[5]	Director representing employees	f	54	French	0		0	2023	2026[6]			2/8		
Anne-Marie GRAFFIN	Director	f	62	French	3	•	8	2015	2024	•	•	8/8	6/6	2/2
Lothar KAPPICH	Director	m	66	German	0		6	2017	2025	•	•	7/8	6/6	2/2
Henri RIEY	Director	m	62	Monegasque	0		16	2007	2025			8/8		

1 In accordance with the Art. 10 of the AFEP-MEDEF code.

2 Directors are appointed until the date of the Annual General Shareholders' Meeting called to approve the financial statement of the previous fiscal year ending.

3 Mr. Joachim Kreuzburg is Chairman of the Board since 2007 Apart from being Chairman of the Board, Joachim Kreuzburg also has been President-Chief Executive Officer (P-DG) from 2007 until March 27, 2023.

4 Mr. René Faber is Chief Executive Officer since March 27, 2023.

5 Mrs. Christelle Baudere resigned from her mandate due to her election as a representative at the work council. Since October 27, 2023, Romaine Fernandes is the new Director Representing the Employees.

6 Term of office of the newly appointed Director Representing the Employees, Mrs. Romaine Fernandes will be appointed for three years. Pursuant to the Articles of Association, her mandate will expire at the end of the Ordinary Annual Shareholders' Meeting approving the financial statements for the previous financial year and held in the year in which her term of office expires. In other words, the term of office will expire at the end of the Ordinary Annual Shareholders' Meeting held in 2026.

7 This year the Individual Attendance of Board members, must be read in the context of major European strikes in transportation, constitutive of a Force Majeure, which prevented four Board members to attend one meeting. It must also be emphasized that Mr. René Faber does not attend the Board of Directors without the Executives (Art. 12.3 of the AFEP-MEDEF Code).

Joachim Kreuzburg

Chairman (and Chief Executive Officer until March 27, 2023)

Date of birth: April 22, 1965
Nationality: German

First appointment: June 29, 2007
Mandate renewed: March 29, 2022
Appointed until: Annual General Shareholders' Meeting 2025

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions within the Sartorius or Sartorius Stedim Biotech Group:

Chairman of the Executive Board (Vorstand) of Sartorius AG[1];
Managing Director of Sartorius Lab Holding GmbH;
Managing Director of SI Weende-Verwaltungs-GmbH;
Managing Director of SI Grone 1-Verwaltungs-GmbH;
Managing Director of SIV Grone 2 GmbH;
Managing Director of Sartorius Ventures GmbH;
Chairman of the Supervisory Board of Sartorius Corporate Administration GmbH;
Chairman of the Advisory Board of LabTwin GmbH;
Chairman of the Board of Directors of Sartorius North America Inc.

Past directorships held during the past five years within the Sartorius or Sartorius Stedim Biotech Group:

Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Weighing Technology GmbH;
Managing Director of Sartorius Corporate Administration GmbH;
Managing Director of SWT Treuhand GmbH;
President and Chairman of the Executive Committee of Sartorius Stedim FMT S.A.S;
Member of the Board of Directors of Essen Instruments, Inc.;
Chairman of the Board of Directors of Sartorius Stedim North America Inc.;
Chairman of the Board of Directors of Sartorius Stedim Filters Inc.;
Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors of Sartorius Stedim BioOutsource Ltd.

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

Member of the Supervisory Board (Aufsichtsrat) of Carl Zeiss AG, Germany;
Member of the Administrative Board (Verwaltungsrat) of Ottobock Management SE, Germany;
Member of the Economic Advisory Board (Wirtschaftsbeirat) of Norddeutsche Landesbank, Germany (until December 31, 2023).

1 Publicly listed

Past directorships held during the past five years outside the Sartorius or Sartorius Stedim Biotech Group:

Vice Chairman of the Supervisory Board (Aufsichtsrat) of Ottobock SE & Co. KGaA, Germany;
Member of the Regional Advisory Board (Regionalbeirat) of Commerzbank AG, Germany.

Educational and professional background:

Diplom-Maschinenbau-Ingenieur, Dr. rer. pol. (university degree in Mechanical Engineering, Doctorate in Economics)

1992–1995	Research associate at the Institute for Solar Energy Research in Hamelin, Germany
1995–1999	Research associate at the Faculty of Economics and Management at the University of Hannover, Germany
Since May 1, 1999	Sartorius AG, Göttingen, Germany. Most recent position before promotion to the Executive Board: Vice President, Finances and Investor Relations
Since November 11, 2002	Member of the Executive Board of Sartorius AG, Göttingen, Germany
May 1, 2003– November 10, 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Göttingen, Germany
Since November 11, 2005	CEO and Executive Board Chairman of Sartorius AG, Göttingen, Germany; currently responsible for Group Strategy, Human Resources, Corporate Research, Legal Affairs & Compliance, Communications, Sustainability as well as (on an interim basis) Finance, Information Technology, Data Management, Corporate Sourcing

René Fáber

Chief Executive Officer since March 27, 2023
Date of birth: July 18, 1975
Nationality: Slovak

First appointment: March 26, 2019
Mandate renewed: March 29, 2022
Appointed until: Annual General Shareholders' Meeting 2025

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Sartorius or Sartorius Stedim Biotech Group:

Member of the Executive Board of Sartorius AG[1];
Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Chairman of the Advisory Board of Sartorius CellGenix GmbH;
Member of the Board of Directors of Albumedix Ltd.;
Member of the Board of Directors of Sartorius Stedim BioOutsource Ltd.;
Member of the Board of Directors of Sartorius Stedim North America Inc.;

1 Publicly listed

Member of the Board of Directors of Sartorius Korea Biotech LLC;
Member of the Board of Directors of Sartorius Korea Operations LLC;
Member of the Board of Directors of Sartorius Stedim (Shanghai) Trading Co., Ltd.;
Vice Chairman of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co., Ltd.;
President and Chairman of the Executive Committee of Sartorius Stedim FMT S.A.S.;
Chairman of the Advisory Board of Sartorius BIA Separations d.o.o.

Past directorships held during the past five years within the Sartorius or Sartorius Stedim Biotech Group:

Managing Director of Sartorius Stedim Biotech GmbH;
Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Chairman of the Supervisory Board of Xell AG;
Managing Director of Sartorius Stedim North America Holding GmbH;
Member of the Advisory Board of BIA SEPARATIONS d.o.o.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

Member of the Advisory Board of Curexsys GmbH, Germany.

Past directorships held during the past five years outside the Sartorius or Sartorius Stedim Biotech Group:

None

Educational and professional background:

Master's degree in Chemistry from the Slovak University of Technology in Bratislava, Slovakia
PhD in Polymer Chemistry from the Technical University of Munich, Germany

2001–2002	Scientist at French specialty chemical group Rhodia, Slovakia
2002–2004	Postdoctoral researcher at Vivascience
2004–2018	Various positions at Sartorius Group (esp. Sartorius Stedim Biotech GmbH, Germany):
2004–2006	Scientist R&D Membrane Modification
2006–2010	Director Development and Production of surface-modified membranes
2010–2013	Vice President R&D Process Technologies
2012–2014	Value Creation Agent in Supplier Relationship Center of Roche and Genentech, San Francisco, USA
2014–2017	Vice President Marketing and Product Management Filtration Technologies
2016–2018	Key Account Manager Roche/Genentech
2017–2018	Vice President Marketing and Product Management Fermentation Technologies

2018	Head of Product Development, Bioprocess Solutions Division
Since 2019	Head of Bioprocess Solutions Division of Sartorius Group, Member of the Executive Board of Sartorius AG, Germany

Pascale Boissel

Independent Director and Chairwoman of the Audit Committee
Date of birth: October 15, 1966
Nationality: French

First appointment: March 26, 2019
Mandate renewed: March 29, 2022
Appointed until: Annual General Shareholders' Meeting 2025

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

Member of the Board of Directors of Poxel S.A.[1];
Member of the Supervisory Board of Innate Pharma S.A.[1]

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group:

None

Educational and professional background:

Graduated from HEC (Ecole des hautes Etudes de Commerciales): MBA in Finance and Audit
Graduated with a CPA diploma (diplôme d'expertise comptable & commissariat aux comptes)

2009–2012	Chief Financial Officer, IPSOGEN
2012–2016	Chief Financial Officer and Deputy Chief Executive Officer, BIOASTER Institute
2017–2018	Part-time Chief Financial Officer, ENYO PHARMA
2017–2021	Part-time Chief Financial Officer, NOVADISCOVERY

Susan Dexter

Independent Director
Date of birth: October 11, 1955
Nationality: American

1 Publicly listed

First appointment: April 7, 2015
Mandate renewed: March 24, 2021
Appointed until: Annual General Shareholders' Meeting 2024

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

Member of the Board of Directors of ViroCell Biologics Ltd.;
Member of the Board of Directors of Virica Biotech Inc.

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group: None

Educational and professional background:

Degrees and certifications: BS in Immunology and Marketing (double major, honors), American University, Washington, D.C., USA
Harvard University Negotiation Course for Lawyers, Harvard University, Cambridge, Massachusetts, USA
Finance for Non-Financial Managers, Harvard University through Dow Chemical Company internal training program

1975–1980	University of Massachusetts Medical School, Research, mammalian cell culture, animal toxicology studies, basic research
1980–1986	Collaborative Research, Biotechnology Sales, in emerging markets for bioprocessing supplements and raw materials for biomanufacturing
1986–1998	Celltech Biologics, Lonza Biologics, Business Development, bioprocessing and manufacturing of biotechnology-based biotherapeutics
1998–2004	Collaborative BioAlliance, Dow Chemical Company (Dow Biotechnology Contract Manufacturing Services) – Vice President, Business Development for microbial fermentation services, technologies, and implementation of single-use bioprocessing technologies
2004–2008	Xcellerex, Inc. (now GE Healthcare), Chief Business Officer; CMO services for fully integrated single-use bioprocessing technology, sales of single-use bioprocessing technologies
2008–2020	Latham Biopharm Group, Managing Director; Due Diligence, Acting VP Business Development, for multiple CMOs offering contract manufacturing services to the biotechnology life sciences industry, strategic consulting, single-use disposable technology implementation, project management and high-level business development and marketing; Advisor and Speaker for BioProcess International, Outsourced Pharma
Since 2020	Sonnet Biotherapeutics, Inc., Chief Technical Officer | Non-clinical | CMC | Supply Chain. Responsible for product development for Sonnet's pipeline of biotherapeutic cytokine assets for treatment of solid tumor cancers

Romaine Fernandes

Director representing employees since October 27, 2023
Date of birth: September 18, 1969
Nationality: French

First appointment: October 27, 2023
Appointed until: Annual General Shareholders' Meeting 2026

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

None

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group:

None

Educational and professional background:

Bachelor of Commerce from the University of Mumbai, India
Diploma in Tourism, Bombay, India

1990	Cashier and Accounting, Hotel Oberoi Sheraton, India
1990–1995	Stewardess, Cathay Pacific Airways, Hong Kong
2003–2014	Administration and Reception, Sartorius Stedim Biotech, France
2009–2010	Assistant Manager, Biopharm Services, United Kingdom
2014–2016	Assistant Manager in General Services, Sartorius Stedim Biotech, France
2016–2019	Central Purchasing Manager, Sartorius Stedim Biotech, France
Since 2019	Purchasing Platform and Insurance Expert, Sartorius Stedim Biotech, France

Anne-Marie Graffin

Lead Independent Director since December 6, 2023 and
Chairwoman of the Remuneration and Nomination Committee
Date of birth: May 3, 1961
Nationality: French

First appointment: April 7, 2015
Mandate renewed: March 24, 2021
Appointed until: Annual General Shareholders' Meeting 2024

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

Chairwoman of the Board of Directors of Valneva SE[1];
Member of the Supervisory Board of Nanobiotix S.A.[1];
Member of the Board of Directors of Vetoquinol S.A.[1];
President of SMAG Consulting S.A.S.

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group:

Member of the Supervisory Board of M2Care S.A.S.

Educational and professional background:

Graduated from ESSEC Business School, Paris

1984–1987	Product Manager France, International Distillers and Vinters
1988–1990	Marketing Manager, URGO Laboratories
1991–1995	Head of International Marketing Group, RoC S.A. (Johnson & Johnson)
1998–2000	Product Manager Adult Vaccines France, Sanofi Pasteur MSD
2001–2005	Head of Range, then Adult Vaccines Marketing Director Europe, Sanofi Pasteur MSD
2006–2008	Executive Director Business Management, Sanofi Pasteur MSD
2009–2010	Executive Vice President and Member of the Executive Committee, Sanofi Pasteur MSD
Since 2011	Independent Non-Executive Board Member, Life Sciences Expert and Advisor, and President, SMAG Consulting S.A.S

1 Publicly listed

Lothar Kappich

Director
Date of birth: February 15, 1957
Nationality: German

First appointment: September 14, 2017
Mandate renewed: March 29, 2022
Appointed until: Annual General Shareholders' Meeting 2025

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Sartorius or Sartorius Stedim Biotech Group:

Chairman of the Supervisory Board of Sartorius AG[1].

Past directorships (held during the past five years) within the Sartorius or Sartorius Stedim Biotech Group:

None

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

None

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group:

None

Educational and professional background:

Doctorate (Dr. rer. pol.) in Economics (subject of the doctoral dissertation: Theory of International Business Activity)

1988–1990	Controller in the Central Controlling department, Schering AG, Berlin
1990–2017	ECE Projektmanagement G.m.b.H. & Co. KG, Hamburg; latest position: Managing Director of ECE's HR & Corporate Services as well as Managing Director of numerous subsidiaries at the ECE Group
2007–2017	Member of the Supervisory Board of Sartorius AG, Göttingen
Since 2017	Chairman of the Supervisory Board of Sartorius AG, Göttingen, and Independent Business Consultant

1 Publicly listed

Henri Riey

Director
Date of birth: November 5, 1961
Nationality: Monegasque

First appointment: June 29, 2007
Mandate renewed: March 29, 2022
Appointed until: Annual General Shareholders' Meeting 2025

Number of Sartorius Stedim Biotech shares held: 11

Other current directorships and positions outside the Sartorius or Sartorius Stedim Biotech Group:

President of Aidea;
President of Groupe HR S.A.S.;
President of Association Monegasque de Cindynique;
Director and Secretary-Treasurer of The Princess Grace Foundation (Monaco).

Past directorships (held during the past five years) outside the Sartorius or Sartorius Stedim Biotech Group:

None

Educational and professional background:

Diplôme Institut Supérieur de Gestion (France)
(degree earned at the French Higher Institute of Business Management "Institut supérieur de gestion")

1985–1988	Fund Manager at Paribas
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Executive Vice President of Barclays Asset Management, responsible for all fund management businesses
2004–2013	CFO of Hendyplan S.A.

Summary of Changes in the Composition of the Board of Directors and the Committees during the 2023 Financial Year

Date	Board of Directors
March 27, 2023	Mr. Joachim Kreuzburg, Chairman of the Board
March 27, 2023	Mr. René Fáber, Chief Executive Officer
October 27, 2023	Mrs. Romaine Fernandes (arrival) – Mrs. Christelle Baudere (departure)
December 6, 2023	Mrs. Anne-Marie Graffin – Lead Independent Director

Registered Addresses

With regards to their social mandates, the members of the Board of Directors are domiciled at the Company's headquarters.

Chief Executive Officer (CEO)

In accordance with the recommendation of the Article 3 of the AFEP-MEDEF code, on March 27, 2023, the Board of Directors appointed Mr. René Fáber as CEO. Mr Fáber was also the Deputy CEO of the Company from February 2022 until March 27, 2023. The CEO of the Company is appointed for the duration of his term of office as a Director.

Director Representing Employees

Following Mrs Christelle Baudere, Mrs. Romaine Fernandes was appointed as the new Director representing employees for a 3-year term by CSE election (Comité Social et Economique) dated October 27, 2023, with effect from as of October 27, 2023. She holds the position of Purchasing Platform & Insurance Expert. Like any new Director, the Director Representing employees followed the regular onboarding procedure by an introduction course intended to perfect her knowledge of the Company's market, organization and strategic activities, which involved in particular individual interviews with the Group's main senior manager.

The Director representing employees does not receive Directors' fees as a "Director Representing the Employees". The components of her remuneration as an employee are not published.

Lead Independent Director (LID)

In accordance with the further evolution of best governance practices, the Board of Directors has decided in its meeting on December 6, 2023 to create the position of a Lead Independent Director (LID).

The LID is appointed by the Board of Directors from among its Independent Directors, upon the proposal of the Nomination and Remuneration Committee. On December 2023, the Board of Directors appointed Mrs Anne-Marie Graffin as their Lead Independent Director for the remaining period of her current mandate.

Duties :

The LID's duties include permanent specific tasks in relation to governance and/or shareholders relationship with the Board of Directors, such as, but not limited to:

- Helping the Chairman ensure that the Company's governance bodies are running smoothly. The BoD may mandate the LID with specific governance assignments, if necessary
- Serve as a liaison between the independent directors and the Chairman and considering and managing potential conflicts-ofinterest situations that may arise within the Board of Directors
- Reviewing the Related Parties Transactions between Sartorius Stedim Biotech and its majority shareholder Sartorius AG
- Adding points to the agenda of Board meetings and convening of a Board meetings in exceptional circumstances
- Obtaining an understanding of potential concerns of major shareholders who are not represented on the Board regarding governance matters and ensuring that such concerns are addressed, and she/he is available for consultation
- Conducting annual assessments of the BoD' and its committee's operations
- Organizing – whenever she/he deems necessary and at least once a year – meetings reserved for independent directors

Resources:

The LID:

- Has access to all necessary documents and information that he/she needs to fulfill her/his duties. The LID may request the help of outside research or advise at the Company's expense.
- May meet Sartorius Stedim Biotech's functional managers after informing the Chairman and the CEO
- May request assistance from the Board's assistant to perform her duties

Report:

- The LID reports on the execution of her/his duties once a year to the BoD. A report is also included in the annual URD.

Independent Directors' Assessment and Qualification

For companies being controlled by a majority shareholder, the portion of independent Board members should be at least one third of the Board of Directors. As of 31 December 2023, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% of independent members under the independence criteria defined by the APEF-MEDEF code. Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or major customers, nor may they have any other link likely to impair their judgment.

In accordance with the internal rules of the Board of Directors and in application of the AFEP-MEDEF code, the independence of Directors is discussed each year by the Board of Directors with respect to the criteria below. During the Board of Directors meetings, the independency criteria (Appendix N° 3 of the AFEP-MEDEF code) are analyed among the Board to verify their independency or non-independency status. Further, pursuant to the IAS 24, the declaration of absence of contract between the Board members or their related parties and the Company is discussed by and notified to the Board. Pursuant to article 10.4, 10.5, 10.6 and 10.7, it requires:

- May not be an employee or senior executive employee or director of his or her parent company or of one of its consolidated companies, and may not have been so during the five previous years (criterion 1);
- May not be a senior executive of a company in which the company directly or indirectly holds a director's position or in which an employee as such or a senior executive of the company (either currently or having been so for less than five years) holds a director's position (criterion 2);
- May have no business with the Company (criterion 3);
- May not have any close family ties with one of the senior executives (criterion 4);
- May not have been a statutory auditor of the company for the five past years (criterion 5);
- May not have been a director of the company for more than twelve years (criterion 6).

Pursuant to the recommendations 10.6 and 10.7 of the Afep-Medef Code, it is also specified that an independent director:

- May not receive variable compensation in cash (with the exception of "attendance directors' fees") or securities or any compensation related to the performance of the company or the Group;
- May not participate in the control of the Company or Sartorius AG (controlling shareholder), nor hold more than 10% of the share capital or voting rights, and not be in a conflict-of-interest situation.

In addition to the above-mentioned criteria, the Board of Directors analyzes other factors, such as the ability to understand the issues and risks, prior to making a decision on whether a director qualifies as independent.

The Board of Directors' meeting of December, 2023 carried out its annual review of the independence of directors after hearing the opinion of the Nomination and Compensation Committee. After conducting a thorough analysis of each criterion the Board concluded to classify the following three Directors as independent: Mrs. Pascale Boissel, Mrs. Susan Dexter, and Mrs Anne-Marie Graffin.

	Not an employee of SSB S.A. group	No cross-directorships	No significant business relationships	No family links	Not a statutory auditor	First appointment	Not a director for over 12 years	Classification adopted
Joachim Kreuzburg	✓	x	✓	✓	✓	2007	x	Not independent
René Fáber	✓	x	✓	✓	✓	2019	✓	Not independent
Pascale Boissel	✓	✓	✓	✓	✓	2019	✓	Independent
Susan Dexter	✓	✓	✓	✓	✓	2015	✓	Independent
Romaine Fernandez	x	✓	✓	✓	✓	2023	✓	Not independent
Anne-Marie Graffin	✓	✓	✓	✓	✓	2015	✓	Independent
Lothar Kappich	✓	x	✓	✓	✓	2017	✓	Not independent
Henri Riey	✓	✓	✓	✓	✓	2007	x	Not independent

Preventing Conflict of Interest

Based on statements made by the members of the Board of Directors to the Company, there are, to the best of the Company's knowledge no family relationships among the members of the company's Board of Directors.

Furthermore, to the Company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and|or other duties. A controlling mechanism is in place via the declaration of absence of contract between Board members and their related parties and the Company or/and its affiliates, pursuant to the IAS 24 declaration and the SAP automated processes, but also via the review of the agreements made by the Company under the regulated agreement process control.

Further, a Director must inform the Board as soon as he/she is aware of any conflicts of interest, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions as stipulated in the internal regulation of the Board of Directors. Besides, within his or her office of Director, each Director must ensure that there is no conflict of interest against the Company. The Charter sets out the rights and obligations of the Directors. It is delivered to each new Director when they take up office. Each Director is bound by and shall put in practice the rules contained in such Charter.

The Directors' Charter is included in the schedule of the Board of Director's Internal Regulation and defines the rights and obligations of the Directors, in particular regarding the code of ethics and prevention of conflicts of interest, as described in more detail on page 221 of this Universal Registration Document in the Section "Other Legal Information".

To the Company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

If a business relationship with the Company is notified by a Director, the materiality of the business relationship is examined with regard to the volume of affairs, the job and/or shareholding of the Directors as to define whether such relationship is significant or not. In 2023, the Board of Directors conducted a materiality analysis, and concluded that there is no significant business relationship.

Another measure taken to ensure that control is not done in an abusive way is the composition of the Board of Directors and its Committees, which is as follows:

- Three out of seven members of the Board of Directors are independent (Director Representing Employees is not taken into account when determining this ratio).
- Three out of four members of the Audit Committee are independent, one of them being the Chairwoman of the Committee.
- Three out of four members of the Nomination and Remuneration Committee are independent, one of them being the Chairwoman of the Committee.

Balanced representation of women and men and diversity

Each year, the Board of Directors examines the desired balance in its composition and that of its committees, seeking in particular a balanced representation of men and women, and a wide diversity of skills and nationalities, reflecting as best it can both the highly technical and global nature of the company's business.

Specifically, as regards the threshold of 40% women to be reached at the level of the Board of Directors, under the provisions of Article L 225-1-1 and L 22-10-3 of the French Commercial Code, the Board of Directors has put significant effort into searching for skilled, independent and dedicated female directors with a proven level of expertise in biotechnologies or related industries. According to the definition of the aforementioned Article L 225-18-1 and L 22-10-03, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% of women as of December 31, 2023. If the employee representative was taken into account, the Board of Directors would be composed of 50% of women.

In addition, according to Article 8 of the Afep-Medef Code, the Board shall describe the gender diversity policy applied to the governing bodies as well as the objectives of this policy, the implementation measures and the results achieved in the past financial year.

Gender Diversity in the Management Bodies below the Board of Directors

Sartorius Stedim Biotech is committed to a culture of openness and tolerance at its sites across the Group; thus it promotes diversity at all levels of the company. The selected scope is the two management bodies below the Board (N-1 and N-2 positions). In alignment with the targets for female representation in its parent company, Sartorius AG, Sartorius Stedim Biotech's targets and deadlines for female representation in the management bodies below the Board were 30% for the first management level below the Board and 30% for the second level. These targets were set 2017 with a deadline at June 30, 2022. The Sartorius Stedim Biotech Board of Directors revisited these targets in its meeting on February 8, 2023, and lifted the targets to one third for both levels with a deadline on December 31, 2025.

2023 results

On the first management level below the Board of Directors, which currently comprises five positions, the percentage share of women amounted to 20% by the end of 2023 (N-1 level: one women, four men; 2022: 57% women) and therefore did not reach the target figure of 30%. On the second management level the percentage share of women was 27% at year-end (N-2 level: 12 women, 32 men; 2022: 33% women); thus, the target figure of a third was well in reach. Both figures were below their year-earlier comparables mainly due to the small number of leadership positions where minor personnel changes can already result in considerable

changes in percentage numbers. Moreover, the integration of acquired companies which are often men-led technology start-ups or young companies has frequently resulted in fluctuations in the past, and this effect cannot be ruled out for the future.

To further foster female participation, Sartorius Stedim Biotech implemented dedicated measures both in its recruitment activities and in talent management. To maximize transparency, all management levels groupwide receive regular information on their staff structure including numbers on female participation. In addition, the Company launched various initiatives to support that its talent pipeline is balanced, including annual structured talent talks to identify promising candidates for expert or leadership positions, mentoring of female talent, and connecting female professionals through offering free membership in the Healthcare Businesswoman Association. Furthermore, measures to promote equal opportunity in the company comprise transparency on salaries. Where applicable, salaries of the Group are linked to rates agreed with the respective national trade unions. Using union rates makes remuneration more transparent and facilitates equal pay across a diverse workforce.

Although quantitative targets are only given for gender diversity, Sartorius Stedim Biotech views diversity in a broader sense, including age, cultural origin, nationality, educational background, professional qualifications, and experience. Greater diversity on all levels including management helps secure the long-term success of the Group by taking diverse perspectives into account and understanding global customers and markets. A fact sheet on diversity is published annually on the company's website (https://www.sartorius.com/en/company/sustainability/people-diversity).

The Board of Directors acknowledged the gender diversity goals proposed as well as the procedures for implementing them. Achieving the goals will be subject to monitoring by the Board of Directors and a review of the progress and achievement of the results obtained in each fiscal year.

Assessment of the Board of Directors and Training Policy of the Board of Directors

Once a year, the Board of Sartorius Stedim Biotech S.A. devotes its attention to discuss on how the Board operates, to check its effectiveness, to discuss whether major issues haven been suitably prepared and addressed, and to review each member's contribution to the Board's activities. In 2023 this self-evaluation was discussed in the Board of Directors meeting in December.

To run this assessment, a questionnaire was sent in advance to each Board member, which encompassed around 30 questions, covering the most important aspects of the Board's activity. This questionnaire also entailed several questions on the work of its chairman, the flow of information as well as the quality of meeting management. Other questions dealt with the work of the two committees, and below every topic there is ample room for comments and suggestions. In the reporting year, all eight Board members had completed this written questionnaire. In addition, the Chairwoman of the Remuneration and Nomination Committee conducted a personal interviews with every Board member based on a semi-open interview guideline to complement the written survey. The results and a brief written report were sent to each member in November to prepare for the discussion meeting.

Strengths

The Board pointed out the good professional qualifications and long-standing experience of its members, the international diversity and perspectives, and the active participation of each member in the discussions. Absenteeism continued to be on a very low level in the reporting period. The frequency and preparation of meetings was considered to be appropriate by the BoD members. The non-executive BoD members acknowledged the high quality of the regular written reports provided via a digital platform on business results and activities and updates on a broad range of projects and organizational developments. In addition, the members valued the effective work of the two committees as well as the cooperation with the company's auditors. The insights provided in 2023 on SSB's digitalization strategy, an in-depth update on the business situation in China and on progress in sustainability reporting were appreciated. The BoD members also highlighted the strong leadership, broad expertise and strategic vision of its Chairman. In addition, the improved access provided to broker studies and press coverage were well received and contributed to adequately reflect on the expectations of external stakeholders. The BoD recognized that changes resulting from previous assessments had been implemented promptly and lead to enhanced Board efficiency.

Areas for Improvement

The Board members aim to further develop their contributions to strategic discussions and devote sufficient time to discuss changes in market trends and the competitive landscape. In addition, to prepare for adequate succession planning, additional touchpoints with senior executives below the Board level would be appreciated as well as regular information about key executives hires and departures. Some BoD members also pointed to additional on-site visits and meetings with commercial and manufacturing teams which should include product overview trainings.

Onboarding for new members of the Board of Directors / Training

Understanding the Company's business, which includes its strategies, risks, financials, operations, management team, workforce, culture, and its competitive landscape and stakeholder expectations is of high importance for new Directors. However, the onboarding needs for new directors will vary from director to director depending on their background and experience and on the role the director is expected to play on the board and Board Committees. Beyond providing essential written information and initial orientation sessions a typical onboarding to the Sartorius Stedim Biotech Board includes site visits and several one-on-one meetings with senior leaders of the organization to develop a proper understanding of the business and its key governance processes.

The onboarding is followed by regular training and update sessions that are offered to the Board members; in 2023 a training focused on new ESG regulation and the Company's efforts to decarbonize.

Board of Directors' Internal Regulations and Balance of Powers and Repartition of Roles

The functions of Chairman of the Board of Directors and Chief Executive Officer are separated and the Board of Directors is governed by an Internal Regulation, which aims in particular, to ensure the balance of powers. Depending on the mode of exercise chosen by the Board of Directors, the Chairman or a CEO shall ensure, under his responsibility, the General Management of the Company. According to Article 19.3 of the Articles of Association, the CEO is vested with the broadest powers to act in all circumstances in the name of the Company. The CEO shall exercise these powers within the limit of the corporate objects, and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors.

The CEO represents the Company in its dealings with third parties. According to the Internal Regulations of the Board of Directors, the General Management, the CEO, cannot make certain decisions without the prior authorization of the Board of Directors (see extract of the Internal Regulation page 230).

The Board of Directors elects a Chairman from among its members. Pursuant to article 16.3 of the Articles of Association, the Chairman represents the Board of Directors. He organises and directs its work, and reports on it to the General Meeting. He ensures the proper operation of the Company's decision-making bodies and ensures, in particular, that the directors are themselves in a position to fulfil their duties. Mrs Anne-Marie Graffin, a member of the Board of Director and of the Audit Committee was appointed as Lead Independent Director to ensure that control is exercised in a fair manner.

The Board of Directors meets at least once a year without the presence of the Executive Board Members to discuss various subjects. Such meeting took place on December 6, 2023 and the agenda included the remuneration of the Chief Executive Director.

The Board of Directors has adopted a set of Internal Regulations that defines and includes rules of operation for this body relating to its powers, members' attendance, and transactions requiring approval and prior validation with a certain number of triggering thresholds. The Board of Directors approves strategic investment projects and any transaction, in particular acquisitions or disposals that are likely to materially affect the Company's results, the structure of its balance sheet or risk profile. More precisely, the Board of Directors approves in advance certain decisions of the management such as budget, investments, financing, business activities, human resources, contracts, litigation, transactions or measures that go beyond the ordinary course of business, as described in more details on page 221 of this report in the Section Other Information of a Legal Nature.

Staggering and Renewal of the Mandate Terms

On March 27, 2023, the Board has decided to separate the functions of CEO of the Company and Chairman of the Board for the remaining duration of their mandates ; the Board has elected Joachim Kreuzburg as Chairman of the Board (previously President-Directeur General), and Mr René Faber has become Chief Executive Officer(previously Deputy Chief Executive Officer).

Due to the resignation of the former Director representing employees, Mrs. Christelle Baudere, a new Director representing employees has been elected by the CSE.

As of October 2023, to a certain extent, the expiry of the Board of Directors mandates is staggered with two mandates expiring in 2024, five mandates expiring in 2025 and one mandate expiring in 2026.

Selection of New Board Members

Pursuant to the AFEP-MEDEF code, the selection of Board members is based on the following criterias:

- Desired balance with regard to the composition of the Company's ownership;
- Desired number of independent Board members;
- Proportion of men and women required by current regulations;
- Opportunity to renew terms;
- Competence, experience and specific expertise of each candidate.

Concerning the expertise profile, the Remuneration & Nomination Committee evaluates potential candidates primarily based on their management and strategy skills; familiarity with the Company, its industry and its international markets expertise; technological and product development expertise; financial and accounting expertise; legal and capital markets expertise; competence in the field of Corporate Social Responsibility, and digital skills. The Remuneration & Nomination Committee members perform their own evaluation of potential candidates based on the above-mentioned criteria and, where appropriate, may work with the assistance of an external firm. Such selection process is also applied to independent members of the Board of Directors.

Plurality of Mandates

In accordance with the APEF-MEDEF governance code for listed companies, an executive Director cannot exercise more than two other mandates as Director in listed companies outside its group, including foreign companies. In addition, the Director should also seek the opinion of the Board before accepting a new directorship in a listed company.

Moreover, a Director cannot exercise more than four other mandates in listed companies outside its group, including foreign companies. This recommendation is applied during the appointment or the renewal of the Director's mandate.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committee members are appointed by the Board of Directors. Special attention is paid by the Board of Directors to the renewal of the mandate of the Chairman of the Audit Committee, upon recommendation of the Remuneration and Nomination Committee.

Other Information

The Board of Directors met eight times during 2023 fiscal year. The respective individual attendance of each Board of Directors member is presented on the first page of this governance section and must be read in the light of the changes made to the composition of the Board during the reference period. The preparation and holding of the meetings of the Board of Directors and its Committees require significant availability and investment by the Directors. The individual attendance at Board and Committee meetings is specified above.

The allocation of Directors' fees, based on the rate of attendance by each of the Directors at Board meetings and presence at the meetings of its various Committees, is described in page 118 of the present Universal Registration Document.

In accordance with the bylaws of the Company, each Director personally owns at least one share of the Company.

To the Company's knowledge, all Directors fulfil the following thresholds with regard to the number of mandates in listed companies:

- For the executive Directors: maximum of two mandates in listed companies not belonging to the group,
- For non-executive Directors: maximum of four mandates in listed companies not belonging to the group.

To the Company's knowledge, within the last five years, no member of the Board of Directors:

- has been convicted of fraud or has been subject to any official public investigation or sanction by statutory regulatory authorities;
- has been associated in his /her capacity of manager in any bankruptcy, receivership or liquidation;
- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer.

Conditions for Preparation and Organization of the Work of the Board of Directors

Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the Internal Regulations of the Board, described on page 81 of this Report.

The Internal Regulations currently applicable have been adopted on March 24, 2020, and revised February 8, 2023 with the purpose of ensuring compliance with the latest legal, regulatory and statutory obligations applicable to the Company, as well as the last update pursuant to the AFEP-MEDEF governance code of December 2022.

The Board of Directors deals with all matters concerning the proper operation of the Company and takes decisions on subjects affecting the Company.

Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the Company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the Company in pursuit of this strategy and review all delegations of authority;
- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the Company's shareholdings;
- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the Company's results, the structure of its balance sheet or risk profile;
- The Board of Directors will beforehand decide on each significant transaction outside the scope of the announced strategy;
- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;
- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options, as the case may be;
- Although it is not a modification of the corporate purpose of the Company, the Board of Directors must seize the Shareholders' Meeting if the transaction concerns a preponderant share of the assets or the activities of the Group;

- The Board of Directors shall convene annual Shareholders' Meetings and propose changes to the Articles of Association.

The duties mentioned above summarize the Internal Regulation of the Board of Directors.

Activity Report of the Board of Directors for the 2023 Fiscal Year

The Board reviewed and approved the Company and consolidated accounts for 2022.

The Board of Directors considered and debated on the following at its meetings:

- Strategic direction and major Group projects
- Annual, half-year and quarterly financial statements
- Budgets presented by executive management
- Information on the financial structure and cash flow items
- Significant off-balance sheet commitments
- Risk indicators for the Group – Internal Audit and Compliance
- Stock market performance
- Self-assessment of the Board members (interactive dialogue, areas for improvements)
- Elements of remuneration : definition, due or attributed
- Sustainability, Corporate Social and Environmental Responsibility (goals, strategy, results, organization; discussions on a possible ESG Committee)
- Change of the statutory auditors. Upon the recommendation of the Audit Committee, the decision was made to propose to the Shareholders' Meeting the appointment of PricewaterhouseCoopers (PwC) as statutory auditor of the annual financial statements of Sartorius Stedim Biotech S.A. for a period of six financial years ending on December 31, 2029
- General Shareholders' Meeting preparation and other governance topics such as the restructuring the Board of Directors (towards a dualist structure of the General Management and definition of a Lead Independent Director role)
- In-depth discussions on acquisition projects and other strategic activities (including the Polyplus acquisition)
- Deep dive into acquisitions' integration road maps, market trends, innovation pipelines and the focus on geographical markets

Information to be provided to Directors

Before each Board meeting, the Directors are provided with the agenda items that require prior consideration, in due time.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which is always held on the day of or on the day before the Board meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The members of the Board of Directors receive a copy of each press release published by the Company. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.

The Audit Committee and the Remuneration and Nomination Committee are responsible for studying and making preparations for the Board's main deliberations in order to improve the Board's efficiency.

Under no circumstances do these Committees relieve the Board of Directors which has the only legal power of decision, nor are they allowed to cause division within its college, which is and remains responsible for the fulfillment of its missions. The Committees do not replace but are an emanation of the Board of Directors facilitating its work.

The Committees of the Board may consult, in the performance of their functions, any of the main Company's executive officers after having informed the Chairman of the Board of Directors and subject to reporting back to the Board.

The Committees of the Board may request external technical studies relating to matters within their competence, at the expense of the Company, after having informed the Chairman of the Board of Directors or the Board of Directors itself and subject to reporting back to the Board.

In the event the Committees solicit the services of external counsels (e.g. the Remuneration and Nomination Committee for the purpose of gathering information related to remuneration systems and levels applicable within the main markets), the Committees shall ensure the objectiveness of the sought advice.

Each Board of Directors meeting is preceded with at least one meeting of one of the two committees, depending on the addressed topics. The Committees remain accountable to the Board of Directors and address to them their position, advice and recommendations.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committee members are appointed by the Board of Directors. A special attention is paid by the Board of Directors to the renewal of the mandate of the Chairman of the Audit Committee.

Further, in compliance with Article 12.3 of the AFEP-MEDEF Code, the Board of Directors holds one meeting without the presence of the Executive Directors to discuss various topics, including remuneration of the Executive Directors.

The Board of Directors has started to think about having a new as to focus on the assistance to the Board of Directors with sustainability matters, which was so far directly dealt with by the Board of Directors. The final design should be implemented in 2024.

The Audit Committee

The Audit Committee assists the Board of Directors in areas relating to accounting policy, reporting, internal and external control, financial communication and management of the risks to which the company is exposed.

Audit Committee Duties

Accounting policy and internal control, the Audit Committee has the following duties:

- To proceed as soon as possible, and in any event prior to examination of the annual financial statements of the Company and, where appropriate, the consolidated financial statements by the Board of Directors, with the review of all the financial, interim and annual statements of the Company and, where appropriate, consolidated financial statements, including their notes and, where appropriate, the management report presented by the Board of Directors to the General Meeting of Shareholders called to approve the financial statements for the year ended and to present its observations to the Board of Directors. During the examination of the financial statements, the Committee pays particular attention to significant transactions that could have given rise to a conflict of interests;

- To ensure the pertinence of the selected methods and accounting procedures chosen by the company and to check their proper application;

- To check the accounting treatment of any significant transaction made by the company;

- To ensure that the internal procedures for data collection and control are sufficient to ensure the quality and reliability of the annual financial statements of the Company and, where appropriate, the Company's consolidated financial statements;

- To examine the scope of the consolidated companies and, where appropriate, the reasons for which any companies are not included.

External control, the Audit Committee has the following duties:

- To submit to the Board of Directors recommendations concerning the Statutory Auditors in view of their appointment or renewal by the Shareholders' Meeting; to analyze and issue an opinion on the definition, extent, and timetable of their assignment and their fees. For this purpose, the Committee steers the selection procedure for the Statutory Auditors and submits to the Board of Directors a recommendation on the Statutory Auditors proposed for appointment by the Shareholders' Meeting. The Committee proposes to the Board the selection procedure and, in particular, whether a call for tender should be issued. It supervises the call for tender and approves the specifications and the selection of the companies consulted, taking care to select the "best bid" and not the "lowest bid";

- To ensure the independence of the Statutory Auditors.

Risk analysis and prevention, the Audit Committee has the following duties:

- To analyze all disputes, including fiscal, that may have a significant impact on the Company's financial statements and, where appropriate, the Company's consolidated financial statements, or its financial position;

- To examine the company's exposure to significant financial and non-financial risks (as described in Page 50). The Committee examines the risks and significant off-balance sheet commitments and assesses the importance of malfunctions or weaknesses that it is made aware of and informs the Board, as appropriate; The Company has different internal procedures in place to identify and monitor any off-balance sheet commitments, for example, by using extended data requests to all consolidated entities at the year-end as well as having discussions during the year as part of the risk management to identify any material risks at an early stage.

- To review the conclusions of internal audit reports;

- To verify the satisfactory application of internal controls and information reporting procedures;

- To conduct interviews with senior management, particularly with regard to internal control reports and risks management.

Regarding financial communication, the Audit Committee's duties include reviewing the company's financial communication relating to the annual and interim financial statements of the Company.

Given the extent of its remit, the Audit Committee consults with the Statutory Auditors, but also with the Finance, Accounts and Treasury Directors. These meetings may be held, at the Committee's request, without the Company's executive bodies being present.

Composition of the Audit Committee

As of December 31, 2023 , the Audit Committee has four members:

- Mrs. Pascale Boissel, Chairwoman of the Committee
- Mrs. Susan Dexter
- Mrs. Anne-Marie Graffin
- Mr. Lothar Kappich

The Chairwoman of the Audit Committee is independent.

Three out of four members are independent. Therefore, the independence criteria are met by the Audit Committee pursuant to the recommendations of the Afep-Medef Code as described above.

In accordance with the recommendations of the Afep-Medef Code, no Executive Director can be a member of the Audit Committee, it being specified that the Company's CEO may be invited upon convening of the Chairman of the Audit Committee. When the Company's CEO is invited, he does not have the statutory right to participate, nor the right to vote. The Board of Directors of the Company believes that his presence at meetings, as the case may be, does not undermine the independence of the Audit Committee but it is important during debates that the Company's CEO can further explains business activities, if necessary. The Audit Committee can also consult and invite various guests, such as experts from Finance, Accounting, Legal and Treasury departments of the Company and the Chairman of the Board of Directors. The Audit Committee regularly makes use of this opportunity so that these experts can give additional detailed insights that are useful for the discussions.

The Head of Controlling is also present and acts as the secretary of the meetings.

Audit Committee's Internal Regulations

The Audit Committee has adopted a set of internal regulations and a charter designed to provide a framework for its duties and operation and, in particular, to ensure the implementation and application of independence criteria for its members. It also includes the conditions for remuneration of the latter.

The Audit Committee met six times during fiscal year 2023 .

Activity Report of the Audit Committee for the 2023 Fiscal Year

The Committee reviewed and approved the Company and consolidated financial statements for 2022. During its meetings, the Audit Committee addressed and discussed the following points in particular:

- Annual and half-yearly financial statements and quarterly data
- Study and review of the 2023 budget
- Study and review of 2024 budget
- Review of the various Company management reports and Group management reports, as well as the Universal Registration Document
- Information relating to the financial structure and cash position
- Indicators of financial and non-financial risks (including environmental and social risks) within the Group, in particular by auditioning management (see risk typologies described on page 50)
- Internal audit and compliance report (including auditioning management)
- Stock market evolution
- Borrowings contracted
- Tender process and appointment of Statutory Auditors.The Audit Committee had defined certain criteria for the choice of the audit company to be selected: Independence, Professional qualification and practical experience ; relevant industry expertise; audit methodology and processes; service concept and fees. Based on the written offers received, as well as the personal presentation of the candidates, the Audit Committee recommended to the Board of Directors to propose to the Shareholders' Meeting the appointment of PricewaterhouseCoopers (PwC) as the statutory auditor of the annual financial statements of Sartorius Stedim Biotech S.A. for a period of six financial years ending on December 31, 2029.

Remuneration and Nomination Committee

Remuneration and Nomination Committee duties

The Remuneration and Nomination Committee's purpose, according to its Internal Regulation, is to assist the company's Board of Directors in setting the remuneration policy for corporate officers and, in particular, relating to incentive mechanisms (allocation of stock options and bonus shares) that the Company may implement.

During the year, the Remuneration and Nomination Committee may consult all the company's executive members, after it has informed the Chairman of the Board of Directors, and must report on this to the Board.

The Remuneration and Nomination Committee's duties with regards to its nomination role include assisting the Board of Directors with the appointment or renewal of Board members. It shall:

- Issue reflections and recommendations to the Board of Directors with regard to the methods of performance of General Management and the status of the executive officers.
- Issue an opinion on proposals made by the Chairman of the Board of Directors for appointment of the Chief Executive Officer (where applicable).
- Prepare succession plans for the executive officers in the event of an unforeseen vacancy.
- Propose to the Board of Directors new Directors.
- Examine the classification as independent Director which is reviewed by the Board of Directors every year.
- Verify the due and proper application of the Code of Corporate Governance to which the Company refers to (AFEP-MEDEF code).

Composition of the Committee and Functioning

As of December 31, 2023 , the Remuneration and Nomination Committee has four members:

- Mrs. Anne-Marie Graffin (Chairwoman)
- Mrs. Pascale Boissel
- Mrs. Susan Dexter
- Mr. Lothar Kappich

Three of the four members of the Remuneration and Nomination Committee are independent.

Additionally, the Head of Controlling is also present and acts as Secretary of the meetings. The Director Representing the Employees also attends the meetings of the Remuneration and Nomination Committee. When executive members are invited to take part to this combined Committee, they do not take part in discussions on remuneration.

The Remunerations and Nominations Committee met twice in the 2023 financial year.

Report on the Activities of the Remuneration and Nomination Committee for the 2023 Fiscal Year

- Appointment of Mr. René Fáber as Chief Executive Officer and Mr. Joachim Kreuzburg as Chairman of the Board.
- Allocation of the Directors' fees for the 2022 financial year
- Determination of the remuneration due or awarded to the corporate officers (including Executive Officers) for the 2022 financial year
- Determination of the remuneration policy of corporate officers (including Executive Officers) for the 2023 financial year
- Determination of the remuneration and target settings for the 2024 financial year for the Chief Executive Officer
- Analysis of the Independency status of Independent Board Members
- Nomination of a Lead Independent Director in charge of governance matters

Report on Corporate Governance

Regulated Agreement

Based on controls performed by the finance and legal department along with an automatic warning mechanism, no regulated agreement referred to in Articles L. 225-38 and seq. of the French Commercial Code was entered into by the Company during the 2023 financial year.

The remuneration is governed according to the description of the remuneration provisions as described in the Section "Remuneration of the Directors" of this report (therefore the previous existing regulated agreement has been terminated on December 31, 2021).

Corporate Governance Code / AFEP-MEDEF

In 2008 the Sartorius Stedim Biotech S.A. Board of Directors decided to follow the AFEP-MEDEF recommendations, and as from this date the Universal Registration Document takes into account the recommendations of the Code, as revised in December 2022, as the reference code for corporate governance (see www.medef.fr).

In accordance with the recommendations of the AFEP-MEDEF Code, this chapter identifies, in a summary table, those provisions of this Code which were not applied and explains the reasons for that choice.

As a complementary information on the latest revision of the Code, it is emphasizes that the Company's strategy on climate change is presented during the shareholders meeting.

All sustainability measures are well detailed in the Combined Non-financial Group statement in the Combined Group Management Report that can be consulted at:

https://www.sartorius.com/en/company/sustainability

The Board of Directors has made non-financial KPIs (including reduction of CO_2 emission intensity) part of the structure of the remuneration of the Executive directors. (see remuneration's section of this report)

Specific Table on Recommendations of the AFEP MEDEF Code for the Governance of Listed Companies

Article	Deviations of the provisions of the Code	Explanations
16.3	Examination deadline of the accounts between the Audit Committee and the Board of Directors.	For practical reasons, connected in particular to the presence within the Committee of a majority of non-resident members, the meetings of the Audit committee usually take place the same days as those of the Board of Directors. Taking into consideration this obligation, and in order to give to the Audit committee the possibility of achieving completely its missions, the internal rules of the Board mentions that any documents and useful information must be communicated to the Board by the Chairman and Chief Executive Officer upfront and in a sufficient delay. The files are then transmitted to the members of the Audit Committee with a sufficient notice period and at the latest three days before every meeting of the Committee or of the Board allowing them to have enough time for the examination of the statements before these meetings. Therefore, each member of the said committee is spending the necessary time to examine each topic and is duly enabled to require such information if needed. In addition, in accordance with the Committee's rules, each member must inform himself/herself and can request to the President, in a timely manner, to provide the necessary information.
18	The Committee in charge of Remuneration and Nomination	
18.1	One of its members should be an employee Director	The Board of Directors decided to create a Remuneration and Nomination Committee with 75% of independent members. The Director representing the employees, without being a member of the Remuneration and Nomination Committee, is invited by the Board of Directors to attend and fully participate in the meetings of the Remuneration and Nomination Committee. Discussions related to remuneration and advantages of Company's officers are therefore fully transparent and shared with the Director representing the employees.
20.	Ethical rules for directors	
	The Director should be a shareholder personally and hold a fairly significant number of shares to the received Directors' fees: by default if he does hold the shares upon assuming his functions, he must use the acquired Directors' fees when acquired.	The Board of Directors has implemented these ethic principles within its internal regulations, in particular within the Director Charter, which is attached to the internal regulations. Pursuant to the internal regulations of the Board of Directors, each Director must, during his entire term of office, own at least one share.

3.2 Shareholders' Meeting

Convening

Ordinary Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the Shareholders' Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated. Shareholders' Meetings are convened by the Board of Directors or, by default, the statutory auditors or a person thus empowered. The Shareholders' Meetings are held at the registered office or any other place stated in the notice of convocation. The forms and timescale of the notice of convocation are governed by French laws.

In 2023, Sartorius Stedim Biotech held its annual Shareholders' Meeting on 27 March 2023, both in physical presence in Aubagne, along with a live broadcast via its website.

The notice of meeting and the notice of convocation were published in the BALO on February 15, and on March 8, 2023 in the BALO and La Provence respectively. The documentation relating to the Shareholders' Meeting held on March 27, 2023 was posted on the company's website, as required by law.

Agenda

The notices and letters of call mention the indications required by law, particularly the agenda, the company electronic address where written questions of shareholders may be sent to and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities' shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion of draft resolutions on the agenda.

In accordance to the Articles R 225-71 to R 225-74 of the French Commercial Code, requests made by the shareholders to register draft resolutions on the agenda and written questions are sent to the registered office by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of the draft resolutions, which may have a short explanation of reasons. These requests are subject to proof of ownership or representation of required share capital, in accordance to regulatory rules.

Moreover, in accordance with the Articles L. 2323-67 paragraph 2 of the French Labor Code, requests of draft resolutions made by the Work Council, to be added on the agenda, have to be made within 10 days following the publication of the notice of the meeting.

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting are convened at least ten days in advance in the same form as the first meeting.

The Shareholders' Meeting of 27 March 2023, was held in physical presence, but also broadcasted live and is available as an on-demand version on the Sartorius website at : Shareholders' Meeting | Sartorius Stedim Biotech S.A. : https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations/shareholders-meeting

Admission to Meetings – Powers

Every shareholder has the right to attend Shareholders' Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a Shareholders' Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the registered share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the second working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the Shareholders' Meeting in person but who have not received an admission pass by zero hours, Paris time, on the second working day prior to the meeting.

A shareholder may be represented by another shareholder, his or her spouse or by the partner with whom he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other natural or legal person of his choice in accordance with the Articles L. 225-106 to L. 225-106-3 of the French Commercial Code; To this effect, the representative must present valid proof of proxy.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

All shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company three days before the date of the Shareholders' Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company, as well as on the internet website at Shareholders' Meeting | Sartorius Stedim Biotech S.A.: https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations/shareholders-meeting

Shareholders have the opportunity to vote during the Shareholders' Meeting, or by mail using the Company's paper voting form. Registered shareholders use the voting form attached to their notice of meeting or by VOTACCESS; holders of bearer shares request the voting form and a shareholder certificate from the financial intermediary that manages their shares. They could vote by mail or by VOTACCESS.

3.3 Delegations Granted for Increase in Share Capital by the Shareholders' Meeting to the Board of Directors

Delegation of competence

Object - Duration	Limit	Use in 2023
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders. (EGM 29/03/2022 – Resolution n°17) Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments and €500,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments, it being specified that the limits of the nominal amount of the share capital increases and debt instrument, with or without preferential subscription rights of the shareholders, set from the eighteenth (18th) to the twenty-first (21st) resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit.	None
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right of the allotment of debt instruments, without preferential subscription rights of the shareholders – through public offerings,other than those referred to in the Article L. 411-2 of the French Monetary and Financial Code. (EGM 29/03/2022 – Resolution n°18) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of €6,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offers addressed exclusively to qualified investors or to a restricted circle of investors as defined in the article L. 411-2 of the French Monetary and Financial Code. (EGM 29/03/2022 – Resolution n°19) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of €6,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments), it being specified that pursuant to Article L. 225-136, 2° of the French Commercial Code, the issue of new shares shall be limited to 20% of the share capital per year.	None
Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders. (EGM 29/03/2022 – Resolution n°20) Granted for a period of 26 months as from 29/03/2022	The limit amount 15% of initial issue of shares, pursuant to the resolutions n°17 to 19 described above.	None
Ability to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders. (EGM 29/03/2022 – Resolution n°21) Granted for a period of 26 months as from 29/03/2022	The limit is deducted on the overall limit of 10% of the share capital of the Company at the date of the share capital increase (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None

Object - Duration	Limit	Use in 2023
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. (EGM 29/03/2022 – Resolution n° 22) Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 (corresponding to the maximum nominal amount of the increase of the share capital), it being specified that it is an independent limit.	None
Ability to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders (EGM 29/03/2022– Resolution n° 23) Cancelled by EGM 27/03/2023 – Resolution N°15 Granted for a period of 26 months as from 29/03/2022	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital, it being specified that it is an independent limit.	None
Ability to grant free new or existing shares to the benefit of employees or corporate officers (EGM 29/03/2022 - Resolution N°24) Granted for a period of 38 months as from 29/03/2022.	The limit amount of 10% of the Company's share capital calculated on the attribution date	None
Ability to reduce the capital by cancelling shares acquired under buyback program (EGM 29/03/2022 - Resolution n°25) Cancelled by EGM 27/03/2023 – Resolution N°14 Granted for a period of 24 months as from 29/03/2022	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to issue share, without preferential subscription rights of the shareholders to named beneficiaries EGM 27/03/203 – Resolution n°13) Granted for a period of 18 months as from 27/03/2023	Nominal amount of the share capital increase or share capital increases limited to 133,980 Euros	None
Ability to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code; (EGM 27/03/203 – Resolution N°14) Granted for a period of period of twenty-four (24) months as from 27/03/2023	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders. (EGM 27/03/2023 – Resolution N°15) Granted for a period of a period of twenty-six (26) months as from 27/03/2023	The limit is €6,000,000 corresponding to the maximum nominal amount of the increase of the share capital, it being specified that it is an independent limit.	None

3.4 Remuneration of the Members of the Board and of the Executive Corporate Officers

I – Remuneration Policy of the Members of the Board and of the Executive Corporate Officers for the 2024 Fiscal Year (*ex ante*)

In accordance with Article L. 22-10-8 of the French Commercial Code, the corporate officers' remuneration policy, as described herein, will also be subject to a resolution to be proposed to the approval of the Shareholders' Meeting to be held on March 26th, 2024.

Remuneration Policy of the Chief Executive Officer

The following remuneration policy describes the remuneration policy for the Chief Executive Officer for the 2024 financial year, which was decided by the Board of Directors in its meeting held on February 7, 2024, upon proposal of the Remuneration and Nomination Committee, and which will be proposed to the approval of the shareholders' meeting to be held on March 26, 2024 (*ex ante* vote).

A. Main Features of the Remuneration Policy and Contribution Toward Promoting the Corporate Strategy and Long-Term Development of the Company

The remuneration policy for the Chief Executive Officer aims to remunerate the Chief Executive Officer appropriately in line with his tasks and responsibilities and to directly consider his performance and the success of the Company. Accordingly, the remuneration policy includes fixed remuneration components as well as short- and long-term variable remuneration components.

The Company strategy seeks to achieve profitable growth and a sustained, long-term increase in the value of the Company. This strategy is the basis from which the structure of the remuneration policy is derived for the Chief Executive Officer of Sartorius Stedim Biotech S.A.: The short-term variable remuneration depends on annual corporate targets that are aligned with key performance indicators for profitable growth of the Company. In addition to these, this short-term remuneration can also consider significant non-financial targets. Long-term remuneration depends on a corporate goal that reflects the sustainable and long-term growth of the Company and the Sartorius Stedim Biotech group; in addition, part of the long-term remuneration can also be aligned with meeting non-financial targets of the Company that are derived from the corporate strategy and are of material significance for the long-term positive further development of the Company. As a result, the company's remuneration policy creates incentives to promote the long-term and positive sustainable development of the Company.

B. Details of the Remuneration Policy

		Remuneration components	Structure of the remuneration components		Maximum bonus (in % of the target amount)	Maximum remuneration
Fixed		Fixed remuneration	Basic remuneration		100%	Maximum amount of all cash remuneration components for the respective fiscal year
Variable	Cash	Short-term variable remuneration	Sales revenue | Order intake	40%	120%	
			Underlying EBITDA	40%		
			Ratio of net debt to underlying EBITDA	10%		
			Employee Net Promotor Score	10%		
		Long-term variable remuneration	Consolidated net profit	50%	120%	
			Reduction of CO^2 emission intensity	50%		

I. Remuneration Components

1. Overview of the Individual Remuneration Components

Remuneration consists of fixed and variable components. The fixed component is the fixed annual salary. The variable performance-based components are comprised of short-term components with a one-year assessment basis and of long-term components with a multi-year assessment basis.

2. Fixed Remuneration

Fixed annual remuneration is cash compensation related to a specific fiscal year and is based in particular on the area of duties and responsibilities of the respective executive corporate officer.

3. Variable Performance-Based Remuneration Components

a) Short-Term Variable Remuneration with a One-Year Assessment Basis

In addition to receiving fixed remuneration components, the Chief Executive Officer is entitled to receive short-term variable remuneration with a one-year assessment basis.

Target Parameters

Short-term variable remuneration on a one-year assessment basis consists of four individual components each related to different target parameters. There are three individual components related to the subordinate financial targets of average of sales revenue | order intake, underlying EBITDA, ratio of net debt to underlying EBITDA and as a non-financial subordinated target the so-called Employee Net Promoter Score (ENPS).

The target parameter of sales revenue | order intake is a measure of the average calculated from sales revenue and order intake and is a key performance indicator of growth. Underlying EBITDA (earnings before interest, taxes, depreciation and amortization) as a target parameter) is adjusted for extraordinary items. This is a key profitability indicator of Sartorius Stedim Biotech Group and is used to provide a picture of Sartorius Stedim Biotech Group's operating development that is also internationally better comparable. The target parameter of the ratio of net debt to underlying EBITDA is calculated as the quotient of net debt and underlying EBITDA and is a key financial ratio regarding Sartorius Stedim Biotech Group's debt financing capacity. The target parameter ENPS (employer net promoter score) reflects the rate at which employees are likely to recommend a company as an employer and is currently polled twice a year within the scope of global employees' surveys.

To determine these financial target parameters, the Company provides regular reports as part of its periodic financial reporting. These targets are key control elements for profitable growth as well as for a sustainable and long-term increase in the value of the Company and serve to implement the overarching strategic goals of Sartorius Stedim Biotech Group. The non-financial target parameter ENPS is an indicator of sustained employee retention, which is of essential importance for the competitiveness of a company on the labor market and thus for the long-term successful further development of the Company. As a result, this non-financial target parameter also promotes the overarching strategic goals of the Company.

The remuneration policy intentionally does not rigidly prescribe the target parameters, however. Rather, the Board can set further target parameters, including non-financial ones, and|or replace existing target parameters by others. In turn, the particular target parameters must be used that the Company reports at least once annually as part of its periodic financial reporting. If non-financial target parameters are additionally used, these must be aligned with the targets that are derived from the corporate strategy and are of material importance for the long-term positive development of the Company. In adjusting financial target parameters, the Board shall ensure that the particular target parameters in their entirety continue to reflect key control elements for profitable growth as well as a sustainable and long-term increase in the value of the company. In addition, further non-financial targets may also be defined in the future. At least one target parameter is to be based on key indicators that measure the development of business volume and|or earnings.

Measurement of Target Achievement and Bonus Payment

For each target parameter, the Board determines a formula that is used to calculate the bonus to be paid for the respective individual component based on the degree of target achievement. In the process, the Board also defines (i) the minimum target achievement below which the bonus to be paid is zero, and (ii) the maximum target achievement above which the bonus to be paid does not increase further. As a result, the amount of a bonus to be paid is capped for each subordinate target at a maximum percentage of the individual target amount. This cap is currently 120% for all subordinate targets. However, the Board can elect to define a different cap in the future.

For every individual component of short-term variable remuneration on a one-year assessment basis, the Board shall set an individual target amount for each executive corporate officer before the beginning of a fiscal year. This target amount is used to determine the specific amount of a bonus to be paid based on the level of target achievement defined for the respective fiscal year. The targets are weighted for the individual Board members according to their area of responsibility.

In case of financial target parameters, the target at which the full target bonus amount is paid out (= 100% target achievement) is derived by the Board from the approved annual budget for the respective fiscal year and the level of target achievement is determined by comparison with the actual result, which is derived from the audited and approved consolidated financial statements for the respective fiscal year. If non-financial target parameters are aligned with values that are reported in the Non-Financial Group Statement of Sartorius AG for the respective fiscal year, the degree of target achievement is determined by comparison of the target values with the actual results that are presented in the Non-Financial Group Statement of Sartorius AG. In determining the level of target achievement, the Board can adjust the actual figure to allow for non-recurring, extraordinary circumstances and/or non-operating items for example resulting from acquisitions or divestments during the year.

Annual short-term variable remuneration is calculated for a fiscal year ended and paid in the following fiscal year. If an executive corporate officer joins or leaves the board without serving for a full year, his or her short-term variable remuneration will be calculated and determined on a pro-rated basis.

b) Long-Term Variable Remuneration Components

The long-term variable remuneration components for the Chief Executive Officer consist of the following two individual components: One component is related to the development of the consolidated net profit and one

component to the reduction in CO2 emission intensity as target parameters each in a four-year assessment period. As a result, the long-term variable remuneration components are also aligned with financial target parameters that measure profitable growth and a sustainable and long-term increase in the value of the Company and the achievement of the climate targets derived from the Company's sustainability strategy, and thus serve to implement the company's overarching strategic objectives.

The remuneration policy intentionally does not rigidly prescribe the target parameters currently used. Rather, the Board can set further financial and/or non-financial target parameters with at least a four-year assessment period, and/or replace existing target parameters by others. If the target parameters are financial targets, the Board must use those that the Company reports at least once annually as part of its periodic financial reporting. In adjusting financial target parameters, the Board shall ensure that the particular target parameters in their entirety continue to reflect key control elements for profitable growth as well as a sustainable and long-term increase in the value of the Company. If non-financial target parameters are additionally used, these must be aligned with the targets that are derived from the corporate strategy and are of material importance for the long-term positive development of the Company. Moreover, for each target parameter, the Board determines a formula used to calculate the bonus to be paid for the respective individual component based on the degree of target achievement. In the process, the Board also defines (i) the minimum target achievement below which the bonus to be paid is zero, and (ii) the maximum target achievement above which the bonus to be paid does not increase further. As a result, the amount of a bonus to be paid is capped for each subordinate target as a maximum percentage of the individual target amount.

The long-term variable remuneration components are each weighted at 50%. For each of the two individual components, the Board defines a separate individual target amount for every executive corporate officer before the beginning of a fiscal year. This target is used as the basis for calculating the specific bonus amount to be paid out based on the degree of achievement of the associated targets defined for the respective fiscal years.

Consolidated Net Profit

The individual component related to consolidated net profit has an assessment period of four consecutive fiscal years and begins with the fiscal year in which the tranche concerned is granted. A new tranche is granted on a rolling basis for each fiscal year that a member's appointment lasts. The amount paid out for a particular tranche depends on the total target achievement for the respective assessment period, which corresponds to the average target achievement for each of the four fiscal years of the relevant assessment period. For each fiscal year, the Board annually defines a target for consolidated net profit in euros, which is derived by the Board from the annual budget approved for the respective fiscal year.

To determine the level of target achievement for a fiscal year, the consolidated net profit, excluding amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3) – as reported in the company's consolidated financial statements audited and approved – is compared to the particular target set by the Board. In individual cases, the Board may make further adjustments to the actual amount to allow for non-recurring, exceptional circumstances and/or non-operating items.

The amount to be paid out is determined based on the individual target amount and a formula defined by the Board. It provides for (i) a minimum target achievement which must be exceeded to receive a bonus and below which the amount paid out is zero, and (ii) a maximum target achievement, above which the bonus amount to be paid out does not increase further. The bonus paid out is thus capped in each case at a maximum percentage of the individual target amount. This cap is currently set at 120% and is reached at a target achievement level of 120%. In the future, however, the Board may also define a different cap.

This remuneration component is paid out at the end of the fourth fiscal year of the assessment period for the respective tranche.

Reduction of CO_2 Emission intensity

This individual component related to the reduction of the CO2 emission intensity has an assessment period of four fiscal years and begins with the fiscal year in which the tranche concerned is granted. A new tranche is granted on a rolling basis for each fiscal year. The amount paid out for a particular tranche depends on the individual target amount and target achievement for the respective assessment period. For each tranche, the Board annually defines a target for average annual reduction of the CO2 emission intensity during the assessment period. This target corresponds to the current target of the Company's sustainability strategy in each case (currently a 10% reduction per fiscal year as measured using the baseline value for 2019), where the initial value of this target is provided in the reviewed Non-Financial Group Statement of Sartorius AG of the previous year. To determine the target achievement of this parameter, the final value used is the actual value of the CO2 emission intensity reached in the last fiscal year of the respective four-year assessment period for the corresponding tranche. In individual cases, the Board may make further adjustments to the actual value to allow for base effects and recording inaccuracies.

The amount to be paid out is determined based on the individual target amount and a formula defined by the Board. It provides for (i) a minimum target achievement, below which the amount paid out is zero, and (ii) a maximum target achievement, above which the bonus amount to be paid out does not increase further. The bonus paid out is thus capped in each case at a maximum percentage of the individual target amount. This cap is consistently set at 120% and is reached at a target achievement level of 120%. In the future, however, the Board may also define a different cap.

This remuneration component is paid out upon expiration of the fourth fiscal year in the respective period of assessment for the tranche concerned.

4. Commitments referred to in Article R. 22-10-14, II 6° of the French Commercial Code

The following commitments were subscribed by Sartorius AG, the controlling shareholder of the Company.

Earlier departure severance

Pursuant to a service agreement entered into between the Chief Executive Officer and Sartorius AG, the Chief Executive Officer has committed to a severance pay cap of a maximum of two annual salaries as a maximum, but not more than the salary of the remaining term of such service agreement, to cover cases in which the term of office of the executive corporate officer is terminated prematurely.

The severance payment is governed by German law relating to public listed companies and the Corporate Governance Code. It is a payment equivalent to a maximum of two years' salary, for the total of all payments, and calculated in accordance with recommendation G13 of the German Corporate Governance Code. The calculation breakdown consists of variable remuneration (based on past performance) + fixed remuneration + an estimate of long-term remuneration + any other element of the severance package. In any event, the total amount granted may not exceed this maximum amount equivalent to two years, whatever the grounds for claiming such remuneration.

In case the term of office of the corporate executive officers is terminated for good cause, no severance is due. Neither Sartorius AG nor Sartorius Stedim Biotech SA is paying extra-severance in the event of retirement.

Non-competition clause

The Chief Executive Officer has a post-contractual non-competition obligation in accordance with German law. This obligation will last for two years after an executive corporate officer has left the Sartorius Group. During this time, if the non-competition clause is not waived or terminated, this corporate executive officer member may claim half of his most recent annual remuneration received from Sartorius AG.

The rule for calculating the non-competition indemnity is "half the contractual benefits for each year of non-competition". This non-competition indemnity is not added automatically to the severance pay, but may form part of the amounts that make up a potential severance package.

The non-competition clause ceases to apply when the employee, a retires from work, i.e. enters into an invalidity pension, an occupational invalidity pension or an early retirement pension. The retired person is not entitled to any waiting allowance for the period following his or her retirement. Furthermore, none of the members of the Board of Directors may be reappointed beyond the end of the calendar month in which a member of the Board of Directors reaches the age of 65.

Pension commitments

The Chief Executive Officer & Chairman receive performance-related benefit commitments under a defined benefit plan when reappointed for the first time. In addition to including a basic pension, these commitments provide for the executive corporate officer to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount. A corporate officer may choose to receive such defined benefits in the form of a monthly retirement pension for old age or as a one-time payment to cover the member's retirement pension for old age and invalidity as well as in the form of survivor's benefits for the surviving spouse and children of the decedent.

Beyond such commitments, the Chairman of the Board is additionally entitled under a former company pension scheme to receive performance-based retirement benefits based on the salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act (*Bundesbesoldungsgesetz*). Such benefits are paid in the form of a retirement pension for old age and invalidity as well as in the form of survivors' benefits for the surviving spouse and children of the decedent.

After an executive corporate officer has turned 65, this shall be considered the regular age limit at which this executive corporate officer shall automatically be entitled to receive all such benefits. This pension commitment will be paid by Sartorius AG.

II. Procedure for Establishing and Implementing as well as Reviewing the Remuneration Policy

The Board of Directors shall establish and regularly review the remuneration policy for the Chief Executive Officer in accordance with legal requirements and propose changes to the Annual Shareholders' Meeting. The remuneration itself will be paid on behalf of Sartorius Stedim Biotech S.A. by the parent company Sartorius AG to the Chief Executive Officer. In turn Sartorius Stedim Biotech S.A. reimburses Sartorius AG at cost.

The Chief Executive Officer's fixed annual remuneration may change regularly, and more than at long intervals. Such remuneration changes are accompanied by a procedure in compliance with these policy principles and the ones described in Article 26.1.2 of the Code Afep-Medef . The decision is made via a discussion within the Remuneration & Nomination Committee, and is afterwards approved by the Board of Directors and proposed to the Shareholder meeting for approval.

In respect of the principles and criteria abovementioned, the Board of Directors, in its meeting held on February 7, 2024, decided that the remuneration policy of the Chief Executive Officer for the 2024 fiscal year will be as follows (variable remuneration under the assumption of 100% target achievement):

	Chief Executive Officer	
	in €	% of total remuneration
Fixed remuneration	**750,000**	**53.6%**
Variable 1 year	**450,000**	**32.1%**
Order Intake|Sales	180,000	12.9%
Underlying EBITDA	180,000	12.9%
Net debt to underlying EBITDA ratio	45,000	3.2%
Employees' Net Promoter Score	45,000	3.2%
Variable multi year	**200,000**	**14.3%**
Net result	100,000	7.1%
CO2 intensity reduction	100,000	7.1%
Total	**1,400,000**	**100.0%**

Remuneration Policy of the Chairman of the Board

The Chairman of the Board, having a mandate at Sartorius group level, receives no remuneration from the Company, according to the remuneration policy of the Directors, as described below.

Remuneration Policy of the Directors

The remuneration of the Directors comprises fixed remuneration, attendance fees and reimbursement of out-of-pocket expenses. Directors also serving as a member of a committee of the Board of Directors receive higher fixed remuneration as described below.

Directors' fees are calculated on an annual basis. For the 2024 fiscal year, subject to approval of the annual shareholders' meeting to be held on March 26, 2024, the Board of Directors, in its meeting held on February 7, 2024, decided, upon proposal of the Remuneration and Nomination Committee, that the remuneration policy of the Directors shall be as follows.

Each Director receives a fixed remuneration of € 20,000 per year, to be paid after the annual financial statements have been approved by the Annual Shareholders' Meeting and which falls due for payment after the Annual Shareholders' Meeting. The Chairman of the Board receives twice this amount. The Lead Independent Director, if any, receives a fixed lump-sum amount of € 8 000 per full year. Furthermore, members of the Board receive an attendance fee of € 5 000 per meeting for the first six (6) meetings per year and reimbursement of its expenses in addition to the fixed remuneration. For additional meetings, the members of the Board receive an attendance fee of € 3 000 per meeting.

- For their membership in the Audit Committee, each Director receives a lump-sum amount of €6,000 per full year of membership in addition to the attendance fee of € 3 000 per meeting. The chairmanship of the Audit Committee receives a lump-sum amount of €12,000 per full year that he or she holds the chairmanship in addition to the attendance fee.

- For their membership to the Remuneration & Nomination Committee, each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,500 per meeting. The chairmanship of the Remuneration & Nomination Committee receives a lump-sum amount of €8,000 per full year that they hold the chairmanship in addition to the attendance fee.

The remuneration for the activities on any committee is due together with the remuneration under the terms of previous Subsection hereof.

- Any value-added tax is reimbursed by the Company, insofar as the members of the Board are entitled to invoice the Company separately for the value-added tax and they exercise this right.

- All these resolutions will not be applied for the Directors that got an executive top management activity at group level, as well as for the Director(s) representing employees. In this context, the executive corporate officers of the Company (i.e the Chairman of the Board and the Chief Executive Officer), as well as the Director(s) representing employees will not receive any remuneration for their membership.

The remuneration policy of the directors, as described above, has been determined by the Board of Directors in its meeting held on February 7, 2024, upon recommendation of the Remuneration and Nomination Committee, and will be submitted for approval to the shareholders' meeting to be held on March 26, 2024. Pursuant to the Afep-Medef Code, the variable part of the remuneration (the attendance fees) is higher than the fixed part of the remuneration.

It is specified that the Board of Directors, in its meeting held on February 7, 2024, upon recommendation of the Remuneration and Nomination Committee, has set the total maximum annual amount of Directors' remuneration to be distributed among the directors in respect of the 2024 financial year in accordance with the remuneration policy above at € 600,000, and will be submitted for approval to the shareholders' meeting to be held on March 26, 2024.

II – Remuneration Paidor Awarded to the Members of the Board and to the Executive Corporate Officers for the 2023 Fiscal Year (ex post)

The purpose of this report is to present a detailed explanation of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration paid or awarded to the corporate officers for the 2023 fiscal year. This information will be subject to resolutions that will be proposed to the approval of the Shareholders' Meeting to be held on March 26th, 2024.

As explained on page 101 of this Universal Registration Document, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer in accordance with Article L. 225-51-1 of the French Commercial Code, with effect as from March 28, 2023.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code (ex post vote), the tables below describe:

- the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds paid or awarded to Mr. Joachim Kreuzburg as Chairman and Chief Executive Officer from January 1st, 2023 to March 27, 2023;
- the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds paid or awarded to Mr. René Fáber as Deputy Chief Executive Officer from January 1st, 2023 to March 27, 2023;
- the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds paid or awarded to Mr. Joachim Kreuzburg as Chairman from March 28, 2023 to December 31, 2023;
- the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds paid or awarded to Mr. René Fáber as Chief Executive Officer from March 28, 2023 to December 31, 2023; and
- the remuneration of the directors for the 2023 financial year.

Tables Summarizing the Remuneration and Options and Shares Granted to each Executive Corporate Officer

Until December 31, 2021, the executive corporate officers received their remuneration from Sartorius AG, the ultimate parent of the Company. A part of their various remuneration components was charged to the Company and other members of the Sartorius Stedim Biotech Group to reflect their services for the respective companies. As from January 1st, 2022, the remuneration of executive corporate officers is paid on behalf of Sartorius Stedim Biotech S.A. by the parent company Sartorius AG. In turn the Company has reimbursed Sartorius AG at cost

Joachim Kreuzburg
(Chief Executive Officer until March 27, 2023)

€ in Thousands	Year 2023	Year 2022
Remuneration awarded	216	942
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	216	942

René Fáber
(Deputy Chief Executive Officer until March 27, 2023)

€ in Thousands	Year 2023	Year 2022
Remuneration awarded	143	578
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	143	578

René Fáber
(Chief Executive Officer from March 28, 2023)

€ in Thousands	Year 2023	Year 2022
Remuneration awarded	647	0
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	647	0

Summary of the Remuneration for Each Executive Corporate Officer

Joachim Kreuzburg (Chief Executive Officer until March 27, 2023)

	Year 2023		Year 2022	
€ in Thousands	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	150	150	500	500
Variable remuneration				
Annually paid	0	214	214	360
Long-term incentive	66	0	228	443
Total	**216**	**364**	**942**	**1,303**

René Fáber
(Deputy Chief Executive Officer until March 27, 2023)

	Year 2023		Year 2022	
€ in Thousands	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	90	90	288	288
Variable remuneration				
Annually paid	0	122	122	238
Long-term incentive	53	0	168	125
Total	**143**	**212**	**578**	**651**

René Fáber
(Chief Executive Officer from March 28, 2023)

	Year 2023	
€ in Thousands	Amounts awarded	Amounts paid
Fixed remuneration	450	450
Variable remuneration		
Annually paid	0	0
Long-term incentive	197	0
Total	**647**	**450**

Details on the Variable Remuneration Due or Awarded for Each Executive Corporate Officer for the 2023 Fiscal Year

			Chief Executive Officer			Deputy Chief Executive Officer		
in €	Minimum	Maximum	Target remuneration	Target achievement		Target remuneration	Target achievement	
Variable 1 year			**375,000**	**0**	**0%**	**300,000**	**0**	**0%**
Order Intake|Sales	0%	120%	150,000	0	0%	120,000	0	0%
Underlying EBITDA	0%	120%	150,000	0	0%	120,000	0	0%
Net debt to underlying EBITDA ratio	0%	120%	37,500	0	0%	30,000	0	0%
Employees' Net Promoter Score	0%	120%	37,500	0	0%	30,000	0	0%
Variable multi year			**262,500**	**262,500**	**100%**	**210,000**	**210,000**	**100%**
Net result	0%	120%	131,250	131,250	100%	105,000	105,000	100%
CO2 intensity reduction	0%	120%	131,250	131,250	100%	105,000	105,000	100%
Total			**637,500**	**262,500**		**510,000**	**210,000**	

1 Joachim Kreuzburg held the position of Chief Executive Officer until March 27, 2023 and Renè Fáber from March 28, 2023 on.
2 René Fáber held the position of Deputy Chief Executive Officer from February 9, 2022 to March 27, 2023.

The maximum annual variable compensation with an assumption of 100% target achievement amounted to 51% of total remuneration for the Chief Executive Officer for the 2023 fiscal year. For the Deputy Chief Executive Officer, the maximum annual variable compension for 100% target achievement was 59% of total remuneration.

Table on Directors' Meeting Fees and Other Remuneration Received by Board Members

€ in Thousands	Year 2023		Year 2022	
Pascale Boissel	**93**		**70**	
Fixed part	36	39%	50	71%
Director's attendance fees (Variable part)	57	61%	20	29%
Henri Riey	**56**		**53**	
Fixed part	20	36%	37	69%
Director's attendance fees (Variable part)	36	64%	17	31%
Susan Dexter	**84**		**65**	
Fixed part	30	36%	44	68%
Director's attendance fees (Variable part)	54	64%	20	32%
Anne-Marie Graffin	**91**		**70**	
Fixed part	34	37%	48	69%
Director's attendance fees (Variable part)	57	63%	22	31%
Lothar Kappich	**84**		**68**	
Fixed part	30	36%	46	68%
Director's attendance fees (Variable part)	54	64%	22	32%
Total	**408**[1]		**326**	

1 The shareholders' meeting of March 27, 2023, in its 5th resolution, approved a total maximum annual amount of € 325,800 to be allocated among the directors in respect of the remuneration policy for the 2023 financial year. Pursuant to such policy, each Director is meant to receive a fixed remuneration of € 20,000 for the year, an attendance fee of € 5,000 (for the first six meetings, then € 3,000 per meeting). Directors are also granted lump-sum amounts for their membership in committees as well as an attendance fee for committees. Finally, the chair of a committee receives an additional annual lump-sum amount per full year. The implementation of this policy has led the Company to retain a total amount of € 408,000 to be allocated to directors for the 2023 financial year as the Board of Directors, comprised of seven directors (and one director representing the employees), held in 2023 [8] meetings, the Audit Committee held [6] meetings and the Remuneration and Nomination Committee held [2] meetings. By approving the 5th resolution of the shareholders' meeting of March 27, 2023, the shareholders will be deemed to ratify the difference between € 408,000 (actual amount resulting from the application of the remuneration policy) and € 325,800 (provisional maximum amount) to be actually paid in 2024 in accordance with the remuneration policy of the Directors for the 2023 financial year.

Performance Shares Available for Each Board Member

Not applicable.

Performance Shares Granted to Board Members

There is no performance share program in place for the board members of Sartorius Stedim Biotech S.A.

Stock Options Granted During the Reporting Period to the Board Members by the Issuer or Any Other Company of the Group

Not applicable.

Stock Options Exercised During the Reporting Period by Each Board Member

Not applicable.

Stock Options Granted | Historical Information

Not applicable.

Stock Options Granted or long term variable remuneration to the Top Ten Non-Corporate Officers and Exercised by Them

Not applicable.

Although, certain employees at the first level below the Board of Directors (N-1) participate in a virtual performance share plan with a duration of 4 years per tranche (long term variable remuneration). The key performance indicators are "organic sales growth", "current EBITDA margin" and "CO2 intensity reduction", as well as the development of the Sartorius share price.

Remuneration Ratios

Remuneration ratios are the ratios between the level of remuneration of the executive corporate officers and the average and median remuneration of the Company's employees. The table was prepared in accordance with the provisions of Article L. 22-10-9, I of the French Commercial Code.

In order to comply with the AFEP-MEDEF Code, and with the AFEP Guidelines on remuneration ratios published in February 2021, and despite the absence of employees within the Company, the following ratios have been established. This analysis includes the French subsidiaries held, directly or indirectly, by the Company on January 1st of the considered year, i.e Sartorius Stedim FMT SAS, Sartorius Stedim Aseptics SAS, Sartorius Chromatography Resins SAS, Sartorius Chromatography Equipment SAS, and Sartorius Stedim France SAS

The numerator of the ratios “Package paid for Mr. Joachim Kreuzburg” and “Package paid for Mr. René Fáber” is made of the details specified in the above tables and takes into account the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer. The figures for 2023 are not comparable to the previous years. Until December 31 ,2021, only the portion recharged to Sartorius Stedim Biotech S.A. was considered.

Figures corresponding to the denominator relate to:

- The number of employees, the calculation of employees (full time, and “continuously present”)
- The figures taken into account to calculate the wages of 2023. To ensure consistency, all the wages paid to the employees in 2023 have been considered: fixed salary, yearly bonus, exceptional premium and benefits.

		2023	2022	2021	2020	2019
Joachim Kreuzburg (Chief Executive Officer until March 27, 2023)	Annual compensation € in Thousands	364	1,303	472	427	400
	Change in %	–72%	176%	11%	7%	
	Ratio / average compensation	7	26	9	8	9
	Change in %	–72%	183%	12%	–6%	
	Ratio / median compensation	8	33	12	10	11
	Change in %	–74%	183%	12%	–7%	
René Fáber (Deputy Chief Executive Officer until March 27, 2023)	Annual compensation € in Thousands	212	651			
	Change in %	–67%				
	Ratio / average compensation	4	13			
	Change in %	–67%				
	Ratio / median compensation	5	16			
	Change in %	–70%				
René Fáber (Chief Executive Officer from March 28, 2023)	Annual compensation € in Thousands	450				
	Change in %					
	Ratio / average compensation	9				
	Change in %					
	Ratio / median compensation	10				
	Change in %					
Employees	Average compensation	51	51	52	53	46
	Change in %	0%	–2%	–1%	13%	
	Median compensation	43	40	41	42	36
	Change in %	8%	–2%	–1%	15%	
Group Performance	Underlying EBITDA	785	1,221	1,033	605	422
	Change in %	–36%	18%	71%	43%	

3.5 Independent Auditors' Fees

Principal Independent Auditors

KPMG S.A.

480, avenue du Prado
CS 90021
13272 Marseille Cedex 08
France

Represented by Nicolas Blasquez.

First commissioned by the Annual General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2027 Annual General Shareholders' Meeting to approve the 2026 financial statements.

Member of the Compagnie régionale de Versailles.

Deloitte et Associés

7, boulevard Jacques Saadé
Quai de la Joliette
13235 Marseille Cedex 2
France

Represented by Philippe Battisti.

First commissioned by the Annual General Share-holders' Meeting on 19 May 2006.

Date commission expires: 2024 Annual General Shareholders' Meeting to approve the 2023 financial statements.

Member of the Compagnie régionale de Versailles.

Independent Auditors' Fees

				KPMG				Deloitte
€ in Thousands		2023		2022		2023		2022
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	85	5.8%	80	6.5%	66	38.4%	66	33.5%
Subsidiaries	1,383	94.2%	1,144	93.5%	106	61.6%	131	66.5%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**1,468**	**100.0%**	**1224**	**100.0%**	**172**	**100.0%**	**197**	**100.0%**
Other services								
Legal, tax, corporate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Information technology, other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Total	**1,468**	**100.0%**	**1,224**	**100%**	**172**	**100.0%**	**197**	**100%**

				Other				Total
€ in Thousands		2023		2022		2023		2022
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company					151	6.4%	146	7.2%
Subsidiaries	460	62.5%	335	54.1%	1,948	82.0%	1,610	78.9%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**460**	**62.5%**	**335**	**54.1%**	**2,099**	**88.4%**	**1,756**	**86.0%**
Other services								
Legal, tax, corporate	259	35.1%	185	29.9%	259	10.9%	185	9.1%
Information technology, other	18	2.4%	99	16.0%	18	0.7%	99	4.9%
Subtotal	**276**	**37.5%**	**285**	**45.9%**	**276**	**11.6%**	**285**	**13.9%**
Total	**736**	**100.0%**	**620**	**100%**	**2,376**	**100.0%**	**2,041**	**100%**

SARTORIUS

Consolidated Financial Statements and Notes

04

4.1 Statement of Profit or Loss and Other Comprehensive Income

€ in millions	Notes	2023 12 months	2022 12 months
Sales revenue	[9]	2,775.5	3,492.7
Cost of sales	[10]	–1,542.0	–1,675.4
Gross profit on sales		**1,233.5**	**1,817.4**
Selling and distribution costs	[10]	–449.1	–449.7
Research and development costs	[10]	–129.5	–132.4
General administrative expenses	[10]	–167.1	–162.2
Other operating income	[11]	40.7	72.1
Other operating expenses	[11]	–79.8	–150.0
Earnings before interest and taxes (EBIT)		**448.7**	**995.2**
Financial income	[12]	94.4	185.8
Financial expenses	[12]	–141.9	–50.7
Financial result		**–47.6**	**135.2**
Profit before tax		**401.1**	**1,130.4**
Income taxes	[13]	–89.0	–250.5
Net profit for the period		**312.1**	**879.9**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		309.7	876.1
Non-controlling interest	[22]	2.4	3.8
Earnings per share (€)	[15]	3.36	9.51
Diluted earnings per share (€)	[15]	3.36	9.51

Extraordinary items are reported within functional expenses as of fiscal 2023. Prior-year figures were restated accordingly.

Other Comprehensive Income

€ in millions	Notes	2023 12 months	2022 12 months
Net profit for the period		312.1	879.9
Cash flow hedges	[38]	5.3	–9.6
of which effective portion of changes in fair value		3.8	–47.9
of which reclassified to profit or loss		1.5	38.2
Income tax on cash flow hedges	[19]	–1.6	2.9
Net investment in a foreign operation		0.0	0.0
Income tax on net investment in a foreign operation	[19]	0.0	–5.0
Foreign currency translation differences		–26.9	–4.8
Items that are or may be reclassified subsequently to profit or loss		**–23.2**	**–16.5**
Remeasurements of the net defined benefit liabilities	[23]	0.3	13.9
Income tax on remeasurements of the net defined benefits liabilities	[19]	–0.2	–3.6
Items that will not be reclassified to profit or loss		**0.2**	**10.3**
Other comprehensive income after tax		**–23.1**	**–6.2**
Total comprehensive income		**289.1**	**873.7**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		286.8	869.7
Non-controlling interest		2.3	4.1

4.2 Statement of Financial Position

€ in millions	Notes	Dec. 31, 2023	Dec. 31, 2022
Non-current assets			
Goodwill	[16]	2,851.9	1,136.4
Other intangible assets	[16]	1,736.2	876.8
Property, plant and equipment	[17][18]	1,633.2	1,292.0
Financial assets	[35]	40.8	24.9
Other assets		2.6	2.5
Deferred tax assets	[19]	60.0	61.6
		6,324.8	**3,394.2**
Current assets			
Inventories	[20]	882.4	1,024.8
Trade receivables	[29]	293.7	404.6
Other financial assets	[30]	16.5	31.4
Current tax assets		39.8	14.0
Other assets		66.1	89.4
Cash and cash equivalents	[28]	116.6	107.1
		1,415.1	**1,671.2**
Total assets		**7,739.9**	**5,065.4**
Equity			
Equity attributable to SSB S.A. shareholders		**2,637.9**	**2,449.3**
Issued capital	[21]	18.4	18.4
Capital reserves		231.5	231.5
Retained earnings (including net profit)		2,388.0	2,199.4
Non-controlling interest	**[22]**	**35.3**	**64.9**
		2,673.2	**2,514.2**
Non-current liabilities			
Pension provisions	[23]	30.3	31.7
Other provisions	[24]	13.8	12.3
Loans and borrowings	[31]	3,509.7	1,020.6
Lease liabilities	[18]	93.1	91.1
Other financial liabilities	[32]	82.7	181.2
Deferred tax liabilities	[19]	399.8	178.3
		4,129.4	**1,515.3**
Current liabilities			
Provisions	[24]	14.1	25.7
Trade payables	[33]	444.5	485.6
Loans and borrowings	[31]	57.7	4.5
Lease liabilities	[18]	21.4	19.5
Other financial liabilities	[34]	44.8	119.7
Employee benefits	[25]	62.3	74.1
Current tax liabilities	[13]	189.4	209.6
Other liabilities		103.1	97.1
		937.3	**1,035.9**
Total equity and liabilities		**7,739.9**	**5,065.4**

4.3 Statement of Cash Flows

€ in millions	Notes	2023 12 months	2022 12 months
Profit before tax		401.1	1,130.4
Financial result	[12]	47.6	–135.2
Depreciation | amortization of fixed assets	[16][17][18]	237.6	181.7
Change in provisions	[23][24]	–14.7	0.4
Change in receivables and other assets	[29][30]	162.1	–65.8
Change in inventories	[20]	131.2	–217.9
Change in liabilities (excl. loans and borrowings)	[25][32][33][34]	–87.9	–68.0
Interest received	[12]	2.9	5.6
Income taxes paid	[13]	–135.8	–221.2
Other non-cash items		2.3	2.3
Cash flow from operating activities		**746.4**	**612.3**
Capital expenditures	[16][17]	–473.6	–430.6
Other payments		–8.1	–11.4
Cash flow from investing activities		**–481.8**	**–442.0**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	[8]	–2,240.9	–515.6
Cash flow from investing activities and acquisitions		**–2,722.7**	**–957.5**
Interest paid and other financial charges	[12]	–116.7	–10.3
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech S.A.	[21]	–132.7	–116.1
- Non-controlling interest		–1.2	–1.6
Changes in non-controlling interest	[22]	–87.4	–40.5
Loans and borrowings repaid	[6][31]	–326.4	–174.4
Loans and borrowings raised	[6][31]	2,649.2	566.8
Purchases | sales of own shares		1.3	–3.2
Cash flow from financing activities		**1,986.1**	**220.7**
Net increase | decrease in cash and cash equivalents		9.8	–124.5
Cash and cash equivalents at the beginning of the period		107.1	223.6
Currency translation effects on cash and cash equivalents		–0.3	8.0
Cash and cash equivalents at the end of the period		**116.6**	**107.1**

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

4.4 Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 2022	**18.4**	**231.5**	**–4.7**	**–17.3**	**1,397.2**	**30.6**	**1,655.9**	**77.4**	**1,733.2**
Net profit for the period					876.1		876.1	3.8	879.9
Cash flow hedges			–9.6				–9.6		–9.6
Remeasurements of the net defined benefit liabilities				13.9			13.9		13.9
Foreign currency translation differences						–5.0	–5.0	0.2	–4.8
Deferred taxes			2.9	–3.6		–5.0	–5.7		–5.7
Other comprehensive income for the period	**0.0**	**0.0**	**–6.7**	**10.3**	**0.0**	**–10.0**	**–6.4**	**0.2**	**–6.2**
Total comprehensive income	**0.0**	**0.0**	**–6.7**	**10.3**	**876.1**	**–10.0**	**869.7**	**4.1**	**873.7**
Dividends					–116.1		–116.1	–1.6	–117.7
Purchase price liability (CellGenix/BI Israel)					49.1		49.1		49.1
Reclassification of Albumedix hedge			18.1		0.0		18.1		18.1
Changes in non-controlling interest					–25.6		–25.6	–13.5	–39.1
Other changes					–1.8		–1.8	–1.4	–3.2
Balance at Dec. 31, 2022	**18.4**	**231.5**	**6.7**	**–7.0**	**2,179.0**	**20.7**	**2,449.3**	**64.9**	**2,514.2**
Net profit for the period					309.7		309.7	2.4	312.1
Cash flow hedges			5.3				5.3		5.3
Remeasurements of the net defined benefit liabilities				0.3			0.3		0.3
Foreign currency translation differences						–26.8	–26.8	–0.1	–26.9
Deferred taxes			–1.6	–0.2			–1.8		–1.8
Other comprehensive income for the period	**0.0**	**0.0**	**3.7**	**0.2**	**0.0**	**–26.8**	**–22.9**	**–0.1**	**–23.1**
Total comprehensive income	**0.0**	**0.0**	**3.7**	**0.2**	**309.7**	**–26.8**	**286.8**	**2.3**	**289.1**
Dividends					–132.7		–132.7	–1.2	–133.9
Purchase price liability (CellGenix)					90.0		90.0		90.0
Changes in non-controlling interest					–56.7		–56.7	–30.7	–87.4
Other changes					1.3		1.3		1.3
Balance at December 31, 2023	**18.4**	**231.5**	**10.4**	**–6.8**	**2,390.5**	**–6.2**	**2,637.9**	**35.3**	**2,673.2**

4.5 Notes to the Financial Statements

1. General Information

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a provider of innovative solutions, the Group helps its customers to manufacture biotech medications safely, rapidly and economically. With its own manufacturing and R&D sites as well as sales entities in Europe, North America and Asia, Sartorius Stedim Biotech has a global reach.

Headquartered in Aubagne, France, Sartorius Stedim Biotech S.A. is listed on the Euronext Paris (ISIN code: FR0013154002).

Sartorius Stedim Biotech S.A.'s ultimate parent company is Sartorius AG, which is headquartered in Göttingen, Germany, and is listed at several German stock exchanges (ISIN codes: DE0007165607 for ordinary shares; DE0007165631 for preference shares).

In compliance with the European Regulation 1606/2002 of July 19, 2002, which requires listed companies to apply International Accounting Standards, the consolidated financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2023, are compliant with the IFRS and IFRIC Standards and Interpretations of the IASB as adopted by the European Union, which are available at the following website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in millions of euros (abbreviated as "€ in million"). 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.

These consolidated financial statements were approved by the Board of Directors on February 7, 2024, and they will be submitted for approval by the Annual General Shareholders' Meeting on March 26, 2024.

2. Effects of New Financial Reporting Standards

The following new accounting rules were applicable for the first time to the present consolidated financial statements of the Group but did not have a material effect on these financial statements:

▪ Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies:

The amendments clarify that entities are required to disclose all material accounting policies (previously: "significant accounting policies"). Furthermore, the Standard now explicitly defines when information about accounting policies is material and provides examples of accounting policies that are generally considered material. The IFRS Practice Statement 2 was adjusted respectively to provide guidelines for the application of the concept of materiality on disclosures of accounting policies.

▪ Amendments to IAS 8 – Definition of Accounting Estimates:

The amendments concern clarifications of definitions that are intended to help to distinguish between accounting policies and accounting estimates. This distinction is relevant because changes in accounting estimates are required to be recognized prospectively, while those in accounting policies are generally

required to be recognized retrospectively. IAS 8 defines the term "accounting estimate" now as "monetary amounts in financial statements that are subject to measurement uncertainty."

▪ Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction:

The so-called Iintial Recognition Exemption in IAS 12 prohibited recognizing deferred taxes on initial recognition of an asset or a liability arising from a transaction that is neither a business combination nor affects accounting profit or tax results. With the amendment, the scope of this exemption is narrowed so that it does not apply to transactions that give rise to equal amounts of taxable and deductible temporary differences. The amendment is applied retrospectively, recognizing the cumulative effect of the initial application as an adjustment to the opening balance of equity at the beginning of the earliest period presented (modified retrospective approach).

From the perspective of the Group, the amendment especially applies to right-of-use assets and lease liabilities under IFRS 16 and any resulting temporary differences for which deferred taxes have to be recognized mandatorily according to the amendments. However, the amendments do not lead to a material impact on the consolidated financial statements so that no retrospective adjustment is required, as the Group already recognized deferred taxes on differences resulting from leases subsequent to initial recognition of the lease.

▪ Amendments to IAS 12 – International Tax Reform – Pillar Two:

The aim of minimum taxation (so-called Pillar Two) of large Groups is that the companies concerned pay an effective corporate tax rate of at least 15%. Because the regulations had not yet entered into force in the reporting period, they had no effect on the current tax expense for fiscal 2023. France adopted a law on implementing the minimum taxation in December 2023. Therefore, the Group will be subject to minimum taxation starting in 2024. Based on current knowledge, under considerations of the safe harbor provisions which would apply in at least 2024 and the following two years, the new regulation will not have a material impact on the Group in the foreseeable future. At the moment the group's activities in Ireland (nominal tax rate: 12.5%) could be impacted.

The amendments to IAS 12 introduced a temporary mandatory exemption from the recognition of deferred taxes that would result from the application of the Minimum Tax Provisions. In addition, the amendments require targeted disclosures for the affected entities. The application of the new regulations had no significant impact on the present consolidated financial statements.

▪ IFRS 17 and Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information:

IFRS 17, Insurance Contracts, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

The following standards, interpretations and amendments were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the European Union, or their application was not mandatory for 2023:

Standard	Interpretation	Title	Applicable for financial years from[1]	Endorsement by the EU Commission
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	Yes
Amendments to IFRS 16		Lease Liability in a Sale and Leaseback	January 1, 2024	Yes
Amendments to IAS 7 and IFRS 7		Supplier Finance Arrangements	January 1, 2024	No
Amendments to IAS 21		Lack of Exchangeability	January 1, 2025	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 These are required to be applied once they are endorsed by the EU Commission. The dates mentioned above are those required by the Standards themselves (IASB effective dates).

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

3. Material Accounting Policies

Material 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 items. Material 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 the items carried at fair value, such as derivative financial instruments.

Foreign Currency Transactions

The presentation currency of the consolidated financial statements of the Sartorius Stedim Biotech Group is the euro (financial statements presented in millions of euros). In the financial statements of each company, transactions denominated in foreign currencies have been translated into the functional currency of the subsidiary at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency have been translated at the exchange rate on the balance sheet date. Exchange rate gains and losses have been recognized in profit or loss for the period.

Translation of Financial Statements Prepared in Foreign Currencies

The subsidiaries' financial statements prepared in foreign currencies are translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of a functional currency. Foreign subsidiaries are regarded as independent subdivisions of the Sartorius Stedim Biotech Group. The assets (including goodwill) and liabilities of the entities that have a functional currency different from the presentation currency are translated at the exchange rate prevailing at the balance sheet date. The incomes, expenses, and cash flows of these entities are generally translated using the average rate for the year to the extent that this rate represents an approximate value of exchange rates used as of the date of the transaction in the absence of significant fluctuations. Resulting translation differences are recognized in other

comprehensive income. The Group applies IAS 29, Financial Reporting in Hyperinflationary Economies, to the entity located in Türkiye that was acquired in June 2023 (see Note 12).

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

	Year-end exchange rates		Average exchange rates	
For €1	**2023**	2022	**2023**	2022
USD	1.10650	1.06695	1.08152	1.05351
GBP	0.86910	0.88584	0.86989	0.85265
CHF	0.92662	0.98370	0.97178	1.00486
JPY	156.81000	140.73000	152.01230	138.04150
SGD	1.46070	1.43060	1.45250	1.45160
KRW	1,428.67000	1,344.77000	1,412.18659	1,357.87961
CNY	7.86730	7.36960	7.66229	7.08120

4. Use of Judgments and Estimates

During the preparation of consolidated financial statements, management uses estimates and assumptions based on its best knowledge of the current and future situation. However, actual results may differ from these estimates. The estimates and assumptions are revised on a regular basis, and the impact of changes in estimates is recognized prospectively.

Even after the end of the COVID-19 pandemic, the general uncertainty inherent in accounting estimates and assumptions remains on a higher level than usual, also as a result of uncertainties related to changes in the geopolitical situation. This includes possible decoupling trends of various nations, Russia's ongoing attack on Ukraine and the developments in the Middle East. Following the exceptionally high growth rates in the recent past resulting from the COVID-19 pandemic, the Group is currently in a normalization phase. In fiscal 2023, this led to a reduction in sales revenues and net result in comparison with the prior year. In particular, the decrease of the demand in connection with the COVID-19 pandemic as well as the reduction in inventories among biopharma customers affected sales revenue in the reporting period. The Group views the current demand normalization after the pandemic as a phase that only temporarily overshadows the highly positive growth drivers of the life science and biopharma markets. Accordingly, robust profitable growth is expected in the years to come. In light of the developments in fiscal 2023, the Group withdrew its expectations for 2025 that were raised twice in former years and set updated mid-term targets for 2028 at the beginning of 2024.

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

Significant judgments and estimates are especially relevant to the business combinations that are described in Note 8 and to the contingent consideration liabilities resulting from previous acquisitions, the values of which are volatile due to their measurement at fair value at each reporting date (see Note 35).

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

Conflict between Russia and Ukraine

Since the beginning of the war, Sartorius Stedim Biotech has suspended all business activities in Russia that are not related to humanitarian medical products. This has been done under consideration of the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. The sales revenue in Russia were significantly lower than in the prior year, while the Group's business in Russia was already not of a critical size in relation to the Group before the beginning of the conflict. The Group is 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 on the current level through appropriate countermeasures, such as price increases.

The Group does not own material non-current assets in Russia, Belarus, and 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, material distributions of cash are currently impossible.

Impact of the Middle East Conflict

On October 7, 2023, Israel was attacked by the Hamas terrorist group. Since then, battles have continued between the Israeli army and Hamas. The Group's Israeli site for the production of cell culture media products is located in Beit Haemek in the north of the country. Most of the dispute has been on the areas of the Gaza Strip, the southern region and the Tel Aviv area. Nevertheless, the situation was and is still tense in the north of the country. On-site production as well as transport and logistics had previously been maintained. To date, there is no material impact on the consolidated financial statements.

Impairment of Assets

The carrying amounts of property, plant and equipment (see Notes 17 and 18) and of intangible assets, including goodwill (see Note 16), are subject to impairment testing if there is an indication of impairment and at least once a year for intangible assets that have an indefinite useful life or are not yet available for use in accordance with IAS 36, Impairment of Assets. When an asset is tested, the recoverable amount of the asset is estimated. The recoverable amount of an asset or a cash-generating unit (CGU) is the higher of its fair value – less costs of disposal of the asset or CGU – and its value in use. If the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's CGU is estimated.

If the estimated recoverable amount of an asset (or a CGU) goes below its carrying amount, this carrying amount is reduced to the recoverable amount (impairment loss allocated in priority to goodwill). If the causes of the asset impairment no longer apply, the carrying amount of the asset (or the CGU) is increased to the newly estimated recoverable amount (except for goodwill). However, the value increase is limited to the value that the asset (or CGU) would have had if no asset impairment loss had been recognized in previous fiscal years.

The calculation of the value in use is generally based on discounted cash flow methods using 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, the amount of any impairment.

Fair Value Measurement

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

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 IFRS, including the level in the fair value hierarchy in which the valuations need to 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 for the entire measurement. Fair value measurement is particularly relevant to accounting for business combinations (see Note 8), financial instruments (see Note 35), and share-based payments (see Note 43).

Climate-Related Matters

Sustainability is one of the core values of the Group. Accordingly, the Group has announced long-term plans to reduce the CO_2 emission intensity. The goal is predominantly to reduce actual emissions in relation to the Group's sales revenues. No compensation payments are planned to date, but may be decided on at a later 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.

The Group set a further long-term sustainability goal in fiscal 2023 and wants to be climate-neutral by 2045. In this context, the Group works towards decarbonisation in cooperation with suppliers and customers. For example, electricity requirements are planned to be met by 2030 using energy from renewable sources.

To date, climate-related matters do not significantly affect the assets and liabilities of the Group.

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 analogously to the internal financial reporting 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 members of the Board of Directors), and discrete financial information is available in its internal reporting. Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solutions provider" for its customers. Accordingly, there is only one single segment to be identified for Sartorius Stedim Biotech, driven by the product and customer perspective: Biopharm.

The key performance indicator of the operating segment of the Sartorius Stedim Biotech Group is so-called "underlying EBITDA," as the Board monitors this performance measure at a consolidated level and believes this measure is relevant for an understanding of the Group's financial performance.

EBITDA corresponds to earnings before interest, taxes, depreciation, and amortization; "underlying EBITDA" means EBITDA 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 gains or losses that distort the sustainable profitability of the segment, for example, gains or losses from the disposal of fixed assets and investments. Since fiscal 2023, extraordinary items are presented within functional expenses in profit or loss. Prior-year figures were restated.

Underlying EBITDA is not a defined performance measure in IFRS. The Group's definition of underlying EBITDA may not be comparable to similarly named performance measures and disclosures by other entities.

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

	Biopharm			Group		
€ in millions	2023	2022	Change	2023	2022	Change
Sales revenue	2,775.5	3,492.7	–21%	2,775.5	3,492.7	–21%
Underlying EBITDA	785.4	1,221.4	–36%	785.4	1,221.4	–36%
as a % of sales revenue	28.3%	35.0%		28.3%	35.0%	
EBIT	448.7	995.2	–55%	448.7	995.2	–55%
as a % of sales revenue	16.2%	28.5%		16.2%	28.5%	

Reconciliation of Segment Profit or Loss:

€ in millions	2023	2022
Underlying EBITDA of the segment	785.4	1,221.4
Depreciation and amortization	–237.6	–179.9
Extraordinary items	–99.1	–46.3
EBIT	**448.7**	**995.2**
Financial result	–47.6	135.2
Profit before tax	**401.1**	**1,130.4**

Extraordinary Items:

€ in millions	2023	2022
Structural measures	–74.2	–21.1
M&A projects | Integration costs	–21.1	–13.7
Other	–3.8	–11.5
Group	**–99.1**	**–46.3**

Supplementary Information by Region

To provide additional information required by IFRS 8, the table below presents supplementary information by geographical region. The key figures for non-current assets of the geographical areas refer to the company location, whereas sales revenue is reported according to the customers' location.

The non-current assets are property, plant, and equipment as well as intangible assets (including goodwill).

As in the prior reporting period, the amount of sales revenue with a single customer does not exceed 5% of consolidated sales revenue in the reporting period 2023.

	Sales revenue		Non-current assets	
€ in millions	**2023**	2022	**2023**	2022
EMEA	1,093.4	1,318.8	5,613.0	2,794.9
of which Germany	252.5	298.7	1,100.1	973.8
of which France	99.5	114.1	3,091.3	475.0
Americas	1,054.0	1,277.8	453.5	417.1
of which USA	973.0	1,214.8	453.5	417.1
Asia | Pacific	628.1	896.2	154.9	93.3
of which China	190.8	376.9	35.3	36.7
of which South Korea	149.0	174.7	88.1	23.9
Group	**2,775.5**	**3,492.7**	**6,221.4**	**3,305.2**

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. Cash flows are classified by operating, investing, and financing activities according to IAS 7 (Statement of Cash Flows).

In this context, cash equivalents are assets that can be converted into cash within a short maturity, generally less than three months. The amount considered in the statement of cash flows is equal to the amount of cash and cash equivalents in the statement of financial position (see Note 28).

The following table summarizes the development of the liabilities arising from financing activities during the reporting period:

€ in millions	Balance at Dec. 31, 2021	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2022
Loans and borrowings	546.6	410.4	0.0	68.1	1,025.1
Lease liabilities	78.9	–18.1	0.0	49.8	110.6
Liability for acquisition of non-controlling interests	218.0	–39.1	0.0	–10.0	168.9
Contingent considerations from acquisitions	4.6	0.0	0.2	–0.6	4.1
Total financial liabilities from financing activities	**848.1**	**353.1**	**0.2**	**107.3**	**1,308.7**

€ in millions	Balance at Dec. 31, 2022	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2023
Loans and borrowings	1,025.1	2,348.2	0.0	194.1	3,567.4
Lease liabilities	110.6	–24.9	–1.7	30.4	114.4
Liability for acquisition of non-controlling interests	168.9	–66.7	0.0	–23.3	78.9
Contingent considerations from acquisitions	4.1	0.0	0.0	–4.0	0.1
Total financial liabilities from financing activities	**1,308.7**	**2,256.6**	**–1.7**	**197.1**	**3,760.8**

7. Scope of Consolidation

The consolidated financial statements of the Sartorius Stedim Biotech Group include the annual financial statements of all companies, which are controlled directly or indirectly by Sartorius Stedim Biotech S.A. Under IFRS 10, Consolidated Financial Statements, the Sartorius Stedim Biotech Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Such entities are included in the consolidated financial statements from the time when Sartorius Stedim Biotech S.A. or its subsidiaries obtain such control until the date on which control ceases. Subsidiaries are included on the basis of their annual financial statements for the same reporting period as the parent company, using uniform Group recognition and measurement methods. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated on consolidation.

The 2023 financial statements of the following entities:

- Biowire Shanghai Ltd., Shanghai, China
- Metreon Bioproducts GmbH, Freiburg, Germany
- Kobmast Ltd., Central Hong Kong, Hong Kong
- Polyplus Transfection Pte. Ltd., Singapore, Singapore
- CellGenix Inc., Wilmington, Delaware, United States

were not included in the scope of consolidation because their figures were of minor importance for assessing the financial position of the Group. The sales revenue and total assets of the non-consolidated companies were below 1% of the Group figures.

The following entities were included in the scope of consolidation for the first time in the reporting period as a result from acquisitions (see Note 8 for details):

- Sartonet Seperasyon Teknolojileri Anonim Şirketi (“Sartonet”), Istanbul, Türkiye
- ACCESSIA PHARMA S.A., Herstal, Belgium
- XPRESS BIOLOGICS S.A., Herstal, Belgium
- XpressBioX SRL, Herstal, Belgium
- BIO ELPIDA S.A.S., Saint-Priest, France
- POLYPLUS-TRANSFECTION S.A., Illkirch-Graffenstaden, France
- PolygenX 2 S.A.S., Illkirch-Graffenstaden, France
- PolygenX A S.A.S., Illkirch-Graffenstaden, France
- PolygenX B S.A.S., Illkirch-Graffenstaden, France

- PolygenX C S.A.S., Illkirch-Graffenstaden, France
- PolygenX D S.A.S., Paris, France
- Polyplus Transfection Inc., Wilmington, Delaware, USA

Following the acquisition, the entity PolygenX C S.A.S. was merged into PolygenX B S.A.S. which was subsequently merged into PolygenX A S.A.S.

In addition, the entity Sartorius DC BPS Americas, Inc., Dover, Delaware, USA was founded in fiscal 2023 and subsequenly consolidated in the reporting period.

The Group does not apply the equity method to its investments in Distribo GmbH, Germany (ownership interest of the Group: 26%), or to Sartorius Israel Ltd., Israel (51%), for materiality reasons. Sartorius Israel Ltd. is an associate of the Group because the Group neither controls nor jointly controls this entity due to contractual agreements.

The financial statements of the following companies are included in the Group financial statements. All of these entities are fully consolidated. The ownership percentage equals the share of voting rights:

	Ownership in %
EMEA	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
ACCESSIA PHARMA S.A., Herstal, Belgium	100
XpressBioX SRL, Herstal, Belgium	100
XPRESS BIOLOGICS S.A., Herstal, Belgium	100
Sartorius Stedim Belgium S.A., Woluwe-Saint-Lambert, Belgium	100
Sartorius Stedim Nordic oy, Helsinki, Finland	100
Sartorius Xell GmbH, Schloß Holte-Stukenbrock, Germany	100
Sartorius CellGenix GmbH, Freiburg, Germany	76
Sartorius Stedim Biotech GmbH, Göttingen, Germany	100
Sartorius Stedim Plastics GmbH, Göttingen, Germany	100
Sartorius Stedim North America Holding GmbH, Göttingen, Germany	100
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100
Sartorius Stedim Cellca GmbH, Ulm, Germany	100
Sartorius Stedim UK Ltd., Epsom, UK	100
Sartorius Stedim BioOutsource Ltd., Glasgow, UK	100
Albumedix Ltd., Nottingham, UK	100
Sartorius Stedim Lab Ltd., Stonehouse, UK	100
Sartorius Stedim Chromatography Systems Ltd., Royston, UK	100
TAP Biosystems Group Ltd., Royston, UK	100
The Automation Partnership (Cambridge) Ltd., Royston, UK	100
Sartorius Stedim FMT S.A.S., Aubagne, France	100
Sartorius Stedim France S.A.S., Aubagne, France	100
Sartorius Stedim Chromatography Resins S.A.S., Cergy, France	100
PolygenX 2 S.A.S., Illkirch-Graffenstaden, France	100
PolygenX A S.A.S., Illkirch-Graffenstaden, France	100
POLYPLUS-TRANSFECTION S.A., Illkirch-Graffenstaden, France	100
Sartorius Stedim Aseptics S.A.S., Lourdes, France	100
PolygenX D S.A.S., Paris, France	100
Sartorius Chromatography Equipment S.A.S., Pompey, France	100
BIO ELPIDA S.A.S., Saint-Priest, France	100
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100
Biological Industries Israel Beit Haemek Ltd., Kibbutz Beit Haemek, Israel	100
Sartorius Stedim Italy S.r.l., Florence, Italy	100
Sartorius Stedim Netherlands B.V., Amersfoort, Netherlands	100
Sartorius Stedim Austria GmbH, Vienna, Austria	100
Sartorius Stedim Poland sp. z.o.o., Kostrzyn, Poland	100
LLC Sartorius Stedim RUS, St. Petersburg, Russia	100
Sartorius Stedim Data Analytics AB, Umeå, Sweden	100
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100
Sartorius BIA Separations, separacijske tehnologije, d.o.o., Ajdovščina, Slovenia	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
Sartorius Stedim Hungaria Kft., Budapest, Hungary	100
Sartonet Seperasyon Teknolojileri Anonim Şirketi, Istanbul, Türkiye	100
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100
Americas	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100

Sartorius DC BPS Americas, Inc., Dover, Delaware, USA	100
Sartorius Stedim North America Inc., Dover, Delaware, USA	100
WaterSep BioSeparations LLC, Boston, Massachusetts, USA	100
Polyplus Transfection Inc., Wilmington, Delaware, USA	100

Asia | Pacific	
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100
Sartorius Stedim Japan K.K., Tokyo, Japan	100
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	79
Sartorius Korea Operations LLC, Seoul, South Korea	100
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore, Singapore	100
Sartorius Stedim Taiwan Inc., New Taipei City, Taiwan	100

8. Business Combinations

Business combinations are accounted for by applying the acquisition method. The accounting for business combinations requires that the consideration transferred, as well as the assets acquired and liabilities assumed, be measured at their respective fair values on the acquisition date.

The application of the acquisition method requires estimates and assumptions to be made, especially concerning the fair values of the consideration transferred; the intangible assets acquired; property, plant, and equipment; the liabilities assumed at the acquisition date; and the useful lives of the assets. These measurements are based to a large extent on anticipated cash flows. If actual cash flows vary from those used in calculating fair values, this may materially affect the Group's future results of operations.

For significant acquisitions, the purchase price allocation is carried out with assistance from independent external valuation specialists. The valuations are based on the information available at the acquisition date.

Acquisition of Sartonet

On June 1, 2023, the Group acquired 100% of shares and voting rights in Sartonet Seperasyon Teknolojileri Anonim Şirketi ("Sartonet") headquartered in Istanbul, Türkiye. The company imports and distributes the products of the Sartorius Group in Türkiye and employed around 40 employees as of the acquisition date. The consideration transferred amounts to approximately €29.1 million and was paid in cash. Expenses directly attributable to the acquisition of €0.2 million were recognized in other expenses through profit or loss. Goodwill is attributable to, among others, securing the market presence and business opportunities in the region, the know-how of the workforce acquired, and other intangible assets not recognizable separately. Goodwill is not deductible for tax purposes.

The purchase price allocation is as follows:

€ in millions	Final purchase price allocation
Customer relationships	11.0
Trade receivables	2.5
Inventories	1.3
Other assets	0.4
Cash and cash equivalents	6.4
Deferred taxes - net	-2.2
Other liabilities	-0.7
Net assets acquired	**18.5**
Purchase price	29.1
Goodwill	**10.5**

Acquisition of Polyplus

On July 18, 2023, the Group acquired 100% of the shares and voting rights of PolygenX A, the parent company of the Polyplus Group. Headquartered in Strasbourg, France, Polyplus was founded in 2001 and has locations in France, Belgium, the U.S., and China. With around 270 employees, Polyplus develops and produces transfection as well as other DNA/RNA delivery reagents and plasmid DNA in high quality and GMP grade. These are key components in the production of viral vectors used in cell and gene therapies and other advanced medicinal therapeutic products.

Due to the size of the transaction and the complexity inherent in the identification and measurement of intangible assets, the valuations are preliminary and may be subject to revision in accordance with IFRS 3. The following valuations were considered for the preliminary purchase price allocation based on the Group's current knowledge:

€ in millions	Preliminary purchase price allocation
Intangible assets	888.8
Property, plant and equipment	35.5
Inventories	6.9
Trade receivables	17.3
Other assets	7.5
Cash and cash equivalents	8.2
Deferred taxes - net	-217.4
Trade payables	-5.4
Loans and borrowings	-194.1
Lease liabilities	-9.3
Other liabilities	-14.8
Net assets acquired	**523.2**
Purchase price	2,226.4
Goodwill	**1,703.2**

The purchase price amounting to approximately €2,226.4 million was paid in cash. The directly attributable acquisition-related costs totaled €11.8 million and were recognized in other expenses. On a preliminary basis, the intangible assets recognized separately are related to technologies (approx. €790 million) with useful lives of up to 18 years as well as customer relationships (€48 million) and brands (€36 million) with limited useful lives.

The resulting goodwill reflects the expansion of the Group's product offering for biopharmaceutical customers and synergies, especially from the combination of the acquired business with the existing product portfolio with a focus on cell and gene therapies. In particular, the products of Polyplus are key components in the manufacture of cell and gene therapies and provide access to a significant share in this growing, early-stage market. In addition, goodwill is expected to reflect other non-separable intangible assets, 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 2023

Since its first-time consolidation, the Polyplus business acquired in 2023 contributed sales revenue of €38.6 million. Excluding amortization of intangibles from the preliminary purchase price allocation and expenses for the financing of the acquisition, Polyplus contributed approx. €13.6 million to the Group's net result since the acquisition date. If the acquisition of Polyplus had taken place as of January 1, 2023, sales revenue of the Group for the reporting period 2023 would have amounted to €2,810.4 million, and the Group's net result would have amounted to €256.6 million. The main reasons for the lower result are the amortization of the technologies which would be presented in cost of sales (€25.5 million based on the preliminary purchase price allocation and relative to the time from January 1, 2023, to the acquisition date) and the interest expenses for financing the acquisition which would be presented in the financial result (approx. €60 million).

Since Sartonet is acting as a distributor primarily for products of the Group, there would be no material effect on the Group sales revenues and net result for fiscal 2023 if the acquisition had been completed as of January 1, 2023.

4.6 Notes to the Statement of Profit or Loss

9. Sales Revenue

Revenue is recognized according to IFRS 15, Revenue from Contracts with Customers. The revenues from contracts with customers are disaggregated into geographical regions (see segment report, Note 5) and according to the type of revenue (recurring and non-recurring). The Group defines recurring revenue as revenue from consumables and services, while non-recurring revenue is primarily defined as instrument revenue.

€ in millions	2023	2022	Change
Sales revenue	**2,775.5**	**3,492.7**	**–21%**
of which recurring	2,109.4	2,686.8	–21%
of which non-recurring	666.1	805.9	–17%

The Group produces and sells instruments and consumables for customers in the biopharma segment. The Group satisfies its performance obligations depending on the goods to be transferred and the promised services. Most of the revenues from sales of products are recognized at a point in time when the customer obtains control of the goods. This is typically the case 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 the project progress which is measured based on the percentage of costs to date compared to the total estimated contract costs. The amount of actual costs incurred to date reflects the progress and the transfer of control to the customer appropriately, as the Group has a right to reimbursement of cost to date plus an appropriate margin if the project is canceled by the customer without cause.

Revenue from services is generally recognized when the services are performed or have been performed. When 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, for example, 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.

There are no material effects from contracts with significant financing components. The Group uses the practical expedient regarding the existence of a significant financing component. This means that a financing component is taken into consideration only 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.

As of December 31, 2023, the Group had refund liabilities of €23.8 million arising from incentive agreements with customers (2022: €25.8 million). The aggregate amount of the transaction price allocated to the performance obligations that were unsatisfied (or partially unsatisfied) at the end of the reporting period (orders on hand) amounted to €1,495 million (2022: €1,844 million). The Group expects that most of these unsatisfied performance obligations will be satisfied in 2024.

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 €206.5 million was recognized in the reporting period that was included in contract liabilities at the beginning of the reporting period (2022: €221.3 million).

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 41. The following table presents the balances of the Group's contract liabilities.

€ in millions	Line item in statement of financial position	Carrying amount as of December 31, 2023	Carrying amount as of December 31, 2022
Deferred revenue	Other liabilities	52.6	36.9
Payments received on account of orders	Trade payables	186.0	234.1
Contract liabilities (total)		**238.6**	**270.9**

10. Functional Costs

The statement of profit or loss is presented according to the "cost of sales format," i.e., expenses are allocated to the relevant functions of production, sales and marketing, research and development, and general administration. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The item "Cost of sales" 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 expense, and energy expenses, cost of sales also includes overhead, which can be allocated to the manufacturing area, and the corresponding depreciation and amortization.

The selling and distribution costs pertain to, in particular, the costs of the sales and marketing functions, distribution, and market research.

Research and development costs comprise the costs of research and product and process development unless they are recognized as assets.

The item "General administrative expenses" mainly includes employee benefits expense and the cost of materials and supplies of the general administrative area.

All profit and loss items that cannot be allocated to one of the functional areas mentioned above are recognized as other income and expenses. This item essentially includes effects from translation of transactions in foreign currencies, sale of fixed assets and allowances on trade receivables.

Extraordinary items, such as restructuring or other non-recurring income or expenses are generally reported within functional expenses as of fiscal 2023. Prior-year figures were restated accordingly.

Income from grants related to income is recognized as other income when there is reasonable assurance that the conditions associated with the grants are complied with and the grants will be received. They are recognized systematically as income over the period in which the related costs are recorded.

Operating expenses by nature are presented in the Profit or Loss Statement by Nature in Note 14.

The material expenses and personnel costs are as follows:

Raw Materials and Supplies

€ in millions	2023 12 months	2022 12 months
Purchases consumed	618.0	694.6
Cost of purchased services	167.7	191.1
Total	**785.8**	**885.7**

Personnel Costs

€ in millions	2023 12 months	2022 12 months
Wages and salaries	664.7	644.1
Social security	149.7	147.3
Expenses for retirement benefits and pensions	15.1	15.5
Total	**829.5**	**806.9**

11. Other Operating Income and Expenses

€ in millions	2023 12 months	2022 12 months
Currency translation gains	28.2	56.2
Income from the decrease in allowances for bad debts	3.8	4.1
Income from release of provisions and liabilities	0.0	1.7
Income from grants	6.2	3.6
Other income	2.6	6.6
Other operating income	**40.7**	**72.1**
Currency translation losses	–35.0	–97.4
Extraordinary expenses	–14.8	–18.5
Allowances for bad debts	–7.1	–5.5
Other expenses	–22.8	–28.6
Other operating expenses	**–79.8**	**–150.0**
Total other operating income and expenses	**–39.1**	**–77.8**

The item reported as "Income from grants" comprises grants for expenses, essentially related to research and development projects. The currency translation gains/losses in 2023 include an amount of €1.5 million (2022: €38.2 million) for the reclassification of items from equity to profit or loss (see Note 38). Since fiscal 2023, extraordinary items are presented within functional expenses in profit or loss. Prior-year figures were restated. For details about extraordinary items, see Note 5.

12. Financial Result

€ in millions	2023 12 months	2022 12 months
Interest and similar income	6.2	0.5
- of which from affiliated companies	5.2	0.2
Income from derivative financial instruments	2.6	4.3
Valuation earn-outs	74.4	149.6
Other financial income	11.2	31.4
Financial income	**94.4**	**185.8**
Interest and similar expenses	–115.4	–18.2
- of which from affiliated companies	–99.6	–10.7
Expenses for derivative financial instruments	–1.9	–9.0
Interest expense for pensions	–1.6	–0.4
Other financial expenses	–23.0	–23.0
Financial expenses	**–141.9**	**–50.7**
Total	**–47.6**	**135.2**

The items "Other financial income (expenses)" include mainly foreign exchange gains (losses) in connection with bank deposits and loans and liabilities denominated in foreign currencies. The item "Valuation earn-outs" refers mainly to the remeasurement of the contingent consideration in connection with the acquisition of BIA Separations that resulted in an income of €70.4 million in the reporting period (2022: €148.0 million), see Note 35 for details.

The interest expenses to affiliated companies are in connection with the loans granted by the Group's ultimate parent Sartorius AG and Sartorius Finance B.V., an entity wholly-owned and controlled by Sartorius AG (see also Notes 31 and 44).

In fiscal 2023, the Group acquired an entity based in Türkiye (see Note 8). Türkiye was assessed as a hyperinflationary economy in the reporting period. Therefore, IAS 29, Financial Reporting in Hyperinflationary Economies, was applied. The net gains or losses from the inflation of material non-monetary assets and liabilities, as well as equity and all items in the income statement, were recognised in the financial result. The general consumer price index of the Turkish Statistical Institute was applied (Index as of May 2023: 1,300.6 and as of December 2023: 1,859.4).

13. Income Taxes

€ in millions	2023 12 months	2022 12 months
Current income taxes	–88.3	–264.3
Deferred taxes	–0.8	13.9
Total	**–89.0**	**–250.5**

Current income taxes are determined based on the respective local taxable income of the period and local tax rules. In addition, current income taxes include adjustments for uncertain tax payments or tax refunds for periods not yet assessed. Changes in deferred tax assets and liabilities are included in the line deferred taxes except for changes recognized in other comprehensive income or equity (see note 19).

The following table explains the difference between the expected tax expense and the income tax expenses reported for the particular fiscal year. The expected tax expense is calculated by applying a weighted average rate to the Group's consolidated profit before tax.

€ in millions	2023 12 months	2022 12 months
Expected tax rate	24.1%	25.6%
Expected tax expense	–96.7	–289.9
Permanent differences	–12.3	–7.9
Tax-free income and other tax exemptions	29.6	56.7
Unrecognized tax losses and deductible temporary differences	–5.0	–0.5
Taxes for previous years	–3.5	–5.5
Withholding taxes and other income taxes with different tax base	–1.5	–1.6
Other	0.3	–1.8
Total	**–89.0**	**–250.5**
Effective tax rate	22.2%	22.2%

As in the prior year, the relatively low effective tax rate in comparison to the expected tax rate is mainly driven by the valuation effects regarding the contingent consideration for the BIA Separations acquisition (see Notes 12 and 35). The income is not taxable and therefore leads to a lower tax rate in relation to the consolidated profit before tax.

14. Profit or Loss Statement by Nature

€ in millions	2023 12 months	2022 12 months
Sales revenue	**2,775.5**	**3,492.7**
Purchases consumed	–618.0	–694.6
Cost of purchased services	–167.7	–191.1
Personnel costs	–829.5	–807.7
Amortization and depreciation	–237.6	–181.7
Other operating costs	–473.9	–622.3
Subtotal	**–2,326.8**	**–2,497.5**
Operating profit (EBIT)	**448.7**	**995.2**
Financial income I expenses	–47.6	135.2
Income tax	–89.0	–250.5
Non-controlling interest	–2.4	–3.8
Net profit after non-controlling interest	**309.7**	**876.1**

15. Earnings per Share

According to IAS 33, basic earnings per share (basic EPS) are calculated on the basis of the weighted average number of ordinary shares during the period.

	2023	2022
Net profit after tax (€ in millions)	312.1	879.9
Group net profit after tax (€ in millions)	309.7	876.1
Earnings per share (€)	3.36	9.51
Diluted earnings per share (€)	3.36	9.51
Number of shares (statutory level)	92,180,190	92,180,190
Treasury shares	–19,564	–17,091
Weighted average number of shares used in earnings per share calculation	**92,160,626**	**92,163,099**
Weighted average number of shares used in diluted earnings per share calculation	**92,160,626**	**92,163,099**

4.7 Notes to the Individual Balance Sheet Items

16. Goodwill and Other Intangible Assets

Goodwill

€ in millions	Goodwill
Gross book values at Jan. 1, 2022	**820.7**
Currency translation	–7.1
Business combinations	322.8
Gross book values at Dec. 31, 2022	**1,136.4**
Impairment losses at Jan. 1, 2022	**0.0**
Currency translation	0.0
Impairment losses	0.0
Impairment losses at Dec. 31, 2022	**0.0**
Net book values at Dec. 31, 2022	**1,136.4**

€ in millions	Goodwill
Gross book values at Jan. 1, 2023	**1,136.4**
Currency translation	1.8
Business combinations	1,713.8
Gross book values at Dec. 31, 2023	**2,851.9**
Impairment losses at Jan. 1, 2023	**0.0**
Currency translation	0.0
Impairment losses	0.0
Impairment losses at Dec. 31, 2023	**0.0**
Net book values at Dec. 31, 2023	**2,851.9**

The item reported as "Goodwill" in the amount of €2,851.9 million is the difference between the consideration transferred and the fair value of the net assets acquired in business combinations. According to IAS 36, goodwill acquired in a business combination may not be amortized, but rather, must be tested for impairment annually and whenever there is any indication of an impairment. The increase recorded in 2023 concerns the acquisitions of Polyplus and Sartonet (see Note 8). The additions in the prior period resulted from the acquisitions of the chromatography business of Novasep and Albumedix Ltd.

For impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. The CGU represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment. The Sartorius Stedim Biotech Group follows the strategy of being a total solution provider for its customers. Because of the various interdependencies within the business, the lowest level at which goodwill is monitored is that of the biopharma segment. Therefore, the goodwill acquired is allocated to this segment.

As in 2022, the impairment test conducted for 2023 measures the recoverable amount on the basis of the value in use of the particular cash-generating unit (Biopharm segment). The cash flow forecasts consider previous experience and are generally based on Group management's forecasts for a period of four years. These calculations are based on a terminal growth rate of 2.5% for the years after 2027. This rate is derived from long-term inflation expectations and market expectations, which forecast significant growth rates for the

targeted biopharmaceutical market. The major growth drivers for the Sartorius Stedim Biotech Group will be the aging, and increase in, population and improved access to drugs in emerging markets, as well as the ongoing paradigm shift from reusable products to single-use products utilized in biomanufacturing by the biopharmaceutical industry. Furthermore, an increasing number of new modalities, e.g., in the field of cell and gene therapies, are expected to drive the growth of Group's business.

The discount rates applied correspond to the weighted average cost of capital; they were recognized as follows:

	2023		2022	
	Before tax	After tax	Before tax	After tax
Biopharma segment	10.6%	8.5%	10.5%	8.4%

In 2023, the impairment test did not result in the recognition of impairment losses. In this context, various sensitivity analyses based on realistic variations of the assumptions disclosed above did not result in an impairment either. The following variations would theoretically represent the "break-even point":

	2023	2022
Discount rates	13.6%	21.6%
Terminal growth rate	–5.0%	–23.9%
Cash flows	–48.9%	–72.8%

Intangible Assets

€ in millions	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2022	**525.2**	**19.8**	**246.1**	**202.0**	**0.2**	**993.2**
Currency translation	–2.5	–0.3	–1.5	–2.3	0.0	–6.6
Business combinations	164.9	5.4	45.9	1.0	0.0	217.3
Acquisitions	1.2	0.0	0.3	63.1	0.3	65.0
Disposals	–2.1	0.0	0.0	–3.9	0.0	–6.0
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Gross book values at Dec. 31, 2022	**686.8**	**24.9**	**290.8**	**259.9**	**0.5**	**1,262.9**
Amortization and impairment losses at Jan. 1, 2022	**–99.0**	**–1.2**	**–127.5**	**–81.1**	**0.0**	**–308.8**
Currency translation	0.4	0.1	1.0	0.7	0.0	2.1
Amortization and impairment losses	–46.1	–1.0	–19.0	–19.4	0.0	–85.5
Disposals	2.1	0.0	0.0	4.1	0.0	6.1
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2022	**–142.6**	**–2.1**	**–145.6**	**–95.7**	**0.0**	**–386.1**
Net book values at Dec. 31, 2022	**544.1**	**22.8**	**145.2**	**164.2**	**0.5**	**876.8**

€ in millions	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2023	**686.8**	**24.9**	**290.8**	**259.9**	**0.5**	**1,262.9**
Currency translation	2.0	0.0	–2.1	0.7	0.0	0.6
Business combinations	791.9	36.3	58.5	13.0	0.0	899.7
Acquisitions	3.4	0.0	0.0	75.4	0.4	79.2
Disposals	–0.5	0.0	0.0	–0.2	0.0	–0.8
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Gross book values at Dec. 31, 2023	**1,483.7**	**61.2**	**347.2**	**348.8**	**0.8**	**2,241.6**
Amortization and impairment losses at Jan. 1, 2023	**–142.6**	**–2.1**	**–145.6**	**–95.7**	**0.0**	**–386.1**
Currency translation	–0.2	0.0	0.7	–0.4	0.0	0.2
Amortization and impairment losses	–75.7	–2.1	–18.6	–23.6	0.0	–120.0
Disposals	0.5	0.0	0.0	0.0	0.0	0.5
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2023	**–218.1**	**–4.2**	**–163.5**	**–119.7**	**0.0**	**–505.4**
Net book values at Dec. 31, 2023	**1,265.6**	**57.0**	**183.7**	**229.1**	**0.8**	**1,736.2**

Intangible assets are recorded at cost less accumulated, regular amortization that is calculated according to the straight-line method and any impairment loss. The useful life of an intangible asset is the period during which the Group expects to use the asset.

Amortization of intangible assets is generally based on the following estimated useful lives:

Software	2 to 10 years
Technologies	3 to 20 years
Capitalized R&D expenses	4 to 6 years
Customer relations	1 to 20 years
Brand name	2 years to indefinite

Costs incurred within the scope of the development of new products and methods were capitalized as internally-generated intangible assets if the criteria in IAS 38.57 were met. The capitalization of internally-generated intangible assets includes a significant level of judgment; for example, the assessment of the feasibility of a development project, the expected market prospects, and the determination of useful lives.

The capitalized development costs essentially cover the costs that were allocated to the staff involved in R&D, raw materials and supplies, external services, and directly attributable overheads. Internally generated intangible assets are amortized on a straight-line basis over their useful lives, which generally do not exceed six years. In 2023, the development costs of €75.4 million were recognized as assets (€63.1 million in 2022).

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

The Stedim brand name acquired in 2007 and integrated into the parent company's name (Sartorius Stedim Biotech S.A.) is considered to have an indefinite useful life and is therefore not amortized. There is no foreseeable limit to the period over which the brand name is expected to generate net cash inflows for the Group. The brand name is tested annually for impairment at the level of the "biopharma segment" cash-generating unit (CGU).

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

Impairments amounting to €2.6 million were recognized in 2023 in relation to capitalized development costs (2022: €3.9 million).

17. Property, Plant and Equipment

€ in millions	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	**426.175**	**312.622**	**157.136**	**288.170**	**1,184.103**
Currency translation	2.059	1.072	−0.664	2.973	5.440
Business combinations	5.872	16.870	0.973	3.684	27.399
Acquisitions	27.601	37.695	29.856	284.008	379.160
Disposals	−1.677	−8.596	−13.447	−0.039	−23.758
Transfers	49.055	36.374	11.428	−94.842	2.014
Gross book values at Dec. 31, 2022	**509.085**	**396.037**	**185.283**	**483.954**	**1,574.358**
Depreciation at Jan. 1, 2022	**−101.106**	**−143.507**	**−84.764**	**0.001**	**−329.375**
Currency translation	0.202	−0.198	0.338	0.000	0.343
Depreciation	−23.246	−34.444	−18.699	0.000	−76.389
Disposals	1.178	7.897	12.436	−0.001	21.510
Transfers	−1.744	0.346	−0.253	0.000	−1.651
Depreciation at Dec. 31, 2022	**−124.716**	**−169.905**	**−90.941**	**0.000**	**−385.562**
Net book values at Dec. 31, 2022	**384.369**	**226.131**	**94.342**	**483.954**	**1,188.796**
Net book values at Dec. 31, 2022 of right-of-use assets	96.978	1.833	4.408	0.000	103.219
Total property, plant and equipment at Dec. 31, 2022	481.347	227.964	98.750	483.954	1,292.015

	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, 2023	**509.1**	**396.0**	**185.3**	**484.0**	**1,574.4**
Currency translation	−7.1	−5.1	−2.6	−4.9	−19.7
Business combinations	9.1	6.2	1.3	9.6	26.2
Acquisitions	32.9	26.0	39.5	322.6	421.0
Disposals	−0.3	−4.4	−3.1	−0.2	−8.0
Transfers	164.2	41.6	7.7	−213.6	0.0
Gross book values at Dec. 31, 2023	**708.0**	**460.4**	**228.1**	**597.5**	**1,993.9**
Depreciation at Jan. 1, 2023	**−124.7**	**−169.9**	**−90.9**	**0.0**	**−385.6**
Currency translation	1.1	1.8	1.4	0.0	4.3
Depreciation	−27.6	−42.6	−22.3	−0.1	−92.6
Disposals	0.1	3.1	2.8	0.0	6.0
Transfers	0.0	0.0	0.0	0.0	0.0
Depreciation at Dec. 31, 2023	**−151.2**	**−207.6**	**−109.2**	**−0.1**	**−468.0**
Net book values at Dec. 31, 2023	**556.8**	**252.8**	**118.9**	**597.4**	**1,525.9**
Net book values at Dec. 31, 2023 of right-of-use assets	**98.0**	**2.2**	**7.2**	**0.0**	**107.3**
Total property, plant and equipment at Dec. 31, 2023	**654.8**	**255.0**	**126.1**	**597.4**	**1,633.3**

The "Property, plant and equipment" item in the statement of financial position includes right-of-use assets according to IFRS 16 (see Note 18). Property, plant and equipment are recorded at cost and depreciated over the estimated useful life using the straight-line method. Property, plant and equipment are subject to impairment tests whenever there are indicators of impairment.

Depreciation of non-current assets is based on the following periods of useful life:

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 costs, research and development costs, general administrative expenses, and 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 deducted from the cost of the related asset.

As in fiscal 2022, no significant impairment losses were recognized on property, plant and equipment in 2023.

18. Leases

Lease accounting follows IFRS 16, Leases. For the financing structure of the Group, leases are not of high relevance. The main considerations in relation to leases are therefore generally of a practical nature, for example, regarding the management of IT hardware or fleet management. Accordingly, leases of IT hardware and cars represent the majority of the Group's lease contracts. The lease term of such leases is generally fixed

and extends typically over three to five years. However, those leases of the Group in which the lessor is a related party that is an entity controlled by the ultimate parent, Sartorius AG, are generally of a short-term nature, providing both contract parties with operational flexibility. Furthermore, at some sites, the Group has long-term leases of buildings. The lease 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.

Under IFRS 16, leases are generally recognized on the lessee's statement of financial position. A lessee recognizes a right-of-use asset representing its right to use a lease 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 specific lease term. Accordingly, no right-of-use assets and no lease liabilities are recognized for these leases. Furthermore, no right-of-use assets and no liabilities are recognized for leases between Group entities. The Group does not apply the Standard to leases of intangible assets.

In the statement of financial position, the Group presents the right-of-use assets according to the nature of the underlying lease assets within "Property, plant and equipment." The 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 the 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 presented 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 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.

As of December 31, 2023, lease liabilities stood at €114.4 million (2022: €110.6 million). Future cash outflows from leases not yet commenced to which the Group is committed are expected to amount to €28.7 million as of the reporting date (2022: not material). The maturities of the future lease payments are presented in Note 40. The table below shows the composition of the right-of-use assets included in "Property, plant and equipment" as of the reporting date and as of the preceding reporting date and the main changes during the period.

€ in millions	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2022	**97.8**	**4.2**	**10.3**	**112.2**
Currency translation	−0.2	0.0	0.0	−0.3
Business combinations	3.6	0.0	0.0	3.6
Additions	46.0	0.8	2.9	49.6
Disposals	−4.1	0.0	−0.5	−4.6
Transfers	−2.4	0.4	0.0	−2.0
Gross book values at Dec. 31, 2022	**140.8**	**5.3**	**12.6**	**158.6**
Depreciation at Jan. 1, 2022	**−30.3**	**−2.4**	**−5.9**	**−38.5**
Currency translation	0.1	0.0	0.0	0.2
Depreciation	−16.2	−1.0	−2.7	−19.8
Disposals	0.8	0.0	0.3	1.2
Transfers	1.7	−0.1	0.0	1.6
Depreciation at Dec. 31, 2022	**−43.8**	**−3.4**	**−8.2**	**−55.4**
Net book values at Dec. 31, 2022	**97.0**	**1.8**	**4.4**	**103.2**

€ in millions	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2023	**140.8**	**5.3**	**12.6**	**158.6**
Currency translation	−2.5	0.0	0.0	−2.5
Business combinations	8.1	0.7	0.6	9.4
Additions	18.6	0.4	5.5	24.5
Disposals	−7.0	−0.7	−0.6	−8.3
Transfers	0.0	0.0	−0.1	−0.1
Gross book values at Dec. 31, 2023	**158.0**	**5.7**	**18.0**	**181.7**
Depreciation at Jan. 1, 2023	**−43.8**	**−3.4**	**−8.2**	**−55.4**
Currency translation	0.9	0.0	0.1	1.0
Depreciation	−20.8	−0.9	−3.2	−24.9
Disposals	3.6	0.8	0.5	4.9
Transfers	0.0	0.0	0.1	0.1
Depreciation at Dec. 31, 2023	**−60.0**	**−3.5**	**−10.8**	**−74.3**
Net book values at Dec. 31, 2023	**98.0**	**2.2**	**7.2**	**107.3**

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

€ in millions	2023 12 months	2022 12 months
Interest expenses for leases	4.5	3.1
Expenses for leases of low value assets	1.4	2.3
Expenses for short-term leases	3.4	3.3
Repayment of lease liabilities	24.9	18.1
Total cash outflow for leases	**34.2**	**26.8**

19. Deferred Taxes

	Deferred tax assets		Deferred tax liabilities		
€ in millions	**Dec. 31, 2023**	Dec. 31, 2022	**Dec. 31, 2023**	Dec. 31, 2022	**of which recognized in profit or loss**
Intangible assets	1.6	1.6	377.2	168.2	11.8
Tangible assets	0.9	0.8	28.2	15.6	−9.7
Inventory	41.2	45.4	0.0	0.0	−3.8
Receivables and other current assets	0.1	0.5	3.1	3.7	0.0
Provisions	8.4	7.2	0.0	0.0	1.5
Liabilities	11.5	15.9	0.0	0.0	−4.7
Tax losses | Tax credits	8.0	3.5	0.0	0.0	2.8
Undistributed earnings of subsidiaries	0.0	0.0	3.0	4.2	1.2
Gross amount	**71.7**	**74.9**	**411.6**	**191.6**	**−0.8**
Offset	−11.7	−13.3	−11.7	−13.3	0.0
Net amount	**60.0**	**61.6**	**399.8**	**178.3**	**−0.8**

Deferred tax assets or liabilities are determined based on temporary differences between the carrying amounts and the tax base of assets and liabilities (except in special cases provided for by IAS 12), including loss carryforwards and tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is realized, a liability is settled, or tax losses are utilized. For this purpose, tax rates and tax rules are used that have been enacted or substantively enacted at the reporting date.

The change in deferred tax assets and liabilities is reflected in the item "Income taxes" in the statement of profit or loss, except for those elements that are recognized in other comprehensive income and for effects from business combinations.

Deferred tax assets are required 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 there is no evidence that all or a portion of a deductible temporary difference or a tax loss can be realized, the corresponding amount is not recognized as an asset.

The Group operates in many tax jurisdictions. Therefore, the tax positions presented in the financial statements must be determined taking into account the respective local tax laws and the relevant views of tax administrations. Due to their complexity, these items may be subject to a different interpretation by taxpayers, on the one hand, and local tax authorities, on the other. The amount of uncertain tax positions is based on the best possible estimate of the expected tax payment.

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. For the impact on the Group see Note 2.

Deferred Tax Assets

On the reporting date, the Group had unused tax losses carried forward of €34.9 million to be deducted from future taxable profits (€10.3 million in 2022). A deferred tax asset was reported on losses amounting to €20.3 million (€4.3 million in 2022). Deferred tax assets of €8.4 million (€0.8 million) are related to companies that reported losses in the year under review or in the previous reporting period.

Deferred Tax Liabilities

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

The Group did not record deferred tax liabilities on approximately €54 million (€54 million) in cumulative undistributed earnings of subsidiaries because these earnings are intended to be reinvested.

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

€ in millions	2023	2022
Cash flow hedges	–1.6	2.9
Remeasurements of the net defined benefit obligations	–0.2	–3.6
Net investment in a foreign operation	0.0	–5.0
Currency translation	–1.0	1.4
Total	**–2.8**	**–4.3**

The change in deferred tax assets and liabilities can be reconciled as follows:

€ in millions	Deferred tax assets	Deferred tax liabilities
Balance at Jan. 1, 2022	46.5	125.8
Change in the scope of consolidation	4.5	51.4
Recognized in profit or loss	10.7	–3.1
Recognized in other comprehensive income	–0.1	4.2
Balance at Dec. 31, 2022	**61.6**	**178.3**

€ in millions	Deferred tax assets	Deferred tax liabilities
Balance at January 1, 2023	**61.6**	**178.3**
Change in the scope of consolidation	3.9	223.5
Recognized in profit or loss	–5.0	–4.2
Recognized in other comprehensive income	–0.7	2.2
Balance at December 31, 2023	**60.0**	**399.8**

20. Inventories

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Raw materials and supplies	319.2	394.6
Work in progress	216.4	213.7
Finished goods and merchandise	337.6	400.2
Payments on account	9.2	16.3
Total	**882.4**	**1,024.8**

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Gross amount of inventories	995.2	1,104.6
Write-downs	–112.8	–79.8
Net amount of inventories	**882.4**	**1,024.8**

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. In principle, finished goods and work in progress are reported at the cost of conversion. This cost includes direct costs that can be allocated to these materials and the appropriate portion of production and materials handling overheads, general administrative expenses, and non-current assets at normal depreciation and/or amortization rates, based on the normal production capacity, 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.

21. Issued Capital

Sartorius Stedim Biotech S.A.'s share capital consists of 92,180,190 shares with a par value of €0.20 per share.

As of December 31, 2022, and December 31, 2023, there were no dilutive instruments. Shares registered in the name of the same owner for at least four years benefit from a double voting right.

	Dec. 31, 2023	Dec. 31, 2022
Number of shares at the beginning of the period	92,180,190	92,180,190
Number of shares at the end of the period	**92,180,190**	**92,180,190**
Nominal value per share (in €)	0.20	0.20
Issued capital amount (€ in millions)	**18.4**	**18.4**

Dividends

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting for payment of a dividend for the year ended December 31, 2023, as follows: payment of a net dividend of €0.69 per share (2022: €1.44), i.e., a total distribution of €67.1 million excluding treasury shares (2022: €132.7 million).

22. Non-Controlling Interest

The non-controlling interests of €35.3 million (2022: 64.9 million) recognized in the statement of financial position on the reporting date are related to the subsidiaries Sartorius Korea Biotech and Sartorius CellGenix.

In 2023, the Group's share in Sartorius CellGenix GmbH, Fribourg i.B., Germany, was increased by 25% from 51% to 76%. In exchange for the acquisition of the 25% of the entity, the owners of the non-controlling interest were paid an amount of approximately €66.7 million in cash. The financial liability for the put option of the holders of the non-controlling interest amounting to €66.1 million (December 31, 2022) was reclassified to equity. 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. The remaining 24% of the shares in Sartorius CellGenix GmbH are subject to call and put options (see Note 35).

In 2023, the Group also acquired an additional 10% of the share capital in Sartorius Korea Biotech LLC, Seoul, South Korea, for a purchase price of approximately €20.8 million. The Group now owns 79% of the share capital and voting rights of the entity. The remaining 21% are subject to an exercisable call option. The purchase price for this non-controlling interest is variable and depends on the future performance of this entity.

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Sartorius Korea Biotech Co. Ltd.		
Sales revenue	144.2	169.3
Net result	8.7	8.0
Total assets	74.0	101.3
Attributed profit or loss	1.8	2.5

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Sartorius CellGenix GmbH		
Sales revenue	32.6	32.0
Net result	2.3	2.8
Total assets	144.4	145.7
Attributed profit or loss	0.6	1.3

There are no significant restrictions on the Group's ability to access or use the assets or settle the liabilities of the above entities.

23. Pension and Employee Benefits Provisions

Defined Contribution Plans

Most of the Sartorius Stedim Biotech Group companies make payments under defined contributions plans, primarily related to government-run pension plans. In 2023, the total expense recognized for the defined contribution plans amounted to €48.2 million (2022: €49.4 million).

Defined Benefit Plans

Pension provisions and similar obligations are recognized in the consolidated financial statements of the Sartorius Stedim Biotech Group in accordance with actuarial principles. IAS 19, Employee Benefits stipulates the projected unit credit method as the method of measurement. In addition to known pensions and life expectancies, this expected cash value method takes into account future salary and pension increases.

The assumed discount rates reflect the interest rates payable on the reporting date for high-quality corporate bonds with matching maturities and denominated in the relevant currencies (mainly in euros). 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. A sensitivity analysis is provided below.

The remeasurements of defined benefit liabilities (assets) are presented in other comprehensive income according to IAS 19. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €0.3 million (€13.9 million in 2022).

An amount of €19.2 million is related in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €20.1 million in 2022 and were primarily related to direct commitments under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The benefits earned depend on the salary level and the age of the respective employees. These pension benefits are generally not funded with assets.

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

For Germany:

in %	Dec. 31, 2023	Dec. 31, 2022
Discount rate	3.10	3.16
Future salary increases	3.00	3.00
Future pension increases	2.10	2.10

With regard to the assumptions for mortality and disability, the tables "Richttafeln (RT) 2018 G" by Klaus Heubeck were applied.

For France:

in %	Dec. 31, 2023	Dec. 31, 2022
Discount rate	3.70	3.60
Future salary increases	2.25	2.25

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

€ in millions	2023	2022
Current service cost	–1.9	–3.1
Past service cost	0.8	0.9
Net interest expenses	–0.9	–0.3
Components of defined benefit costs recognized in profit or loss	**–2.0**	**–2.6**
Return on plan assets (excl. interest)	0.1	0.2
Remeasurements	0.3	13.7
Components of defined benefit costs recognized in other comprehensive income	**0.3**	**13.9**
Total	**–1.6**	**11.3**

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

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

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Present value of the obligations	53.3	52.5
Fair value of plan assets	–23.0	–20.8
Net liability	**30.3**	**31.7**

The present value of the defined benefit obligation developed as follows:

€ in millions	2023	2022
Present value of the obligations as of Jan. 1	**52.5**	**64.9**
Current service cost	1.9	3.1
Past service cost	–0.8	–0.9
Interest cost	1.6	0.6
Remeasurements	–0.4	–13.8
Foreign currency translation differences	0.7	0.9
Retirement benefits paid in the reporting year	–3.4	–7.0
Employee contributions	0.7	0.8
Contributions by plan participants	0.3	3.1
Change in the scope of consolidation	0.2	0.0
Other changes	0.1	0.7
Present value of the obligations as of Dec. 31	**53.3**	**52.5**

The remeasurements of the defined benefit liabilities (assets) can be allocated as follows:

€ in millions	2023	2022
Experience adjustments	–0.5	2.8
Changes in demographic assumptions	0.0	–0.6
Changes in financial assumptions	0.1	–15.9
Total	**–0.4**	**–13.8**

Plan Assets

€ in millions	2023	2022
Plan assets as of Jan. 1	**20.8**	**21.2**
Interest income	0.7	0.3
Return on plan assets (excl. interest)	0.1	0.2
Remeasurements	–0.1	–0.1
Group contribution & payments	–2.7	–6.9
Foreign currency translation differences	0.6	0.7
Employee contributions	0.7	0.8
Employer contributions	2.5	3.2
Contributions by plan participants	0.3	3.2
Other changes	0.2	–1.7
Plan assets as of Dec. 31	**23.0**	**20.8**

Composition of Plan Assets

The plan assets primarily refer to insurance contracts in Switzerland; no major equity or debt investments are included. Sartorius Korea Biotech deposited €6.8 million (€5.3 million in 2022) as cash and cash equivalents in local banks.

Sensitivity Analysis

An increase/decrease of the actuarial assumptions would have the following impacts on the defined benefit obligations (a positive sign [+] means an increase in the obligation):

2022:

€ in millions		
Demographic assumptions		
Life expectancy	+1 year	−1 year
Effect	2.1	−2.0
Financial assumptions		
Discount rate	+100 bps	−100 bps
Effect	−5.0	6.2
Future salary increases	+50 bps	−50 bps
Effect	2.2	−2.0
Future pension increases	+25 bps	−25 bps
Effect	2.0	−1.9

2023:

€ in millions		
Demographic assumptions		
Life expectancy	+1 year	−1 year
Effect	2.1	−2.8
Financial assumptions		
Discount rate	+100 bps	−100 bps
Effect	−5.0	6.3
Future salary increases	+50 bps	−50 bps
Effect	2.4	−2.3
Future pension increases	+25 bps	−25 bps
Effect	2.0	−1.9

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 of one another. 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	Dec. 31, 2023	Dec. 31, 2022
< 1 year	2.8	2.7
1 – 5 years	14.5	12.3
6 - 10 years	21.5	20.8
>10 years	113.7	115.8
Total	**152.5**	**151.6**

The weighted average duration of the defined benefit obligations is 13.9 years (2022: 14.6 years).

24. Other Provisions

A provision is recognized when a present legal or constructive obligation to third parties arising from past events has been incurred, an outflow of resources is probable, and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation as of the reporting date.

To determine the amount of obligations, certain estimates and assumptions need to be applied, including the determination of the probability and of the amount of future outflows of resources. Typically, significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations, and legal proceedings.

Other Non-Current Provisions

€ in millions	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2022	3.1	4.7	7.7
Change in the scope of consolidation	0.0	3.2	3.2
Currency translation	0.0	-0.1	-0.1
Consumption	-1.3	-0.2	-1.5
Reversals	0.0	0.0	0.0
Additions	2.1	1.2	3.3
Reclassification	0.0	-0.3	-0.3
Balance at Dec. 31, 2022	**3.9**	**8.5**	**12.3**

€ in millions	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2023	3.9	8.5	12.3
Change in the scope of consolidation	0.0	0.0	0.0
Currency translation	0.0	0.0	0.0
Consumption	-1.6	-0.2	-1.8
Reversals	0.0	-0.1	-0.1
Additions	2.0	1.1	3.1
Reclassification	0.0	0.2	0.2
Balance at Dec. 31, 2023	**4.3**	**9.5**	**13.8**

The non-current provisions mainly comprise provisions for partial retirement and employee anniversary bonuses (included in the item "Other"). These obligations arise predominantly at German Group companies. The partial retirement plans allow employees to work part-time for three to five years before their actual retirement.

Under IAS 19, these obligations are treated as severance payments to be earned in future periods and are therefore recognized in profit or loss over the respective period of service. Actuarial gains and losses, as well as past service costs, on these obligations are recognized as income or expense.

Non-current provisions are reported at their present value on the reporting date. For 2023, the discount rate for employees on the early retirement plan is 3.8% (2022: 2.9%).

Since 2022, the long-term obligations in connection with the so-called Long-Term Incentive Program ("LTI Program", see Note 43) are also reported under "Other non-current provisions".

Current Provisions

During fiscal 2022 and 2023, current provisions changed as follows:

€ in millions	Warranties	Other	Total
Balance at Jan. 1, 2022	14.2	16.8	30.9
Change in the scope of consolidation	0.0	0.1	0.1
Currency translation	−0.1	0.0	−0.1
Consumption	−0.3	−1.2	−1.6
Release	−7.9	−4.0	−11.9
Additions	5.9	2.6	8.4
Other changes	2.1	−2.3	−0.2
Balance at Dec. 31, 2022	**13.8**	**12.0**	**25.7**

€ in millions	Warranties	Other	Total
Balance at Jan. 1, 2023	13.8	12.0	25.7
Change in the scope of consolidation	0.0	0.1	0.1
Currency translation	−0.1	−0.1	−0.2
Consumption	−1.3	−4.6	−5.9
Release	−6.7	−5.3	−12.0
Additions	3.1	3.4	6.5
Other changes	0.0	−0.2	−0.2
Balance at Dec. 31, 2023	**8.7**	**5.4**	**14.1**

Warranty provisions include expenses for replacement deliveries and repairs. Provisions for specific risks are recognized when occurrence is more likely than not. General warranty risks are considered on the basis of past experience. The other provisions contain onerous contracts, uncertain liabilities to employees, and provisions for interest in connection with tax risks.

25. Employee Benefits

The liabilities for employee benefits reflect the following accruals:

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Bonuses and incentives	30.7	41.4
Vacation and overtime	18.2	17.5
Other	13.4	15.2
Employee benefits	**62.3**	**74.1**

26. Other Financial Obligations | Contingent Assets and Liabilities

As was the case in previous years, there are no significant contingent liabilities or contingent assets to be reported.

27. Financial Instruments: Material Accounting Policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following Notes give an overview of the impact of financial instruments on the financial statements of the Sartorius Stedim Biotech Group and provide additional information on items in the statement of financial position that contain financial instruments.

Financial assets of the Group mainly include cash and cash equivalents, trade and loan receivables, and derivative financial instruments with a positive fair value.

Financial liabilities of the Group mostly comprise loans borrowed from Sartorius AG and Sartorius Finance B.V., trade payables, lease liabilities, contingent consideration according to IFRS 3, and derivative financial instruments with a negative fair value. Financial liabilities other than derivative financial instruments and those arising from contingent consideration agreements are measured at amortized cost.

Accounting for financial instruments follows 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 includes a so-called expected-loss model. Financial assets are generally regarded as credit-impaired when there are objective indications that cast doubt on the full collection of the cash flows of the respective financial assets. With regard to the financial assets of the Group, the simplified approach which is applied to trade receivables is of particular relevance.

Besides 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, 2023. No impairment is recognized for these financial assets due to materiality considerations.

As on the last reporting date, no impairment was recognized as of December 31, 2023, for the remaining financial assets measured at amortized cost in terms of the 12-month expected credit losses, given the Group's immaterial historical losses.

Derivatives are measured at fair value determined according to the mark-to-market method in which recognized mathematical methods are used. The fair values are based on the market data available at the time the value of these derivatives is calculated and reflect the estimates of the market conditions at the end of the year. Those 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. Sartorius Stedim Biotech 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 it designates only the spot element of the hedging instrument.

28. Cash and Cash Equivalents

The Group considers all highly liquid investments with less than three months' maturity from the date of acquisition to be cash equivalents. This mainly includes deposits in banks. Cash and cash equivalents are measured at cost. For purposes of the consolidated cash flow statement, cash and cash equivalents are defined as above. As of December 31, 2023, cash and cash equivalents amounted to €116.6 million (2022: €107.1 million).

29. Current Trade Receivables | Other Receivables

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Trade receivables from third parties	253.9	364.3
Contract assets (IFRS 15)	16.3	13.6
Receivables from subsidiaries of the Sartorius AG Group	23.6	26.7
Trade receivables	**293.7**	**404.6**

The book values of trade receivables and other receivables are representative of their fair value considering the maturity date and the credit risks. The contract assets are recognized in connection with customer-specific construction contracts that meet the requirements for revenue recognition over time according to IFRS 15 (see Note 9). The amount of trade receivables disclosed as of December 31, 2023, was reduced by €196.5 million (2022: €211.5 million) as result of a sale of trade receivables because substantially all risks and rewards in relation to the financial assets sold were transferred to the buyer and the respective receivables were fully derecognized. In particular, credit risks as well as any risks arising from foreign exchange rates were completely transferred to the buyer under the current factoring program. The program is organized by the Treasury Department of the Sartorius AG Group. All participating Sartorius AG Group companies can sell receivables with a combined volume of €160 million and US$ 140 million under this program.

The item "Receivables from subsidiaries of the Sartorius AG Group" refers to other companies of the Sartorius Group (please refer to Note 44). Impairment losses on trade and other receivables are recognized using separate allowance accounts. For details on the determination of the impairment allowances, see Note 41.

30. Other Financial Assets

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Derivative financial instruments	6.1	5.5
Other financial assets	10.4	25.9
Current financial assets	**16.5**	**31.4**

The amount shown as derivative financial instruments represents the fair value of foreign currency hedging instruments, mainly forward contracts (for details refer to Note 38).

Other financial assets are measured at amortized cost using the effective interest method less any impairment losses. The item "Other financial assets" includes loan receivables from other entities of the Sartorius AG Group in the amount of €0.9 million (2022: €1.1 million).

31. Loans and Borrowings

€ in millions	Balance at Dec. 31, 2023	of which current Dec. 31, 2023	Balance at Dec. 31, 2022	of which current Dec. 31, 2022
Liabilities to banks	3.0	0.9	6.6	1.4
Loans from Sartorius AG	534.6	4.6	1,018.5	3.0
Loans from Sartorius Finance B.V.	3,018.1	40.4	0.0	0.0
Other loans from Sartorius Group companies	11.8	11.8	0.0	0.0
Total loans and borrowings	**3,567.4**	**57.7**	**1,025.1**	**4.5**

The Sartorius Stedim Biotech Group has signed loan agreements with its parent company Sartorius AG and Sartorius Finance B.V., an entity wholly-owned and controlled by Sartorius AG, mainly to finance acquisitions. In September 2023, Sartorius Finance B.V. has issued long-term, unsecured bonds with a total volume of €3 billion and fixed annual coupon payments primarily to finance the Polyplus acquisition. The terms are presented in detail below:

€ in millions	Net proceeds to Issuer	Notional amount	Coupon	Maturity date
Tranche 1: 3-years	646.9	650.0	4.250%	September 14, 2026
Tranche 2: 6-years	647.0	650.0	4.375%	September 14, 2029
Tranche 3: 9-years	840.3	850.0	4.500%	September 14, 2032
Tranche 4: 12-years	842.5	850.0	4.875%	September 14, 2035

The financing obtained via the bond issuance is entirely passed through via long-term, unsecured loans to Sartorius Stedim Biotech Group at identical terms. In addition to the annual interest payment, a Treasury fee is charged that is based on the actual cost plus an arms'-length margin. Besides this major financing component, Sartorius AG provided long-term loans amounting to €530 million in total with maturities in 2026 and 2027. This includes loans of €200 million which are provided at variable interest rates. The interest rates are determined with a credit margin on arms' length principles and range between 3.5% and 4.5% on the reporting date.

In addition, the financing of the Sartorius Stedim Biotech Group is secured by a credit line from its parent Sartorius AG (see Note 40).

The non-current loans and borrowings do not include liabilities to the sellers in connection with acquisitions which are presented in the item "Other non-current liabilities."

32. Other Non-current Liabilities

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Contingent considerations from acquisitions	1.7	76.2
Liability for acquisition of non-controlling interests	78.9	102.8
Other liabilities	2.0	2.2
Total	**82.7**	**181.2**

The contingent consideration agreements result from the acquisitions of BIA Separations and Xell AG. The liability for the acquisition of non-controlling interests relates to the potential acquisition of the remaining shares in Sartorius CellGenix (see Note 35 for all liabilities mentioned).

33. Trade Payables

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Payments received on account of orders [1]	186.0	234.1
Trade payables to third parties	234.5	232.6
Payables to subsidiaries of the Sartorius AG Group	22.6	17.6
Payables to participations	1.4	1.5
Total	**444.5**	**485.6**

1 Contract liabilities according to IFRS 15.

34. Other Current Financial Liabilities

€ in millions	Dec. 31, 2023	Dec. 31, 2022
Derivative financial instruments	2.1	8.0
Other liabilities	42.7	111.6
Total	**44.8**	**119.7**

Derivative financial instruments refer to the fair values of foreign currency hedging transactions such as forward contracts (mainly related to the US$, see Note 38).

"Other liabilities" as of December 31, 2022, included the current portion of the liability for the acquisition of the remaining shares in Sartorius CellGenix (€66.1 million; see Notes 22 and 35).

35. Carrying Amounts and Fair Values of Financial Instruments According to Categories

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument according to IFRS 9 as of December 31, 2023, and as of December 31, 2022:

€ in millions	Category acc. to IFRS 9	Carrying amount Dec. 31, 2023	Fair value Dec. 31, 2023	Carrying amount Dec. 31, 2022	Fair value Dec. 31, 2022
Investments in non-consolidated subsidiaries and associates	n/a	27.5	27.5	18.8	18.8
Financial assets	Equity instruments at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets	Debt instruments at fair value through profit or loss	3.5	3.5	1.1	1.1
Financial assets	Measured at amortized cost	9.7	9.7	5.0	5.0
Financial assets (non-current)		**40.8**	**40.8**	**24.9**	**24.9**
Contract assets (IFRS 15)	n/a	16.3	16.3	13.6	13.6
Trade receivables	Measured at fair value through other comprehensive income	46.9	46.9	166.3	166.3
Trade receivables	Measured at amortized cost	230.6	230.6	224.7	224.7
Trade receivables		**293.7**	**293.7**	**404.6**	**404.6**
Receivables and other assets	Measured at amortized cost	10.4	10.4	25.9	25.9
Derivative financial instruments designated as hedging instruments [1]	n/a	6.1	6.1	5.5	5.5
Other financial assets (current)		**16.5**	**16.5**	**31.4**	**31.4**
Cash and cash equivalents	**Measured at amortized cost**	**116.6**	**116.6**	**107.1**	**107.1**
Loans and borrowings	**Financial liabilities at cost**	**3,567.4**	**3,719.9**	**1,025.1**	**1,004.9**
Trade payables	Financial liabilities at cost	258.5	258.5	251.6	251.6
Trade payables | payments received for orders	n/a	186.0	186.0	234.1	234.1
Trade payables		**444.5**	**444.5**	**485.6**	**485.6**
Derivative financial instruments designated as hedging instruments [1]	n/a	2.1	2.1	8.0	8.0
Other financial liabilities	Financial liabilities at fair value through profit or loss	1.7	1.7	76.2	76.2
Other financial liabilities	Financial liabilities at cost	123.6	118.0	216.6	205.3
Other financial liabilities		**127.5**	**121.9**	**300.9**	**289.5**

1 The amounts include the non-designated part of the contracts.

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.

Among others, the financial instruments recognized at fair value as of December 31, 2023, relate to contingent considerations in connection with the acquisitions of BIA Separations and Xell, which are classified as financial liabilities. 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 applying updated valuation parameters on the reporting date.

In connection with the acquisition of BIA Separations, the Group and the former owners of BIA Separations 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 expected share prices. As of the reporting date on December 31, 2023, the fair value of the remaining contingent consideration liability was measured at €1.7 million. The change since December 31, 2022 (value: €72.1 million) mainly reflects the sales performance and adjusted sales expectations. Furthermore, the share price of Sartorius Stedim Biotech S.A. and the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates on the reporting date. The difference between the valuation as of December 31, 2022, and the reporting date amounts to €70.4 million 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 remaining two 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, for example, 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 €1.7 million (decrease by approximately €1.1 million). If the share price of Sartorius Stedim Biotech S.A. had been 20% higher (lower) at the reporting date, the liability would have been €0.3 million higher (€0.3 million 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 tranche of this contingent consideration is zero, while the upper limit cannot be quantified due to settlement in shares.

For the earn-out component agreed on in connection with the acquisition of WaterSep BioSeparations, which is due in 2024, no material liability is recognized on the reporting date December 31, 2023. The change since December 31, 2022 (value: €3.0 million) was recognized within the financial result.

In connection with the acquisition of Xell, the sellers were granted two additional earn-out components, which are due in 2024 and 2026 and depend on sales revenues with Xell products in the years 2022 to 2025. On the reporting date of December 31, 2023, the fair value of the financial liability amounts to €0.1 million. The change since December 31, 2022 (value: €1.1 million) amounting to €1.0 million was recognized within the financial result. The lower (upper) end of the bandwidth of possible outcomes of the remaining second component of this contingent considerations remains zero (€18.3 million).

Besides the liabilities arising from contingent consideration agreements, the financial instruments to be recognized at fair value on the reporting date are mainly derivatives in the form of forward contracts. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2). Furthermore, the trade receivables of companies participating in the factoring program, which are part of the portfolio of receivables that are "held-to-collect-and-sell", are measured at fair value. Due to the short maturities and low credit risks (see Note 41), the valuation follows the same approach as for trade receivables measured at amortized cost.

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to Sartorius AG, Sartorius Finance B.V., and banks, were measured on the basis of the market interest rate, taking the current indicative credit spreads into account (Level 2). With regard to the major loans of €3 billion in total

taken out in 2023, the fair values are determined with reference to the underlying bonds of Sartorius Finance B.V. for which market values are available (Level 2).

The liability for the acquisition of the remaining non-controlling interests in Sartorius CellGenix GmbH is measured using the effective interest rate method, with any changes recognized directly in equity. At the reporting date, this liability was measured at €78.9 million. The liability is variable and depends on the sales with CellGenix products in the years 2023 to 2025. 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 €4.2 million (decrease of approximately €3.8 million).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts due to their predominantly short-term maturity. The maximum credit loss 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 a change has occurred. In the current reporting period, there were no transfers between the levels.

36. Net Gains and Losses from Financial Instruments

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

Categories according to IFRS 9 € in millions	2023 12 months	2022 12 months
Financial assets measured at amortized cost	2.1	10.4
Financial assets and liabilities measured at fair value through profit or loss	74.4	148.6
Financial assets measured at fair value through other comprehensive income	–18.3	–1.8
Financial liabilities measured at amortized cost	–9.8	–8.0

The net result from financial assets measured at amortized cost as well as from financial assets measured at fair value through other comprehensive income mainly includes the effects of currency translation and changes in allowances.

The net result from financial assets and liabilities measured at fair value through profit or loss predominantly comprises changes in the fair value of derivative financial instruments that are not designated as hedging instruments, as well as interest income and interest expenses for these financial instruments and the changes of the financial liabilities arising from contingent consideration agreements (see also Note 35).

The net result from financial assets measured at fair value through other comprehensive income is related to those receivables that are not solely held to collect contractual cash flows, but that may be sold as part of the factoring program.

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

Total interest income and expenses for financial assets and liabilities that are not measured at fair value through profit or loss or other comprehensive income were as follows:

€ in millions	2023 12 months	2022 12 months
Interest income	6.8	1.6
Interest expenses	–100.8	–12.0

37. Capital and Financial Risk Management

Capital Risk Management

In the Sartorius Stedim Biotech Group, capital is managed in order to maximize earnings of those participating in the company by optimizing the ratio of equity to liabilities. Furthermore, Group management ensures that all companies operate under the premise of the going-concern principle.

The financial liabilities detailed above are regarded as managed capital as well as cash and cash equivalents and equity capital.

Goals of Financial Risk Management

The Treasury Department of the Sartorius Stedim Biotech Group is centrally located at Sartorius Corporate Administration GmbH, a subsidiary of Sartorius AG. This centralized Treasury Department performs services for all companies of the Sartorius Group, including the Sartorius Stedim Biotech Group, and coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting, which analyzes risks according to their degree and scope. Essentially, these risks entail currency, interest rate, and liquidity risks as well as credit risks.

The Sartorius Stedim Biotech Group strives to minimize the impact of currency and interest rate risks using appropriate primary or derivative financial instruments. Hedging transactions and their control are carried out by different staff members. Derivative financial instruments are traded for hedging purposes only.

38. Management of Exchange Rate Risks and Hedge Accounting

The Group is exposed to currency risks because approximately 40% of sales revenue is generated in US dollars and, to a lesser extent, in other foreign currencies. At the same time, the Group is able to compensate a major part of the revenues denominated in foreign currencies with costs incurred in the same currencies due to its global production network. The share of revenues generated in foreign currencies that exceeds such costs, so-called net exposure, is 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 usually range between 0% and 80% for the relevant currencies. The Group generally follows a rolling hedging strategy of up to 12 months in advance. Also, the hedging measures are reviewed at regular intervals in order to adapt them to currency fluctuations.

For currency hedging, forward contracts are used. Forward contracts 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. The profit or loss resulting from the difference between the current and the previously established exchange rate is generally recognized as income or expense in the statement of profit or loss.

At the reporting date, forward contracts had been carried out in an amount of $329.1 million (2022: $302.3 million) to hedge against the risk of fluctuation in the EUR/USD exchange rate. This amount covers roughly 50% of the expected net exposure for the US dollar within the period of 12 months. Furthermore, other foreign currencies were hedged in smaller volumes.

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

Dec. 31, 2022	Currency	Volume in millions	Maturity	Fair value € in millions
Forward contract	USD	302.3	2023	–2.6
	USD	**302.3**		**–2.6**
Forward contract	JPY	1,890.0	2023	0.7
	JPY	**1,890.0**		**0.7**
Forward contract	CHF	6.0	2023	0.0
	CHF	**6.0**		**0.0**
Forward contract	GBP	3.5	2023	–0.1
	GBP	**3.5**		**–0.1**
Forward contract	SEK	87.0	2023	–0.5
	SEK	**87.0**		**–0.5**

Dec. 31, 2023	Currency	Volume in millions	Maturity	Fair value € in millions
Forward contract	USD	329.1	2024	2.4
	USD	**329.1**		**2.4**
Forward contract	JPY	4,850	2024	1.1
	JPY	**4,850**		**1.1**
Forward contract	CHF	1.1	2024	0.0
	CHF	**1.1**		**0.0**
Forward contract	GBP	65.6	2024	0.5
	GBP	**65.6**		**0.5**
Forward contract	SEK	168.0	2024	0.3
	SEK	**168.0**		**0.3**
Forward contract	SGD	65.6	2024	–0.2
	SGD	**65.6**		**–0.2**
Forward contract	AUD	8.5	2024	–0.1
	AUD	**8.5**		**–0.1**

The Group 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	Dec. 31, 2023	Dec. 31, 2022
Foreign currency exposure	1,166.9	1,008.8
thereof short positions	192.6	187.0

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 the portfolio volatility, which is decisive for determining the CfaR. Correlations between the currencies are considered 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	Dec. 31, 2023	Dec. 31, 2022
Cash flow at risk	37.2	30.9

Hedge Accounting

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent balance sheet 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 serve to hedge against cash flow risk arising from exchange rate risks and a qualified hedging relationship exists based on the criteria of IFRS 9, the valuation adjustments of the effective portion of the instrument are recognized in other comprehensive income (cumulative amount in 2023: €–11.0 million; 2022: €–16.3 million). Only the spot element of the forward contracts used to hedge the cash flow risks is designated as the hedging instrument. The amounts recognized in equity are reclassified to profit or loss in the period in which the hedged transactions affect profit or loss. The changes of the hedging reserves are shown in the statement of changes in equity. The non-designated or ineffective portion of the hedging instruments is recognized in the financial result in profit or loss.

The economic relationship between hedging instrument and hedged item and the effectiveness of the hedge relationship is determined based on consistency of the significant contractual features of the transactions ("critical terms match"). In this regard, the Group performs a qualitative assessment. Hedge ineffectiveness may possibly arise when the timing of future transactions deviates from the original assumptions or the credit risk of the counterparties of the hedging instrument changes.

The following table presents the effects of the hedging instruments related to exchange rate risks on the financial position and performance of the Group:

Currency	Carrying amount (asset) as of Dec. 31, 2022	Carrying amount (liability) as of Dec. 31, 2022	Hedge ratio	Change in value of hedging instruments	Change in value of hedged item	Nominal amount	Maturity: 1-6 months	Maturity: 7-12 months	Average exercise price
	€ in millions	€ in millions		€ in millions	€ in millions	in millions of respective currency	in millions of respective currency	in millions of respective currency	
USD	7.1	-5.4	100%	1.7	1.7	302.3	187.3	115.0	1.09
CHF	0.0	0.0	100%	0.0	0.0	6.0	6.0	0.0	0.99
JPY	0.8	0.0	100%	0.7	0.7	1,890.0	1,890.0	0.0	133.03
GBP	0.0	-0.1	100%	-0.1	-0.1	0.1	0.1	0.0	0.50
SEK	0.0	0.0	100%	-0.5	-0.5	87.0	87.0	0.0	10.52

Currency	Carrying amount (asset) as of Dec. 31, 2023	Carrying amount (liability) as of Dec. 31, 2023	Hedge ratio	Change in value of hedging instruments	Change in value of hedged item	Nominal amount	Maturity: 1-6 months	Maturity: 7-12 months	Average exercise price
	€ in millions	€ in millions		€ in millions	€ in millions	in millions of respective currency	in millions of respective currency	in millions of respective currency	
USD	6.5	-0.4	100%	6.1	6.1	329.1	161.6	167.5	1.10
SGD	0.3	-0.2	100%	0.2	0.2	65.6	33.2	32.4	1.46
CHF	0.0	0.0	100%	0.0	0.0	1.1	1.1	0.0	0.94
JPY	0.9	0.0	100%	0.8	0.8	4,850.0	2,480.0	2,370.0	147.50
GBP	0.2	-0.4	100%	-0.2	-0.2	65.6	32.7	32.9	0.88
SEK	0.4	0.0	100%	0.4	0.4	168.0	88.0	80.0	11.42
AUD	0.0	-0.1	100%	-0.1	-0.1	8.5	8.5	0.0	1.66

Hedging instruments that have a positive fair value are shown in the line item "Financial assets (non-current)" or "Other financial assets (current)" in the statement of financial position. Hedging instruments that have a negative fair value are shown in the line item "Other financial liabilities (non-current)" or "Other financial liabilities (current)" in the statement of financial position.

The amounts that are recognized in the reporting period in connection with the cash flow hedges in other comprehensive income as well as those amounts that were reclassified from other comprehensive income to profit or loss ("Other income and other expense") are presented in the statement of other comprehensive income and the statement of changes in equity.

39. Interest Risk Management

Sartorius Stedim Biotech is mainly financed through its parent company Sartorius AG and Sartorius Finance B.V., an entity wholly-owned and controlled by Sartorius AG. The major loans are taken out at fixed interest rates (see Note 31 for details) which limits the Group's exposure to interest rate risks. To control the interest risk, an appropriate ratio between fixed and variable loans is generally maintained. As of December 31, 2023, loans with an amount of €200 million are provided by Sartorius AG at variable interest rates which are annually determined. If the market interest rate had been 1.0 percentage point higher (lower) when the rate was fixed, this would have had an impact on annual profit before taxes of -€2.0 million (+€2.0 million) resulting from the variable interest loans. As of December 31, 2023, the Group has no open interest rate derivative contracts to hedge the risk of increasing interest rates.

In addition to the loans described above, the financing of the Sartorius Stedim Biotech Group is secured by a credit line at variable interest rates from its parent Sartorius AG. Furthermore, there are bilateral credit lines at variable interest rates rates. Given the low extent to which the credit lines were used as of the reporting date December 31, 2023, the risks arising from changes in market interest rates are not material to the Group. See Note 40 for details about the credit lines.

40. Liquidity Risk Management

The maturity of the financial liabilities excluding derivative financial instruments shows the following pattern:

€ in millions	Carrying amount Dec. 31, 2022	Cash flow Dec. 31, 2022	< 1 year	1 – 5 years	> 5 years
Loans and borrowings	1,025.1	1,090.9	536.1	552.9	1.8
Lease liabilities	110.6	137.1	24.0	58.7	54.4
Trade payables	251.6	251.6	251.6	0.0	0.0
Other liabilities (excluding derivatives)	292.8	301.4	111.6	189.7	0.0
Financial liabilities	**1,680.1**	**1,780.9**	**923.3**	**801.4**	**56.2**

€ in millions	Carrying amount Dec. 31, 2023	Cash flow Dec. 31, 2023	< 1 year	1 – 5 years	> 5 years
Loans and borrowings	3,567.4	4,707.2	174.0	1,710.3	2,822.9
Lease liabilities	114.4	157.6	27.4	65.7	64.5
Trade payables	258.5	258.5	258.5	0.0	0.0
Other liabilities (excluding derivatives)	125.4	126.5	42.7	83.8	0.0
Financial liabilities	**4,065.7**	**5,249.8**	**502.6**	**1,859.9**	**2,887.4**

The cash flows shown in the above tables include the undiscounted expected payments in connection with the respective financial liabilities, including the associated interest payments based on the interest rates as of the reporting date.

The loans and borrowings include the loans raised from the parent company Sartorius AG and Sartorius Finance B.V., respectively. The other liabilities include the liabilities from the contingent considerations agreements as well as the liabilities in connection with the possible acquisition of the non-controlling interests in Sartorius CellGenix GmbH (see Note 35).

The following tables illustrate the liquidity analysis for derivative financial instruments based on undiscounted cash flows:

€ in millions	Carrying amount Dec. 31, 2022	Cash flow Dec. 31, 2022	< 1 year	1 – 5 years	> 5 years
Gross fulfilment					
Forward contracts	**8.0**	**8.0**	**8.0**	**0.0**	**0.0**
Payment obligation		205.2	205.2	0.0	0.0
Payment claim		–197.2	–197.2	0.0	0.0
Derivatives	**8.0**	**8.0**	**8.0**	**0.0**	**0.0**

€ in millions	Carrying amount Dec. 31, 2023	Cash flow Dec. 31, 2023	< 1 year	1 – 5 years	> 5 years
Gross fulfilment					
Forward contracts	**2.1**	**2.1**	**2.1**	**0.0**	**0.0**
Payment obligation		235.5	235.5		
Payment claim		–233.3	–233.3		
Derivatives	**2.1**	**2.1**	**2.1**	**0.0**	**0.0**

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, by continuously tracking the forecasted and actual cash flows, and by managing the maturity profiles of financial assets and liabilities. It is not expected that cash outflows will occur at significantly different times or in significantly different amounts.

The credit line provided by Sartorius AG with a total amount of up to €260 million at variable interest rates had been utilized to the extent of around €5 million as of December 31, 2023 (2022: €3 million). In addition, the Group had further short-term bilateral credit lines at variable interest rates at the reporting date; these amounted to €110 million (2022: €77 million) and were not used to a material extent as was the case in the prior year.

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 on funds held by the Group's Russian entities, see Note 4.

41. Credit Risk Management

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from cash and cash equivalents and trade receivables. In addition to that, the Group is exposed to credit risks arising from derivative financial instruments with positive fair values and, to a low extent, from contractual cash flows from debt securities.

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

Customers are assigned risk limits that principally depend on business volume, past experience, and the financial position of the customer. Compliance with the limits is regularly reviewed by the management responsible. In some cases, the Group receives advance payments to avoid credit risks. There are no significant concentrations of credit risks from individual customers or regions.

For some trade receivables, the Group may have collateral, such as guarantees that can be used within the contractual agreements in case the counterparty does not meet its contractual payment obligations.

Impairment of Trade Receivables and Contract Assets

The impairment model of IFRS 9, which requires recognition of expected credit losses, is of particular relevance for the Group's trade receivables and contract assets according to IFRS 15. The Group applies the simplified approach according to IFRS 9 to trade receivables and contract assets. Accordingly, lifetime expected credit losses are recognized for these assets. The starting point of the impairment model is 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. In view of

the immaterial level of historical credit losses, the Group currently determines the expected credit losses for the Group's portfolio of trade receivables as a whole. However, historical loss rates are analyzed regularly in more detail to apply different loss rates to different portfolios, where appropriate. In 2023, no significant change regarding the credit risk of the Group's portfolio of biopharma customers was observed. Due to the Group's focus on the biopharma industry that is generally stable, relatively independent from macroeconomic developments, and expected to grow above average in the long-term, the Group does not currently see a material impact of forward-looking information on the expected credit losses.

The contract assets are related to projects for typical customers of the Group. Therefore, it is assumed that the loss rates applied to trade receivables are appropriate approximations for 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 as of December 31, 2023, and as of December 31, 2022:

December 31, 2023 € in millions	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	227.0	18.2	11.7	2.4	31.7	291.0
Gross carrying amount of contract assets	16.3	0.0	0.0	0.0	0.0	16.3
Impairment loss allowance	0.2	0.4	0.1	0.1	12.8	13.5

December 31, 2022 € in millions	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	315.7	1.8	15.6	14.3	54.0	401.4
Gross carrying amount of contract assets	13.6	0.0	0.0	0.0	0.0	13.6
Impairment loss allowance	0.2	0.0	0.0	0.3	10.0	10.5

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 reasonable expectation of recovering a financial asset. In such a case, the respective receivables are derecognized.

The movements in the allowance for impairment with respect to trade receivables and contract assets are presented below:

€ in millions	2023	2022
Valuation allowance at the beginning of the year	–10.5	–9.9
Increase during the year	–7.1	–5.5
Derecognition and consumption	0.2	0.9
Recoveries of amounts previously impaired	3.8	4.1
Foreign currency translation differences	0.2	0.1
Business combinations	–0.1	0.0
Valuation allowance at the end of the year	**–13.5**	**–10.5**

Impairment of Other Financial Assets

Besides 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, 2023. The expected credit losses are monitored at regular intervals. Due to the high creditworthiness of the counterparties and the short maturities, the impairment that would have to be recognized for these financial assets is immaterial. Therefore, no impairment is recognized for cash and cash equivalents.

For the other financial assets measured at amortized cost, no impairment is recognized as of December 31, 2023, for the twelve months' 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 when there is no 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 reporting period.

42. Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Stedim Biotech Group was not exposed to the risk of volatility in share prices. The only exceptions are related to the contingent consideration in connection with the acquisition of BIA Separations, which depends on the share price development of Sartorius Stedim Biotech S.A. as a valuation parameter (see Note 35), and the compensation of Board members and members of the higher management that receive a portion of their (long-term) remuneration for which the share price of Sartorius AG is one valuation parameter (see Note 43).

43. Share-Based Payments

The Sartorius Stedim Biotech Group participates in a so-called Long-Term Incentive Program (LTI Program), introduced in fiscal 2022 for the whole Sartorius AG Group. The LTI Program is a long-term remuneration component for selected employees on the higher management levels of the Group. At the beginning of a calendar year, each participant 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 (2023) is planned for the first quarter 2026 (2027). 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 CO_2 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. In fiscal 2023, the personnel expenses related to the LTI Program, including effects from fair value measurement, amounted to -€0.1 million (2022: €0.3 million). The fair value of the obligation amounting to €0.2 million on the reporting date December 31, 2023, (2022: €0.3 million) is reported under "Other non-current provisions" (see Note 24).

4.8 Other Disclosures

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

Material Events after the Reporting Date

On 7 February 2024, Sartorius Stedim Biotech S.A. has successfully placed 5,150,215 shares to institutional investors in an international private placement by way of an accelerated bookbuilding. The new shares will be issued in a capital increase without preferential subscription rights of the shareholder at a price of €233.00 per share resulting in gross proceeds of approximately €1.2 billion.

The Group intends to use the net proceeds of the capital increase to accelerate its debt deleveraging beyond strong internal cash generation, and to strengthen its overall strategic flexibility. It is expected that at least two thirds of the net proceeds of the equity offering will be used to partially repay the shareholder loans granted by the Group's major shareholder, Sartorius AG, and its subsidiary, Sartorius Finance B.V. Any remaining portion would be allocated to general corporate purposes.

In accordance with the intention it has indicated, Sartorius AG subscribed for an amount of approximately €400 million, representing approximately one-third of the capital increase and will hold approximately 71.5% of the company's share capital following completion of the capital increase. Sartorius AG has also concurrently carried out the placement of approximately €200 million of Sartorius AG treasury preference shares through a private placement.

No other material events occurred after the reporting date.

Number of Employees

The average workforce employed during the reporting year 2023 was 11,057 (11,849 in 2022).

44. Related Parties

General

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds a controlling interest in the company of 73.6% in equity capital – and 84.6% of the voting rights. The Sartorius Group itself is organized in two divisions: Bioprocess Solutions (mainly run by the Sartorius Stedim Biotech Group) and Lab Products & Services (mainly run by the other companies of Sartorius Group). As a result of this structure, the Sartorius Group holds two subsidiaries in most of the countries in which it is represented, and these companies partially share space, staff, and other resources. Furthermore, the German Sartorius Group companies carry out various central functions and accordingly deliver services to the worldwide entities. Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG, has incorporated numerous Group functions, such as Group finance, human resources, information technology services, investor relations, and legal services. These services are charged within the Group and, to a significant extent, also to Sartorius Stedim Biotech.

The structures described give rise to a number of relations and transactions with related parties. Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries (presented in Note 7) were eliminated on consolidation and are not disclosed under this Note. Details of transactions between the Group and other related parties, belonging to the Sartorius Group, are disclosed below.

Sales, Purchases and Commissions

In certain business areas, members of the Sartorius Group act as contract manufacturers for the Sartorius Stedim Biotech Group and vice versa. The respective transactions are carried out on an arm's-length principle and are disclosed in the table below as "Sales revenue" and "Purchases." Furthermore, certain product groups of the Sartorius Stedim Biotech portfolio are sold through the sales force of other Sartorius entities. For arranging these sales, the Sartorius Stedim Biotech Group pays commissions which are typically calculated as a percentage of the sales revenue generated.

€ in millions	Sales revenue 2023	Purchases 2023	Commissions 2023	Receivables Dec. 31, 2023	Payables Dec. 31, 2023
Related parties of Sartorius Group	107.9	25.7	0.5	31.0	3,587.0

€ in millions	Sales revenue 2022	Purchases 2022	Commissions 2022	Receivables Dec. 31, 2022	Payables Dec. 31, 2022
Related parties of Sartorius Group	118.2	25.7	1.2	30.6	1,036.0

Management Fees and Other Shareholder Costs

The Executive Board of Sartorius AG, the German parent company of Sartorius Stedim Biotech, also manages the Sartorius Stedim Biotech Group to a large extent. "Management Fees" are charged for these services to Sartorius Stedim Biotech GmbH. Furthermore, two of Sartorius Stedim Biotech S.A.'s board members are also members of the Sartorius AG Executive Board. Following the remuneration policy introduced in 2022 (please refer to the remuneration report for more details) the executive board member receives a separate remuneration from Sartorius Stedim Biotech S.A., which is initially paid out by Sartorius AG and then reimbursed by Sartorius Stedim Biotech S.A.

The use of the Sartorius brand by Sartorius Stedim Biotech entities is subject to a brand name fee. Other shareholder functions, such as group financial reporting, compliance, and investor relations, are performed by above-mentioned Sartorius Corporate Administration GmbH in Germany. These services are charged to Sartorius Stedim Biotech S.A.

The table below summarizes the described charges:

€ in millions	2023	2022
Management fees to Sartorius Stedim Biotech GmbH	2.2	2.5
Reimbursement of remuneration of Board members	0.8	1.5
Brand name fees	15.0	17.3
Other shareholder functions	1.8	1.6

Shareholder Loan

The Sartorius Stedim Biotech Group's loans raised from its parent company Sartorius AG and Sartorius Finance B.V. are described in Note 31. The conditions, including interest rates, are based on arm's-length conditions and also described in the Note mentioned. The related interest expenses are descriebd in Note 12.

Administration Charges and Shared Costs

As described above, the companies in most countries share certain functions and costs. The underlying contracts include mainly agreements to share office space and central administrative functions, such as accounting and controlling, human resources management, and IT. In this respect, the relevant companies

charge rent, salaries, social security costs, and other expenses for such services, as well as a pro-rated profit margin for the services they provide.

The most significant contract in this context is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH and other Group companies. The calculation for service fees typically includes a surcharge compliant with arm´s-length principles for routine tasks in line with OECD and EU guidelines (cost plus 3%). In 2023, services of approximately €96.2 million were provided to Sartorius Stedim Biotech GmbH (€91.8 million in 2022). This amount covers the following functions:

- Corporate communication, e-commerce, business development
- Environment, health, and security (EHS), factory maintenance
- Finance, human resources, information technology services, data strategy and management
- Central services (e.g., fleet and insurance management) and general organization

Compensation of Key Management Personnel

The table below illustrates the remuneration of the Executive Board Management in 2022 and 2023 according to IFRS.

€ in millions	Total	Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
2023 [1]	1.0	0.7	0.0	0.3	0.0	0.0
2022 [1]	1.5	1.1	0.0	0.4	0.0	0.0

1 For more information, please refer to the chapter Corporate Governance (See pages 81 to 113).

4.9 Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended 31 December 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Sartorius Stedim Biotech S.A,

Opinion

In compliance with the engagement entrusted to us by Shareholders' meetings, we have audited the accompanying consolidated financial statements of Sartorius Stedim Biotech S.A. for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Business Combinations – Acquisition of Polyplus

Identified risk

As indicated in note 8 to the consolidated financial statements, the Group has carried out several business combinations of which the most significant in respect of the 2023 financial year relates to Polyplus.

On 18 July 2023, the Group acquired 100% of the shares of PolygenX A, the parent company of the French Polyplus group. The acquisition price of €2,226.4 million was paid in cash.

In accordance with IFRS 3 "Business Combinations", the identifiable assets acquired and liabilities assumed are recognized at their respective fair values at the acquisition date.

At 31 December 2023, this acquisition therefore resulted in the preliminary recognition of intangible assets amounting to €888.8 million and goodwill amounting to €1,703.2 million.

We considered that the acquisition of Polyplus was a key point in the audit because of :

- the materiality of the provisional assets and liabilities recognized in the consolidated financial statements, and the resulting goodwill ;
- the level of judgement required to identify the assets acquired and liabilities assumed and the estimates used to measure their fair value.

Responses obtained during our audit

In the context of our audit, we performed the following procedures :

- obtaining an understanding of the legal aspects of this acquisition, and in particular the understanding of the transactions and the consideration of the main contractual clauses in determining the accounting treatment of the transaction ;
- assessing the compliance of the accounting treatment adopted with IFRS 3 "Business combinations".
- assessing the reasonableness of the methodology to provisionally identify the assets acquired and liabilities assumed;
- analysing the valuation methods used by the Group to determine the fair value of the assets acquired and liabilities assumed, together with our valuation experts, in particular :
    - assessing the competence, experience and objectivity of the independent experts used by the Group,
    - assessing the method, the assumptions and data used to measure assets and liabilities at fair value,
    - carrying out arithmetical checks on the various valuations of the assets acquired and liabilities assumed;
- analysing the overall consistency of the provisional purchase price allocation and the resulting residual difference.

Lastly, we verified the appropriateness of the information provided in note 8 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other Legal and Regulatory Verifications or Information

Format of Presentation of the Financial Statements Intended to be Included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the

Chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the consolidated financial statements attached to this report.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sartorius Stedim Biotech S.A. by the annual general meeting held on 19 May 2006 for Deloitte & Associés and on 7 April 2015 for KPMG S.A.

As at 31 December 2023, Deloitte & Associés and KPMG S.A. were in the 18th year without interruption and 9th year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit 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 the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Marseille, on the 9 February 2024

The Statutory Auditors

French original signed by

KPMG Audit Department of KPMG S.A.	Deloitte & Associés
Nicolas BLASQUEZ	Philippe BATTISTI

SARTORIUS

Annual Financial Statements and Notes

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5.1 Annual Financial Statements

Parent Company Balance Sheet: Assets

€ in M	Gross at Dec. 31, 2023	Depreciation, amortization and provisions Dec. 31, 2023	Net at Dec. 31, 2023	Net at Dec. 31, 2022
Intangible assets	0.6	–0.3	0.3	0.3
Property, plant and equipment	23.9	–16.6	7.3	8.2
Financial investments	187.0	–0.1	186.9	186.0
Total non-current assets	**211.5**	**–17.0**	**194.5**	**194.5**
Inventories and work in progress	0.0	0.0	0.0	0.0
Trade receivables to third parties	5.1	0.0	5.1	2.2
Other receivables	987.6	0.0	987.6	158.6
Deposits and cash equivalents	0.0		0.0	0.4
Total current assets	**992.7**	**0.0**	**992.7**	**161.2**
Prepaid expenses	0.1	0.0	0.1	0.1
Premium for redemption of bonds	0.4	0.0	0.4	0.0
Currency translation adjustment	0.6	0.0	0.6	0.0
Total assets	**1,205.3**	**–17.0**	**1,188.4**	**355.9**

Parent Company Balance Sheet: Liabilities

€ in M	At Dec. 31, 2023	At Dec. 31, 2022
Share capital	18.4	18.4
Share premium	12.6	12.6
Reserves	2.4	2.4
Retained earnings carried forward	96.7	74.8
Profit for the period	100.6	154.7
Regulated provisions	4.6	4.1
Total equity	**235.4**	**267.1**
Provisions for liabilities and charges	0.6	0.0
Total provisions for liabilities and charges	**0.6**	**0.0**
Loans and borrowings	0.0	0.0
Trade payables	1.1	0.8
Tax and social charges payable	0.1	0.1
Liabilities for non-current assets	0.0	0.0
Other liabilities	950.1	87.9
Total liabilities	**951.3**	**88.9**
Currency translation adjustment	1.1	0.0
Total equity and liabilities	**1,188.4**	**355.9**

Parent Company: Income Statement

€ in M	At Dec. 31, 2023	At Dec. 31, 2022
Sales revenue	2.3	2.6
Inventory movements	0.0	0.0
Capitalized production costs	0.0	0.0
Depreciation or amortization reversals	0.0	0.0
Other operating income and expense reallocation	0.0	0.0
Purchases consumed	0.0	0.0
External charges for services	–4.5	–5.8
Tax and duties	–0.3	–0.3
Personnel costs	0.0	0.0
Additions to amortization, depreciation and provision	–1.1	–1.0
Other operating expenses	–0.5	–0.4
Operating profit (EBIT)	**–4.1**	**–4.9**
Net financing income | (expense)	102.7	158.9
Profit | (loss) from ordinary activities	**98.6**	**154.0**
Exceptional income | (expense)	–0.5	0.0
Income tax	2.5	0.8
Net profit | (loss)	**100.6**	**154.7**

1. Materiel Events During the Year

None

2. Materiel Events after the Reporting Date

On 7 February 2024, Sartorius Stedim Biotech S.A. has successfully placed 5,150,215 shares to institutional investors in an international private placement by way of an accelerated bookbuilding. The new shares will be issued in a capital increase without preferential subscription rights of the shareholder at a price of €233.00 per share resulting in gross proceeds of approximately €1.2 billion.

The Group intends to use the net proceeds of the capital increase to accelerate its debt deleveraging beyond strong internal cash generation, and to strengthen its overall strategic flexibility. It is expected that at least two thirds of the net proceeds of the equity offering will be used to partially repay the shareholder loans granted by the Group's major shareholder, Sartorius AG, and its subsidiary, Sartorius Finance B.V. Any remaining portion would be allocated to general corporate purposes.

In accordance with the intention it has indicated, Sartorius AG subscribed for an amount of approximately €400 million, representing approximately one-third of the capital increase and will hold approximately 71.5% of the company's share capital following completion of the capital increase. Sartorius AG has also concurrently carried out the placement of approximately €200 million of Sartorius AG treasury preference shares through a private placement.

No other material events occurred after the reporting date.

3. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2023, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of going concern.

The annual financial statements have been prepared in accordance with the clauses of the CRC Regulation 2014-03 of September 8, 2014 on the French chart of accounts.

Sartorius Stedim Biotech S.A. is listed in Compartment A of the Euronext Paris Stock Exchange (ISIN FR code 0000053266) and also prepares consolidated financial statements in accordance with IFRS standards, as adopted by the European Union on December 31, 2023. Sartorius Stedim Biotech S.A. is consolidated by Sartorius A.G.

3.1. Non-current Assets

Non-current intangible and tangible assets are valued at their acquisition costs, excluding costs incurred for their acquisition.

For intangible assets and property, plant and equipment, the Company applied the French Regulation CRC No. 2002-10, recodified by Article 2-4 of Regulation CRC No. 2004-06 relative to the amortization, depreciation and impairment of assets according to the "Component approach."

3.1.1. Intangible Assets

The following is thus valuated under this heading: incorporation costs, patents and software.

All these assets are amortized on a straight-line basis using the following indicative useful lives:

Incorporation costs:	One to five years
Software:	One to three years
Patents:	Twenty years
Leasehold:	Eighteen years (Based on the period of use).

As part of the implementation of integrated software, the direct labor costs concerned are included in the amount capitalized as cost, as a function of the time elapsed.

Intangible assets are valued at acquisition cost less amortization and impairments reported, on an ongoing basis.

3.1.2. Property, Plant and Equipment

Property, plant and equipment (PPE) are recognized at their acquisition value, including the installation cost of these assets.

Depreciation is calculated over the standard and economic life of the assets using the straight-line method.

All these non-current assets are depreciated on a straight-line basis using the following indicative periods of use:

- Buildings: Twenty to forty years

- Improvements, fixtures and fittings: Ten to fifteen years
- Plant and equipment: Four to ten years
- Office and IT equipment: Three to five years
- Motor vehicles: Four to five years

Property, plant and equipment are valued at acquisition cost less depreciation and impairments reported, on an ongoing basis.

3.1.3. Financial Investments
Investments relate mainly to shareholdings in subsidiaries and other treasury shares held within the scope of the share buyback program; they are recorded at their acquisition cost, including fees linked to their acquisition.

An impairment provision may be recorded to consider, in particular, either the stock exchange price or the underlying assets of these subsidiaries, their financial position and their prospects.

Shareholdings in subsidiaries are subject to impairment tests.

3.2. Receivables and Payables
Receivables and payables are recorded at their nominal value.

Receivables whose collection is doubtful are subject to a provision for doubtful debts.

4. Non-Current Assets

4.1. Intangible Assets

Gross values in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Incorporation costs	0.0	0.0	0.0	0.0
Patents	0.0	0.0	0.0	0.0
Software, licenses	0.0	0.0	0.0	0.0
Business goodwill	0.5	0.0	0.0	0.5
Intangible assets in progress	0.0	0.0	0.0	0.0
Total	**0.6**	**0.0**	**0.0**	**0.5**
Amortization and depreciation in millions of €	0.2	0.1	0.0	0.2
Net amount	**0.4**	**–0.1**	**0.0**	**0.3**

4.2. Property, Plant and Equipment

Gross values in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Land	0.5	0.0	0.0	0.5
Buildings	15.8	0.0	0.0	15.8
Plant and equipment	0.0	0.0	0.0	0.0
Other	5.9	1.6	0.0	7.5
Property, plant and equipment in progress	1.7	0.0	–1.6	0.0
Total	**23.8**	**1.7**	**–1.6**	**23.9**

Amortization and depreciation in millions of €	At Dec. 31, 2022	Addition	Release	At Dec. 31, 2023
Buildings	12.7	0.4	0.0	13.1
Plant and equipment	0.0	0.0	0.0	0.0
Other	2.8	0.6	0.0	3.5
Total	**15.5**	**1.1**	**0.0**	**16.6**
Property, plant and equipment, net	**8.2**	**0.6**	**–1.6**	**7.3**

The increase in tangible assets includes fixtures and fittings for a net amount of €1,6 M from assets under construction.

4.3. Financial Investments

Investments in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Shareholdings	175.2	0.0	0.0	175.2
Write-down of shareholdings	0.0	0.0	0.0	0.0
Deposits and guarantees	0.0	0.0	0.0	0.0
Treasury shares	10.7	1.1	0.0	11.8
Write-down of treasury shares	0.0	–0.1	0.0	–0.1
Other non-current assets	0.0	0.0	0.0	0.0
Total	**186.0**	**1.0**	**0.0**	**187.0**

The following is included under "Financial investments":

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company;
- 100% of the share capital of Sartorius Stedim Biotech GmbH, a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007;
- 100% of the share capital of Sartorius Stedim Aseptics S.A.S., a French company acquired in 2004;
- 100% of the share capital of Sartorius Stedim FMT S.A.S., a French company created in connection with the Contribution Assets transfer in 2013;
- 100% of the share capital of Sartorius Stedim Chromatography Resins S.A.S., a French company acquired the 1st of June 2020;

- 100% of the share capital of Sartorius Chromatography Equipment S.A.S., a French company acquired the 7th of February 2022 ;

- Other investments: €0.001 M.

The amount now corresponds to the share of Sartorius Stedim Biotech in the Russian company Sartorius Stedim RUS.

The liquidity contract between the entity Sartorius Stedim Biotech S.A. and the brokerage company Kepler Chevreux was in place in April 2021[1]. Therefore, Sartorius Stedim Biotech holds 15,191 shares of SSB S.A. in portfolio at the closing.

5. Trade Receivables

Maturity of Receivables at Year-end

Type of receivable € in M	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	11.9	3.4	8.4
Non-current assets	**11.9**	**3.4**	**8.4**
Advance payments on account	0.0	0.0	0.0
Trade receivables	5.1	5.1	0.0
Personnel	0.0	0.0	0.0
Social security	0.0	0.0	0.0
Taxes and duties	11.4	11.4	0.0
Group	976.3	0.0	976.3
Other receivables	0.0	0.0	0.0
Current assets	**992.7**	**16.5**	**976.3**
Prepaid expenses	0.1	0.1	0.0
Total receivables	**1,004.7**	**20.0**	**984.7**

The "Group" item for receivables from Group subsidiaries (€976,3 M) relates to receivables of subsidiaries and corresponds in particular, continued the establishment of a new financial organization, cash advances via current accounts carried out with the companies Sartorius Stedim Biotech GmbH, Sartorius Stedim FMT S.A.S., Sartorius Stedim Chromatography Resins S.A.S., Sartorius Stedim Chromatography Systems Ltd, Sartorius Stedim Bioprocess Tunisia and two companies from the Polyplus group.

The "Taxes and duties" (€11,4 M) captions primarily includes the net tax receivable relating to the tax grouping system.

1 Any buyback program for liquidity purposes is not to be continued during a takeover bid

6. Maturity of Liabilities at Year-end

Type of liability € in M	Net amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years	0.0	0.0	0.0	0.0
Originally more than 2 years	0.0	0.0	0.0	0.0
Current bank overdrafts and accrued interest	0.0	0.0	0.0	0.0
Trade payables	1.1	1.1	0.0	0.0
- including bills of exchange	0.0	0.0	0.0	0.0
Advances and payments on account for orders	0.0	0.0	0.0	0.0
Tax and social security payable	0.1	0.1	0.0	0.0
Liabilities for non-current assets	0.0	0.0	0.0	0.0
Group and associates	949.7	11.7	938.0	0.0
Other	0.4	0.4	0.0	0.0
Total liabilities	**951.3**	**13.2**	**938.0**	**0.0**

The "Group" item for liabilities from Group subsidiaries (€949,7 M) includes debts to subsidiaries and corresponds in particular to cash advances linked to the cash-pooling activity via current accounts with companies Sartorius AG, Sartorius Finance BV.

Accrued expenses included in these accounts represented €0,4 M and concerned the following items:

Type of expense € in M	At Dec. 31, 2023
Accrued banking charges	0.0
Suppliers' invoices to be received	0.4
Paid vacation including social charges	0.0
Bonuses, including social charges and profit sharing	0.0
Social security payable	0.0
Taxes payable	0.0
Employee profit sharing	0.0
Total charges payable	**0.4**

7. Parent Company Statement of Changes in Equity (in thousands of €)

7.1. Equity

At December 31, 2022, the share capital was €18,4 M, comprising 92,180,190 shares of a €0.20 par value.

At December 31, 2023, the share capital is €18,4 M, comprising 92,180,190 shares of a €0.20 par value.

The Annual General Shareholders' Meeting on March 2023, the 29th, approved the appropriation of the net profit for the year of €154,7 M, as follows:

- Use from the retained earnings carried forward: None
- Paid into the legal reserves: None

A dividend total of €132,7 M, or a net dividend per share of €1.44, was paid.

		Appropriation of profit in 2022		Movements 2023		Equity before appropriation of profit in 2022
	Before	Changes	After	Increases	Decreases	Total
Number of shares:	92,180,190		92,180,190			92,180,190
Share capital	18.4		18.4			18.4
Share premium	0.0		0.0			0.0
Merger premium	12.6		12.6			12.6
Legal reserve	1.8		1.8			1.8
Other reserves	0.6		0.6			0.6
Balance carried forward	74.8	22.0	96.7			96.7
Dividends paid	0.0	132.7	132.7		-132.7	0.0
Net profit to be appropriated	0.0	0.0	0.0			0.0
Profit for the reporting year	154.7	-154.7	0.0	100.6		100.6
Regulated provisions	4.1		4.1	0.6		4.6
Total	**267.0**	**0.0**	**267.0**	**101.1**	**-132.7**	**235.4**

7.2. Stock Options

None

8. Risks and Provisions

8.1. Provisions

Type of provision € in Millions	Provisions at Dec. 31, 2022	Additions 2023	Releases 2023	Provisions at Dec. 31, 2023
Regulated provisions				
Accelerated amortization and depreciation	4.1	0.6	0.0	4.6
Subtotal (1)	**4.1**	**0.6**	**0.0**	**4.6**
Provisions for liabilities and charges				
Exchange risk	0.0	0.6	0.0	0.6
Other costs	0.0	0.0	0.0	0.0
Taxation	0.0	0.0	0.0	0.0
Subtotal (2)	**0.0**	**0.6**	**0.0**	**0.6**
Grand Total = (1) + (2)	**4.1**	**1.2**	**0.0**	**5.2**

8.2. Market Risk Exposure

8.2.1 Operating Cash Flow risks

At December 31, 2023, an amount was recognized for translation differences of net amounts denominated in foreign currencies within the receivables and payables items.

8.2.2 Current and Future Tax Position

As of January 1, 2008, the company chose to adopt the French tax integration regime within the framework of a tax group. The lead company of this group is Sartorius Stedim Biotech S.A. The other member companies of this tax integration group for tax relief are Sartorius Stedim Aseptics S.A.S., Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and two companies joined the Group in 2023: Sartorius Stedim Chromatography Resins S.A.S. and Sartorius Chromatography Equipement S.A.S.

The member companies report income tax as if there were no integration tax regime. The parent corporation benefits from tax relief related to consolidating the gains and losses of the other members companies.

For 2022, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €2,5 M. Taking into grout the tax credits not yet, compensated, the company SSB holds a receivable from the State of €11,9 M.

For your information, at the beginning of 2024, Sartorius Stedim Biotech received a notification from the tax authorities to verify all its tax returns for the fiscal years 2021 and 2022.

9. Operating Income (in millions of €)

9.1. Sales Revenue by Operating Segment

Operating segment	At Dec. 31, 2023	%	At Dec. 31, 2022	%
Services	2.3	100%	2.6	100%
Total	**2.3**	**100%**	**2.6**	**100%**

9.2. Sales Revenue by Geographical Region

Geographical region	At Dec. 31, 2023	%	At Dec. 31, 2022	%
France	**2.3**	**100%**	**2.6**	**100%**
Export	**0.0**		**0.0**	**0%**
EU and other countries	0.0		0.0	
North American continent	0.0		0.0	
Total	**2.3**	**100%**	**2.6**	**100%**

The Sale revenue corresponds to the rent invoiced to the entity Sartorius Stedim FMT S.A.S. for the use of premises located in Aubagne within its operational activity.

10. Breakdown of Income Tax

	At Dec. 31, 2023			At Dec. 31, 2022		
€ in M	Profit before tax	Income tax charge	Profit after tax	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	98.6	0.0	98.6	154.0	0.0	154.0
Exceptional income	(expense)	−0.5	0.1	−0.4	0.0	0.0	0.0
French tax integration relief	0.0	2.4	2.4	0.0	0.8	0.8
Net taxable income	**98.1**	**2.5**	**100.6**	**154.0**	**0.8**	**154.7**

11. Information on Directors' Remuneration

Remuneration allocated and paid to members of the Board of Directors as directors' meeting fees amounted to €0.3 M. These fees related to the 2022 fiscal year and were paid in 2023.

No meeting fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2023. A Part of the Executive Board's remuneration has been recharged by Sartorius AG to Sartorius Stedim Biotech S.A. for an amount of €0,8 M (2021: €1,5 M).

12. Off-Balance Sheet Commitments

Type of commitment € in K	Comment	At Dec. 31, 2023	At Dec. 31, 2022
Commitments given			
Guarantees for bilateral credit lines		0.0	0.0
Guarantees for currency hedging contracts		0.0	0.0
Commitments from renting / leasing		0.0	0.0
Commitments received			
Contractual loan capacity from credit institutions		0.0	0.0

The commitments in connection with the lease are summarized in the following table:

Leasing	< 1 year € in K	1 - 5 years € in K	> 5 years € in K	Total	Buy-back value
Tangible Assets					
Buildings and Improvments	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	

Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvments	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

The building has been operational from the 1st of January 2015. The company exercised the repurchase of the finance lease on the 9th December 2022.

13. Information on Related Parties

Affiliates are its parent company, Sartorius AG, and the companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim FMT S.A.S., Sartorius Stedim Bioprocess SARL, Sartorius Stedim Aseptics S.A.S., Sartorius Stedim Biotech GmbH, Sartorius Stedim Chromatography Resins S.A.S. et Sartorius Chromatography Equipement S.A.S.

The company Sartorius Stedim Biotech S.A. is consolidated in the financial statements of Sartorius AG, Otto-Brenner-Strasse 20, 37079 Goettingen (Germany).

In the following, you will find the table of the main amounts with the related parties:

Items € in M	At Dec. 31, 2023	At Dec. 31, 2022
Investments	175.2	175.2
Trade receivables	5.1	0.0
Other receivables	976.2	158.5
Trade payables	0.6	0.0
Other liabilities	949.7	87.5
Income from investments	104.0	160.0
Other financial income	17.4	2.2
Finance expense	19.0	2.1

In the following, you will find the table of subsidiaries and shareholdings:

At Dec. 31, 2023	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
€ in M				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6.0	1,442.1		79.9	79.9	12.1	0.0	1,167.8	291.6	80.0
Sartorius Stedim FMT S.A.S.			100.00%							
(Euros)	42.9	55.2		42.9	42.9	31.1	0.0	626.4	49.8	15.0
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	6.0	35.3				190.0		352.7	11.9	0.0
(Euros)				3.1	3.1	56.6	0.0	105.1	3.5	0.0
Sartorius Stedim RUS			100.00%							
(Rubles)	8.0	1.2						1,349.2	152.0	0.0
(Euros)	0.1	0.0		0.1	0.1	0.0	0.0	14.6	1.6	0.0
Sartorius Stedim Aseptics S.A.S.			100.00%							
(Euros)	0.4	9.7		1.8	1.8	0.0	0.0	18.2	3.7	9.0
Sartorius Stedim Chromatography Resins S.A.S.			100.00%							
(Euros)	0.0	5.9		0.0	0.0	45.0	0.0	13.0	1.1	0.0
Sartorius Chromatography Equipment S.A.S.			100.00%							
(Euros)	3.7	33.7		47.2	47.2	0.0	0.0	30.3	-2.1	0.0

At Dec. 31, 2022	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
€ in M				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6.0	1,263.3		79.9	79.9	12.1	0.0	1,619.2	428.6	120.0
Sartorius Stedim FMT S.A.S.			100.00%							
(Euros)	42.9	99.1		42.9	42.9	61.1	0.0	707.8	66.0	30.0
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	6.0	62.7				325.5		426.9	19.4	0.0
(Euros)				3.1	3.1	99.9	0.0	131.0	6.0	0.0
Sartorius Stedim RUS			100.00%							
(Rubles)	8.0	826.7						4,756.4	263.6	0.0
(Euros)	0.1	11.2		0.1	0.1	0.0	0.0	64.5	3.6	0.0
Sartorius Stedim Aseptics S.A.S.			100.00%							
(Euros)	0.4	14.8		1.8	1.8	0.0	0.0	26.7	9.4	10.0
Sartorius Stedim Chromatography Resins S.A.S.			100.00%							
(Euros)	0.0	5.9		0.0	0.0	0.0	0.0	17.9	3.7	0.0
Sartorius Chromatography Equipment S.A.S.			100.00%							
(Euros)	3.7	35.8		47.2	47.2	0.0	0.0	19.9	-1.3	0.0

The previous list contains only information on transactions in Company shares received in accordance with the Article 19 MAR (Operations realized by Executive Directors). Therefore, we are not aware of all transactions whose cumulative trade volumes have reminded below the notification threshold of €20,000 per calendar year.

5.2 Statutory Auditors' Report on the Financial Statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2023

To the Shareholders of Sartorius Stedim Biotech S.A.,

Opinion

In compliance with the assignment entrusted to us by your Shareholders' meetings, we have audited the accompanying financial statements of Sartorius Stedim Biotech S.A. for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there were no key audit matters to disclose in our report.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sartorius Stedim Biotech S.A. by the annual general meeting held on 19 May 2006 for Deloitte & Associés and on 7 April 2015 for KPMG S.A.

As at 31 December 2023, Deloitte & Associés and KPMG S.A. were in the 18th year without interruption and 9th year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit 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 the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Marseille, on the 9 February 2024

The Statutory Auditors

French original signed by

KPMG Audit
Department of KPMG S.A.

Nicolas BLASQUEZ

Deloitte & Associés

Philippe BATTISTI

SARTORIUS

Supplementary Information

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6.1 Other Information of a Legal Nature

General Information on the Issuer

Corporate Name

The corporate name of the company is: "Sartorius Stedim Biotech".

In all legal deeds and documents issued by the company, this is always preceded or followed by the words "société anonyme" or the abbreviation "S.A." and a statement of the share capital (Company bylaws, Article 1).

Registered Office

The registered office is in Aubagne (13400), France, Z.I. Les Paluds, avenue de Jouques. Phone number: +33 (0)4 42 84 56 00.

This office may be transferred to another location in the same "département" [French county or state] or an adjacent county or state by simple decision of the Board of Directors subject to ratification by the next Annual General Shareholders' Meeting and anywhere else in France by a decision taken by an Extraordinary General Shareholders' Meeting.

If the Board of Directors decides to transfer the registered office, it is authorized to revise the bylaws as a result (Company bylaws, Article 4).

Legal Form and Applicable Law

The company is a public limited liability company or joint stock company [société anonyme], subject to the French legislation, particularly to the French Commercial Code.

Date of Incorporation – Duration

The company was incorporated on September 28, 1978, as a "société anonyme." The company's duration is for 99 years, effective upon registration in the French trade and commercial register ("registre du commerce et des sociétés"), unless subject to dissolution or extension provided by the present company bylaws (Article 1 and 5).

Corporate Purpose

In France and abroad, the company's purpose is:

- to purchase, develop, administrate and manage a portfolio of equity security, securities, voting rights and other social rights in all companies regardless of their activity and this, by all means including by way of setting up of new companies, contribution in kind of any types of social rights, subscription rights, mergers, purchases of other social rights or incorporation of companies;

- to manage, conduct and coordinate the activities of its subsidiaries and affiliates; when applicable, to provide to said companies all services of an administrative, financial, accounting and legal nature and any opinion and advise or to order any studies or researches that are necessary for their development or growth;

- and more generally, all financial, commercial, industrial, personal and real property operations linked, directly or indirectly, to the above-mentioned corporate purpose or to all other complementary, related or similar purposes, which may promote the development or accomplishment thereof (Company bylaws, Article 2).

Trade and Commercial Register — APE Code

The company is registered with the "registre du commerce et des sociétés" of Marseille, under the number RCS B 314 093 352. Its economic activity code (APE) is 6420Z (Holding company activity).

Inspection of Legal Documents at the Registered Office of the Company

The Universal Registration Document may be viewed at the registered office of the company, on its website and on the website of the AMF. During the validity of the present Universal Registration Document, the bylaws, the Statutory Auditors' reports and the financial statements of the last three fiscal years, although with reports, mails and other documents, historical financial information of the company and its subsidiaries of the last three fiscal year, evaluation and declarations made by an expert, when these documents are statutory and any other statutory document, can be found at the registered office.

Financial Year

The financial year, also referred to as fiscal year, covers a period of twelve months, beginning on January 1 and ending on December 31 of each year (Company bylaws, Article 7).

Share Capital

Sartorius Stedim Biotech S.A.'s issued capital amounted to €18.4 million as of December 31, 2023, and was divided into 92,180,190 shares, each with a calculated par value of €0.20, with 73.6% directly held by Sartorius AG.

Specific Clauses in the Company Bylaws

Form of Shares

Shares may be in nominative or bearer form according to the shareholder's choice. These shares are entitled to be recorded in an account in accordance with French law (Company bylaws, Article 10).

Appropriation of Profits

The income statement that summarizes the income and expenses of the reporting year discloses by difference, after deduction of amortization, depreciation and provisions, the profit for said reporting year. At least 5% must be deducted from the annual profit reduced, where appropriate, by prior losses, to set up the legal reserve. This deduction ceases to be obligatory when the legal reserve amounts to one tenth of the share capital. This obligatory deduction resumes when, for whatever reason, the legal reserve falls below this one tenth. The distributable profit comprises the profit for the reporting year less prior losses and amounts transferred to reserves, pursuant to French laws and the company bylaws, and increased by profit brought forward. This profit is distributed among all shareholders in proportion to the number of shares each one holds. The Annual General Shareholders' Meeting may decide to distribute amounts taken from reserves available to it by expressly indicating the reserve from which the transfers are made. However, dividends are disbursed by way of priority from the annual profit for the reporting year. Except for a reduction in capital, no distribution may be made to shareholders when the equity falls below, or would consequently fall below, the amount of the capital together with the reserves that French laws or the company bylaws do not permit to distribute. Revaluation surplus is not distributable. It may be incorporated in full or part into the company's capital. However, after transferring the amounts to the reserves, pursuant to French law, the Annual General Shareholders' Meeting may transfer any amount it considers necessary to all available reserves, ordinary or extraordinary reserves, or carry it forward (Company’s bylaws, Article 24).

Shareholders' Meetings (Company's Bylaws, Extract of Article 22)

Convening

Annual (or Ordinary) General Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary General Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the General Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated. General Meetings are convened by the Board of Directors or, by default, the independent auditors or a person thus empowered. General Meetings are held at the registered office or any other place stated in the notice of convocation. The forms and timescale of the notice of convocation are governed by French laws.

Agenda

The notices and letters of call shall indicate the indications required by the law, particularly the agenda, the company electronic address where written questions of Shareholders may be sent and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities Shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion on the agenda of draft resolutions.

In accordance to the Articles R 225-71 to R 225-74 of the Commercial Code, requests made by the Shareholders to register draft resolutions on the agenda and written questions are sent to the Headquarters by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of draft resolutions, which may have a short explanation of reasons. These requests are subject to justification of possession or representation of required Share capital, in accordance to regulatory rules

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting adjourned are called at least ten days in advance in the same form as the first meeting

Admission to Meetings – Powers

Every shareholder has the right to attend General Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a General Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the nominative share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the second working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the General Meeting in person but who have not received an admission pass by zero hours, Paris time, on the second working day prior to the meeting.

A Shareholder may be represented by another Shareholder, his or her spouse or by the partner with who he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other moral or physical person of his choice in accordance to the Articles L. 225-106 to -106-3 of the Commercial Code; in that aim, the representative must present valid proof of proxy.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

All Shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company three days before the date of the Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company.

Board of Directors (Company Bylaws, Extract of Article15)

1. Subject to legal exemptions, the Company is directed by a Board of Directors composed of a minimum of three members and a maximum of eighteen.

   The composition of the Board of Directors is made with a balance number of men and women.

2. During the duration of the company's existence, directors shall be appointed or renewed in office by the ordinary general meeting. However, in case of merger, directors may be appointed by the extra-ordinary general meeting deciding on the transaction.

3. Each director must, during his entire term of office, own at least one share.

4. Directors have a term of office of three years.

   Directors' duties shall cease at the end of the ordinary general meeting deciding on the accounts of the financial year elapsed, held in the year when the term of office of the director concerned expires.

   Directors may be renewed in office. They may be removed from office at any time by the ordinary general meeting.

5. No person may be appointed director if, having reached the age of 75, his appointment would result in more than one third of the members of the board of directors exceeding that age. If that proportion is exceeded, the oldest director shall automatically be deemed to have resigned at the end of the ordinary general meeting approving the accounts of the financial year when exceeded.

6. Directors may be individuals or legal entities. Directors who are legal entities are required, upon their appointment, to appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same liability as though personally a director, without prejudice to the several liability of the legal entity represented.

   When the legal entity who is a director terminates the mandate given to its permanent representative, it shall promptly notify the Company, by registered letter, of its decision as well as the identity of its new permanent representative. The same applies in the event of death or resignation of the permanent representative.

7. If one or more directors' seats become vacant between two general meetings due to death or resignation, the board of directors may proceed to make appointments on an interim basis so as to fill the seats on the Board. These appointments must be made within three months of the vacancy, when the number of directors has fallen below the minimum under the articles of association but without falling below the statutory minimum.

   Interim appointments made in this manner by the Board are subject to ratification by the next ordinary general meeting. Failing ratification, the decisions taken or the acts accomplished shall nonetheless remain valid.

   When the number of directors falls below the statutory minimum, the directors remaining in office are required to immediately call an ordinary meeting so as to fill the vacant seats on the Board.

   A director appointed in replacement of another shall only remain in office for the remaining term of office of his predecessor.

8. Directors who are individuals cannot concomitantly hold more than five seats on the board of directors or supervisory boards of Sociétés Anonymes having their registered office in metropolitan France, subject to the exceptions provided by law.

9. A Company employee may not be appointed a director unless his employment agreement corresponds to effective employment. He shall not lose the benefit of his employment agreement. The number of directors bound to the Company by an employment agreement may not exceed one third of the directors in office.

10. In accordance with the applicable law, there shall be one director representing employees when the number of directors is equal to or less than 8. The director representing employees is:

- elected by the employees of the company and its direct or indirect subsidiaries which have their registered office located in France under the conditions provided in this article, or

- appointed by the trade union organisation that obtained the most votes during the first round of the elections mentioned in Articles L. 2122-1 et L. 2122-4 of the French Labour Code in the Company and its direct or indirect subsidiaries which have their registered office located on France, or

- appointed by the works council.

When the number of directors is more than 8, a second director representing employees is:

- elected by the employees of the company and its direct or indirect subsidiaries which have their registered office located in France, or

- appointed by the trade union organisation that obtained the most votes during the first round of the elections mentioned in Articles L2122-1 et L2122-4 of the French Labour Code in the Company and its direct or indirect subsidiaries, of which the registered offices are located in France, or

- appointed by the works council; or

- appointed by the European works committee.

The absence of the appointment of one or more directors representing employees in application of the applicable law and the present constitution shall not entail the invalidity of the deliberations of the board of directors.

11. Directors representing employees are not included in the minimum number and maximum number of directors specified in Articles L.225-17 and L.225-18-1 of the French Commercial Code.

12. Directors representing employees must have an employment contract with the Company or with one of its direct or indirect subsidiaries which have their registered office located in France predating their appointment by at least two years and relating to an actual employment.

13. Directors representing employees are elected for 3 years. The term of office of the director thus appointed shall end during the ordinary shareholder's Meeting of the closing of the accounts, held the year of the end of the term of the office.

14. The termination of the employment contract shall end the office of the directors representing employees.

    Directors representing employees may not be dismissed other than for fault in the performance of their office by order of the judge of the Tribunal Judiciaire territorially competent, ruling by way of summary proceedings at the request of the majority of the members of the board of directors.

15. In the event of vacancy of an office of a director representing employees due to death, resignation, dismissal, breach of employment contract or for any reason whatsoever, the vacant office shall be filled pursuant to Article L.225-34 of the French Commercial Code.

Organization and Management of the Board of Directors (Company Bylaws, Article 16)

1. The Board of Directors elects a Chairman from among its members who are individuals and determines his remuneration. It sets the duration of the Chairman's term of office, which may not exceed his office as director.

2. No person may be appointed Chairman of the Board of Directors if over the age of 75. If the Chairman in office exceeds that age, he shall be deemed to have automatically resigned.

3. The Chairman represents the Board of Directors. He organizes and directs its work, and reports on it to the general meeting. He ensures the proper operation of the Company's decision-making bodies and ensures, in particular, that the directors are themselves in a position to fulfill their duties.

4. In case of absence or impediment affecting the Chairman, the Board of Directors appoints an acting Chairman of the meeting.

5. The Board of Directors appoints a secretary who may be chosen, either from among the directors or outside them. The secretary shall be replaced by simple decision of the Board.

Meetings and Decisions of the Board (Company Bylaws, Article 17)

1. The Board of Directors meets, upon the call of its Chairman, as often as required by the interest of the Company. However, directors representing at least one third of the members of the Board of Directors may, by precisely indicating the meeting's agenda, call a Board if it has not met within the last two months.

   The CEO, if not chairing the Board of Directors, may request the Chairman to call a Board meeting with a specified agenda.

2. The meeting shall take place at the registered office or in any other location indicated in the notice of call. The call to meeting, indicating the agenda, should be sent at least 7 days beforehand by letter, telegram, telex or fax. The call may be verbal and the meeting may be held immediately if all of the directors are in agreement.

3. For the Board of Directors to validly deliberate, at least one half of the directors are required to be present or represented.

   The Board's decisions are taken at a majority of the members present or represented.

   The acting Chairman has a casting vote.

4. An attendance sheet shall be held and signed by directors participating in the Board meeting.

5. The internal regulations established by the Board of Directors may provide that directors participating in a Board meeting by videoconference in accordance with the applicable regulations are deemed present for the purposes of calculating quorum and majority.

This provision shall not apply for the adoption of the following decisions:

- appointment, remuneration, removal of the Chairman, CEO and deputy CEO;
- closing of annual accounts, consolidated accounts and preparation of management report and report on the management of the group.

6. The Board of Directors' deliberations are recorded in minutes held in accordance with the applicable laws. The minutes are signed by the acting Chairman and by one or two directors.

Copies or excerpts of the minutes of the Board of Directors' deliberations shall be validly certified by the Chairman or by the CEO.

Powers of the Board of Directors (Company Bylaws, Article 18)

1. The Board of Directors determines the Company's business guidelines and ensures that they are implemented. Subject to the powers expressly granted by law to shareholders' meetings and within the limit of its corporate objects, it deals with any matter relating to the proper running of the Company and by its deliberations governs the affairs of the company.

   In its dealings with third parties, the Company is bound even by acts of the Board of Directors that are outside its corporate purpose, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

2. The Board of Directors shall carry out any controls and verifications it deems appropriate.

   Each director shall receive the information necessary to the performance of his duties and may obtain all documents he considers useful from the General Management.

3. The Board of Directors may give all delegations of authority to the representatives of its choice within the limit of its authority under the law and under these articles of association.

   The Board may decide on the creation of review committees in charge of studying the issues that the Board or its Chairman submits to it.

General Management (Company Bylaws, Article 19)

Mode of Operation

In accordance with Article L. 225-51-1 of the Commercial Code, the Company's General Management is ensured, under his responsibility, either by the Chairman of the Board of Directors or by any other individual appointed by the Board of Directors with the title of CEO.

The choice between these two modes of operation of General Management is made by the Board of Directors. The Board's decision concerning the choice of mode of operation of General Management is taken by majority vote of the directors present or represented. Shareholders and third parties are informed of the choice made by the Board of Directors under the conditions set forth by the applicable regulations.

The Board of Directors may modify the option chosen at any time.

A change in the mode of operation of General Management shall not entail any modification of the articles of association.

Depending on the mode of exercise chosen by the Board of Directors, the Chairman or a CEO shall ensure, under his responsibility, the General Management of the Company.

The CEO is appointed by the Board of Directors, which sets the duration of his term of office, determines his remuneration and, as applicable, the restrictions on his powers.

For the performance of his duties, the CEO must be under the age of 75. When this age limit is exceeded during the course of his term of office, the CEO shall be deemed to have automatically resigned and a new CEO shall be appointed.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Powers of the CEO (Scope and Limitation)

The CEO is vested with the broadest powers to act in all circumstances on behalf and in the name of the Company. The CEO shall exercise these powers within the limit of the corporate objects, and subject to the powers expressly granted by law to shareholders' meetings and to the Board of Directors. The CEO represents the Company in its dealings with third parties. The Company is bound even by those acts of the CEO that are outside its corporate objects, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

As the functions of Chairman of the Board of Directors and Chief Executive Officer are combined, the Board of Directors has enacted an internal regulations to ensure the balance of power. According to such internal regulations, the CEO and/or deputy CEO (s)cannot make certain decisions without the Board of Directors prior authorisation.

More precisely, the following decisions shall require the prior authorisation of the Board of Directors before being implemented by the CEO and/or deputy CEO(s):

Internal Regulations of the Board of Directors (Extract)

1. Investments, Financing

a) Determination of the corporate and financial plan as well as amendment of this plan if the impact on the EBIDTA plan is more than 5%.
b) Taking out of loans that are not included in the established corporate and financial plan according to Article 2, No. 1 a), and the nominal amount of which exceeds fifty million euros (in an individual case or taken together with comparable measures), as well as granting of loans. Prolongation of existing financial liabilities and loans as well as those between Affiliate companies are exempted from this rule.
c) Provision of sureties, guarantees or other securities for third parties that go beyond the ordinary scope of business. Affiliate companies are not third parties.

2. Business Activities, Investments

d) Engaging in new business activities and relocating business activities by more than 50km insofar as this affects more than 50 employees; establishing and closing sites where more than 50 employees are concerned.
e) Formation, capitalization, acquisition, sale, encumbrance and dissolution of affiliated companies or shareholdings, provided that the value of the measure exceeds five million euros or more than 50 employees are affected.

3. Human Resources

f) The conclusion of employment contracts for new employees requires the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent, if the annual remuneration including variable components exceeds three hundred fifty thousand euros.
g) The approval of severance pay upon the termination of employment contracts of managers (within the meaning of the legal regulations to be applied locally), provided that this exceeds twice the annual remuneration including the variable components, shall require the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent.
h) Adoption or acceptance of pension plans, pension commitments or changes to pensions requires the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent.

4. Contracts

i) The acquisition, sale or encumbrance of land, property and leasehold rights and similar rights thereto as well as real estate rights if the amount exceeds five million euros in each individual case.
j) The conclusion, material change and termination of contracts whose volume accounts for more than 5% of the planned EBITDA of the Sartorius Group and are not provided for in the corporate and financial plan according to Article 2, No. 1 a).
k) Consultancy contracts of any kind that give rise to financial liabilities of more than five hundred thousand euros per financial year and that are not provided for in the corporate and financial plan according to Article 2, No. 1 a).

5. Litigation

l) Initiation of proceedings before national courts or arbitration tribunals where the value of the amount in dispute is more than one million euros, and settlements in such proceedings.

6. Miscellaneous

m) Donations for charitable purposes as far as the total volume exceeds an amount of two hundred fifty thousand euros in the financial year.
n) Transactions or measures that go beyond the ordinary scope of business.

Additionally, in order to reinforce the balance of power and the prevention of conflict of interest, within his office of Board Membership, each Director must ensure that there is not conflict of interest against the company. To that end, the Charter sets out the rights and obligations of the Directors. It is delivered to each new Director when he takes up office. Each Director undertakes to be bound by and put into practice the rules contained in the Charter.

Charter of the Board's Members (Annexed to the Internal Regulation)

1. Knowledge of Rights and Obligations

Before accepting office, each Director must ensure that he has acquainted himself with the laws and regulations relating to his function as Director, the articles of association of the Company, this Charter and the operating rules of the Board of Directors as described in its Internal Regulations.
Each Director may at any time consult the Secretary of the Board of Directors on the meaning of such rules and regulations and the rights and obligations of his function as Director.

2. Shareholder Representation

The Board of Directors collectively represents all of the shareholders and must act in all circumstances in the corporate interests of SARTORIUS STEDIM BIOTECH.
Whatever the manner of his appointment, each Director must act in all circumstances in the corporate interests of SARTORIUS STEDIM BIOTECH and represent the body of shareholders.

3. Directors' Shares in the Company

Each Company's Director must hold in his personal capacity at least one share of the Company, in accordance with article 6 of the articles of association.

4. Corporate Values

Excellence, Pride, in living an exceptional adventure together at SARTORIUS STEDIM BIOTECH, Respect and Loyalty, Team Spirit and Business Spirit are the values practiced daily by the Company.
Directors of SARTORIUS STEDIM BIOTECH must adhere to these values, respect and defend them.

5. Conflicts of Interest

Directors must, as soon as they are aware of any conflict of interest situation or potential situation, inform the Board of Directors and abstain from taking part in any discussions or voting on related matters.
If any conflict of interest becomes permanent, the relevant Director must offer his resignation.

6. Information

Directors are obliged to inform themselves and ensure that they obtain in good time all information necessary for the performance of their duties. Directors must in particular within the necessary time frame, request from the Chairman of the Board of Directors such information as they consider necessary to be able to contribute to the debate on items included on the agenda of the Board meeting.
Conversely, it should be recalled that the Chairman of the Board of Directors is obliged to ensure that Directors are properly informed to enable them to carry out their mission.

7. Duty of Care

Each Director must dedicate the necessary time and attention to his duties and, when accepting a new appointment, ask himself whether this appointment will allow him to satisfy that duty.

In all events, each Director, whether a natural person or standing representative of a legal entity, must comply with the laws, regulations and provisions of the articles of association (article 6) relating to multiple directorships.

8. Duty of Regular Attendance (or Regular Attendance)

Each Director must, unless it is actually impossible for him to do so, attend all Board meetings and, in respect of those Committees of which he is a member, Committee meetings as well as all General Meetings.

9. Insider Dealing (or Privileged Information)

Each Director shall refrain from carrying out any transactions on SARTORIUS STEDIM BIOTECH securities if he holds, by virtue of his office, to any information that has not yet been made public.
He also undertakes to comply with the internal rules of the Company relating to the use or communication of privileged information and with all applicable laws and regulations.
He shall report to the Secretary of the Board any difficulties encountered in applying this rule.

10. Professional Secrecy

With respect to non-public information acquired during the course of his duties, each Director (of SARTORIUS STEDIM BIOTECH) must consider himself bound by an absolute obligation of secrecy which goes beyond the duty of discretion imposed by article L. 225-37 para 6 of the Code de Commerce relating to information of a confidential nature and presented as such by the Chairman of the Board of Directors.

Deputy Chief Executive Officers (Deputy CEOs)

Upon the motion of the CEO, whether this position is filled by the Chairman of the Board of Directors or by another person, the Board of Directors may name one or more individuals with responsibility for assisting the CEO with the title Deputy Chief Executive Officer (*Directeur Général Délégué*).

The maximum number of Deputy CEOs may not exceed five.

In agreement with the CEO, the Board of Directors shall determine the scope and the extent of the powers granted to the Deputy CEO and set their remuneration.

As regards third parties, the Executive Vice Presidents or the Executive Vice Presidents have the same powers as the CEO.

Upon the cessation of his duties or in case of impediment affecting the CEO, the Deputy CEOs shall retain, unless otherwise decided by the Board of Directors, their office and authority until the appointment of a new CEO.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Conditions for the Exercise of Voting Rights – Majority Quorum

At Annual and Extraordinary General Meetings, the quorum is calculated on the basis of the shares comprising the share capital and, in Special Meetings, on the basis of all the shares of the class concerned, net of shares not entitled to voting rights by virtue of the law.

In the event of postal voting, only the forms received by the company prior to the meeting will be considered when calculating the quorum, under the conditions and timeframe set by the decree.

The right to vote conferred to shares is proportional to the capital they represent. With an equal par value, every share in capital or income right carries the right to one vote.

In the event that the shares are pledged, the voting right is exercised by the holder of the securities. The issuing company may not validly vote with shares subscribed, acquired or taken in pledge by it; these shares are not taken into account to calculate the quorum.

The voting takes place and the votes are cast by show of hands, or by those sitting and standing, or by roll call, as decided by the officers of the meeting.

Further Information on Voting Rights

There is no limit in the bylaws on voting rights.

A double voting right is conferred to the holders of registered shares that are fully paid up and that have been registered in the name of the same holder for at least four years.

In the event of conversion to bearer form, the converted share immediately forfeits its double voting right. In the event of a capital increase by incorporation of reserves, profits or share premium, this double voting right applies to new shares issued and allocated free of charge to a shareholder on the basis of existing shares that already carry this right. This revision to the bylaws was unanimously passed by the General Shareholders' Meeting in an extra-ordinary session on August 24, 1994. It may be cancelled by a General Shareholders' Meeting convened in an extraordinary session and after ratification by a Special Meeting of the beneficiary shareholders.

As of December 31, 2023, Sartorius AG has held 73.6% of the Stedim Biotech S.A.'s share capital and 84.6% of the voting rights outstanding. The remaining 26.4% of Stedim Biotech S.A. shares are in free float, corresponding to 15.4% of the voting rights outstanding.

The Annual General Shareholders' Meeting is held at least once a year, within six months of the year end, to consider the financial statements of that year, subject to an extension of this timeframe by a legal decision. The Annual General Shareholders' Meeting may only validly deliberate, upon the first convocation, if the shareholders present — represented or voting by post — hold at least one quarter of the shares with a right to vote. No quorum is required upon the second convocation. The meeting decides on the basis of the majority of votes held by shareholders present or represented, including shareholders voting by post.

Shareholders' Agreement

None

Crossing Legal Thresholds

Any shareholder whose shareholdings cross the legal thresholds defined by French law, either upwards or downwards, must declare said crossing by notification of the Autorité des Marchés Financiers, pursuant to the law in force. The bylaws of the company do not provide for any additional threshold declarations. There were no cross threshold declared in 2023.

Identification of Shareholders

Within the legal and regulatory framework, the company is authorized to seek the identity of bearer shareholders.

Payment of Dividends

The Annual General Shareholders' Meeting has the power to give every shareholder, for all or part of a dividend payable, the option of receiving this dividend in shares, as provided by French law, or in cash.

The terms of the payment of the dividend in cash are set by the General Meeting or, by default, the Board of Directors. Cash dividends must be paid within a maximum of nine months after the end of the reporting year, unless this timeframe is extended by legal authorization. However, this profit may be distributed as an interim dividend prior to the approval of the annual financial statements when a balance sheet prepared during or at the end of a financial year and certified by the independent auditors discloses that the company has realized a profit since the close of the previous financial year, after recognition of the necessary amortization, depreciation and provisions, as well as after deduction, where relevant, of prior losses and amounts to be transferred to the reserves, as required by French laws or the company bylaws. These interim dividends may not exceed the profit thus defined. No reimbursement of dividends may be required from shareholders unless the distribution was made in violation of legal provisions and the company determines that the beneficiaries were aware of the illegality of this distribution at the time it occurred or could not ignore this nature of the dividends. Where this occurs, the shares in reimbursement are time-barred three years after the payment of these dividends. Dividends not collected within five years of their payment are time-barred (Company bylaws, Article 25).

Financial Score

None

6.2 Other Information on the Assets, Financial Position and Results for the Group

Major Contracts[1]

Several service agreements were entered into between entities of the divisions of the Sartorius Group and Sartorius Stedim Biotech Group, in order to enable the entities from both divisions to benefit from certain general administrative services under the same terms.

Among these service agreements, the service agreement with the highest volume and importance is in place between Sartorius Stedim Biotech GmbH and Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG. Sartorius Corporate Administration GmbH provides general administrative services to Sartorius Stedim Biotech and the other entities of the Sartorius Group. Such services include, among others, accounting, treasury management, payroll accounting for human resources, IT systems and legal services. Sartorius Corporate Administration GmbH invoices its services on the basis of the internal and external costs incurred plus a margin of 3%. The services invoiced by Sartorius Corporate Administration GmbH to Sartorius Stedim Biotech GmbH in 2023 totalled €96.2 million against €91,8 million in 2022.

Furthermore, Sartorius Stedim Biotech SA is financed through its parent company Sartorius AG and its affiliates. In 2023 Sartorius Stedim Biotech raised an additional unsecured loan amounting to €3 billion to finance the acquisition of Polyplus. On Sartorius AG level this transaction was financed via the placement of a bond through its affiliate Sartorius Finance B.V. The terms and conditions (terms: 3-12 years; interest rates: 4.25%-4.875%) of the bond are passed through to Sartorius Stedim Biotech SA. In addition, Sartorius Finance B.V. and Sartorius AG are charging a treasury fee to cover the incurred costs plus margin and to compensate the granted guarantees. This treasury fee was calculated by an external consultant and is considering the arms'-length-principle. In 2023 an amount of €40,4 million was charged as interest expense and an amount of €0.5 million as treasury fee. For further details refer to the Notes to the Consolidated Financial Statements.

Apart from the above-mentioned service agreements, there are no other contracts with material obligations or commitments that have been concluded outside the ordinary course of the company's business or to which a member of the Sartorius Stedim Biotech Group is a party.

The strategy of the Sales and Marketing organization within the Sartorius Stedim Biotech Group towards customers is to create valuable long-term relationships. Therefore, for example, key account management endeavours to conclude long-term framework contracts with customers. As a total solution provider, Sartorius Stedim Biotech strives to use such contracts to cover the entire product portfolio of Sartorius Stedim Biotech that fits into the validated processes of the customer.

1 Please refer to section 44 on related parties

6.3 Special Report of the Statutory Auditors on Related Party Agreements

General meeting of Shareholders to approve the financial statements for the year ended 31 December 2023

To the Shareholders of Sartorius Stedim Biotech S.A.,

As statutory auditors of your company, we present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions including the reasons justifying their benefit to the company, of the related party agreements that we have been informed of or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements. It is your responsibility, in accordance with article R. 225-31 of the French commercial code ('Code de Commerce'), to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code concerning the implementation, during the year, of the agreements already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body ('Compagnie nationale des commissaires aux comptes') relating to this type of engagement.

Related Party Agreements Submitted for Approval by the General Meeting of Shareholders

Related party agreements authorized and concluded during the previous accounting period

We hereby inform you that we have not been advised of any agreements authorized and concluded during the previous accounting period to be submitted to the general meeting of shareholders for their approval in accordance with article L. 225-38 of the French Commercial Code.

Related Party Agreements Already Approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements already approved by the general meeting of shareholders and which continued during the previous financial year.

Marseille, on the 9 February 2024

The Statutory Auditors

French original signed by

KPMG Audit
Department of KPMG S.A.

Nicolas BLASQUEZ

Deloitte & Associés

Philippe BATTISTI

6.4 Information on the URD and the Annual Financial Report

Declaration of Responsibility for the Universal Registration Document and the 2023 Annual Financial Report

I hereby certify, that the information contained in the present Universal Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the company and all the activities included in the consolidation, and that the management report enclosed presents a fair review of the development and performance of the business and financial position of the company and of all the activities included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the auditors stating that they have audited the information contained in this Universal Registration Document about the financial position and financial statements and that they have read this document in its entirety.

February 15, 2024

René Fáber

CEO

Table of Reconciliation

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6.5 Glossary

Industrial | Product-specific Terms

Antibody drug conjugates (ADC)
New class of highly potent biological drugs built by attaching a small molecule anticancer drug or another therapeutic agent to an antibody, with either a permanent or a labile linker

Bags, single-use
Plastic disposable bag used in bioreactors and for storing liquids, such as culture media, intermediate products and biopharmaceuticals

Biopharmaceuticals, also biologics or biological medical drugs
Any pharmaceutical drug products manufactured using biotech means and genetically modified organisms

Bioprocessing technology
Covers the process engineering aspects of biotech manufacturing operations. Such aspects include general planning and implementation of a production process, its monitoring and control, and all technologies required for these purposes

Bioreactor
In English-speaking countries, a bioreactor is used as a vessel for cultivating animal or human cells in a culture medium. In non-English-speaking countries, this term is also used synonymously with "fermentor" that is a system in which microorganisms (bacteria, yeast, fungi) multiply. In any case, these vessels are used to obtain cells, parts of these or one of their metabolites.

CAR T cells
New class of highly effective biopharmaceuticals used in cell and gene therapy in which the patient's own T cells are collected from the blood and genetically modified so that they can identify and destroy cancer cells

Cell culture media
Growth media that provide cells and organisms the nutrients needed to support their propagation in cultures

Cell line technology
Covers various technologies used within the scope of analytical and process steps to develop stable and productive cell lines

Chromatography
A key process step for downstream processing of active pharmaceutical ingredients of biopharmaceuticals; this step isolates the product from fermentation or cell culture broth (known as "capture") and covers subsequent purification steps (referred to as "polishing")

Downstream processing
Collective term for the various steps that follow fermentation or cell cultivation in the production of biopharmaceuticals; for example separation, purification and concentration

EMA – European Medicines Agency
European Union agency for the evaluation of medicinal products.

FDA – Food and Drug Administration
U.S. governmental agency responsible for monitoring foods and biotechnological, medical, veterinary and pharmaceutical products.

Fermentation
Technical process used to produce or transform intra- or extracellular substances with the help of microorganis

Fluid management technologies
Technologies and systems for use in handling sensitive biological liquids; for example single-use bags for the preparation, storage and transport of biopharmaceutical solutions, intermediates and final bulk products

Life sciences
Collective term for all natural sciences dealing with the study of processes or structures of living organisms or in which such organisms are involved. This term is often commonly used in relation with application-oriented fields of science that focus on manufacturing pharmaceuticals using biotechnology.

Liquidity provider
Investment service provider that is mandated by an issuer to improve the liquidity of shares

Market Abuse Regulation (MAR)
EU Regulation that aims to increase market integrity and investor protection by preventing insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse) on European financial markets

Membrane chromatography
Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system

Membrane (filter)
Thin film or foil made of polymers;because of its porous structure, this film is used as core component for all filtration applications.

Monoclonal antibodies
Synthetic antibodies that are increasingly being used in medical diagnosis and treatment

Purification
In downstream processing, a step covering all process technologies used after cell harvesting to further separate an active pharmaceutical compound from other components present in fermentation or cell culture broth in order to obtain a pure and concentrated final product

Single-use | Reusable product
In biopharmaceutical production, the term “single-use” defines an item intended to be used only one time. Such an item consists of plastic and is disposed of after use. By contrast, reusable products are made of stainless steel or glass and entail time and effort to clean them afterwards for repeated use.

Upstream processing
Upstream processing is defined as the entire process from early cell isolation and cultivation, to cell banking and culture expansion of cells until final harvesting. It refers to the part of the bioprocess in which cells or cell lines are grown in bioreactors (see bioreactor).

Validation
Systematic checking of essential steps and facilities in research and development and in production, including testing pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality

Business | Economic Terms

Amortization
Amortization relates exclusively to potential reductions in the value of goodwill and the allocation of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3.

CAPEX ratio
Investment payments in relation to sales revenue for the same period

Cash pooling agreements
The term "cash pooling" or "liquidity bundling" refers to intra-group liquidity balancing by a central financial management system, usually assumed by the parent company of a group, which withdraws excess liquidity from the group companies or offsets liquidity shortfalls by loans. It is an element of cash management.

Cash flow
Cash balance of inflows and outflows of funds, representing the operating activities of an organization. Alternative: Difference between the available cash at the beginning of an accounting period and that at the end of the period

Constant currencies; currency-adjusted
In the presentation of figures, identical exchange rates are used for each of the comparative periods.

Derivative financial instruments
Instruments for hedging against the risks of changes in market prices in foreign currencies

EBIT
Earnings before interest and taxes

EBIT margin
Ratio of EBIT (see EBIT) to sales revenue

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBITDA margin
Ratio of EBITDA (see EBITDA) to sales revenue

Equity ratio
The ratio of equity to the balance sheet total

Extraordinary items
Extraordinary items essentially cover one-time expenses for corporate projects and integration and acquisition related items.

Factoring program
Sale of trade receivables to a bank or a financial service institute

Fixed assets
Sum of intangible assets, property, plant and equipment and financial assets

Free float
Shares of a public company that are freely available to the investing public

Goodwill
Difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

Normalized financial result
Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

Normalized income tax
Normalized income tax based on the underlying profit before taxes and non-cash amortization

Order intake
All customer orders contractually concluded and booked during the respective reporting period

Ratio of net debt to underlying EBITDA
Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period

Supply chain management
Setup and coordinated control of integrated flows of materials, information and finances (supply chains) over the entire value-added process

Treasury
Short- and medium-term liquidity management

Underlying EBITDA
EBITDA (see EBITDA) adjusted for extraordinary items (see extraordinary items)

Underlying EBITDA margin
Ratio of operating EBITDA (see underlying EBITDA) to sales revenue

Underlying (consolidated) net profit
Profit adjusted for extraordinary items, non-cash amortization and based on the normalized financial result (see normalized financial result) as well as the corresponding tax effects for each of these items.

Working capital
Inventories, including trade receivables, minus trade payables

6.6 Financial Schedule

Annual Shareholders' Meeting	March 27, 2024
Payment of dividends[1]	April 4, 2024
Publication of first-quarter figures January - March 2024	April 18, 2024
Publication of first-half year figures January - June 2024	July 19, 2024
Publication of nine-month figures January - September 2024	October 17, 2024
Publication of preliminary figures for fiscal 2024	January 2025
Annual Shareholders' Meeting	March, 2025
Publication of first-quarter figures for January – March 2025	April 2025

1 Subject to approval by the Annual Shareholders' Meeting

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