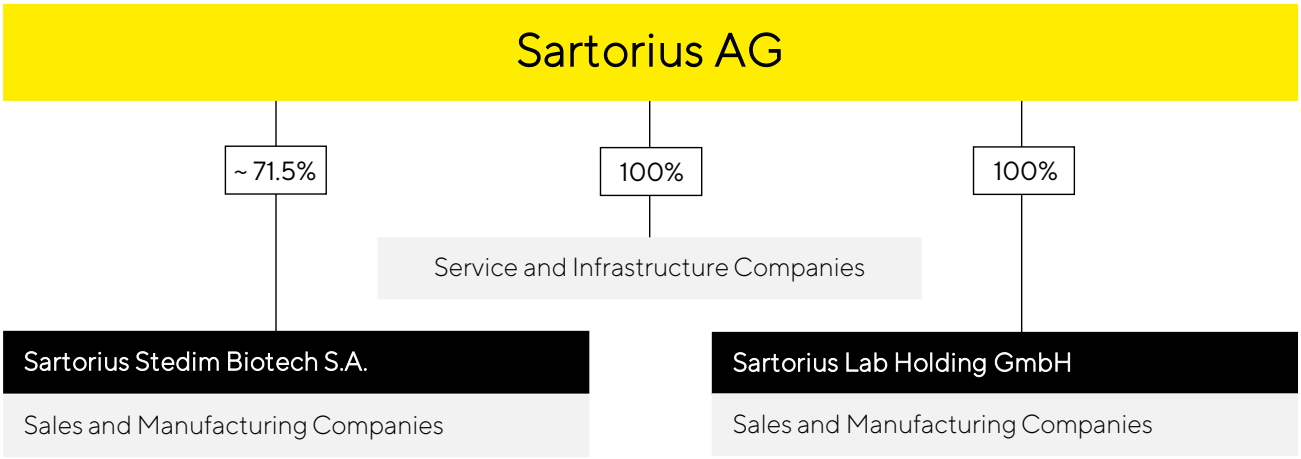
SARTORIUS

Combined Group Management Report

02

Structure and Management of the Group



Group Legal Structure

Sartorius is a globally operating company with subsidiaries in more than 30 countries. The holding company Sartorius AG is the parent corporation of the Sartorius Group. The corporation is headquartered in Göttingen, Germany, and is listed on the Frankfurt Stock Exchange.

Sartorius manages its bioprocess business as a legally independent subgroup, whose parent corporation is Sartorius Stedim Biotech S.A., which is listed on Euronext Paris. As of December 31, 2024, Sartorius AG held 71.5% of the shares of Sartorius Stedim Biotech S.A. The Group's lab business is legally combined in a further subgroup, whose parent company is Sartorius Lab Holding GmbH, in which Sartorius AG holds a 100% stake.

The consolidated financial statements include Sartorius AG and all major affiliates in which Sartorius AG has a controlling interest pursuant to IFRS 10.

Organization and Management of the Group

The Group's central management entity is the Executive Board of Sartorius AG. In collaboration with the Supervisory Board, the Executive Board defines the Group's strategy including its sustainability strategy, is responsible for the operational management of the Group, and controls the distribution of resources within the organization.

Sartorius conducts its operating business in two divisions: Bioprocess Solutions and Lab Products & Services. They each combine their respective businesses for the same fields of application and customer groups, utilizing synergies for sales where appropriate, for example, by accessing customers in different phases of the process chain. Both divisions also share part of the infrastructure and central services.

To align the business as closely as possible with customers' needs, the company's organizational structure is tailored based on the two divisions. All operational functions, such as Sales and Marketing and Production, including production-related functions, as well as Product Development, are organized by division. Administrative functions, support functions, and the Corporate Research unit operate across divisions.

Implementing the Group's various strategies and projects at the local level is the responsibility of the national affiliates. The management bodies of the local companies run their organizations in accordance with the applicable statutory provisions, Articles of Association, and rules of procedure, as well as with the principles and guidelines for corporate governance that apply throughout the Sartorius Group worldwide.

Financial Controlling and Key Performance Indicators

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

A key management parameter that Sartorius 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.

With regard to the Sartorius 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.

In addition, the following financial and non-financial indicators are 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
- Performance indicator for employee motivation and commitment
- Reduction of CO_2eq emission intensity

The annual financial forecast that Sartorius publishes for the Group and the divisions generally refers to the development of sales revenue and the underlying EBITDA margin. The expected Capex ratio, as well as a forecast for the ratio of net debt to underlying EBITDA, is additionally indicated for the Group.

Business Model, Strategy, and Goals

The following chapter contains information in grey that is typical for a management report and also covers reporting requirements under the ESRS.

[ESRS 2 SBM-1. 40 a) i.] As a leading partner of life science research and the biopharmaceutical industry, Sartorius helps its customers in the development and manufacture of biotech medications and vaccines – from the initial idea in the lab to commercial-scale production.

Sartorius has long-standing business relationships with leading pharmaceutical and biopharmaceutical companies as well as contract researchers and manufacturers worldwide. The company generates around 85% of its sales revenue with customers in the life science industry. Almost half of its sales revenue is attributable to its 50 largest customers, with no single customer contributing more than 5%. Sartorius records more than 90% of its sales revenue outside Germany; in a regional breakdown, EMEA and the Americas contribute the largest share, followed by the Asia | Pacific region. Further information can be found in the chapter "Group Business Development".

Biopharmaceuticals are used to treat numerous illnesses, mostly of a serious nature. However, long development times and complex production make these medications very expensive. This contributes 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 drug is a lengthy process: on average, it takes more than ten years to bring a new drug to market, at a cost of 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 industry, Sartorius' products and services enable customers to make their research, development, and production processes easier and more efficient, so that advanced therapeutics can reach the market faster and become accessible for more people worldwide. Therefore, contributing to the United Nations' sustainability goal "Good Health and Well-Being" is an integral part of Sartorius' business model.

[ESRS 2 SBM-1. 40 a) ii., 42b)] In this still comparatively young industry, the level of maturity, the intensity of competition and the innovation dynamics are successively increasing. To support customers in meeting these challenges, Sartorius is constantly developing its portfolio further. A key success factor is the broad understanding of applications based on a clear industry focus. Sartorius knows its customers' value chains and understands the interaction of the systems used particularly well. Another competitive advantage of the company is its ability to consistently stand out with highly differentiating technologies. Sartorius' innovative power is based on three pillars: the company's own specialized product development, collaboration with partners, and the integration of innovations through acquisitions. A third success factor is the high proportion of direct sales by a highly qualified sales team.

In recent years, Sartorius has systematically expanded its portfolio for the early phases of drug development. Access to early-stage development enables close customer relationships, which can be built upon in later development phases to provide an ever-larger part of the solution offering and to create sales synergies between the Group's two divisions.

[ESRS 2 SBM-1. 40 a) i., 42a)] Sartorius operates more than 30 manufacturing sites across the EMEA, Americas and Asia | Pacific regions. The company sources raw materials and intermediate products from the upstream value chain, including, in particular plastics, metal and electronic components, as well as chemicals. There is a high vertical integration for its top-selling product groups: Sartorius produces its filter products and single-use bags from supplied materials such as cellulose, polymers and plastic films; it also manufactures the electronics,

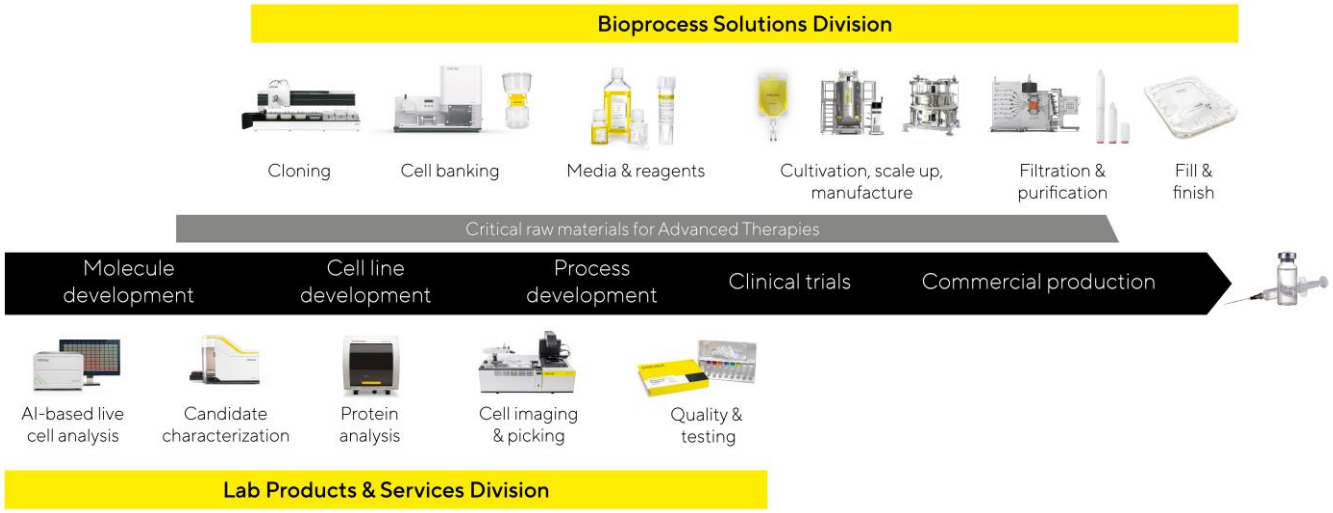
sensors, control and analysis software, as well as connectors for its bioprocessing equipment and laboratory instruments. Stainless steel components and housings are procured from contract manufacturers. Other services, such as product sterilization, packaging or logistics, are largely or entirely outsourced. The company's purchasing volume amounts to just under 40% of Group sales revenues, with no supplier having a dominant position. Around 700 suppliers account for approximately 80% of this volume. Around 70% of all suppliers are based in the EMEA region, just under a fifth in the Americas and others in Asia | Pacific.

With the biopharma industry, Sartorius 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. As a result, the biopharmaceutical industry is increasingly focusing on advanced therapies, such as cell and gene therapeutics and biotech tissue products. Further growth drivers are a growing world population and the increase in age-related diseases in industrialized countries. In addition, rising incomes in emerging countries are improving access to healthcare and increasing 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 particularly fast-growing. As a result of these factors, the volume of biopharmaceuticals and the demand for manufacturing technologies are increasing steadily, with market growth largely independent of economic cycles.

In addition to customers, other stakeholders such as employees, suppliers and shareholders also benefit from Sartorius' strong market position in the innovative life science industry and the company's sustainable growth.

In the following, the positioning and strategy of the company's two divisions, Bioprocess Solutions and Lab Products & Services, are outlined.

Strategic Focus on Biopharma Applications from Molecule Development to Production



Bioprocess Solutions

[ESRS 2 SBM-1. 40 a) ii.] The Bioprocess Solutions Division serves pharmaceutical and biotechnology companies, as well as contract manufacturers, with a focus on companies that produce biologics. The broad product portfolio covers all major steps of process development and production and includes cell lines, cell culture media and reagents, bioreactors, a variety of technologies for the separation, purification and concentration of biological intermediate and end products, as well as solutions for storage and transportation. In addition, the division offers data analysis software for modeling and optimizing biopharmaceutical development and production processes. Its products are used in the manufacture of a range of biological drug classes, such as monoclonal antibodies, vaccines, antibody drug conjugates, and cell and gene therapies. In its core technologies, Bioprocess Solutions has a leading market position, with significant double-digit market shares.

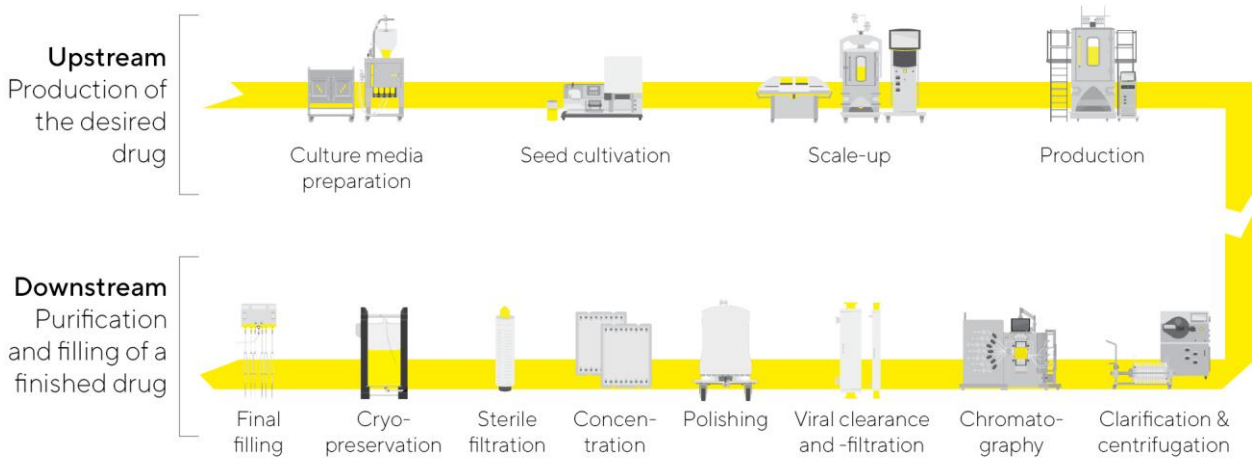
The Bioprocess Solutions Division differentiates itself from many competitors through its innovative strength, the breadth of its product portfolio and its scalability. It offers customers complete process solutions from a single source and supports them in process design, plant planning and subsequent validation - from small production quantities to large volumes. In addition to its focus on flexible, resource-efficient single-use technologies, the division is increasingly concentrating on solutions for intensified or continuous production processes. A broad portfolio has also been created for the production of novel modalities.

Recurring business with sterile single-use products accounts for about three-quarters of the division'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. While the share of sales can vary depending on the product group and region, there is a clear, long-term trend: the systematic expansion of the product portfolio and the above-average growth of these product groups is increasing the share of recurring business with single-use products. The high regulatory requirements on the part of customers are also a contributing factor: As production processes are validated by the health authorities as part of the application for approval of a new drug, components can only be replaced at considerable expense after such approval. Beyond this, the company's broad and stable customer base contributes to this favorable risk profile.

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

Information on the business development of this division is given in the chapter "Business Development of Bioprocess Solutions". Information on the competitive position can be found in the section "Macroeconomic and industry-specific environment".

Innovative Technologies for All Phases of Biopharmaceutical Drug Production



Schematic illustration

Lab Products & Services

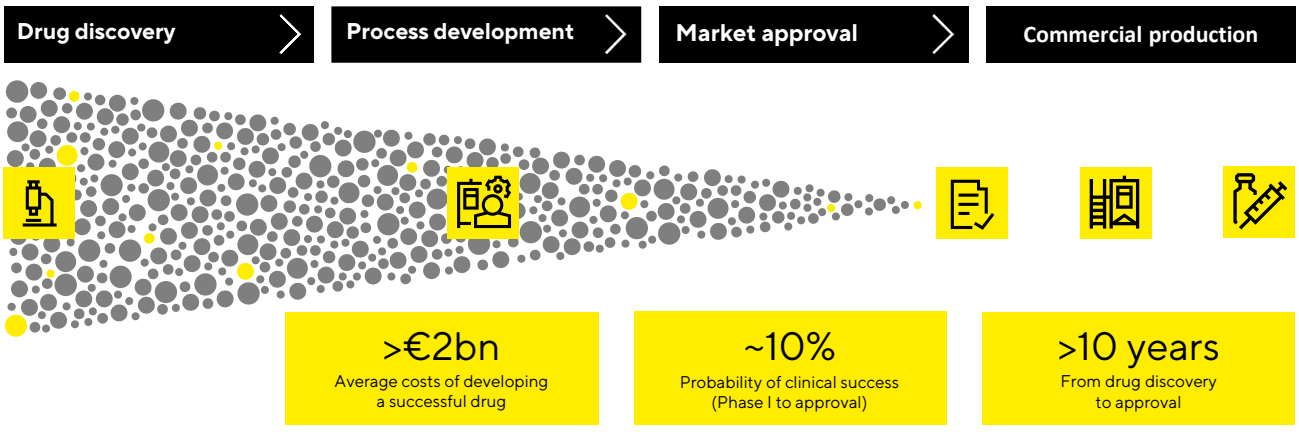
Over the past years, the Lab Products & Services Division has increasingly concentrated on the high-growth biopharmaceutical industry. With its products, the division addresses pharmaceutical and biotech research laboratories as well as academic research institutes.

[ESRS 2 SBM-1. 40 a) ii.] The division supplies scientists with the instruments and consumables they need to make their research and quality control easier and faster. For example, it provides life science customers with innovative systems for bioanalytics with reagents tailored to the respective process, to enable them to automate key analytical steps in the development of molecules, cell lines, and processes - steps which earlier were mostly carried out manually. In this way, considerably larger quantities of samples can be examined and extensive sets of data generated and evaluated within a short time, substantially accelerating the identification of suitable drug candidates or cell clones. This contributes to the acceleration of the protracted timelines of drug development and increases the efficiency of R&D labs in the biopharmaceutical industry. Approximately one third of the division's sales revenues are attributable to this fast-growing, highly profitable bioanalytics portfolio. Economies of scale and product mix effects should lead to a continuous increase in profitability.

Beyond this, Lab Products & Services offers a wide range of premium laboratory instruments such as laboratory balances, pipettes, and lab water systems as well as consumables, such as filters and microbiological test kits, which account for around two-thirds of sales. In these product categories, Sartorius has leading market positions and significant market shares. The company's solutions are designed to boost the efficiency and productivity of routine, yet quality-critical lab processes and industry-specific workflows. Aside from serving the needs of the biopharmaceutical industry, this portfolio is also tailored to quality control labs in the chemical and food industries.

Information on the business development of this division in 2024 is provided in the section "Business Development of the Lab Products & Services Division", while information on the competitive position can be found in the "Macroeconomic and Industry-Specific Environment" section.

Focus on Solutions to Improve the Protracted and Expensive Process of Medical Drug Development



Based on the data of the Tufts Center for the Study of Drug Development and the Association of the British Pharmaceutical Industry.

Global Presence

Americas

Puerto Rico – Yauco
USA – Albuquerque (NM), Ann Arbor (MI), Arvada (CO), Fremont (CA), Marlborough (MA), New Oxford (PA)

Asia | Pacific

China – Beijing, Shanghai
India – Bangalore

Europe | Middle East | Africa

Belgium - Milmort
Finland – Helsinki, Kajaani
France – Aubagne, Cergy, Liège, Loos, Lourdes, Pompey, Strasbourg
Germany – Bielefeld, Freiburg, Göttingen, Guxhagen, Jena, Ulm
Israel – Beit Haemek
Slovenia - Ajdovščina
Sweden - Umeå
Switzerland – Tagelswangen
Tunisia – Mohamdia
United Kingdom – Havant, Nottingham, Royston, Stonehouse, Glasgow

Growth Strategy and Focus Areas

Based on strong market drivers and its competitive positioning, Sartorius plans to continue its profitable above-market growth in the future. The company is realizing its growth ambitions through various initiatives with the following focus areas:

Development of the Product Portfolio

Sartorius has a broad product portfolio that is aligned with the value chain of the biopharma industry. The focus is on products that offer solutions for customers' needs and make the offering even more attractive. In recent years, the company has significantly expanded its portfolio with a focus on the three areas of bioanalytics, applications for intensified production processes and novel therapy classes, thereby strengthening the basis for further above-average growth. There is also increasing demand from pharmaceutical customers for technologies that make development and production processes more resource-efficient and therefore more environmentally sustainable, thus helping customers to achieve their sustainability goals.

The portfolio strategy of both divisions includes their own development activities, strategic partnerships and acquisitions. 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. Where acquisitions play a role, Sartorius pays particular attention to the following criteria: complementarity of technologies to its existing portfolio; strong market positioning, for example, through innovative products with unique selling propositions; integration capability; appropriate valuation; and a suitable growth and profitability profile.

Regional Growth Initiatives

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 and laboratory products. Yet because it is home to the company's main competitors for both company divisions, Sartorius formerly had a lower market share in this region than in Europe and Asia. By systematically strengthening its sales and service capacities, Sartorius has gained market share in North America in recent years, and intends to expand this further.

The Asian market also offers significant growth potential for Sartorius. The drivers here are demographic change, increasing prosperity, rising government spending on healthcare and the expansion of the regional biopharmaceutical industry. To benefit from this dynamic development, Sartorius has significantly strengthened its presence in this region.

A detailed description of investments is provided in the section "Group Business Development".

Optimization of Work Processes

Sufficient research and production capacities, as well as an efficient supply chain are the basis for organic growth. In recent years, Sartorius has substantially expanded its capacities at various Group sites with a long-term investment program, while at the same time further strengthening the resilience of its production network in the face of geopolitical uncertainties.

With regard to digital interfaces to its customers and internal processes, Sartorius is increasingly focusing on automation. The intention is to make it even easier for customers to contact Sartorius at any time, to receive relevant information on the product range and to place and track orders. To optimally position its internal infrastructure for further growth, the company is continuously working on simplifying and accelerating processes through digitalization. This includes enterprise resource planning as well as personnel management.

Research and Development

The Corporate Research function conducts cross-divisional research and development with a focus on long-term technological topics and works in close collaboration with external partners. The main task is to develop future key technologies and application fields. For this purpose, the division cooperates closely with customers, research institutes, technology companies and start-ups, for example in the development of high-performance software and hardware, in the development of artificial intelligence or in the area of continuous production. Corporate Research also conducts its own research activities in selected fields. These include, for instance, innovative technologies and methods for the development and production of new therapeutic approaches, new functionalities and improved materials properties - also with a respect to sustainability - or the application of artificial intelligence, In-silico simulations and predictive models in biopharmaceutical research and production.

The two divisions, Bioprocess Solutions and Lab Products & Services, each pursue product development focused on their respective product portfolios. A more detailed explanation of the focus areas can be found in the divisional chapters on pages 60 and 65. Further information, for example on the level of expenditures for research and development in the reporting year, can be found on page 47.