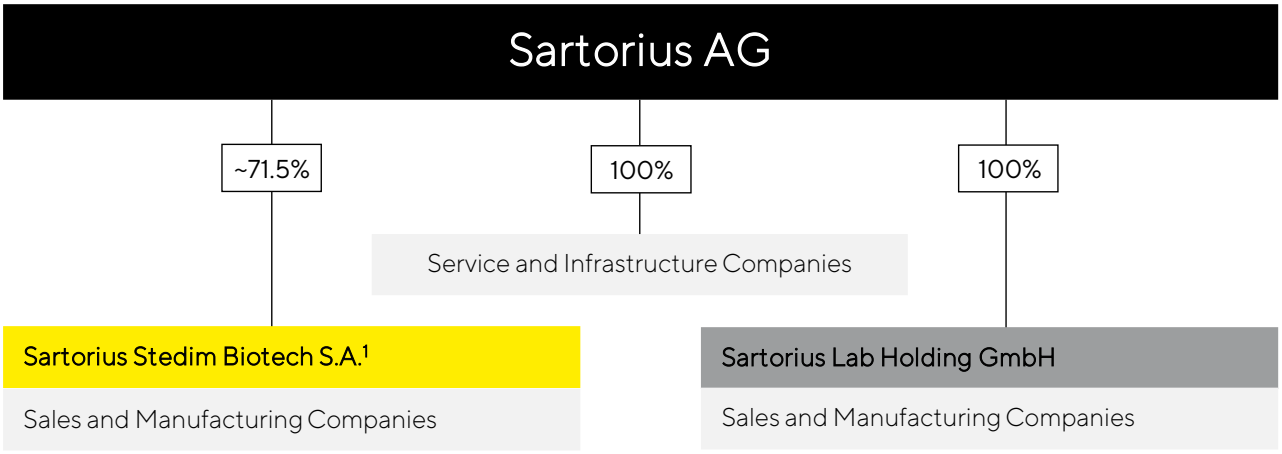
SARTORIUS

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, 2024, 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 around 30 countries and more than 9,900 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 71.5% of the share capital and around 83% 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 with respect to 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 the 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 85. 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, as well as 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.

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 344.

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.

In addition, the following financial and nonfinancial 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 CO2eq emission intensity

The annual financial forecast that Sartorius Stedim Biotech publishes 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 are also indicated.

2.2 Business Model, Strategy, and Goals

Market and Strategic Positioning

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

Sartorius Stedim Biotech has long-standing business relationships with leading pharmaceutical and biopharmaceutical companies as well as contract researchers and manufacturers worldwide. The company generates around 90% of its sales revenue with customers in the life science industry. More than half of its sales revenue is attributable to its 50 largest customers, with no single customer contributing more than 5%. Sartorius Stedim Biotech records more than 90% of its sales revenue outside France; 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 health care 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 Stedim Biotech's products and services enable 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, contributing to the United Nations' sustainability goal "Good Health and Well-Being" is an integral part of Sartorius Stedim Biotech's business model.

[ESRS 2 SBM-1.40 a) ii., 42 b)] In this still comparably 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 Stedim Biotech is constantly developing its portfolio further. A key success factor is the broad understanding of applications based on a clear industry focus. The company 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 Stedim Biotech's 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.

[ESRS 2 SBM-1.40 a) i., 42 a)] Sartorius Stedim Biotech operates around 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: The company 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. 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 450 suppliers account for about 80% of this volume. Around 70% of all suppliers are based in the EMEA region, with around one-sixth in the Americas and the remainder in Asia | Pacific.

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. 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 health care 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 Stedim Biotech’s strong market position in the innovative life science industry and the company's sustainable growth.

Products & Services

[ESRS 2 SBM-1.40 a) ii.] Sartorius Stedim Biotech 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 company 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 as well as gene therapies. In its core technologies, the company has a leading market positions, with significant double-digit market shares.

Sartorius Stedim Biotech differentiates itself from its 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.

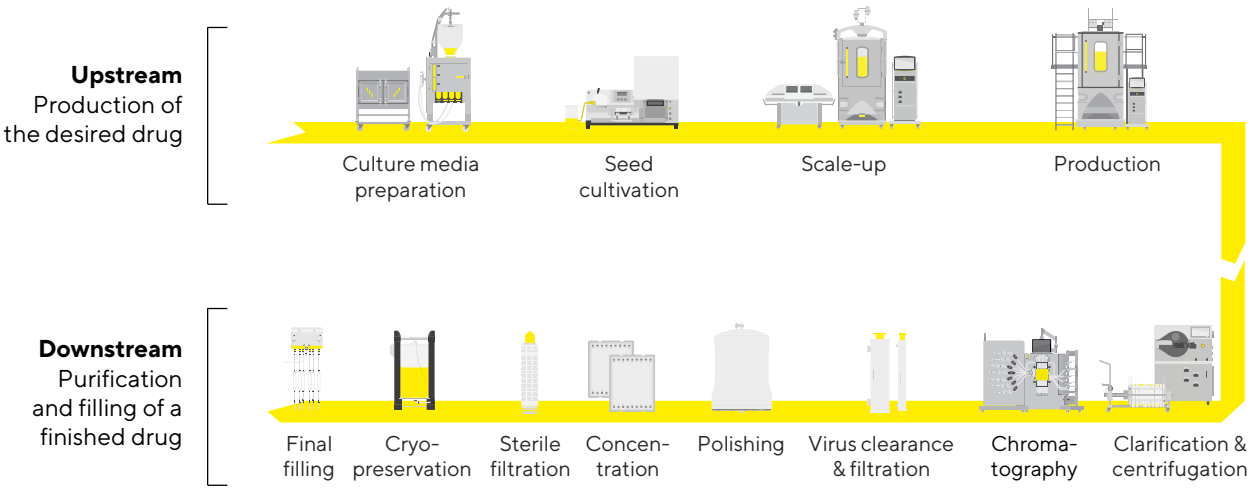
Recurring business with sterile single-use products accounts for about three-quarters of the company's sales revenue. These offer customers cost advantages, flexibility, and less resource usage - and thus a better ecological footprint compared with conventional processes employing reusable stainless-steel components. While the share of sales can vary depending on the product group and region, there is a clear, long-term trend: The targeted 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 the 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 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 is given in the chapter "Group Business Development".
Information on the competitive position can be found in the section "Industry-Specific Conditions".

Sources: Sartorius Stedim Biotech internal market research

Technologies for the Entire Added-Value Chain in Biopharmaceutical Production



Key Intangible Resources

Sartorius Stedim Biotech relies on a range of intangible resources to help customers simplify and optimize their production processes. Among these resources, long-standing customer relations, deep application expertise of customer processes, and a brand reputation stand out as the most significant.

Sartorius Stedim Biotech operates in a highly regulated market. Its products, bioprocessing equipment, and consumables, are embedded in the validated processes of biopharmaceutical manufacturers. As these products are used to develop and produce medicines, they are subject to rigorous quality and safety standards. There are only a limited number of specialized suppliers on the market. A high level of application expertise and process knowledge is required to be able to support this demanding customer group in their activities. Therefore, sales are largely handled directly by the company's own highly trained sales organization. The market entry barriers for new players are high and the well-established relationships with customers are correspondingly very valuable. The Sartorius brand is a trusted and well-known name in this sector for decades and associated with high-quality, innovative products, a strong service offering, and global supply ability.

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 are 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 clean room environment, Sartorius Stedim Biotech ensures that all products meet the applicable 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 where applicable. 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 and GMP. 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), Marlborough (MA), New Oxford (PA)

Asia | Pacific

China – Peking, Shanghai
India – Bangalore

Europe | Middle East | Africa

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

Growth Strategy and Focus Areas

Based on strong market drivers and its competitive positioning, Sartorius Stedim Biotech 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 Stedim Biotech 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 two areas of 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 includes own research and 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 Stedim Biotech considers 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. 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 North America in recent years and intends to expand this further.

The Asian market also offers significant growth potential for the company. Drivers are demographic change, increasing prosperity, rising government spending on health care and the expansion of the regional biopharmaceutical industry. To benefit from this dynamic development, the company 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 Stedim Biotech 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 Stedim Biotech is increasingly focusing on automation. The intention is to make it even easier for customers to contact the company 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, Sartorius Stedim Biotech is continuously working on simplifying and accelerating processes through digitalization. This includes enterprise resource planning as well as personnel management.

2.3 Industry-Specific Conditions

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

Growth of the Biopharmaceutical Market

After the global pharmaceutical market stagnated in 2023, mainly due to lower sales of coronavirus vaccines and therapeutics, drug sales increased again in 2024, growing by 6%. In particular, sales of biopharmaceutical drugs, which are growing at an above-average rate within the pharmaceutical market, rose significantly by around 9% to $458 billion. Biopharma's share of the total pharmaceutical market was thus 41% compared to 40% in 2023.

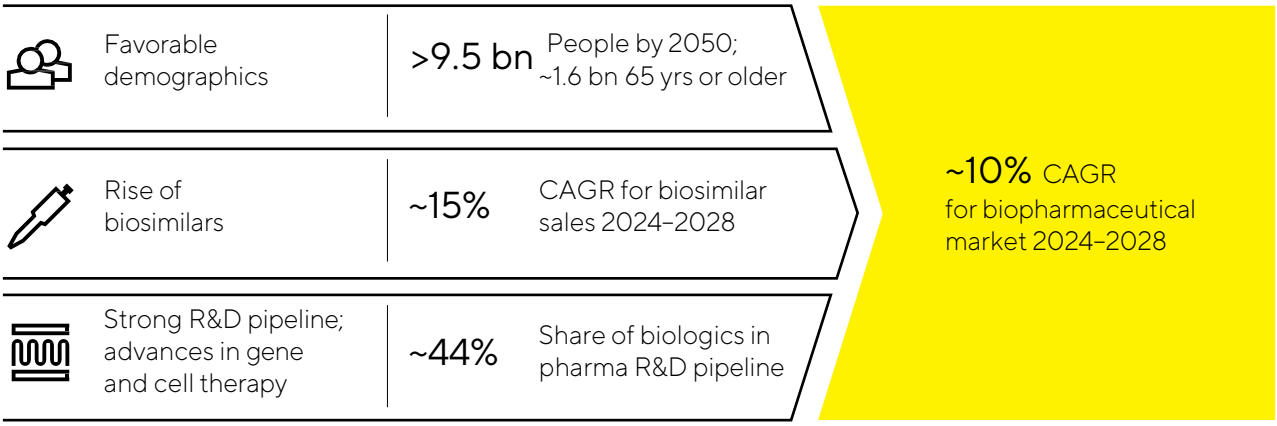
The bioprocessing market, which includes products for the manufacture of biopharmaceuticals, stabilized in 2024 after the pandemic-related very volatile development in previous years. Following significant declines in 2023, the leading manufacturers of bioprocessing technology recorded revenues at around the previous year's level, with the business situation gradually improving over the course of the year. The positive development was particularly evident in the consumables business, which benefited from the fact that customers had largely completed the reduction of their elevated inventory levels. By contrast, biopharmaceutical customers remained hesitant about investing in new capacities, which affected demand for equipment and instruments. Regionally, this was particularly visible in China, where business development was significantly dampened by the ongoing general market weakness.

The growth of the biopharmaceutical 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 from a growing and aging world population, as well as 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 47 (2023: 41).

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 therapies account for around 44% 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 2024, more than 1,800 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 2024 remained modest at an estimated $24 billion, but is expanding at faster rates than the biopharmaceutical market as a whole. The market is expected to continue to grow 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. A compound annual growth rate of around 15% is expected globally through 2028.

Attractive Market Environment with Good Growth Prospects



Laboratory Market Grows Slightly

The global laboratory market had a total value of around $85 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 biopharmaceutical 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. 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 2023, a demand normalization which led to declining sales in the laboratory market set in as a result of the significant growth rates during the coronavirus pandemic. In the reporting year, the business situation gradually stabilized again, but demand for laboratory instruments remained at a subdued level due to the ongoing reluctance of pharmaceutical and biopharmaceutical customers to invest. Business in China, in particular, continued to be strongly influenced by the general market weakness. This was also reflected in the development of sector-specific research spending, which grew moderately by 1.5% to $306 billion in 2024, according to EvaluatePharma, and thus significantly slower than in the previous five-year period.

Research and quality-assurance labs in the chemical and food industry are another customer group whose demand for laboratory products depends in part on economic trends. Additional momentum could also come from regulatory changes, such as stricter requirements for quality control tests in the food industry. Despite a weaker macroeconomic environment, demand from industrial end markets was generally robust in 2024 according to several leading laboratory product manufacturers.

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 fell slightly by 0.8% in the reporting year, the first cutback since 2013. The proposed budget for 2025 provides for a slight increase. The European Union has 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. Demand from

academic and public research institutions developed quite differently in the reporting year, depending on the product segment considered, so that no clear trend emerged.

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. In this environment, 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 transportation and storage of liquids. The principal competitors of Sartorius Stedim Biotech are certain business units of Danaher Corporation, Merck KGaA, and Thermo Fisher Scientific Inc. These companies also offer a broad range of products and services that cover the main steps of the biopharmaceutical value chain. In addition, a number of other, often smaller companies in one or a few product segments are among the competitors of the Bioprocess Solutions division, some of which are only relevant in certain regions.

Sources: Sartorius Stedim Biotech internal market research; BioPlan: 21th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2024; Evaluate Pharma: World Preview 2024, August 2024; Alliance for Regenerative Medicine: Sector Snapshot, August 2024; citeline: Pharma R&D Annual Review 2024, May 2024; Research and Markets: Biosimilars Market, 2024; SDi: Global Assessment Report 2024, June 2024; www.fda.gov