Sartorius Stedim Biotech

Universal Registration Document 2022 Including the Annual Financial Report

Simplifying Progress

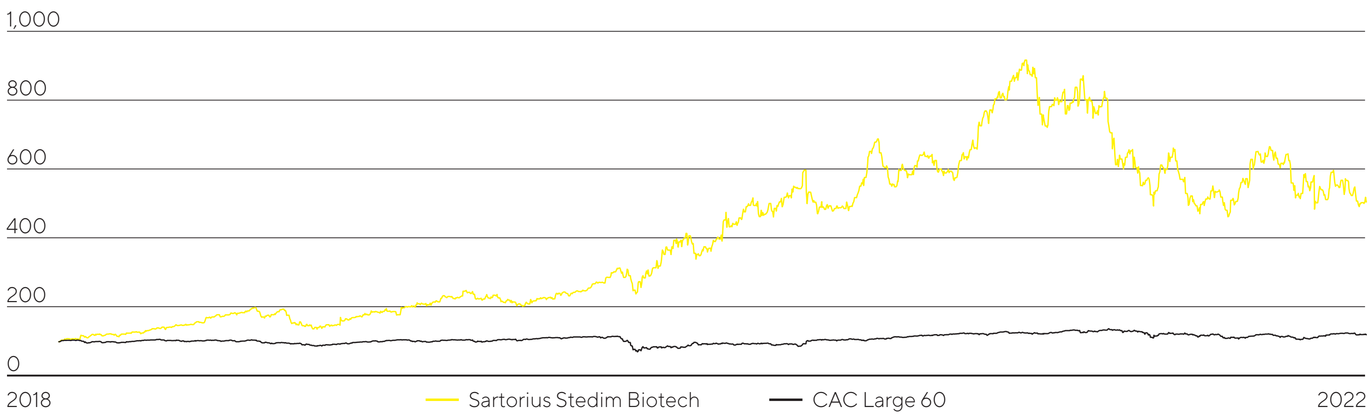
SARTORIUS

Key Figures

All figures are stated in millions of € according to IFRS, unless otherwise specified	**2022**	Δ in %	2021	2020	2019	2018
Order intake, sales revenue and earnings						
Order intake	3,314.8	-9.5	3,664.4	2,381.0	1,543.5	1,307.3
Sales revenue	3,492.7	21.0	2,887.0	1,910.1	1,440.6	1,212.2
Underlying EBITDA[1, 2]	1,221.4	18.2	1,033.4	604.7	421.5	342.4
Underlying EBITDA[1, 2] as % of sales revenue	35.0	-0.8pp	35.8	31.7	29.3	28.2
Net profit after non-controlling interest	876.1	111.4	414.4	335.9	234.5	208.1
Underlying net profit after non-controlling interest[3]	796.6	15.8	687.8	383.8	263.0	219.3
Research and development costs	132.4	19.9	110.5	84.5	79.2	60.6
Financial data per share						
Earnings per share (in €)	9.51	111.4	4.50	3.64	2.54	2.26
Earnings per share (in €)[3]	8.64	15.8	7.46	4.16	2.85	2.38
Dividend per share (in €)	1.44[4]	14.3	1.26	0.68	0.34	0.57
Balance sheet						
Balance sheet total	5,065.4	28.2	3,951.1	2,856.7	1,845.4	1,571.5
Equity	2,514.2	45.1	1,733.2	1,461.0	1,188.9	1,044.9
Equity ratio (in %)	49.6	5.7pp	43.9	51.1	64.4	66.5
Financials						
Capital expenditures as % of sales revenue	12.3	1.1pp	11.2	8.3	9.4	14.6
Depreciation and amortization	179.9	27.1	141.5	100.3	72.8	60.9
Cash flow from operating activities[5]	612.3	-12.8	701.9	416.9	310.1	227.3
Net debt[6]	1,028.6	155.9	401.9	527.3	110.4	125.7
Ratio of net debt to underlying EBITDA[1, 2, 7]	0.8	0.4pp	0.4	0.8	0.3	0.4
Total number of employees as of December 31	11,934	14.7	10,409	7,566	6,223	5,637

1 Adjusted for extraordinary items
2 For more information on EBITDA, net profit and the underlying presentation, please refer to the Group Business Development chapter and to the Glossary.
3 Adjusted for extraordinary items, amortization acc. to IFRS 3 and fair value adjustments of hedging instruments, as well as the corresponding tax effects for each of these items.
4 Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.
5 Interest received are reported under cash flows from operating activities since fiscal 2022. The prior year figure was restated accordingly.
6 Net debt excludes the liability for the remaining purchase price for acquisitions; 2022: €245.1 million, 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million, 2018: €8.7 million
7 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period

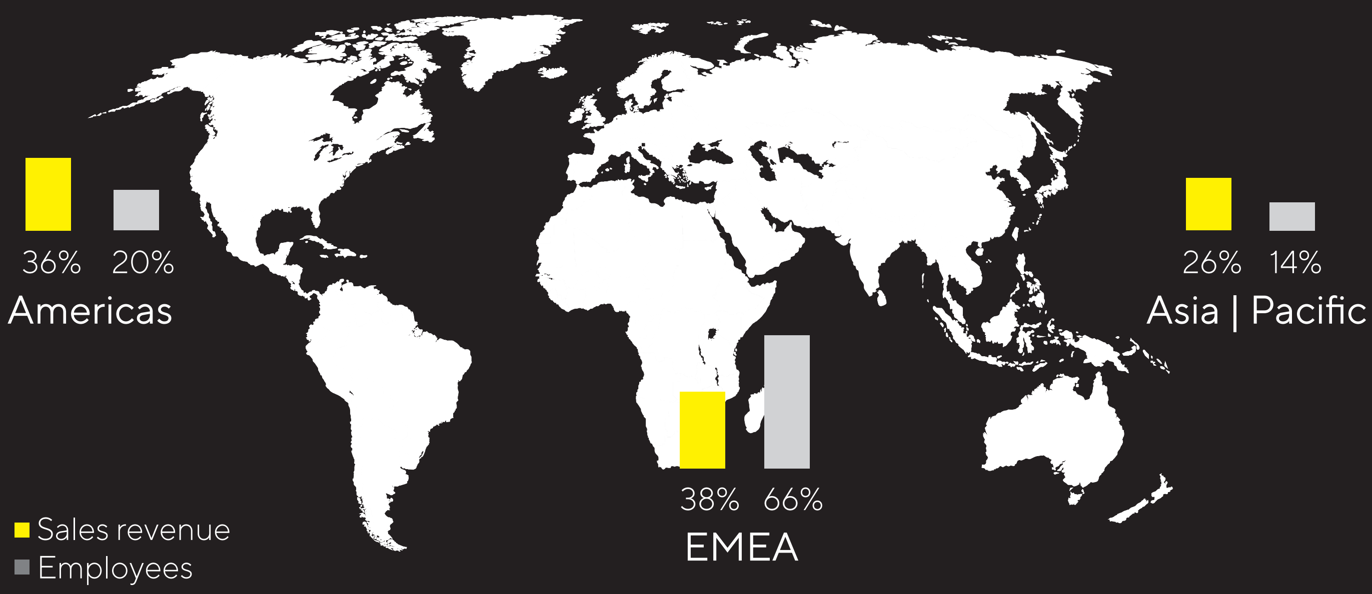
Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 (indexed)



25+	Sites in more than 25 countries, headquartered in Aubagne, France
>11,900	Employees
~20%	Sales CAGR 2012-2022
~90%	Sales share with life science customers
+13.5pp	Change in underlying EBITDA margin 2012-2022
~€27.9bn	Sartorius Stedim Biotech S.A. market capitalization; listed on the CAC Large 60

Sales growth in constant currencies; 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 2022

This Universal Registration Document has been filed on February 16, 2023, 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 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 119 to 180 and 17 to 70, respectively, of the Universal Registration Document filed with the Autorité des Marchés Financiers on February 16, 2022, under the number D.22-0039.

- The year 2020 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 2020 management report appearing on pages 125 to 191 and 18 to 72, respectively, of the Universal Registration Document filed with the Autorité des Marchés Financiers on February 17, 2021, under the number D.21-0060.

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

Content

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

01

To Our Shareholders

Chairman's Message

Dear Shareholders and Business Partners,

With its products and solutions for more efficient development and production of medicines and vaccines, Sartorius Stedim Biotech is directly addressing the third Sustainable Development Goal of the United Nations: "Ensure healthy lives and promote well-being for all at all ages". Our focus on the biopharmaceutical industry is also one reason why we again performed strongly in 2022 following two exceptionally dynamic years. Sales revenue rose 15.1 percent in constant currencies to around 3.5 billion euros, with broad-based growth across our portfolio and all geographies in a challenging environment. We currently see ourselves as being a good year ahead of our mid-term plan, while demand started to normalize last year. At 35.0 percent, the underlying EBITDA margin remained at a high level in 2022, even though we saw the expected significant increase in costs.

We continued to substantially invest in new capacities last year and spent approximately 430 million euros in capital expenditures, primarily to expand production across all geographies, for example in Germany, Puerto Rico, France and China. We also completed two acquisitions that add innovative and complementary products to our portfolio. The Novasep chromatography process equipment business strengthens our downstream offering, while Albumedix provides a critical component for the manufacture of innovative biopharmaceuticals, particularly for modalities such as cell therapies, viral therapies, and vaccines.

Along with the continued expansion and sales revenue growth came an increase in the number of employees by more than 1,500 to almost 12,000 at the end of December 2022. In light of the normalizing demand situation, we have adjusted the pace of recruitment, setting the focus on training and fully integrating the many new employees who have joined us, as well as on consolidating our organization and its processes.

Due to the significant political and economic uncertainties, the capital market sentiment was negative overall last year. Shares of growth companies were also burdened by interest rate increases. On top of this, there was a certain level of uncertainty among investors around the short-term growth prospects of biopharma suppliers in the context of the transition into a post-pandemic phase. In light of this challenging environment, the Sartorius Stedim Biotech share ended 2022 at a price of 302.50 euros, down around 37 percent year over year.

In the two previous years, the pandemic had led to high demand from coronavirus vaccine manufacturers. In addition, customers placed their orders earlier and, in some cases, increased their inventories in view of the strained supply chains. In 2022, the expected normalization of demand set in, and Covid-19-related sales revenues experienced significant declines; similarly, some customers have started to reduce their inventories again. We expect the normalization of demand to continue for some time and thus anticipate sales revenue growth in the low single-digit percentage range for the current year. Excluding the Covid-19-related business, the increase should be in the mid-to-high single-digit range. We aim to maintain our profit margin at around the high prior-year level. The investment level will also remain high, with an expected CAPEX ratio of around 12.5 percent in 2023.

The fundamental growth drivers in our markets are fully intact. Demand for biopharmaceuticals is increasing in all indication areas and regions, and at the same time, the biotech industry is in an extraordinarily innovative phase. We are excellently positioned to support our customers in their endeavors and to seize the opportunities that arise from this. Substantial investments in capacities and acquisitions that expand our capabilities will therefore remain part of our growth strategy.

While our basic assessment of medium-term market growth remains unchanged, we have raised our sales revenue forecast for 2025 to around 4.4 billion euros to reflect higher price levels caused by inflation. At the same time, we have confirmed our 2025 profitability expectation of an underlying EBITDA margin of more than 35 percent.

The peak phases of the pandemic posed a considerable challenge to everyone. At the same time, our employees experienced what kind of extraordinary challenges we can master as a team. On behalf of the Board of Directors, I would like to express my sincere thanks and appreciation for the exceptional performance the global Sartorius Stedim Biotech team continued to deliver in 2022.

I would also like to sincerely thank you, our valued customers, business partners, and shareholders. The trust you have placed in Sartorius Stedim Biotech, often for many years, has been a fundamental driver of the company's positive performance. It would be our great pleasure to have you continue to accompany us on our journey in 2023 and beyond.

Sincerely,

Dr. Joachim Kreuzburg

Chairman of the Board of Directors and CEO

Board of Directors

Board of Directors

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

Joachim Kreuzburg
Chairman | CEO

René Fáber
Deputy CEO

Chrystel Baudere

Pascale Boissel

Susan Dexter

Anne-Marie Graffin

Lothar Kappich

Henri Riey

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, 2022.

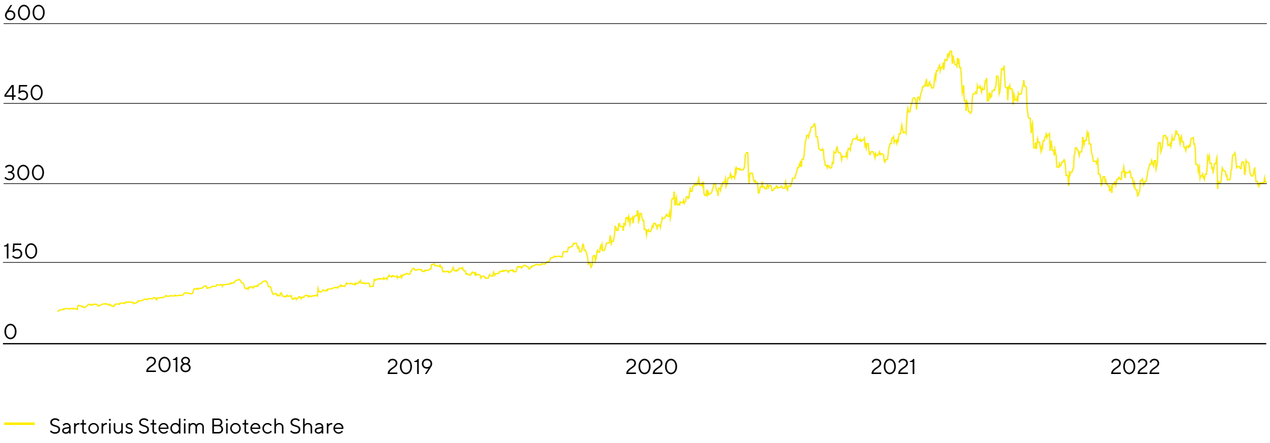
Downturn in Global Stock Markets

International stock markets recorded price declines in the reporting year in the face of significant political and economic uncertainties. In addition to the war in Ukraine and the ongoing coronavirus pandemic, high inflation rates, rising interest rates, the slowdown in economic growth, and an increased risk of recession weighed on stock market sentiment. In this environment, almost all major benchmark indices experienced a downturn. The Dow Jones ended the year at 33,147 points and down 8.8%. The MSCI Europe closed out the year approximately 10.9% lower at 1,723 points. The French benchmark index CAC 40 and the CAC Large 60, which includes the Sartorius Stedim Biotech shares, also posted losses of 9.5% to 7,011 points and 10.2% to 6,474 points, respectively.

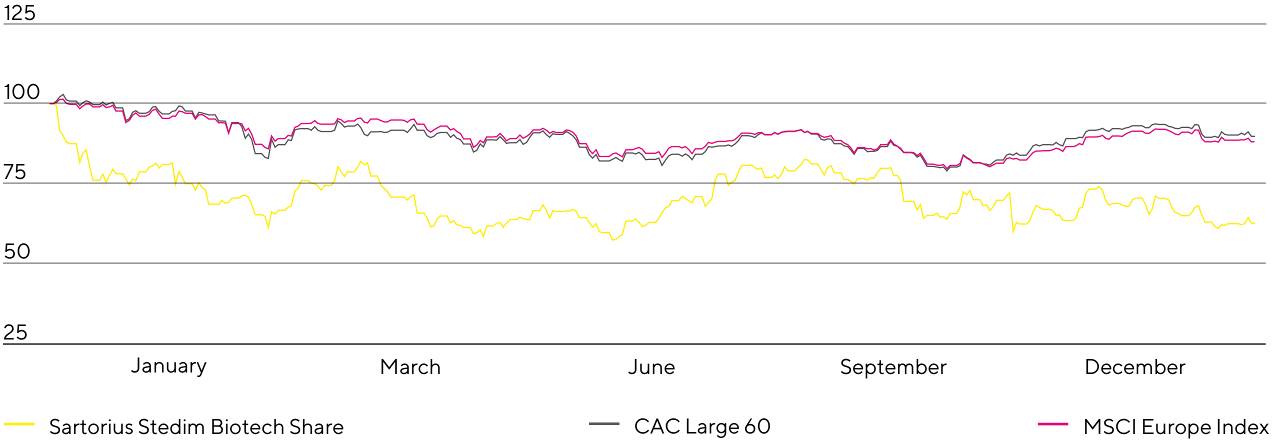
Price of Sartorius Shares Decline

The Sartorius Stedim Biotech share, which generated significant gains in 2021, lost considerable ground in this market environment. Influencing factors included rising key interest rates, which led to capital outflows from the equity markets and weighed particularly heavily on the prices of growth and biotech stocks. In addition, investors faced a degree of uncertainty, particularly with regard to the short-term growth prospects of biopharma suppliers, triggered by the decline in pandemic-related business and the anticipated reduction in customer inventories. The company's shares closed the 2022 stock market year at €302.5 – down 37.3% year over year.

Sartorius Stedim Biotech Share in €
January 1, 2018 to December 31, 2022



Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 and MSCI Europe Index (indexed)
January 1, 2022 to December 31, 2022



Investor Relations Activities

Sartorius Stedim Biotech's investor relations 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 roadshows. A virtual capital market tutorial was also held during the reporting year, in which the Group provided participants with in-depth information on specific product areas.

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, 14 institutions regularly prepare reports and updates on Sartorius Stedim Biotech shares.

Research Coverage

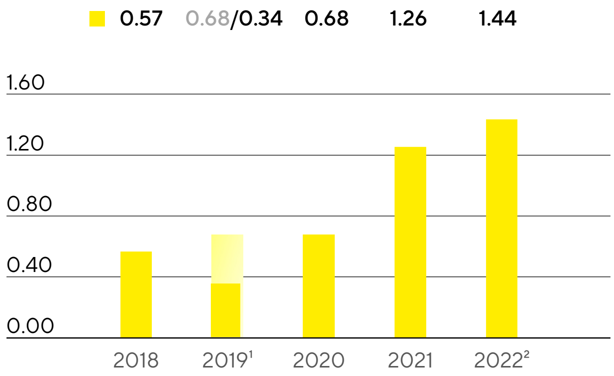
Date	Institute	Price target in €	Recommendation
January 27, 2023	Société Générale	382.00	Buy
January 27, 2023	J.P. Morgan	430.00	Buy
January 27, 2023	Exane BNP Paribas	380.00	Buy
January 27, 2023	Berenberg	446.00	Buy
January 26, 2023	UBS	412.00	Buy
January 26, 2023	Morningstar	290.00	--
January 26, 2023	Kepler Cheuvreux	420.00	Buy
January 26, 2023	Gilbert Dupont	389.00	Buy
January 23, 2023	Credit Suisse	360.00	Hold
January 6, 2023	Morgan Stanley	385.00	Hold
November 2, 2022	HSBC	374.00	Buy
April 25, 2022	AlphaValue	428.00	Buy
March 25, 2022	Bank of America Merrill Lynch	497.00	Buy
January 27, 2022	ODDO BHF	530.00	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 company's management is on successfully continuing on our dynamic profitable growth track and on making the 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 27, 2023, to pay a dividend of €1.44 per share from the underlying net profit of €796.6 million for fiscal 2022, up from the previous year's figure of €687.8. If this proposal is approved, the total profit distributed would be €132.7 million (2021: €116.1 million). The corresponding dividend payout ratio would be 16.7%, compared to the prior-year ratio of 16.9%.

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

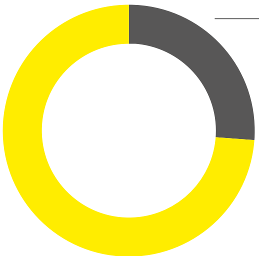
Total shareholder return considers both the dividends paid out and any share price increases over a certain period, and thus reflects the entire performance of an investment. In 2022, Sartorius Stedim Biotech shares delivered a TSR of -37.0%, compared to +65.9% a year earlier.

Shareholder Structure

Sartorius Stedim Biotech S.A.'s issued capital amounted to €18.4 million as of December 31, 2022, 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, 2022, 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

		2022	2021	2020	2019	2018
Share price[1] in €	Reporting date[4]	302.50	482.40	291.20	147.70	87.35
	High	482.40	548.20	357.60	149.20	119.80
	Low	276.70	287.60	143.00	83.30	60.35
Dividends [2] in €		1.44	1.26	0.68	0.34	0.57
Total dividends paid[2] in millions of €		132.7	116.1	62.7	31.3	52.5
Dividend yield [3] in %		0.5	0.3	0.2	0.2	0.7
Market capitalization in millions of €		27,884.5	44,467.7	26,842.9	13,615.0	8,051.9
Average daily trading number of shares		48,754	52,717	70,414	63,935	80,140
Trading volume of shares in millions of €		4,266.1	5,524.1	4,234.6	2,037.8	1,874.9
CAC Large 60 (closing prices of the year)		7,011	7,806	6,144	6,598	5,246
SBF 120 (closing prices of the year)		4,973	5,546	4,432	4,704	3,756

1 Daily closing price
2 For 2022, amounts suggested by the Board of Directors and subject to approval by the Annual General 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

Management Report

02

Structure and Management of the Group

Group Legal Structure

Sartorius Stedim Biotech is a globally operating company with subsidiaries in more than 25 countries and more than 11,900 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 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, two executive directors and six non-executive directors.

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 by making two acquisitions in the reporting year. In February 2022, Sartorius Stedim Biotech completed the acquisition of the chromatography process equipment division of Novasep with approximately 100 employees in France, the United States, China, and India. The acquired business, headquartered in the city of Pompey in eastern France, specializes in innovative resin-based intensified chromatography systems and complements the Group's existing chromatography offering.

The acquisition of 100% of the shares in Albumedix Ltd., which was completed at the end of September, strengthens Sartorius Stedim Biotech's portfolio of innovative solutions for the field of advanced therapies. Founded in 1984 and based in Nottingham, England, the company has more than 100 employees and is a leading provider of solutions based on recombinant human albumin, a key component in the manufacture of innovative biopharmaceuticals.

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 247.

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 Employee Net Promoter Score and the reduction in CO_2 emission intensity have been part of the compensation system for the executive members of the Board of Directors since 2022 and have therefore been newly included in this list.

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 directional forecast for the ratio of net debt to underlying EBITDA are also indicated for the Group.

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 to offer highly differentiating technologies. The innovative power rests on three pillars: the 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

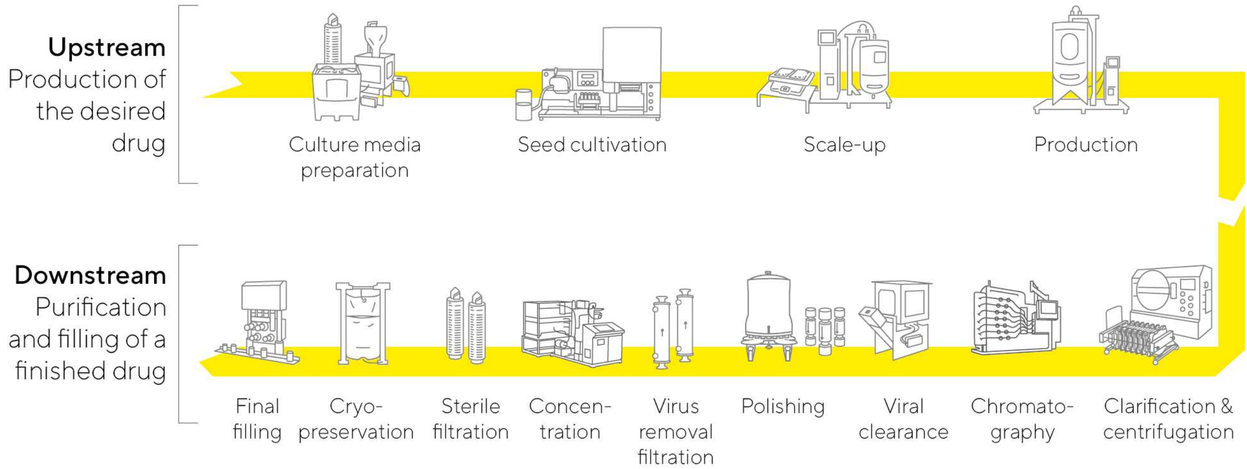
Sartorius Stedim Biotech offers a broad portfolio of products that focuses on all major steps in the manufacture of a biopharmaceutical, as well as in process development as prerequisite procedures. The product range includes cell lines, cell culture media, bioreactors, a wide range of products for the 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 its competitors. Sartorius Stedim Biotech can provide customers with complete process solutions from a single source, as well as assist 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

Sartorius Stedim Biotech 2025 Strategy

In 2018, management presented its strategy and long-term targets up to 2025. The consolidated sales revenue target was again significantly raised at the beginning of 2021 and so was the profitability target at the start of 2022. At the beginning of 2023, Sartorius Stedim Biotech confirmed its fundamental growth projections based on the unchanged strong fundamental growth trends in its markets and the resulting positive prospects for the company. In light of increased inflation and associated price adjustments, the company therefore made a mathematical adjustment to its medium-term sales revenue forecast and now expects sales revenue of around €4.4 billion in 2025 (previously around €4 billion). Sartorius Stedim Biotech plans to achieve this sales revenue increase primarily through organic growth and additionally by acquisitions.

The forecast for the Group's underlying EBITDA margin in 2025 remains unchanged at more than 35%.

The margin targets already include expenses for measures to reduce the company's CO_2 emission intensity. Sartorius Stedim Biotech aims to reduce its CO_2 emission intensity by around 10% annually on average until 2030, spending over time around 1% of its sales revenue annually for corresponding measures. Moreover, these projections assume that, on average, the margins of future acquisitions will initially be somewhat below the levels of the Group's existing businesses and, after integration, at levels comparable to these, and that there will be no relevant changes in the key currency exchange rates.

Management points out that the dynamics and volatilities in the life science and biopharma sectors have increased over the past years and that the coronavirus pandemic has further amplified these trends. Moreover, the forecasts are based on the assumption of no deterioration in the geopolitical and global economic situation, supply chains, inflation and energy supply, and no new relevant restrictions in connection with the coronavirus pandemic. Accordingly, current forecasts show higher uncertainties than usual.

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 which 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 invested heavily in expanding its production capacity during the reporting year. Capital expenditures totaled approximately €430 million in 2022 and were used to expand sites in Germany, France, Puerto Rico, the USA, South Korea, and China, 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 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 expanding production capacity in China, particularly for the Chinese market, which offers significant growth potential due to rising private and government health-care spending and the rapid establishment of regional biopharmaceutical plants. In South Korea, which offers excellent growth prospects with its dynamically expanding biopharma market, Sartorius Stedim Biotech started initial work to build a new production facility at the beginning of 2023.

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.

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

The global pharmaceutical market grew by around 7% in 2022. Revenue generated with biopharmaceuticals increased by around 4% year over year to €365 billion, somewhat slower than the average of previous years. This was partly due to lower sales of coronavirus vaccines and antibody-based COVID-19 therapeutics. Biopharma accounted for 37% of the total pharmaceutical market, compared with 38% in 2021.

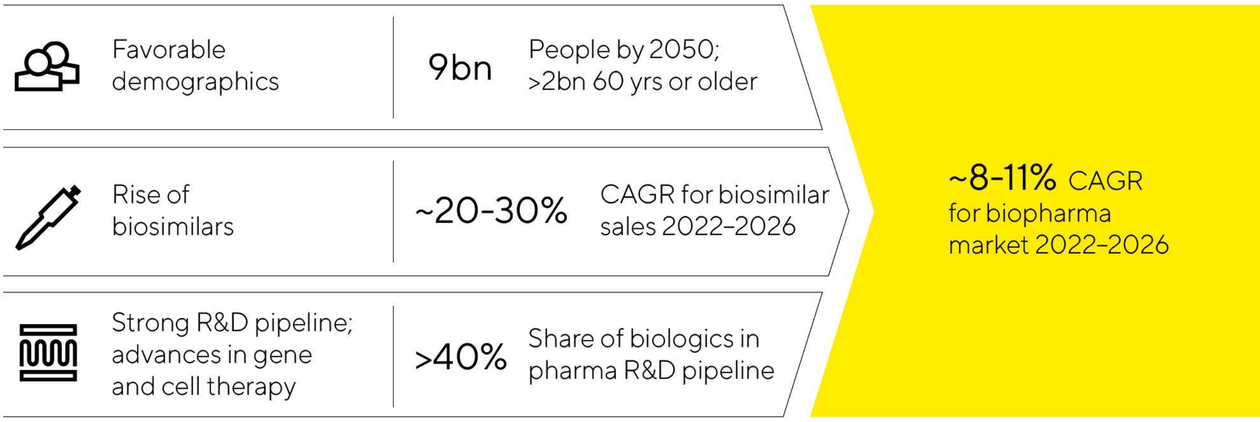
The leading manufacturers of products for the development and production of biopharmaceuticals recorded further growth in 2022, although the reported growth rates were lower, as expected, given the exceptionally high base of comparison in 2021. In particular, expected revenue from pandemic-related business was reduced significantly during the year. All leading bioprocess technology suppliers also invested heavily in capacity expansions in 2022, some of which were completed and brought on stream. This helped normalize lead times for certain product categories, some of which had increased significantly in 2021 due to strained supply chains and capacity bottlenecks.

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. In addition to the market launch of innovative biopharmaceuticals, significant impetus is provided by the globally increasing demand for drugs and the extension of the range of indications for already approved medications and their further market penetration. The approval process for new drugs requires clinical trials to be conducted, and the coronavirus pandemic meant that some of these had to be interrupted or could not be resumed. However, a resulting delay in the approval of new drugs for non-coronavirus-related indications has not been apparent to date, and the number of new biopharmaceutical approvals by the U.S. Food and Drug Administration (FDA) remained high in 2022, at 31 (2021: 30).

The growing significance and acceptance of biologics is reflected not only in their increasing share of sales revenue of the global pharmaceutical market but also in the development activities of the pharmaceutical industry. For example, biopharmaceutical compounds account for more than 40% 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 or biotechnologically processed tissue products. In 2022, more than 2,000 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 as well as 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 2022 remained modest at an estimated €19 billion, but the market is expected 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 20% to 30% is expected globally through 2026.

Attractive Market Environment with Good Growth Prospects



Laboratory Market Continues to Grow

The global laboratory market had a total value of around €69 billion in the reporting year and, according to estimates by various market observers, is growing at an average annual rate of around 4% to 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.

Labs in the pharmaceutical and biopharma industries are the leading customer groups for laboratory instruments and consumables. Against the backdrop of globally rising demand for medications, the industry is continuously investing in research to find new active pharmaceutical ingredients and in laboratory equipment needed to perform this drug discovery. The 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. According to EvaluatePharma, research spending in this particular sector remained at the previous year's high level of around €210 billion in 2022. In contrast, the funding environment for small and medium-sized biotech companies deteriorated after high inflows in the previous two years, but this has not yet had a negative impact on demand from leading laboratory equipment suppliers.

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 2022 according to several leading laboratory product manufacturers, despite a gloomy economic outlook.

Academic and public-sector research institutions also use laboratory instruments and consumables manufactured by Sartorius Stedim Biotech. 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 United States, 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 nine years, rising again by about 4.9% to $45 billion in 2022. The proposed budget for 2023 also includes a further increase. The NIH is also slated to receive an additional approximately $12 billion over the next five years to prepare for future pandemics, meaning the scientific funding environment remains positive. 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. In recent years, China has sharply increased government R&D funding, a trend that has fueled dynamic growth in the local laboratory market. 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: 19th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2022; Evaluate Pharma: World Preview 2022, Outlook to 2028, October 2022; SDi: Global Assessment Report 2022, June 2022; www.fda.gov

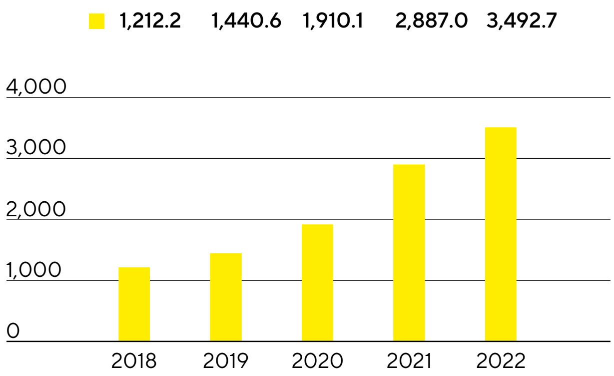
Group Business Development

Sales Revenue and Order Intake

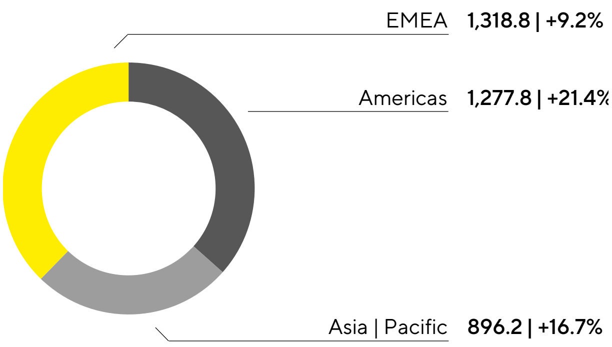
In the reporting year, sales revenue of the Sartorius Stedim Biotech Group rose 15.1% in constant currencies[1] to €3,492.7 million (reported: +21.0%). Thus, the company again grew at double-digit rates in a very challenging and volatile environment and following the exceptionally high growth rates in 2020 and 2021. This good development was primarily due to a strong organic[2] expansion of around 13.2%, driven by a high demand for innovative products and technologies for the efficient development and manufacturing of biopharmaceuticals. Recent acquisitions also developed positively and contributed 1.9 percentage points to the increase in sales. Significantly lower business with coronavirus vaccine manufacturers compared to the previous year had a dampening effect. The restrictions in China caused by the pandemic as well as the strong reduction of the business in Russia also impacted growth to a relatively minor extent.

As expected, order intake declined in 2022, after Sartorius Stedim Biotech had posted exceptionally high growth rates in the previous two years. In addition to a very good base business, there had been significant additional demand from coronavirus vaccine manufacturers and a changed ordering pattern by some customers, who had placed orders larger in size and further in advance than usual due to pandemic-related uncertainties and strained supply chains. As expected, the situation has noticeably normalized as the pandemic has subsided and supply chains have eased from mid-2022 onwards. The temporary decline in demand is due to lower production of coronavirus vaccines and the reduction of partially increased inventories at some customers. Order intake for the full year declined by 13.0% in constant currencies[1] to €3,314.8 million (reported: -9.5%). Excluding the dampening effect of the declining Covid-19-related business, order intake would have increased slightly.

Sales Revenue 2018 to 2022
€ in millions



Sales Revenue and Growth[1] by Region[3]
€ 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 Acc. to customers' location

Sartorius Stedim Biotech increased its sales revenue in 2022 in all three business regions. In EMEA, the region generating the highest share of around 38% of total revenue, sales rose by 9.2% to €1,318.8 million compared to a strong 2021 base. Accounting for around 36% of sales, the Americas region showed strong growth with an increase of 21.4% to €1,277.8 million. The Asia | Pacific region, which accounts for 26% of total sales, also posted significant double-digit growth of 16.7% to €896.2 million. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

Sales Revenue and Order Intake

€ in millions	**2022**	2021	Δ in % reported	Δ in % const. fx
Sales Revenue	3,492.7	2,887.0	21.0	15.1
Order Intake	3,314.8	3,664.4	–9.5	–13.0

Development of Costs and Earnings

In 2022, cost of sales rose by 24.3% to €1,658.2 million. The respective cost of sales ratio was 47.5% compared to 46.2% in the previous year.

Selling and distribution costs rose at an underproportionate rate with respect to sales revenue by 10.1% to €446.5 million, meaning the ratio of these costs to sales revenue fell year on year to 12.8% (previous year: 14.1%). Research and development expenses rose by 19.9% to €132.4 million. The corresponding ratio of R&D expenses to sales revenue remained constant at 3.8% (previous year: 3.8%). General administrative expenses increased by 22.7% to €154.7 million, and the administrative expense ratio in 2022 was unchanged at 4.4% (previous year: 4.4%).

The balance of other operating income and expenses in 2022 was -€105.6 million (previous year: -€45.3 million), and essentially covered extraordinary items of -€46.3 million (previous year: -€26.5 million). These extraordinary items consisted primarily of expenses in connection with the most recent acquisitions as well as of expenses for various corporate projects. The realized currency hedges and valuation effects included in the balance of other operating income and expenses resulted in an expense of €41.2 million, particularly due to the development of the dollar exchange rate in 2022, following income of €8.9 million in the previous year.

EBIT increased by 15.0% to €995.2 million; the respective EBIT margin was 28.5% (previous year: 30.0%).

The financial result was €135.2 million in 2022 compared to -€218.7 million in 2021. This includes non-cash-effective income of €148.9 million predominantly from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations which had resulted in an expense of €207.8 million in the previous year.

In 2022, tax expenses amounted to €250.5 million (previous year: €232.4 million). In relation to the reported earnings before taxes, the tax rate is 22.2% (previous year: 35.9%). However, taking into account that the above-mentioned valuation effect in the financial result has no subsequent tax impact, the tax rate amounts to 25.5% (previous year: 27.2%).

Net profit attributable to shareholders of Sartorius Stedim Biotech S.A. increased by 111.4% to €876.1 million (previous year: €414.4 million).

Statement of Profit or Loss

€ in millions	**2022**	2021	Δ in %
Sales revenue	3,492.7	2,887.0	21.0
Cost of sales	−1,658.2	−1,334.0	−24.3
Gross profit on sales	1,834.5	1,553.0	18.1
Selling and distribution costs	−446.5	−405.6	−10.1
Research and development costs	−132.4	−110.5	−19.9
General administrative expenses	−154.7	−126.1	−22.7
Other operating income and expenses	−105.6	−45.3	−133.0
Earnings before interest and taxes (EBIT)	995.2	865.4	15.0
Financial income	185.8	22.3	733.6
Financial expenses	−50.7	−241.0	79.0
Financial result	135.2	−218.7	n.m.
Profit before tax	1,130.4	646.7	74.8
Income taxes	−250.5	−232.4	−7.8
Net result	879.9	414.3	112.4
Attributable to:			
Equity holders of SSB S.A.	876.1	414.4	111.4
Non-controlling interest	3.8	−0.1	n.m.

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 247.

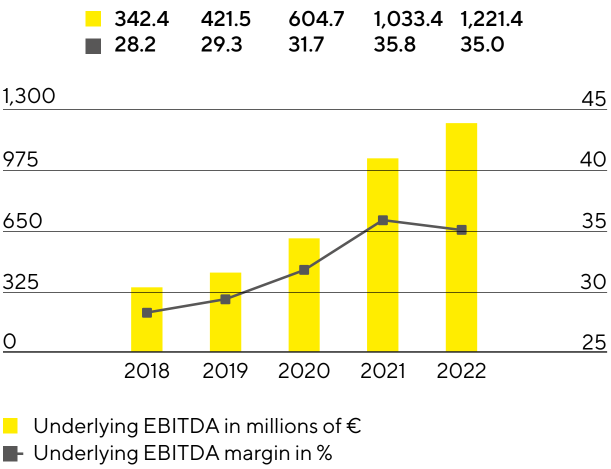
Reconciliation between EBIT and Underlying EBITDA

€ in millions	**2022**	2021
EBIT	995.2	865.4
Extraordinary items	46.3	26.5
Depreciation and amortization	179.9	141.5
Underlying EBITDA	1,221.4	1,033.4

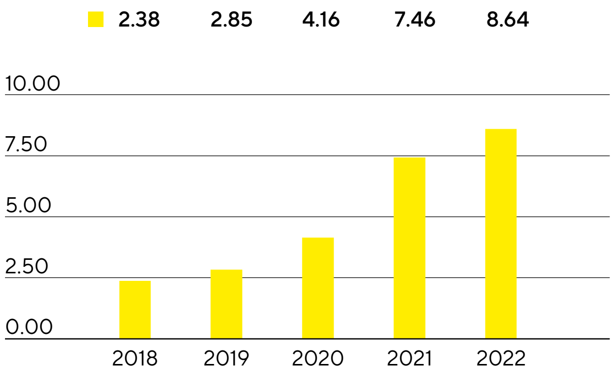
In fiscal 2022, Sartorius Stedim Biotech strongly increased its earnings and achieved high profit margins despite a significant rise in inflation rates. Underlying EBITDA rose by 18.2% to €1,221.4 million. The corresponding margin of 35.0% almost reached the high level of the prior-year period of 35.8%. The 2021 margin had been positively influenced by a partially delayed cost development, for example as a result of deferred new hires in relation to sales revenue growth because of the pandemic and low business travel activity. As planned, these cost positions normalized in 2022 and had a dampening effect on profitability. Price effects on the procurement and customer sides largely offset each other.

The underlying net result after non-controlling interest for the Group rose from €687.8 million in 2021 to €796.6 million in fiscal 2022. This figure is the basis for calculating the profit to be appropriated and is computed by adjusting for extraordinary items, eliminating amortization of €60.7 million (previous year: €48.6 million), and is based on the normalized financial result and a normalized tax rate (see Glossary). Underlying earnings per share increased by 15.8% from €7.46 a year earlier to €8.64.

Underlying EBITDA[1] and Margin



Underlying Earnings per Share[2]
in €



1 Adjusted for extraordinary items
2 Adjusted for extraordinary items, amortization acc. to IFRS 3 and fair value adjustments of hedging instruments, as well as the corresponding tax effects for each of these items.

€ in millions	**2022**	2021
EBIT (operating result)	**995.2**	**865.4**
Extraordinary items	46.3	26.5
Amortization | IFRS 3	60.7	48.6
Normalized financial result[1]	**-20.6**	**-11.2**
Normalized income tax (26%)[2]	-281.2	-241.6
Underlying net result	**800.4**	**687.7**
Non-controlling interest	-3.8	0.1
Underlying net result after non-controlling interest	**796.6**	**687.8**
Underlying earnings per share (in €)	8.64	7.46

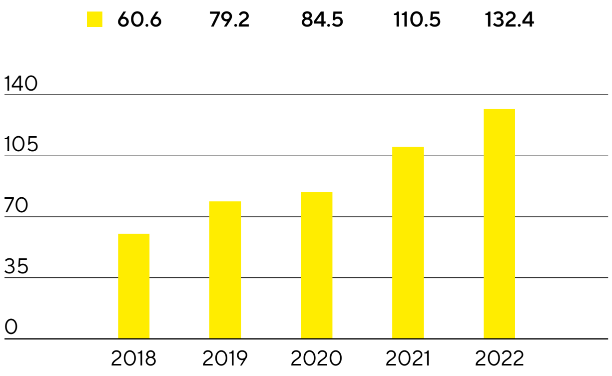
1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability.
2 Normalized income tax based on the underlying profit before taxes and amortization.

See Glossary on page 247 for the definitions of the totals listed above.

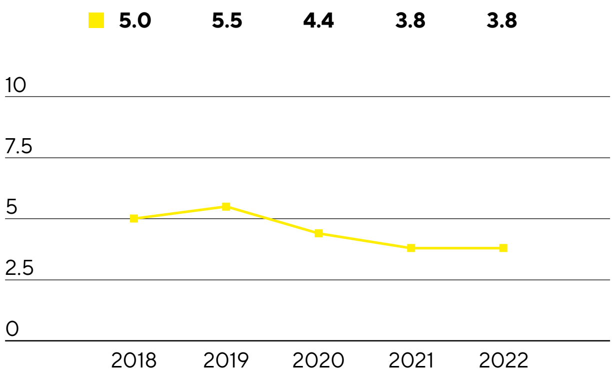
Research and Development

Sartorius Stedim Biotech continuously expands its product portfolio by investing in both the new and further development of its products, as well as in the integration of new technologies through alliances. In 2022, the Group spent €132.4 million on R&D, corresponding to an increase of 19.9% over the previous year's investment of €110.5 million. The ratio of R&D costs to sales revenue remained constant at 3.8%. The gross capital expenditure ratio of 5.6% was above the prior-year ratio of 5.1%; this ratio is even more meaningful for the assessment of innovation-related expenses and includes capitalized development costs of €63.1 million (previous year: €37.0 million) that were 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 2022 totaled 171 compared with 71 in the previous year. As a result of the applications submitted in the past years, the company was issued 267 patents and trademarks (previous year: 234). As of the balance sheet date, there was a total of 4,067 patents and trademarks in the portfolio (previous year: 3,316).

	2022	2021
Number of patent and trademark applications	171	71
Registered patents and trademarks	267	234

Capital Expenditures

Against the backdrop of strong growth, Sartorius Stedim Biotech invested considerably in building up new capacities in all regions in 2022. 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 2022 and have contributed to meet the strong demand. Further projects will be completed in 2023.

At €430.6 million, capital expenditures in 2022 were higher than the previous year's figure of €324.0 million, as planned. The corresponding CAPEX ratio was 12.3% (previous year: 11.2%).

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, Sartorius Stedim Biotech is expanding its clean room capacity for the manufacture of separation and fluid management products. In addition, a production facility for cell culture media will be established here for the first time, which is scheduled to come on stream in 2023.

In the reporting year, the company also made substantial investments in additional clean room space for the production of sterile disposables at its site in Aubagne, France.

In the Asia-Pacific region, Sartorius Stedim Biotech invested heavily in Songdo, South Korea, in addition to China. After acquiring the necessary plots of land, the company began construction of a plant for cell culture media production and sterile consumables processing. In addition, the company plans to build a technology center for consulting customers and product demonstrations as well as laboratory space at the new site, which is located in the middle of a biopharma park.

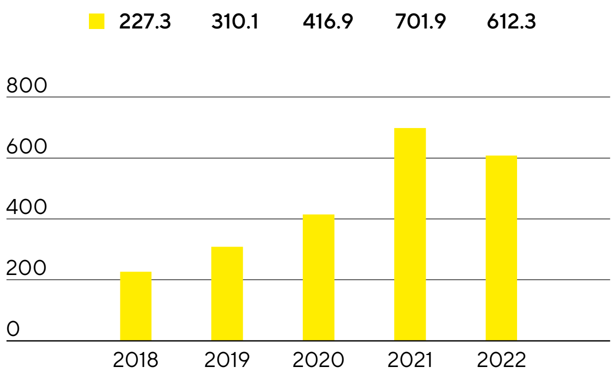
Production capacities were also expanded at other locations. For example, the company carried out expansion projects at other sites in Germany, as well as in Great Britain and Slovenia.

Net Worth and Financial Position

Cash Flow

Cash flow from operating activities amounted to €612.3 million in 2022, compared with €701.9 million in the previous year, a decrease of 12.8%. Higher earnings were offset by cash outflows in connection with the growth-related increase in working capital. Inventories were in particular built up to safeguard supply security in view of the continuing tensions in some supply chains. Recently, however, the focus has shifted back to optimizing inventories, as the supply chain situation for many product groups has improved significantly and shortages in these areas have become unlikely.

Net Cash Flow from Operating Activities
€ in millions



Due to high demand, Sartorius Stedim Biotech has been driving the expansion of its production capacities full speed ahead. Cash outflows from investing activities increased in the reporting period by 36.6% to €442.0 million. Because of expenses of €515.6 million in connection with the most recent acquisitions, cash flow from investing activities and acquisitions rose to -€957.5 million compared with -€465.2 million in the previous year.

Primarily driven by the financing of the most recent acquisitions, cash flow from financing activities amounted to €220.7 million in 2022 relative to -€77.7 million in the previous year. This also included dividend payments for the 2021 financial year of €117.7 million (previous year: €63.8 million).

Cash Flow Statement

€ in millions	**2022**	2021[1]
Cash flow from operating activities	612.3	701.9
Cash flow from investing activities and acquisitions	-957.5	-465.2
Cash flow from financing activities	220.7	-77.7
Cash and cash equivalents	107.1	223.6
Gross debt	1,135.7	625.5
Net debt	1,028.6	401.9

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

Consolidated Statement of Financial Position

The balance sheet total of the Sartorius Stedim Biotech Group was €5,065.4 million as of the end of fiscal 2022 and thus €1,114.3 million higher than the prior-year level. This increase is largely due to the rise in non-current assets by €898.7 million to €3,394.2 million, predominantly driven by the recent acquisitions and by the continuation of the extensive investment program. In addition, current assets rose by €215.5 million year on year to €1,671.2 million, mainly as a result of the increase in working capital and, in particular, the buildup of inventories as a risk provision to ensure supply security in the event of interrupted supply chains. Working capital amounted to €1,663.5 million as of December 31, 2022 (previous year: €1,316.8 million).

Key Working Capital Figures

in days		**2022**	2021
Days inventories outstanding			
Inventories | sales revenue[1]	x 360	105	97
Days sales outstanding			
Trade receivables | sales revenue[1]	x 360	41	44
Days payables outstanding			
Trade payables | sales revenue[1]	x 360	50	58
Net working capital days			
Net working capital[2] | sales revenue[1]	x 360	96	83

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

Equity grew by €781.0 million to €2,514.2 million as of year-end. The equity ratio – defined as the quotient of equity to the balance sheet total - was 49.6% (previous year: 43.9%).

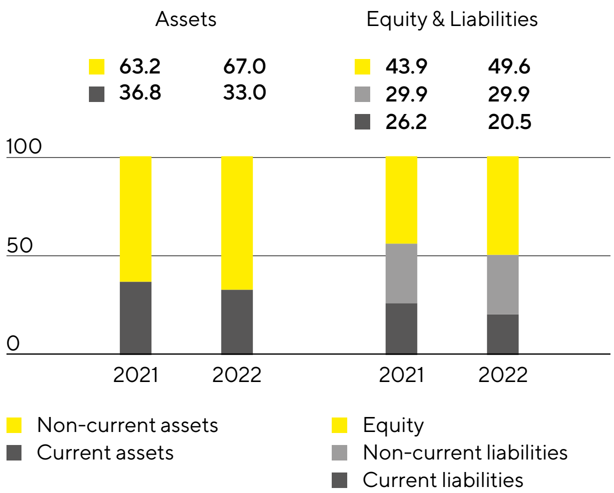
In the reporting year, current and non-current liabilities for the Sartorius Stedim Biotech Group of €2,551.2 million exceeded the previous year's figure of €2,217.9 million. The increase resulted, among other things, from the financing of recent acquisitions and the build-up of working capital.

Overall, gross debt, which is comprised of liabilities to banks and loans from the parent company Sartorius AG as well as of lease liabilities, rose to €1,135.7 million as of December 31, 2022, compared with €625.5 million for the year ended December 31, 2021. The increase is essentially due to a new loan agreement signed with Sartorius AG, mainly to serve the financing of the Albumedix acquisition. Net debt, defined as gross debt less cash and cash equivalents, was €1,028.6 million compared to €401.9 million a year ago.

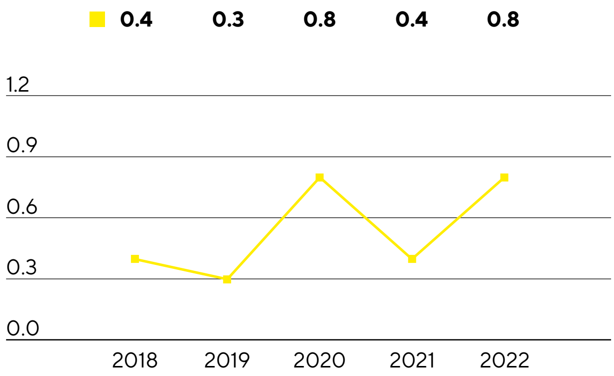
Calculation of Net Debt

€ in millions	**2022**	2021
Non-current		
Loans and borrowings	1,020.6	521.1
Lease liabilities	91.1	64.0
Current		
Loans and borrowings	4.5	25.5
Lease liabilities	19.5	14.9
Gross debt	1,135.7	625.5
Cash and cash equivalents	107.1	223.6
Net debt	1,028.6	401.9

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; 2022: €245.1 million, 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million, 2018: €8.7 million
2 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period.

In relation to the debt financing capacity of the Sartorius Stedim Biotech Group, 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. As of December 31, 2022, the ratio rose to 0.8 (previous year: 0.4) mainly driven by the financing of the extensive investments and the acquisitions made in the reporting year.

Impact of War in Ukraine

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. This has been done in compliance with all applicable sanctions and in line with the practice of other companies in the pharmaceutical and healthcare sectors. In 2021, Russia had accounted for a good 2% of Group sales. In fiscal 2022, sales were significantly below this level and a further decline is expected in 2023.

Further explanations on the impact of the war in Ukraine on Sartorius Stedim Biotech can be found on pages 44 and 134 et seq.

Financing | Treasury

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

The major pillar of the financing mix is a credit line with a volume of up to €260 million and long-term loan agreements of €1,005 million provided by the parent company Sartorius AG. In 2022, Sartorius Stedim Biotech signed a new loan agreement with its parent company Sartorius AG mainly to refinance the acquisition of Albumedix.

In addition, the Group has diverse bilateral credit lines of approximately €77 million in total.

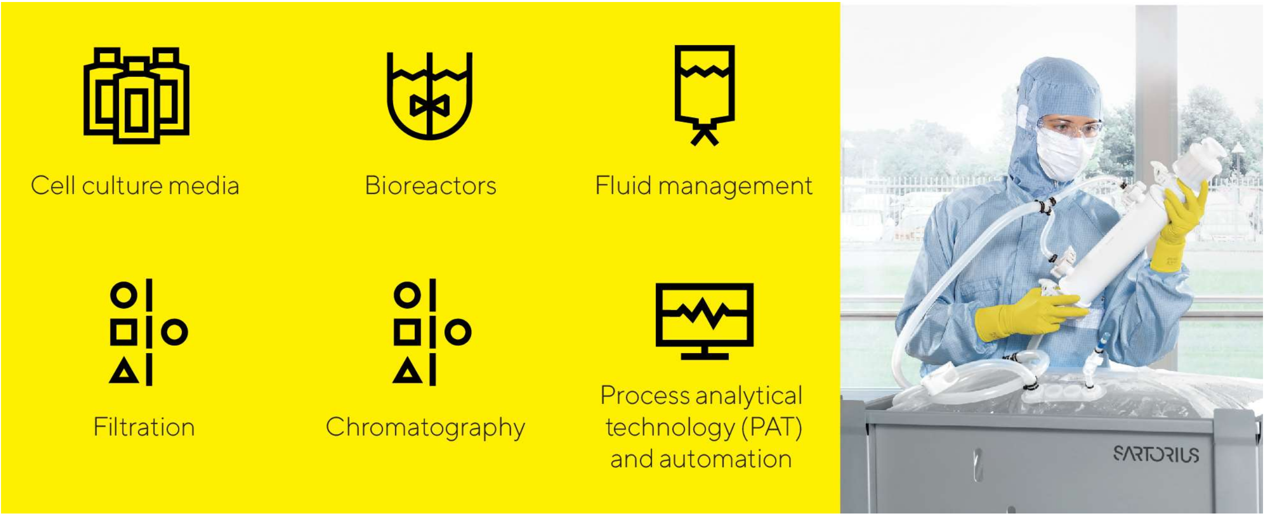
The above-mentioned financing comprises instruments with both fixed and variable interest.

As of December 31, 2022, the total volume of all available credit lines was €337 million. Of this amount, Sartorius Stedim Biotech had utilized €3 million, leaving available credit of €334 million at the end of 2022. This ensures that all Group entities have sufficient funds to successfully finance their business operations and new capital expenditures.

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 2022, foreign exchange contracts amounted to €396 million on a reported basis, with a market value of -€2.5 million.

Products and Sales

Sartorius Stedim Biotech markets products and services for the entire added-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.



Sartorius Stedim Biotech expanded its product portfolio by making two acquisitions in 2022:

- By acquiring the business from Novasep in February 2022, Sartorius Stedim Biotech added a complementary offering to its chromatography portfolio. The acquired portfolio includes chromatography systems primarily suited for small biomolecules, such as oligonucleotides, peptides, and insulin, as well as innovative systems for the continuous production of biopharmaceuticals.

- The acquisition of Albumedix, a leading provider of solutions based on recombinant human albumin, completed at the end of September 2022, added an important component to portfolio in the production of innovative biopharmaceuticals, especially for modalities such as cell therapies, viral therapies, and vaccines.

During 2022, Sartorius Stedim Biotech launched a scalable and ready-to-use disposable membrane for separating monoclonal antibodies as an alternative to classical resin-based column chromatography for the affinity purification step. Furthermore, the company introduced a computer-based application for optimizing cell culture development that enables substantial time and cost savings. The application is part of a cloud-based software ecosystem for analyzing and managing data along the biopharma value chain and makes it possible to maximize insights from in vitro experiments by using simulations in virtual bioreactors.

Sales Activities

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

Even after the gradual lifting of pandemic-related travel and contact restrictions in many parts of the company's business regions, sales representatives continued to interact directly with many customers using digital communication tools. Videoconferencing and augmented reality also continue to be used for such direct interactions, for example, when demonstrating products, conducting training sessions, and bringing systems into service. One focus aimed at strengthening the sales force is on expanding the company's international presence. A further focus is on the ongoing enhancement of sales effectiveness, for example, by specialized training for employees. A further focus is on the ongoing enhancement of sales effectiveness, for example, by specialized training 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; various technology platforms such as single-use containers for fluid management in biopharmaceutical processes and sensors; and control technologies for processes such as fermentation and cell cultivation. Additional focal areas entail developments in materials and components that include plastics, elastomers and intelligent polymers; expanded data analysis; and cell line development.

The largest product development site is located in Göttingen, Germany, where a new product development building is scheduled to begin operations in the first quarter of 2023. 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 many sites in 2022. The largest production facilities are located in Germany, France and Puerto Rico. Beyond these locations, the company also manufactures in the U.K., Switzerland, Tunisia, India, the United States, China, Israel, and in Slovenia. Recent acquisitions have added sites in France and the UK.

The supply chain situation remained challenging in 2022, but it has eased somewhat overall compared with the previous year. 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. The prices of many primary products used by Sartorius Stedim Biotech did increase, however, in some cases significantly.

With regard to its energy supply, the company has taken extensive measures in Germany in order to become as independent as possible from the availability of gas, if necessary.

Sartorius Stedim Biotech has expanded production capacity in all business regions, such as China, Tunisia, and Puerto Rico. Additional production employees were hired for this purpose.

To meet the growing demand for consumables in China, the expansion of the clean room in Beijing was brought into operation in 2022. This significantly expanded the local production capacity for sterile disposable bags. In addition to bags, the company has recently started producing other types of filters in the expanded clean rooms.

Following the opening of a significantly expanded application, validation, and service center for biopharma customers at the Shanghai site in 2021, the company opened new application centers in Yantai, China, and Bangalore, India, in the reporting year. These enable customers to test complex systems at a Sartorius Stedim Biotech site first before they are delivered to and set up at their plant facilities.

Sustainability

Sustainability information for the Sartorius Stedim Biotech Group is not reported. In accordance with the provisions of Article L.225-102-1 IV of the French Commercial Code, Sartorius Stedim Biotech is exempted from presenting this information because it is included in the non-financial statement established and published by the controlling company, Sartorius AG, as per applicable German regulations.

Opportunity and Risk Report

Principles

Every business activity entails opportunities and risks, which have to be managed. The skill with which this is done is a decisive success factor in determining 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 endeavor, it is important to keep risks contained within acceptable limits and to control them carefully. Through appropriate guidelines, we ensure that risk assessments are taken into account in the decision-making processes from the very beginning.

At Sartorius Stedim Biotech, identification and management of opportunities and risks is a cross-functional component of Group management. In this context, 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 opportunities and 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).

Managing Opportunities

Opportunity management centers on the analysis of target markets and sector environments, as well as the assessment of trends, both of which give strong indications as to future business opportunities. The identification of the potential for development is one of the key roles of the relevant managers and initially takes place at the local rather than the central level. Particularly the market-facing functions, such as strategic marketing and product management in the individual divisions, play a leading role in this respect. These areas are supported by the central Business Development unit with market monitoring, data analysis and the implementation of strategic projects.

As a partner to the biopharmaceutical industries, Sartorius Stedim Biotech operates in future-oriented and high-growth sectors. The significant opportunities generated by the various market and technology trends are described in detail in the sections entitled "Sector Conditions" and "Outlook for the Sectors" on pages 25 and 59, respectively.

Based on own assessments, the company is ranked as one of the global market leaders in many subsegments and product areas. We believe the high quality of the products, the strong brand recognition and established customer relationships give Sartorius Stedim Biotech a good chance to stabilize and continue extending market leadership. The corresponding strategies and the growth opportunities and initiatives based on them are discussed in the section on the strategy of the Group, which begins on page 21.

Risk Management

Organization

Overall responsibility for an effective risk management system lies with the Audit Committee. Coordinating and developing this system and combined risk reporting are the responsibilities of the 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 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 large number of risks where possible and economically advisable. These insurance policies include coverage against product liability, property damage, business interruption, transport, material and pecuniary damages and other risks, and provide comprehensive coverage for legal costs. An independent department working in conjunction with an external insurance broker regularly reviews the nature and extent of our insurance protection and makes any adjustments as necessary.

When choosing 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 as a whole 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 stipulations for handling risks, including the articles of association and rules of procedure of the Group companies and other internal guidelines. The Group’s strong growth over the past years and the rising demands of customers and regulators meanwhile require that the guidelines and rules are adapted continuously.

The prescribed reporting process in the risk categories subsequently described establishes the rules for the ongoing review of and information on risk situations. If any specific risks are discernible, 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. As a matter of policy, assessment of risks is governed by the remaining net risk, i.e., after any risk-mitigating action has been taken. In addition, as soon as these risks reach defined size criteria, they are reported to the central risk management system. Central Risk Management aggregates the reported risks reports 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 the 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.

In order to provide a logical structure, 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 described in the following sections.

Moreover, Sartorius Stedim Biotech has defined a so-called 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

External Risks

General Risks

In principle, the ability to foresee and mitigate the direct and indirect effects of risks entailed by life in general is limited. Such risks include natural catastrophes, pandemics, armed conflicts or force majeure, and their associated damage to commercially significant and critical infrastructure. Measures are taken proactively, whenever feasible, to ensure that the company can respond appropriately and at short notice or is insured against any damage entailed by such risks.

The effects of the coronavirus pandemic also had a significant impact on Sartorius Stedim Biotech's business development. Overall, as one of the leading bioprocess technology providers, the Group was able to contribute to overcoming the pandemic by supplying products for the production of coronavirus vaccines and test methods. However, the sales generated in this context remained significantly below the level of the previous year. At the same time, the temporary lockdown in China had a slightly dampening effect on business. Pandemic-related travel and contact restrictions largely expired in the year under review and therefore had less of an impact than in previous years. It is currently assumed that the additional business in connection with the coronavirus pandemic will no longer have any significant impact on the Group's business development in the future. The situation in the supply chains was still challenging in 2022, but it has eased somewhat overall compared to the previous year.

The war in Ukraine, which has been ongoing since February 2022, had no significant direct impact on the Group as a whole in the financial year. The share of the affected countries in Group sales totaled a good 2% in 2021. 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 is done in compliance with the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. In the 2022 financial year, however, sales were significantly below the level of the previous year, and a further decline is expected for 2023.

Sartorius Stedim Biotech does not own any non-current assets in Russia, Belarus and Ukraine that are significant from a Group perspective. The default risks in connection with trade receivables in Russia are limited due to an insignificant volume of receivables as of the reporting date, as well as intensive receivables management and changed payment terms (e.g., deliveries against prepayment).

While the direct effects of the war on the economic situation of the Sartorius Stedim Biotech Group were limited overall, there were noticeable indirect effects. Although the company does not have any major suppliers in the affected countries, it has seen increased logistics and energy expenses as well as an increase in procurement costs for components and raw materials. Furthermore, some countries, particularly Germany, are highly dependent on Russian natural gas, so that in the event of a gas shortage, there is a risk of massive effects, including production outages, at the Group's own locations and at important suppliers.

These risks have been reduced with a variety of measures since the beginning of the crisis. Extensive 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. With regard to suppliers with energy-intensive production processes, safety stocks have been increased significantly.

Overall, the direct and indirect effects of the Ukraine war on the Group's business development are currently 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 relatively high level of uncertainty in this context.

The Group's largest sites in Germany and France do not face any major risks from natural catastrophes, while, for example, the production plants in Puerto Rico and in Fremont, California, are exposed to the risk of severe hurricanes or earthquakes and could be impacted accordingly. 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.

In the past fiscal year, hurricane Fiona caused significant damage in the Caribbean and Canada. The Group had to temporarily halt production at the site in Yauco, Puerto Rico, but there were no lasting adverse effects to the ability to deliver and full production was resumed within a few days.

Furthermore, political developments, such as changes in foreign trade policy of various countries, can have an impact on the Group's business.

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

Business Cycle Risks

Owing to the concentration of its business activities in the life science sector, the effect of general economic developments on Sartorius Stedim Biotech is lower than average. The Group focuses on the biopharmaceutical industry, which is largely independent of economic cycles.

Operational Risks and Opportunities

The Group's supply chain extends from procurement to production to sales and distribution. Problems within this workflow can have consequential effects, including delays in deliveries. The supply chain management system ensures analyzing and controlling of all operations throughout our value-added chain and thereby largely minimizes the associated risks. On the other hand, the strongly international alignment of the organization opens up a whole series of opportunities. The various risks and opportunities encountered within the Group's supply chain are explained in detail below.

Procurement Risks and Opportunities

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.

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. 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 the current raw material shortages 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 addition, Sartorius Stedim Biotech identifies and evaluates the supplier base with regard to compliance with sustainability standards. In the event of deviations, the process provides for a large number of measures that are coordinated with the suppliers concerned.

Opportunities can arise in the area of procurement when the Group’s growth leads to an increase in order quantities and thereby strengthens its position with suppliers.

Production Risks and Opportunities

Based on the core technology expertise, the Group manufactures a significant proportion of products that involve a high level of vertical integration (e.g., filters). Other products, such as reusable 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 flextime 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 our dependency on individual local manufacturing sites. Furthermore, policies for business interruption insurance have been taken out to compensate for any possible losses due to production downtimes.

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.

Sartorius Stedim Biotech considers it an opportunity that the investments in infrastructure and production resources, among other things, have given high flexibility in manufacturing operations and that customers' requirements and regulatory standards can be fulfilled with respect to business continuity concepts. In addition, this approach ensures that the international production sites can concentrate on specific manufacturing technologies, leveraging regional cost advantages as a result. Continuous improvements in production, such as simplifying processes as well as increased automation and digitalization, also help to increase efficiency.

Sales and Distribution Risks and Opportunities

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, for example, driven by further consolidation in the relevant markets, growing price pressure and non-compliance with supply agreements concluded with customers. 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. The risk exposure in the area of logistics has been reduced in recent years by setting up and using central warehouses to optimize distribution logistics.

Opportunities arise in the area of sales and distribution when the increasing breadth of the product range puts the Group in a position to sell new products to existing customers. Moreover, business relationships, most of which are established for the long term, and the Group's global presence provide opportunities. After all, acquisitions contribute to the continuous expansion of the product range. Newly acquired technologies in the areas of cell culture media and downstream processing have recently been added to the Group's offering.

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. 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 and Opportunities

Sartorius Stedim Biotech has a leading competitive position in its core technologies and competes mainly with larger rivals sharing the status as 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 our 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 and Opportunities

Customers use Sartorius Stedim Biotech's products in a wide range of critical production processes, including the manufacture of medications, foods and chemicals, and 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 - in worse case - can lead to losses for the Group's customers, or their customers for which the Group may be made liable through compensation claims.

The company applies rigorous quality checks and advanced production methods and processes, such as cleanroom technology, 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, moreover, 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.

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 to regulations. A complaints 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. For Sartorius Stedim Biotech, this also unlocks opportunities by putting up further barriers to entry for potential market players. The reason is that challenging quality demands represent a considerable barrier to entry for potential new competitors and provide stimulus for further technical innovation. Moreover, 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 and Opportunities

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 our approach into trend monitoring as well as early-stage proof-of-concept activities to de-risk the product developments, as well as project management, intensive R&D controlling and early involvement of our 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 an early-stage patent filing ensure the Group's technology and marketing position.

Intensive collaboration with partners who are among the global market and opinion leaders in their fields enables Sartorius Stedim Biotech to jointly develop products with an especially high level of innovation. In areas such as membrane technology and plastics technology, sensorics and biopharmaceutical process engineering, the expertise of its own specialists puts the Group worldwide at the very forefront of global research and development, presenting the opportunity to turn this technical knowledge into potential sales and an even stronger position on the market. The combination of different innovative activities in a separate Corporate Research department enables Sartorius Stedim Biotech to identify promising developments at universities, start-ups and at customers' plants and to ensure all relevant IP positions are secured in advance.

Acquisition Risks and Opportunities

By nature, acquisitions provide many opportunities, such as sales growth, extension of product portfolios and development of new markets. By contrast, the purchase and sale of companies or parts of companies entail a number of typical risks, such as incorrect valuation assumptions or insufficient usage of anticipated synergy effects.

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.

Personnel Risks and Opportunities

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 sufficient numbers of highly qualified employees in the future or may lose high performers currently working for the company. The strong growth of the Group and the associated expansion of its workforce moreover pose sizable challenges for the integration and familiarization of new employees, and thus also harbor risks.

Sartorius Stedim Biotech strives to retain employees in key positions and talented individuals over the long term by offering performance-based compensation models, targeted training opportunities, attractive fringe benefits, 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 and Opportunities

The Sartorius Stedim Biotech Group's business processes are supported by a wide array of specific software applications and IT systems. A failure or significant impairment of the business-critical IT systems and the supporting technical infrastructure due to cyberattacks or other threats could significantly hamper the smooth functioning of the company's business processes and lead to manipulation or the uncontrolled loss or outflow of data.

Sartorius Stedim Biotech mitigates these risks by continuously investing in the implementation and operation of secure IT systems and applications and by continually developing and applying the concepts and security measures on the basis of the international ISO 27001 "Information security management" standard, among others. In addition, the Group incorporates the results of regular audits and vulnerability assessments by external companies specializing in IT security.

Safeguarding data, systems, and applications from misuse and other threats is managed via the uniform risk management system at Group level and implemented through the governance structure and IT risk management, and appropriate IT security policies and effective communication and practices. Fundamental principles such as secure configuration, user training and security awareness, network security, malware prevention, privilege management, and incident response are fundamental to the security organization and procedures.

The Group expects that the threat of cyberattacks will further increase worldwide, both in number and intensity. For this reason, the corresponding measures and activities were further expanded in the reporting year. The Group-wide IT security organization was strengthened in terms of personnel and expertise, a security control and defense team was established around the clock and additional systems and services for monitoring, detecting and defending against cyberattacks were set up.

The IT department actively provides targeted information across the Group on potential cyber threats and risks, and it engages employees by giving them simple but effective ways to defend themselves in a decentralized manner and report suspicious incidents for review.

Financial Risks and Opportunities

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. Conversely, financial risks, most notably exchange rate risks and interest rate risks, are balanced by opportunities of approximately equal magnitude.

Exchange Rate Risks

As a consequence of its global business activities, the Group is exposed to risks arising from foreign 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 in U.S. dollars or in currencies pegged to the U.S. 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 U.S. 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.

Interest Rate Risks and Opportunities

The Group has concluded fixed interest agreements for more than 70% of the loans outstanding so that any changes in the interest rate will not have any meaningful effects on consolidated earnings. The remaining portion of the financial instruments outstanding on the reporting date is subject to variable interest rates based on the market rate. Interest rate trends and our interest rate exposure are monitored constantly and hedging transactions are arranged where it is considered necessary and economically advisable to do so for individual loans. As of December 31, 2022, the Group did not hold any interest rate derivatives in its portfolio of financial instruments.

Liquidity Risks and Opportunities

The general risk is that Sartorius Stedim Biotech will not be able to pay its creditors. In order to minimize those liquidity risks and optimize liquidity allocation within the organization, the Group’s liquidity is managed centrally on the Sartorius Group level by using various long- and short-term debt instruments.

Sartorius Stedim Biotech is mainly using a €300 million credit line provided by Sartorius AG that can be accessed and repaid at short notice. Additionally, 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.

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.

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. In addition, adherence to the regulations of other relevant authorities like the Environmental Protection Agency or the Department of Agriculture in the USA is important to contain local or global regulatory risks.

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.

Environmental Risks

Sartorius Stedim Biotech procures a wide range of raw, auxiliary and operating materials, such as plastic, metal and electronic components as well as packaging. In addition, some production processes produce waste due to the use of solvents, which is subject to special rules regarding recycling or disposal. In this context, there is a risk that the relevant legal regulations are not complied with.

The Environment, Health and Safety department is responsible for observing the applicable regulations regarding the safe handling of materials, avoidance of emissions and orderly disposal routes. Sartorius Stedim Biotech has set up a cross-divisional environmental management system for managing environmental issues and mitigating risk. In addition, most of the large production sites have been certified according to ISO 14001: 2015, including France, India, Puerto Rico, and China. At these sites, corresponding organizational units have been set up to ensure compliance with relevant legal and regulatory requirements and the continuous implementation of sustainable technical innovation to improve environmental aspects in production processes. It is important to incorporate environmental topics in almost all decision-making processes as early as possible. In this way, potential environmental risks can be systematically reduced and the business can be operated in a sustainable and environmentally friendly fashion.

Environmental and sustainability aspects are playing an increasingly important role in many business processes for the Group. The aspect of environmentally sustainable business has thus become a central element of how suppliers are selected. For more information on these topics, please see the non-financial Group statement.

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.

Assessment of the Overall Risk Situation and Risk Outlook

Where feasible, countermeasures are adopted and | or risk provisions are made in the balance sheet during the reporting year to cover all discernible risks within the Sartorius Stedim Biotech Group, and those of a defined probability of occurrence, which had the potential to damage our net worth, financial situation and profitability.

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
External risks		
General risks*	Probable	Moderate
Business cycle risks	Possible	Moderate
Operating risks		
Procurement risks*	Possible	Significant
Production risks	Possible	Significant
Sales and distribution risks	Possible	Moderate
Competitive risks	Possible	Moderate
Quality risks	Remote	Significant
Research and development risks	Possible	Significant
Acquisition risks	Possible	Significant
Personnel risks	Possible	Significant
IT risks	Possible	Significant
Financial risks		
Exchange rate risks*	Probable	Moderate
Interest rate risks	Probable	Moderate
Liquidity risks	Remote	Moderate
Tax risks	Possible	Moderate
Compliance risks		
Regulatory risks*	Possible	Significant
Environmental risks	Remote	Moderate
Litigation risks	Possible	Moderate

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks at present that could jeopardize the continued existence of the Group.

Similarly, based on our current review, there are no discernible risks that could jeopardize the future existence of the Group.

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, financial 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 96.

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 non-financial risks (including environmental or social risk related to sustainability topics) in a quarterly reporting process. The risk typology is described on page 42. The Audit Committee of the Board of Directors and the General Management regularly hear the Head of the Controlling, who gives an overview of such financial and non-financial risks to which the company is exposed to. 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 by the Head of the Legal Affairs & Compliance of the Sartorius Group at least once a year or ad-hoc, if necessary.

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 (multi-year 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.

In 2013, the Group has decided to implement 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, focusing primarily on the following elements: checking corporate data and consolidated adjustments entered locally, inter-company eliminations, the accounting treatment of non-recurring transactions for the reporting period, and 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 Accounting and 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 Accounting and Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

Internal Control in 2022

The Company continues to review all policies, internal procedures and organizational measures and update them with the view of continuous improvement.

Code of Conduct and Anti-Corruption Code

The Sartorius Code of Conduct defines the requirements placed on employees with respect to responsible conduct. The code helps employees to act ethically and in accordance with the law in their daily work.

The Sartorius Code of Conduct covers compliance with international social and environmental standards, general rules of conduct and dealing with conflicts of interest.

The Sartorius Anti-Corruption Code forms the basis for raising employee awareness about corruption risks.

The Company ensures that employees are familiar with the Anti-Corruption Code and the Code of Conduct by asking them to take part in an online training course every year. The course teaches employees how to deal with ethically or legally problematic situations.

A complaint system ensures that employees and external third parties can report cases of damaging conduct, such as corruption, discrimination or sexual harassment. The compliance team can be contacted face-to-face, via a telephone hotline, the department's electronic mailbox or – in the case of anonymous reports – the whistleblower system. The relevant contact options are listed on the intranet and are thus available company-wide. They are also available on the company's website and can thus be accessed by external persons concerned.

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 January 2020. Thus, transactions involving the purchase or sale of 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, 2022, the Members of the Board and persons mentioned in Article L.621 – 18 – 2 of the French Monetary and Financial Code carried out the following transactions on the company`s shares:

Date of the transaction	Details of the person discharging managerial responsibilities / person closely associated	Description of the financial instrument	Nature of the transaction	Aggregated information of price and volume
25/02/2022	Sartorius AG	Share	Sale	Price: €336.40 Volume: 200,442

The transaction was not related to the exercise of a stock option program or to a bonus or performance share grant but part of the purchase price of the acquisition of BIA Separations by Sartorius Stedim Biotech in 2020. The overall purchase price comprised of a payment of €234.2 million in cash and 405,887 shares of Sartorius Stedim Biotech. The shares were transferred by the parent company Sartorius AG to the owners of the acquired company. As a consequence, Sartorius Stedim Biotech incurred a corresponding liability against Sartorius AG.

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.

Forecast Report

Biopharmaceutical Industry Maintains Dynamic Growth

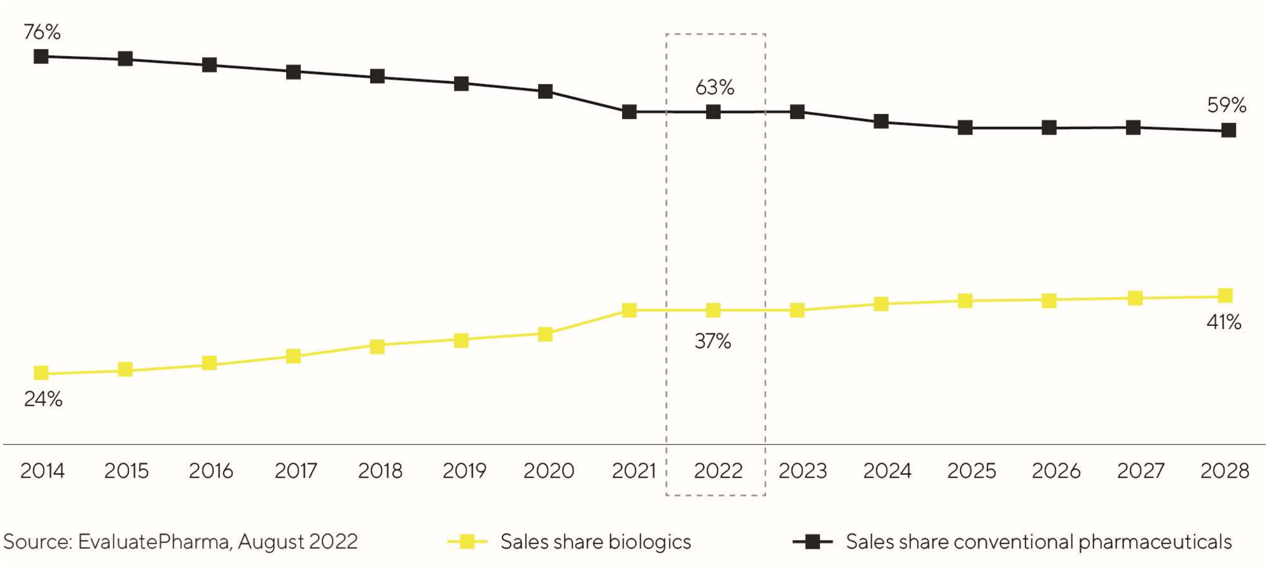
Strong, long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. EvaluatePharma estimates that the global pharmaceutical market will grow by around 6% annually for the period up to 2028. Within the pharmaceutical market, the biopharma segment 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 range between 8% and 11% in the coming years. The market is expected to have a total value of around €575 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 37% to 41%.

From a regional perspective, China is still expected to be the most dynamic market. Positive regulatory and political conditions, a constantly rising number of local biotech companies, and increasing demand for advanced biopharmaceuticals have been fueling above-average growth for several years now. This trend could continue as a result of the huge amount of catch-up potential in the market and the improved availability of biotech medications.

Considerable growth in the United States and Europe is also anticipated, driven in particular by a growing need for medications for aging societies as well as the rising number of patients. In addition, the number of approved biopharmaceutical medications is steadily increasing. Of the estimated 10,000+ medications in R&D pipelines, over 40% 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 2022, more than 2,000 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, i.e., 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 2026, the market could grow by an annual average of 20% to 30% and reach a total value of approximately €42 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 development of increasing usage of biosimilars is likely to accelerate.

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



Source: EvaluatePharma, August 2022

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 towards 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 about 4% to 5% annually in the next few years and to reach a total value of around €85 billion in 2026.

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 climb annually by 3.0% during the period from 2022 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.

Budget increases for academic and public-sector research institutions should also act as a growth driver in some countries. On the other hand, the pandemic and potential lockdowns or temporary production shutdowns, as well as the projected slowdown in global economic growth, pose risks to demand from industrial end markets. Market observers continue to expect China and India to generate the highest growth rates. 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. The country invested more in research and development than the USA for the first time in 2021, as a result of which its share of R&D spending further increased.

Sources: BioPlan: 19th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2022; Evaluate Pharma: World Preview 2022, Outlook to 2028, October 2022; SDi: Global Assessment Report 2022, June 2022; www.fda.gov

Future Business Development

Following the exceptionally strong previous years, Sartorius Stedim Biotech expects further growth in 2023 despite demand normalization and anticipated further declines in the Covid-19-related business. Consolidated sales revenue is expected to increase by an amount in the low single-digit percentage range. Excluding the Covid-19-related business, the increase would be in the mid to high single-digit percentage range. Acquisitions are anticipated to contribute around 1 percentage point to growth. The Group's underlying EBITDA margin should be around the level of the prior year (35.0%).

The company will continue its comprehensive capacity expansion program in 2023. The CAPEX ratio should be at roughly 12.5% and the ratio of net debt to underlying EBITDA at about 0.5. Possible acquisitions are not included in this projection.

All forecasts are based on constant currencies, as in the past years. In addition, management points out that the dynamics and volatilities in the life science and biopharma sectors have increased over the past years and the coronavirus pandemic has further amplified these trends. Moreover, the forecasts are based on the assumption of no deterioration in the geopolitical and global economic situation, supply chains, inflation and energy supply, and no new relevant restrictions in connection with the coronavirus pandemic. Accordingly, current forecasts show higher uncertainties than usual.

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2022

Financial Statements of the Parent Company

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 2022, sales revenue generated at Sartorius Stedim Biotech S.A. was €M 2.6 compared to €M 2.1 in 2022. The operating profit is €M -4.9 versus €M -8.9 in 2021. The net financing income totalled €M 158.9 versus €M 123 in 2021.

The net profit for 2022 is €M 154.7 compared to €M 115.5 in 2021.

Appropriation of the Net Profit

The ASM will suggest to appropriate the net profit of €154,694,838 for the reporting year of 2022 as follows:

- The following amount is to be added to this balance: Year-earlier profit carried forward: €74,757,881

- This would yield a distributable profit of €229,452,719

- Total amount of dividends to be disbursed to shareholders: €132,721,775 excluding treasury shares

- Balance resulting from disbursement: €96,730,944

The remaining amount of €96,730,944 is to be carried out to the next year.

Dividends of the last three financial years (information updated as of 1st January 2022)

The table below lists the amount of the dividend per share distributed, since 2019, 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, 2021	116,142,805	116,142,805	0	1.26 €
Dec. 31, 2020	62,681,786	62,681,786	0	0.68 €
Dec. 31, 2019	31,341,265	31,341,265	0	0.34 €

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

Proposition of dividend for the 2022 financial year

The Board of Directors has decided to propose on the 27th of March 2023 Annual Shareholders' Meeting a net dividend of €1.44 per share for the 2022 financial year in comparison with €1.26 for 2021.

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

The dividend will be paid on 31 March 2023.

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 24th of March 2022, the Shareholders' Meeting voted a net dividend of €1.26 per share. The payment of the dividend was done on March 31, 2022.

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, 2022

As of 31 December 2022, the share capital amounts to eighteen million four hundred and thirty-six thousand thirty-eight euros (€18,436,038). It is divided into twenty-two million one hundred and eighty thousand one hundred and ninety (92,180,190) shares worth twenty cents euros (€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 2022, 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 2015	Exercise of share subscription options	1.00	8,000.0	174,880.0	8,000.0	15,367,238	15,367,238.0
Year 2016	Reduction of Capital: Cancellation of Treasury Shares	1.00	−1,642,095.0		−1,642,095.0	13,725,143	13,725,143.0
Year 2016	Increase of Capital: new actions created	1.00	1,638,222.0		1,638,222.0	15,363,365	15,363,365.0
Year 2016	Increase of Capital: nominal value change	0.20	3,072,673.0		3,072,673.0	92,180,190	18,436,038.0
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 2021						92,180,190	18,436,038.0
Year 2022						92,180,190	18,436,038.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2022

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, 2020			December 31, 2021			December 31, 2022		
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%	68,044,513	73.8%	84.8%	67,844,071	73.6%	84.6%
Single voting rights									
Double voting rights	68,044,513	73.8%	84.8%	68,044,513	73.8%	84.8%	67,844,071	73.6%	84.6%
Total Sartorius Group	**68,044,513**	**73.8%**	**84.8%**	**68,044,513**	**73.8%**	**84.8%**	**67,844,071**	**73.6%**	**84.6%**
Treasury shares	1,093			3,361			12,921		
Personnel and other shareholders									
General public	24,134,584	26.2%	15.2%	24,132,316	26.2%	15.2%	24,323,198	26.4%	15.4%
Single voting rights	23,827,327	25.8%	14.8%	23,830,636	25.9%	14.8%	23,914,989	25.9%	14.9%
Double voting rights	307,257	0.3%	0.4%	301,680	0.3%	0.4%	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, 2022

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.

12,921

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 2022
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 06/24/2020 – Resolution n°11) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 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 capital increases and debt instrument, with or without preferential subscription rights of the shareholders, set from the twelfth (12th) to the seventeenth (17th) 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 06/24/2020 – Resolution n° 12) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (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 06/24/2020 – Resolution n° 13) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	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 06/24/2020 – Resolution n° 14) Granted for a period of 26 months as from 24/06/2020	The limit amount 15% of initial issue of shares, pursuant to the resolution n°11 to 13 described above.	None
Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders.(EGM 06/24/2020 – Resolution n° 15) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of 10% of the share capital of the Company at the moment of the 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 06/24/2020 – Resolution n° 16) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit.	None

Ability to issue shares and/or securities giving access to the share capital giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders and reserved for members of saving plans. (EGM 06/24/2020 – Resolution n° 17) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 corresponding to the maximum nominal amount of the increase of the share capital; it is an independent limit.	None
Ability to reduce the capital by cancelling shares acquired under buyback program (EGM 06/24/2020 - Resolution n°18) Granted for a period of 18 months as from 24/06/2020	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to grant free new or existing shares to the benefit of employees or corporate officers (EGM 06/24/2020 - Resolution N°19) Granted for a period of 38 months as from 24/06/2020.	The limit amount of 10% of the Company's share capital calculated on the attribution date	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 2022

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2022 Fiscal Year

None

Options Exercised During the Fiscal Year

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

in €	2021	2020	2019	2018	2017
Dividend per share for the fiscal year	1.26	0.68	0.34	0.57	0.46
Number of shares	92,180,190	92,180,190	92,180,190	92,180,190	92,180,190
Dividend corrected per share[1]	**1.26**	**0.68**	**0.34**	**0.57**	**0.46**

1 Compared to the number of shares as of December 31, 2017

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' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the ASM:

- Each Director receives a fixed remuneration of €35,000 per year, to be paid after the annual financial statements have been adopted by the Annual Shareholders’ Meeting and which is 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 €1,200 per meeting and reimbursement of their expenses in addition to the annual remuneration.

- For their membership to 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 €1,200. 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 to 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 €1,200. 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, as well as 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 €325,800 has been provisioned in directors' fees for 2022 (payment en 2023).

Compensation of the Executive Management Team[1]

		Base | fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
Total 2022	**1,520**	**788**	**336**	**396**	**0**	**0**	**0**	**0**
Joachim Kreuzburg 2022	942	500	214	228	0	0	0	0
René Fáber 2022	578	288	122	168	0	0	0	0
Total 2021	**2,003**	**500**	**360**	**1,113**	**30**	**0**	**0**	**0**
Joachim Kreuzburg 2021	2,003	500	360	1,113	30	0	0	0

1 For more details please refer to the chapter Corporate Governance on pages 73 - 105

Independent Auditors

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

- KPMG S.A., represented by Nicolas Blasquez.

- Deloitte & Associés, represented by Christophe Perrau.

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 exercicze whose term has expired						Article D. 441-2nd: Invoices sent but not paid at the date of the end of the exercize whose term has expired					
	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	**Total**
(A) Repartition of late payment												
Number of concerned invoices	0	2	0	0	10	12	1	1	0	0	0	2
Total Amount of concerned invoices (Including all taxes)	0	477,361	0	0	12,459	489,820	–2,190,280	0	0	0	0	–2,190,280
Percentage of Total amount of purchases including taxes for the exercize	5%	0%	0%	0%	0%	5%						
Percentage of sales including taxes for the exercize							42%					42%
(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 and € Earning per Share	2018	2019	2020	2021	**2022**
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)	2.0	2.1	1.9	2.1	2.6
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	54.1	57.2	81.4	115.0	154.9
Income tax	3.2	-0.4	-0.7	-1.4	-0.8
Contribution to employee profit-sharing plan	0.0	0.0	0.0	0.0	0.0
Net profit	49.5	56.8	81.2	115.5	154.7
Dividends paid or proposal of dividend	42.4	52.5	31.3	62.7	116.1
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	0.55	0.63	0.89	1.26	1.69
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	0.54	0.62	0.88	1.25	1.68
Dividend per share	0.46	0.57	0.34	0.68	1.26
Personnel					
Workforce size	0	0	0	0	0
Personnel costs	0	0	0	0	0
Social security costs	0	0	0	0	0

Corporate Governance

Corporate Governance

03

The Board of Directors and its Committees

The Board of Directors

Name	Mandate	Gender	Age	Nationality	No. of directorships in listed companies outside SSB Group	Independent[1]	No. of years on the board	First appointement	Expiration of current mandate[2]	Audit Committee member	Remuneration & Nomination Committee member
Joachim KREUZBURG	Chairman and Chief Executive Officer	m	57	German	1		15	2007	2025		
René FÁBER	Deputy Chief Executive Officer	m	47	Slovak	1		3	2019	2025		
Christelle BAUDERE	Director representing employees	f	48	French	0		1	2021	2024		
Pascale BOISSEL	Director	f	56	French	2	●	3	2019	2025	●	●
Susan DEXTER	Director	f	67	American	0	●	7	2015	2024	●	●
Anne-Marie GRAFFIN	Director	f	61	French	3	●	7	2015	2024	●	●
Lothar KAPPICH	Director	m	65	German	1		5	2017	2025	●	●
Henri RIEY	Director	m	61	Monegasque	0		15	2007	2025		

1 In accordance with the recommendation N° 8 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.

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.

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 31 December 2022
For historical reasons due to the shareholding structure of the Company, the composition of the Board of Directors and its Committees has been reflecting the aim by our controlling shareholder of a long-lasting balance between the Directors representing these shareholders, the independent directors and the executive directors.

The Company's controlling shareholder 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 in the transparency of the information provided to the market and to fairly take all interests into account (see the paragraph on the balance of powers and the composition of the Board of Directors on page 74).

The Board of Directors considers, 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. It is nevertheless necessary to consider, in particular, that these principles are established under the condition that the beneficial owner of the controlling shareholder is ultimately a community of heirs that has certain restrictions to observe with regards to the control of Sartorius group, including Sartorius Stedim Biotech S.A. The community of heirs will continue to be bound to those restrictions until July 2028. Therefore, a certain dependency of the Company vis-à-vis the controlling shareholder will remain in place at least until July 2028, although the Company and its controlling shareholder are both listed companies.

Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: 22 April 1965
Nationality: German

First appointment: 29 June 2007
Mandate renewed: 29 March 2022
Appointed until: date of the Annual General Shareholders' Meeting in 2025 to approve the financial statements for the fiscal year ending 31 December 2024

Number of Sartorius Stedim Biotech Shares held: 6

Other current directorships and positions within the Group:

Chairman of the Executive Board (Vorstand) of Sartorius AG[1];
Managing Director of Sartorius Lab Holding GmbH;

Managing Director of SWT Treuhand 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 Advisory Board of LabTwin GmbH;
Chairman of the Board of Directors of Sartorius North America Inc.

1 Public listed

Past directorships (held during the past five years) within the 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;
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.;
Member of the Board of Directors of IntelliCyt Corporation;
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 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.

Past directorships (held during the past five years) outside the 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 Hanover, Germany
Since 1 May 1999	Sartorius AG, Goettingen, Germany. Most recent position before promotion to the Executive Board: Vice President, Finances and Investor Relations
Since 11 Nov. 2002	Member of the Executive Board of Sartorius AG, Goettingen, Germany
1 May 2003, to 10 Nov. 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany
Since 11 Nov. 2005	CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany; currently responsible for Group Strategy, Human Resources, Corporate Research, Legal Affairs & Compliance, Communications

René Fáber

Deputy Chief Executive Officer
Date of birth: 18 July 1975
Nationality: Slovak

First appointment: 26 March 2019
Mandate renewed: 29 March 2022
Appointed until: date of the Annual General Shareholders' Meeting in 2025 to approve the financial statements for the fiscal year ending 31 December 2024

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the 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 Korea Biotech LLC;
Member of the Board of Directors of Sartorius Korea Operations LLC;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Stedim (Shanghai) Trading 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 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.

Other current directorships and positions outside the Group:

Member of the Advisory Board of Curexsys GmbH, Germany.

Past directorships (held during the past five years) outside the Group:

None

1 Public listed

Educational and professional background:

Master degree in chemistry at the Technical University in Bratislava, Slovakia
PhD in polymer chemistry at the Technical University of Munich, Germany

2001 – 2002	Scientist at French specialty chemical group Rhodia, Slovakia
2002 – 2004	Post-doctoral 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

Christelle Baudere

Non-executive member
Director representing the Employees
Date of birth: 15 November 1974
Nationality: French

First appointment: 1 January 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group: None

Past directorships (held during the past five years) outside the Group: None

Educational and professional background:

1996	Bachelor in Economic and Social Sciences
1998	High school Degree in Management Assistant
2009-2010	Les Oasis de Plan d'Eau – Executive Assistant
2010-2011	Vinci Group – Executive Assistant
2011-2019	Sartorius Stedim FMT SAS – Executive Assistant to Operations
2019-2022	Sartorius Stedim FMT SAS - Manager of Indirect Purchasing for Corporate Sourcing
Since 2022	Sartorius Stedim FMT SAS – Travel Expert for EMAE

Pascale Boissel

Non-executive member
Independent Director
Date of birth: 15 October 1966
Nationality: French

First appointment: 26 March 2019
Mandate renewed: 29 March 2022
Appointed until: date of the Annual General Shareholders' Meeting in 2025 to approve the financial statements for the fiscal year ending 31 December 2024

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the 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 Group: None

Educational and professional background:

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

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

1 Public listed

Susan Dexter

Non-executive member
Independent Director
Date of birth: 11 October 1955
Nationality: American

First appointment: 7 April 2015
Mandate renewed: 24 March 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group: None

Past directorships (held during the past five years) outside the 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 using 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 CMO's 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 speak 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

Anne-Marie Graffin

Non-executive member
Independent Director
Date of birth: 3 May 1961
Nationality: French

First appointment: 7 April 2015
Mandate renewed: 24 March 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:

Member of the Supervisory Board 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];
Managing Director of SMAG Consulting S.A.S.

Past directorships (held during the past five years) outside the Group:

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

Educational and professional background:

Graduated from ESSEC Business School - Paris

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

1 Public listed

Lothar Kappich

Non-executive member
Date of birth: 15 February 1957
Nationality: German

First appointment: 14 September 2017
Mandate renewed: 29 March 2022
Appointed until: date of the Annual General Shareholders' Meeting in 2025 to approve the financial statements for the fiscal year ending 31 December 2024

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

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

Past directorships (held during the past five years) within the Group:

None

Other current directorships and positions outside the Group: None

Past directorships (held during the past five years) outside the 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 from Schering AG in Berlin
1990-2017	ECE Projektmanagement G.m.b.H. & Co. KG in Hamburg, latest position Managing Director of ECE's HR & Corporate Services as well as Managing Director of numerous subsidiaries at the ECE group

1 Public listed

2007-2017	Member of the Supervisory Board of Sartorius AG, Goettingen
Since 2017	Chairman of the Supervisory Board of Sartorius AG, Goettingen

Henri Riey

Non-executive member
Date of birth: 5 November 1961
Nationality: Monegasque

First appointment: 29 June 2007
Mandate renewed: 29 March 2022
Appointed until: date of the Annual General Shareholders' Meeting in 2025 to approve the financial statements for the fiscal year ending 31 December 2024

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the 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).

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 bank
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Executive Vice President of Barclays Asset Management; in charge of 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 2022 financial year

	Departure	New Appointment	Renewal[1]
Board of Directors			
	None	None	Joachim Kreuzburg, Chairman and Chief Executive Officer
			René Fáber, Deputy CEO
			Pascale Boissel
			Lothar Kappich
			Henri Riey
Audit Committee			
	Henri Riey	Susan Dexter	Pascale Boissel (President)
			Susan Dexter
			Anne-Marie Graffin
			Lothar Kappich
Remuneration and Nomination Committee			
	Henri Riey	Pascale Boissel	Anne-Marie Graffin (President)
			Pascale Boissel
			Susan Dexter
			Lothar Kappich

1 As of 29 March 2022

Registered Addresses

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

Deputy Chief Executive Officer

In accordance with Article 19.4 of the Company's Articles of Association, the Board of Directors may, on the proposal of the Chief Executive Officer, appoint one or more persons to assist the Chief Executive Officer as Deputy Chief Executive Officer (DGD – Directeur Général Délégué).

On 9 February 2022, Mr. René Fáber has been appointed as Deputy CEO by the Board of Directors upon proposal of the CEO and upon recommendation of the Remuneration and Nomination Committee. The Deputy CEO of the Company is appointed for the duration of his term of office as a Director and has the same powers as the Chief Executive Officer. Under the internal regulations, the Chief Executive Officer and the Deputy CEO may not take certain decisions without the prior authorisation of the Board of Directors. In the event that the Chief Executive Officer ceases to hold office or is prevented from doing so, the Deputy CEO shall retain his or her functions and powers until a new Chief Executive Officer is appointed.

Director representing employees

Since 2019, one Director representing employees has been a member of the Board of Directors. Mrs Christelle Baudere was appointed by the Work Council's decision of the CSE (Comité Social et Economique) dated 27 November 2020, effective as from January 1st, 2021.

She holds the duties of Travel Expert for EMEA. She was appointed for a 3-year term. Like any new Director, the Director representing employees followed an induction course intended to perfect her knowledge of the Company's organisation and activities, which involved in particular individual interviews with the Group's main senior managers.

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.

Independent Directors

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 2022, 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 assessed each year by the Board of Directors with respect to the following criteria.

An independent director:

- 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 9.6 and 9.7 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 analyses other factors, such as the ability to understand the issues and risks, prior to making a decision on whether a director qualifies as independent.

As part of the assessment of the Board of Directors, the Board of Directors goes through all the criteria listed above and currently it states that it has three independent directors: Mrs. Pascale Boissel, Mrs. Susan Dexter, and Mrs Anne-Marie Graffin.

	Not an employee or executive officer	No cross-directorships	No business relationships	No family links	Not a statutory auditor	First appointement	Not a director for over 12 years	Classification adopted
Joachim Kreuzburg	No	No	Yes	Yes	Yes	2007	No	Not independent
René Fáber	No	No	Yes	Yes	Yes	2019	Yes	Not independent
Christelle Baudere	No	Yes	Yes	Yes	Yes	2021	Yes	Not independent
Pascale Boissel	Yes	Yes	Yes	Yes	Yes	2019	Yes	Independent
Susan Dexter	Yes	Yes	Yes	Yes	Yes	2015	Yes	Independent
Anne-Marie Graffin	Yes	Yes	Yes	Yes	Yes	2015	Yes	Independent
Lothar Kappich	Yes	No	Yes	Yes	Yes	2017	Yes	Not independent
Henri Riey	Yes	Yes	Yes	Yes	Yes	2007	No	Not independent

Balanced representation of women and men

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 Board of Directors level, under the provisions of Article L 225 - 18 - 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, 2022. If the employee representative was taken into account, the Board of Directors would be composed of 50% of women.

In addition, according to Article 7.2 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 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. 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 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.

2022 results
On the first management level below the Board of Directors, which currently comprises seven positions, the percentage share of women amounted to 57% by the end of the year (N-1: four women, three men) and therefore significantly surpassed the target figure of 30%. On the second management level the percentage share of women was 33% (N-2: 14 women, 29 men) at year-end; thus, the target figure was exceeded as well. However, it should be noted that given the small number of leadership positions on these management level minor changes can already result in considerable changes in percentage numbers.

To attain its goals, Sartorius Stedim Biotech implemented dedicated measures both in its recruitment activities and in talent management. To foster 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.

Assessment of the Board of Directors

The internal rules of the Board of Directors require that once a year the Board devotes an item on its agenda to discuss its functioning and ensures that a formal assessment is carried out. For this purpose, in December 2022, members of the Board completed a questionnaire on the following topics:

- the Board's composition;
- the mode and structure of governance;
- the efficiency of the Board of Directors;
- the Board's working methods;
- the areas of competence of the Board's members;
- areas for improvement.

Consistent with the efficiency review in 2021, the results are satisfactory in terms of flow of information, active participation of each Board member and quality of the Committee's work. The answers are reflecting the high-quality teamwork of the Board members and their convergence of views.

Board of Directors' internal regulations and balance of powers

As the functions of Chairman of the Board of Directors and Chief Executive Officer are combined under a monist structure, the Board of Directors has enacted an internal regulation to ensure the balance of powers. According to such internal regulations, the CEO and/or Deputy CEO cannot make certain decisions without the prior authorisation of the Board of Directors.

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 9, 2022 and the agenda included the remuneration of the Executive Directors.

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, 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 in page 207 of this report in the Section Other Information of a Legal Nature.

Besides, in order to reinforce the balance of powers, within his 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 he takes up office. Each Director is bound by and put into practice the rules contained in such Charter.

The Directors' charter is included in the schedule of the Board of Director's internal régulation 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 details in page 207 of this report in the Section Other Legal Information.

Staggering and renewal of the mandate terms

On 29 March 2022, at the Shareholders'Meeting approved the renewal of 5 mandates: Mr. Joachim Kreuzburg, Ms. Pascale Boissel, Mr. René Fáber, Mr. Lothar Kappich, and Mr. Henri Riey. On March 29, 2022, the Board of Directors also renewed the mandate of Mr. Joachim Kreuzburg as Chairman of the Board and Chief Executive Officer and Mr. René Faber as Chief Executive Officer.

On this occasion, the composition of the Board's Committees was also changed, as set out before.

The mandates of the other 3 board members will expire in 2024.

Selection of new Board Members

Pursuant of the Article 17.2.1 of the AFEP-MEDEF Code, the selection of Board members is based on the following criterias:

- the desired balance with regard to the composition of the Company's ownership;
- the desired number of independent Board members;
- the proportion of men and women required by current regulations;
- the opportunity to renew terms;
- and the 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.

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 nine times during 2022 fiscal year.

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 below.

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 110 of the present Universal Registration Document.

	Board of Directors	Audit Committee [1]	Remuneration and Nomination Committee[1]
Joachim Kreuzburg	8/9		
René Fáber	8/9		
Christelle Baudere	8/9		
Pascale Boissel	8/9	5/5	2/4
Susan Dexter	9/9	4/5	4/4
Anne-Marie Graffin	9/9	5/5	4/4
Lothar Kappich	9/9	5/5	4/4
Henri Riey	9/9	1/5	2/4

1 These figures must be read in the light of the changes occurred in the composition of the committees during the reference period.

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

To the Company's knowledge, all Directors fulfil the following thresholds with regards to numbers 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.

Preventing Conflict of interest

To the Company's knowledge, no family relationships exist 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 Director must inform the Board as soon as he/she is aware of any conflict of interests, 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.

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.

Measures taken to ensure that control is not done in an abusive way are the following:

- Three out of seven members of the Board of Directors are independent. Pursuant to Article 9.3 of the AFEP-MEDEF Code, the Director representing employees is not being 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 Remuneration and Nomination Committee are independent, one of them being the Chairwoman of the Committee.

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 in page 73 of this Report.

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

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 missions mentioned above summarize the internal regulation of the Board of Directors.

Activity Report of the Board of Directors for the 2022 Fiscal Year

The Board reviewed and approved the company and consolidated accounts for 2021.

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

- Strategic direction and major Group projects
- The 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
- Stock market performance
- Self-assessment of the Board members
- Elements of remuneration due or attributed
- Corporate Social Responsibility (Sustainability)
- Renewal of Mandates
- General Shareholders' Meeting preparation and governance topics
- Approval of several acquisition projects

Start

Information to be provided to Directors

Before each Board Meeting, the Directors receive a report on the agenda items that require prior consideration, in due time and following notification.

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 allowed to cause division within its college which is and remains responsible for the fulfilment 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 11.3 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 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

Regarding 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 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 of the Company financial statements 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.

Regarding 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 analyse 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.

Regarding risk analysis and prevention, the Audit Committee has the following duties:

- To analyse 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 42). 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;

- 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 31 December 2022 , 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 is 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 is 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 he is invited, the Company's CEO, 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 the debates that the Company's CEO can further explains business activities, if necessary. The Audit Committee can also consult and invite various guests like experts from Finance, Accounting, Legal and Treasury departments of the Company. 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 five times during fiscal 2022 .

Activity Report of the Audit Committee for the 2022 Fiscal Year

The Committee reviewed and approved the Company and consolidated financial statements for 2021.

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 2022 budget
- Study and review of budget 2023
- 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 typology of risks studied page 42)
- Internal audit compliance report (including auditioning management)
- Stock market evolution
- Borrowings contracted

Remuneration and Nomination Committee

Remuneration and Nomination Committee duties

The Remuneration and Nomination Committee's purpose 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 also include assisting the Board of Directors with the appointment or renewal of Board members. The Remuneration and Nomination Committee considers possible succession plans that make it possible to respond to unforeseeable replacements (illness, death, unexpected resignation).

Composition of the Committee and Functioning

As of 31 December 2022 , the Remuneration and Nomination Committee has four members:

Mrs. Anne Marie Graffin has been appointed as the Chairwoman of the Remuneration and Nomination Committee by the Board of Directors in its metting held on 9 February 2022. Mrs. Pascale Boissel has been appointed as a new member of this Committee.

- Mrs. Anne-Marie Graffin (Chairwoman)
- Mrs. Pascale Boissel (in replacement of Mr. Henri Riey)
- 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.

The Remunerations and Nominations Committee met four times in the 2022 financial year.

Report on the Activities of the Remuneration and Nomination Committee for the 2022 fiscal year

- Appointment of Mr. René Fáber as Deputy Chief Executive Officer
- Allocation of the Directors' fees for the 2021 financial year
- Determination of the remuneration due or awarded to the corporate officers (including the Chairman of the Board and Chief Executive Officer) for the 2021 financial year
- Determination of the remuneration policy of corporate officers (including the Chairman and Chief Executive Officer) for the 2022 financial year
- Discussion on the new remuneration policy for non-executive directors for the 2023 financial year
- Discussion on succession plans and Board Member mandates renewal
- Definition of a selection process for appointment of new Board Members

Report on Corporate Governance

1. Regulated Agreement

The Company terminated on February 9, 2022, with retroactive effect as from December 31, 2021, the services agreement between the Company and Sartorius AG covering the recharge of services of the Company's officers, which was previously submitted for approval every year by the Shareholders' Meeting in accordance with Article L. 225-38 and seq. of the French Commercial Code.

No agreement referred to in Articles L. 225-38 and seq. of the French Commercial Code was entered into during the 2022 financial year.

2. Other Information

Information required by Article L 22.-10-9 of the French Commercial Code

The information referred to in Article L. 22-10-9 of the French Commercial Code is described in the chapter entitled "Remuneration of Directors" in the 2022 Universal Registration Document (page 110).

In accordance with the provisions of Article L. 225-100 II of the French Commercial Code, this information will be submitted for shareholder approval at the Shareholders' Meeting on 27 March 2023, in its sixth (6th) resolution (ex post vote).

Remuneration of the Chairman and Chief Executive Officer for the financial year 2022

The fixed, variable and exceptional items making up the total remuneration and benefits of all kinds due or awarded to Mr. Joachim Kreuzburg, Chairman and Chief Executive Officer, for the financial year ended December 31, 2022, are described in the chapter entitled "Remuneration of Directors" in the 2022 Universal Registration Document (page 110).

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, these items will be submitted for shareholders' approval at the Shareholders' Meeting on March 27, 2023, in its seventh (7th) resolution (ex post vote).

Remuneration policy for the Chairman and Chief Executive Officer for the 2023 financial year

The remuneration policy for the Chairman and Chief Executive Officer for the 2023 financial year, pursuant to Article L. 22-10-8 of the French Commercial Code, is set out in the chapter entitled "Remuneration of Directors" in the 2022 Universal Registration Document (page 110).

This remuneration policy will be submitted for shareholders' approval at the Shareholders' Meeting on 27 March 2023, in its eighth (8th) resolution (*ex ante* vote).

Remuneration of the Deputy Chief Executive Officer for the 2022 financial year

The fixed, variable and exceptional components of the total remuneration and benefits of all kinds due or awarded, to Mr. Réné Faber, Deputy Chief Executive Officer, for the financial year ending December 31, 2022, are described in the chapter "Remuneration of directors" of the 2022 Universal Registration Document (page 110).

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, these elements will be submitted to the approval of the shareholders at the Shareholders' Meeting on 27 March 2023, in its ninth (9th) resolution (ex post vote).

Remuneration policy for the Deputy Chief Executive Officer for the 2023 financial year

The remuneration policy for the Deputy Chief Executive Officer for the 2023 financial year, pursuant to Article L. 22-10-8 of the French Commercial Code, is set out in the chapter entitled "Remuneration of Directors" in the 2022 Universal Registration Document (page 110).

This remuneration policy will be submitted for shareholders' approval at the Shareholders' Meeting on 27 March 2023, in its tenth (10th) resolution (*ex ante* vote).

Corporate Governance Code / AFEP-MEDEF

In 2008 the Sartorius Stedim Biotech S.A. Board of Directors decided to follow the AFEP-MEDEF recommendations, as revised in January 2020, as the reference code for corporate governance (see www.medef.fr).

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. If a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

In accordance with Article 27.1 of the Code (in effect at the date of the Universal Registration Document), listed companies referring to the Code are required to precisely identify, in their Universal Registration Document, the application of these recommendations. In case of non-application of one of these provisions, companies are required to provide a comprehensible, relevant and circumstantial explanation according to the rule "apply or explain". It is recommended by the AMF (recommendation n°2014-08 of 22 September 2014) that companies indicate in a specific table each recommendation that is not applied with related explanations.

It is specified that the new recommendations set out in the Afep-Medef Code, as amended on December 22, 2022, are not mentioned in the following table given (i) that such recommendations will be applicable as from the date of the shareholders' meeting to be held in 2024 and approving the financial accounts for the 2023 financial year and (ii) the short period of time between the publication of the amended version of the Afep-Medef Code (i.e. December 22, 2022) and the date of the Universal Registration Document (i.e. February 16, 2023).

The Company's strategy on climate change mitigation will not be submitted for approval to the next Shareholders Meeting on March 27, 2023, under a specific resolution.

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/investor-relations/sartorius-ag-investor-relations

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
3.2 - 3.4	Disclosure of the option selected It is essential for the shareholders and third parties to be fully informed of the choice made between separation of the offices of Chairman and Chief Executive Officer and maintenance of these positions as a single office.	The Company has opted to combine the offices of Chairman and Chief Executive Officer to simplify the company's operational management and increase its efficiency. This organization turned out to be a factor of efficient governance considering the organization of the Sartorius Stedim Biotech Group. Mr. Joachim Kreuzburg is Chairman of the Board and CEO of Sartorius AG, the parent company of the Group. He is on the one hand bound to the controlling shareholder and on the other hand very involved and experienced in the business affairs of the Group which he knows particularly well. In order to ensure a fair balance of powers, Sartorius advocates to have a certain number of identical decision-makers at the parent company and SSB SA level, so that both interests can be represented at the same hierarchical level, with the same legitimacy and level of information. To accompany this choice, specific measures are in place for a fair balance of powers (internal regulations, and Board Members Charter – See the Universal Registration Document in page 215 to 217 for further details and extract). The internal regulations provide that important decisions cannot be taken by the CEO or Deputy CEO without prior approval of the Board of Directors. Furthermore, in compliance with Article 11.3 of the AFEP-MEDEF Code, one meeting of the Board of Directors, is held annually without the executive corporate officers at the end of each year. Also, the Board of Directors is proceeding to an annual evaluation of its functioning to identify the improvements that could be made. The result of the evaluation shows that this organization is well suited for the interests of the company.
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.

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 2022, Sartorius Stedim Biotech held its annual Shareholders' Meeting on 29 March 2022, 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 16 February and on 9 March 2022 in the BALO and La Provence respectively. The documentation relating to the Shareholders' Meeting held on 29 March 2022 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 29 March 2022, 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 theShareholders' 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.

Delegations granted for increase in share capital by the Shareholders' Meeting to the Board of Directors

Delegation of competence

Object - Duration	Limit	Use in 2022
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 2022
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) 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) 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

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 2023 Fiscal Year (*ex ante*)

In accordance with Article L. 22-10-8 of the French Commercial Code, the corporate officers' compensation 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 27th, 2023.

Remuneration Policy of the Executive Corporate Officers

The following remuneration policy describes the remuneration policy for the executive corporate officers for the 2023 financial year, which was decided by the Board of Directors in its meeting held on February 8, 2023, 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 27, 2023 (*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 executive corporate officers aims to remunerate the executive corporate officers appropriately in line with their tasks and responsibilities and to directly consider their 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 executive corporate officers 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

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, all executive corporate officers are entitled to receive short-term variable remuneration on 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 all executive corporate officers 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 CO_2 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 CO_2 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 CO_2 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 CO_2 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 executive corporate officers and Sartorius AG, the executive corporate officers have 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.

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 executive coporate officers have 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.

Pension commitments

The executive corporate officers 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 Chief Executive Officer 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 executive corporate officers 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 executive corporate officers. In turn Sartorius Stedim Biotech S.A. reimburses Sartorius AG at cost.

In respect of the principles and criteria abovementioned, the Board of Directors, in its meeting held on February 8, 2023, decided that the remuneration policy of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for the 2023 fiscal year will be as follows (variable remuneration under the assumption of 100% target achievement):

	Chief Executive Officer		Deputy Chief Executive Officer	
	in €	% of total remuneration	in €	% of total remuneration
Fixed remuneration	**530,000**	**43.3%**	**360,000**	**41.4%**
Variable 1 year	**448,000**	**36.6%**	**300,000**	**34.5%**
Order Intake | Sales	179,200	14.7%	120,000	13.8%
Underlying EBITDA	179,200	14.7%	120,000	13.8%
Net debt to underlying EBITDA ratio	44,800	3.7%	30,000	3.4%
Employees' Net Promoter Score	44,800	3.7%	30,000	3.4%
Variable multi year	**245,000**	**20.0%**	**210,000**	**24.1%**
Net result	122,500	10.0%	105,000	12.1%
CO2 intensity reduction	122,500	10.0%	105,000	12.1%
Total	**1,223,000**	**100.0%**	**870,000**	**100.0%**

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 2023 fiscal year, subject to approval of the annual shareholders' meeting to be held on March 27, 2023, the Board of Directors, in its meeting held on February 8, 2023, 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. 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, 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 8, 2023, upon recommendation of the Remuneration and Nomination Committee, and will be submitted for approval to the shareholders' meeting to be held on March 27, 2023. Pursuant to the Afep-Medef Code, the variable part of the remuneration (the attendance fees) is higher than the fixed part of the remuneration.

Remuneration due or awarded to the Members of the Board and to the Executive Corporate Officers for the 2022 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 due or awarded to the corporate officers for the 2022 fiscal year. This information will be subject to a resolution that will be proposed to the approval of the Shareholders' Meeting to be held on March 27th, 2023.

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

Until 2021 Mr. Joachim Kreuzburg and Mr. René Faber 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. From 2022 on the remuneration for Mr. Joachim Kreuzburg and Mr. René Faber 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. Therefore, the figures mentioned in the tables below for fiscal 2021 and 2022 are not fully comparable.

Joachim Kreuzburg
(Chief Executive Officer)

€ in Thousands	**Year 2022**	Year 2021
Remuneration due	942	2,003
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	**942**	**2,003**

René Fáber
(Deputy Chief Executive Officer)

€ in Thousands	**Year 2022**	Year 2021
Remuneration due	578	900
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	**578**	**900**

Summary of the Remuneration for each executive corporate officer

Joachim Kreuzburg
(Chief Executive Officer)

		Year 2022		Year 2021
€ in Thousands	**Amounts due**	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration	500	500	500	500
Variable remuneration				
Annually paid	214	360	360	273
Long-term incentive	228	443	1,113	378
Exceptional remuneration			23	23
Benefits in kind [1]			8	8
Total	**942**	**1,303**	**2,003**	**1,182**

1 Company car

René Fáber
(Deputy Chief Executive Officer)

		Year 2022		Year 2021
€ in Thousands	**Amounts due**	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration	288	288	396	396
Variable remuneration				
Annually paid	122	238	238	235
Long-term incentive	168	125	214	51
Exceptional remuneration			41	41
Benefits in kind [1]			12	12
Total	**578**	**651**	**900**	**734**

1 Company car

Details on the Variable Remuneration due or awarded for each executive corporate officer for 2022

	Joachim Kreuzburg (Chief Executive Officer)		René Fáber (Deputy Chief Executive Officer)	
in €	Target remuneration	Target achievement	Target remuneration	Target achievement
Variable 1 year	**420,000**	**214,284**	**240,000**	**122,448**
Order Intake | Sales	168,000	0	96,000	0
Underlying EBITDA	168,000	159,936	96,000	91,392
Net debt to underlying EBITDA ratio	42,000	32,340	24,000	18,480
Employees' Net Promoter Score	42,000	22,008	24,000	12,576
Variable multi year	**227,500**	**227,500**	**168,000**	**168,000**
Net result	113,750	113,750	84,000	84,000
CO2 intensity reduction	113,750	113,750	84,000	84,000
Total	**647,500**	**441,784**	**408,000**	**290,448**

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

€ in Thousands	**Year 2022**	Year 2021
Pascale Boissel	**70**	**64**
Fixed part	50	47
Director's attendance fees (Variable part)	20	17
Henri Riey	**53**	**65**
Fixed part	37	45
Director's attendance fees (Variable part)	17	20
Susan Dexter	**65**	**53**
Fixed part	44	39
Director's attendance fees (Variable part)	20	14
Anne-Marie Graffin	**70**	**65**
Fixed part	48	45
Director's attendance fees (Variable part)	22	20
Lothar Kappich	**68**	**69**
Fixed part	46	49
Director's attendance fees (Variable part)	22	20
Total	**326**	**317**

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 to the Top Ten Non-Corporate Officers and Exercised by Them

Not applicable.

Remuneration ratios

Remuneration ratios are the ratios between the level of remuneration of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer 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.

The numerator of the ratios "Package paid for Mr. Joachim Kreuzburg and "Package paid for Mr. René Faber"" is made of the details specified in the above tables. Due to the changes in the remuneration scheme as described above, the figures for 2022 are not comparable to the previous years. For previous years 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 2022. To ensure consistency, all the wages paid to the employees in 2022 have been considered: fixed salary, yearly bonus, exceptional premium and benefits.

		2022	2021	2020	2019	2018
Joachim Kreuzburg (Chief Executive Officer)	Annual compensation € in Thousands	1,303	472	427	400	366
	Change in %	176%	11%	7%	9%	
	Ratio / average compensation	26	9	8	9	8
	Change in %	183%	12%	−6%	8%	
	Ratio / median compensation	33	12	10	11	10
	Change in %	183%	12%	−7%	10%	
René Fáber (Deputy Chief Executive Officer)	Annual compensation € in Thousands	651				
	Change in %					
	Ratio / average compensation	12.8				
	Change in %					
	Ratio / median compensation	16.3				
	Change in %					
Employees	Average compensation	51	52	53	46	46
	Change in %	−2%	−1%	13%	1%	
	Median compensation	40	41	42	36	36
	Change in %	−2%	−1%	15%	−1%	
Group Performance	Underlying EBITDA	1,221	1,033	605	422	342
	Change in %	18%	71%	43%	23%	

Mr. René Faber was appointed Deputy Chief Executive Officer of the Company by the Board of Directors in its meeting held on February 9, 2022.

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 Christophe Perrau.

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	**2022**		2021		**2022**		2021	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	80	6.5%	73	7.3%	66	33.5%	66	34.2%
Subsidiaries	1,144	93.5%	923	92.7%	131	66.5%	127	65.8%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**1,224**	**100.0%**	**996**	**100.0%**	**197**	**100.0%**	**193**	**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	**1,224**	**100.0%**	**996**	**100%**	**197**	**100.0%**	**193**	**100%**

	Other				Total			
€ in Thousands	**2022**		2021		**2022**		2021	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company					146	7.2%	139	8.3%
Subsidiaries	335	54.1%	248	51.6%	1,610	78.9%	1,298	77.7%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**335**	**54.1%**	**248**	**51.6%**	**1,756**	**86.1%**	**1,437**	**86.0%**
Other services								
Legal, tax, corporate	185	29.9%	129	26.8%	185	9.1%	129	7.7%
Information technology, other	99	16.0%	104	21.6%	99	4.9%	104	6.2%
Subtotal	**285**	**45.9%**	**233**	**48.4%**	**285**	**13.9%**	**233**	**13.9%**
Total	**620**	**100.0%**	**481**	**100%**	**2,041**	**100.0%**	**1,670**	**100%**

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss and Other Comprehensive Income

€ in millions	Notes	**2022 12 months**	2021 12 months
Sales revenue	[9]	3,492.7	2,887.0
Cost of sales	[10]	-1,658.2	-1,334.0
Gross profit on sales		**1,834.5**	**1,553.0**
Selling and distribution costs	[10]	-446.5	-405.6
Research and development costs	[10]	-132.4	-110.5
General administrative expenses	[10]	-154.7	-126.1
Other operating income	[11]	72.1	47.4
Other operating expenses	[11]	-177.8	-92.8
Earnings before interest and taxes (EBIT)		**995.2**	**865.4**
Financial income	[12]	185.8	22.3
Financial expenses	[12]	-50.7	-241.0
Financial result		**135.2**	**-218.7**
Profit before tax		**1,130.4**	**646.7**
Income taxes	[13]	-250.5	-232.4
Net profit for the period		**879.9**	**414.3**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		876.1	414.4
Non-controlling interest	[22]	3.8	-0.1
Earnings per share (€)	[15]	9.51	4.50
Diluted earnings per share (€)	[15]	9.51	4.50

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

Other Comprehensive Income

€ in millions	Notes	**2022 12 months**	2021 12 months
Net profit for the period		879.9	414.3
Cash flow hedges	[38]	-9.6	-17.5
of which effective portion of changes in fair value		-47.9	-12.6
of which reclassified to profit or loss		38.2	-4.9
Income tax on cash flow hedges	[19]	2.9	5.3
Net investment in a foreign operation		0.0	0.0
Income tax on net investment in a foreign operation	[19]	-5.0	0.0
Foreign currency translation differences		-4.8	53.8
Items that are or may be reclassified subsequently to profit or loss		**-16.5**	**41.5**
Remeasurements of the net defined benefit liabilities	[23]	13.9	2.2
Income tax on remeasurements of the net defined benefits liabilities	[19]	-3.6	-0.9
Items that will not be reclassified to profit or loss		**10.3**	**1.3**
Other comprehensive income after tax		**-6.2**	**42.9**
Total comprehensive income		**873.7**	**457.2**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		869.7	455.8
Non-controlling interest		4.1	1.4

Statement of Financial Position

€ in millions	Notes	Dec. 31, 2022	Dec. 31, 2021
Non-current assets			
Goodwill	[16]	1,136.4	820.7
Other intangible assets	[16]	876.8	684.4
Property, plant and equipment	[17][18]	1,292.0	928.4
Financial assets	[35]	24.9	14.8
Other assets		2.5	0.7
Deferred tax assets	[19]	61.6	46.5
		3,394.2	**2,495.5**
Current assets			
Inventories	[20]	1,024.8	783.0
Trade receivables	[29]	404.6	356.0
Other financial assets	[30]	31.4	15.0
Current tax assets		14.0	14.7
Other assets		89.4	63.3
Cash and cash equivalents	[28]	107.1	223.6
		1,671.2	**1,455.6**
Total assets		**5,065.4**	**3,951.1**
Equity			
Equity attributable to SSB S.A. shareholders		**2,449.3**	**1,655.9**
Issued capital	[21]	18.4	18.4
Capital reserves		231.5	231.5
Retained earnings (including net profit)		2,199.4	1,405.9
Non-controlling interest	**[22]**	**64.9**	**77.4**
		2,514.2	**1,733.2**
Non-current liabilities			
Pension provisions	[23]	31.7	43.7
Other provisions	[24]	12.3	7.7
Loans and borrowings	[31]	1,020.6	521.1
Lease liabilities	[18]	91.1	64.0
Other financial liabilities	[32]	181.2	418.5
Deferred tax liabilities	[19]	178.3	125.8
		1,515.3	**1,180.8**
Current liabilities			
Provisions	[24]	25.7	30.9
Trade payables	[33]	485.6	471.2
Loans and borrowings	[31]	4.5	25.5
Lease liabilities	[18]	19.5	14.9
Other financial liabilities	[34]	119.7	147.3
Employee benefits	[25]	74.1	97.2
Current tax liabilities	[13]	209.6	165.0
Other liabilities		97.1	85.1
		1,035.9	**1,037.1**
Total equity and liabilities		**5,065.4**	**3,951.1**

Statement of Cash Flows

€ in millions	Notes	**2022 12 months**	2021 12 months
Profit before tax		1,130.4	646.7
Financial result	[12]	–135.2	218.7
Depreciation | amortization of fixed assets	[16][17][18]	181.7	141.6
Change in provisions	[23][24]	0.4	6.7
Change in receivables and other assets	[29][30]	–65.8	–87.3
Change in inventories	[20]	–217.9	–275.4
Change in liabilities (excl. loans and borrowings)	[25][32][33][34]	–68.0	210.3
Interest received	[12]	5.6	5.9
Income taxes paid	[13]	–221.2	–166.6
Other non-cash items		2.3	1.4
Cash flow from operating activities		**612.3**	**701.9**
Capital expenditures	[16][17]	–430.6	–324.0
Other payments		–11.4	0.4
Cash flow from investing activities		**–442.0**	**–323.6**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	[8]	–515.6	–141.7
Cash flow from investing activities and acquisitions		**–957.5**	**–465.2**
Interest paid and other financial charges	[12]	–10.3	–8.3
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech S.A.	[21]	–116.1	–62.7
- Non-controlling interest		–1.6	–1.1
Changes in non-controlling interest	[22]	–40.5	–0.1
Loans and borrowings repaid	[6][31]	–174.4	–79.7
Loans and borrowings raised	[6][31]	566.8	74.2
Purchases/sales of own shares		–3.2	0.0
Cash flow from financing activities		**220.7**	**–77.7**
Net increase | decrease in cash and cash equivalents		–124.5	159.0
Cash and cash equivalents at the beginning of the period		223.6	59.8
Currency translation effects on cash and cash equivalents		8.0	4.8
Cash and cash equivalents at the end of the period		**107.1**	**223.6**

Interest received is reported under “Cash flow from operating activities” as of fiscal 2022. Prior-year figures were restated accordingly.

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

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, 2021	**18.4**	**231.5**	**7.6**	**–18.6**	**1,220.9**	**–21.7**	**1,438.1**	**22.9**	**1,461.0**
Net profit for the period	0.0	0.0	0.0	0.0	414.4	0.0	414.4	–0.1	414.3
Cash flow hedges	0.0	0.0	–17.5	0.0	0.0	0.0	–17.5	0.0	–17.5
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0	2.2	0.0	0.0	2.2	0.0	2.2
Foreign currency translation differences	0.0	0.0	0.0	0.0	0.0	52.3	52.3	1.5	53.8
Net investment in a foreign operation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	5.3	–0.9	0.0	0.0	4.3	0.0	4.3
Other comprehensive income for the period	**0.0**	**0.0**	**–12.3**	**1.3**	**0.0**	**52.3**	**41.4**	**1.5**	**42.9**
Total comprehensive income	**0.0**	**0.0**	**–12.3**	**1.3**	**414.4**	**52.3**	**455.8**	**1.4**	**457.2**
Dividends					–62.7		–62.7	–1.1	–63.8
Purchase price liability (CellGenix/BI Israel)					–176.5		–176.5	0.0	–176.5
Changes in non-controlling interest					0.0		0.0	54.4	54.4
Other changes					1.1		1.1	–0.2	1.0
Balance at Dec. 31, 2021	**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	0.0	0.0	0.0	0.0	876.1	0.0	876.1	3.8	879.9
Cash flow hedges	0.0	0.0	–9.6	0.0	0.0	0.0	–9.6	0.0	–9.6
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0	13.9	0.0	0.0	13.9	0.0	13.9
Foreign currency translation differences	0.0	0.0	0.0	0.0	0.0	–5.0	–5.0	0.2	–4.8
Net investment in a foreign operation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	2.9	–3.6	0.0	–5.0	–5.7	0.0	–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	0.0	49.1
Reclassification of Albumedix hedge			18.1		0.0		18.1	0.0	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 December 31, 2022	**18.4**	**231.5**	**6.7**	**–7.0**	**2,179.0**	**20.7**	**2,449.3**	**64.9**	**2,514.2**

Foreign currency effects from loans that are part of the Group's net investment in a foreign operation are reported within foreign currency translation reserves as of fiscal 2022. Prior-year figures were adjusted. An amount of €11.6 million was reclassified from retained earnings to foreign currency translation reserves in the opening balance as of January 1, 2021.

Notes to the Financial Statements

1. General Information

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the Group helps its customers to manufacture biotech medications safely, rapidly and economically. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, 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 use International Accounting Standards, the consolidated financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2022, 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://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr

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 8, 2023, and they will be submitted for approval by the Annual General Shareholders' Meeting on March 27, 2023.

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 IFRS 3 – Updating a Reference to the Conceptual Framework

- Amendments to IAS 16 – Proceeds before Intended Use

- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

- Annual Improvements to IFRS Standards: 2018–2020 Cycle (issued in May 2020), Amendments to IFRS 1, IFRS 9, IAS 41, and IFRS 16

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 2022:

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

1 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. Significant Accounting Policies

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

Basis of Preparation
The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction, or production, with the exception of 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 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.

For long-term loans for which settlement is neither planned nor likely in the foreseeable future, the Group applies the principle of "net investment in a foreign operation." Exchange differences resulting from these loans are recognized in other comprehensive income in accordance with IAS 21.32.

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

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

4. 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. These estimates and assumptions are revised on a regular basis, and the impact of changes in estimates is recognized prospectively.

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

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 0).

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 between Russia and Ukraine in February 2022, the European Union and the United States have imposed sanctions on Russia that restrict reciprocal trade. The war has also caused distortions in markets, especially markets for energy and raw materials, the prices of which have increased significantly within 2022. Furthermore, the transportation and logistics sector is affected seriously by the consequences of the conflict.

The Group currently employs some 40 employees in Russia. No employees are located in Belarus 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 in compliance with the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. The Group's sales revenue in Russia decreased as a result of the unexpected developments and was significantly below prior-year level in 2022. The extent of the future mid-term impact depends on further geopolitical developments and is currently not readily quantifiable. However, it needs to be emphasized that the Group's business in Russia, Belarus, and Ukraine is not of a critical size in relation to the Group, as it accounted for a good 2% of total sales in 2021. Furthermore, no critical suppliers are located in Russia, Belarus, and Ukraine. The Group is therefore primarily affected by the indirect consequences of the conflict, for example, increasing energy prices or 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, distributions of cash are currently impossible.

To date, the direct and indirect consequences of the conflict between Russia and Ukraine have not led to changes in the material accounting estimates and assumptions. In particular, no indications of impairment of non-current assets were identified.

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 0), 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. The future costs for the reduction measures are considered in the financial forecasts of the management and are therefore also considered in valuations made for financial reporting purposes. To date, 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.

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	**2022**	2021	Change	**2022**	2021	Change
Sales revenue	3,492.7	2,887.0	21%	3,492.7	2,887.0	21%
Underlying EBITDA	1,221.4	1,033.4	18%	1,221.4	1,033.4	18%
as a % of sales revenue	35.0%	35.8%		35.0%	35.8%	
EBIT	995.2	865.4	15%	995.2	865.4	15%
as a % of sales revenue	28.5%	30.0%		28.5%	30.0%	

Reconciliation of Segment Profit or Loss:

€ in millions	**2022**	2021
Underlying EBITDA of the segment	1,221.4	1,033.4
Depreciation and amortization	−179.9	−141.5
Extraordinary items	−46.3	−26.5
EBIT	**995.2**	**865.4**
Financial result	135.2	−218.7
Profit before tax	**1,130.4**	**646.7**

Extraordinary items:

€ in millions	**2022**	2021
M&A projects | Integration costs	−13.7	−20.3
Structural measures	−22.9	−6.8
Other	−9.7	0.7
Group	**−46.3**	**−26.5**

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 2022.

€ in millions	Sales revenue		Non-current assets	
	2022	2021	**2022**	2021
EMEA	1,318.8	1,199.3	2,794.9	2,053.6
of which Germany	298.7	274.4	973.8	821.5
of which France	114.1	95.7	475.0	396.2
Americas	1,277.8	946.0	417.1	319.4
of which USA	1,214.8	895.3	417.1	319.4
Asia | Pacific	896.2	741.7	93.3	60.6
of which China	376.9	303.6	36.7	25.1
of which South Korea	174.7	140.0	23.9	14.5
Group	**3,492.7**	**2,887.0**	**3,305.2**	**2,433.5**

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, 2020	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2021
Loans and borrowings	528.8	8.1	0.1	9.6	546.6
Lease liabilities	58.3	−13.6	2.9	31.3	78.9
Liability for acquisition of non-controlling interests	41.5	0.0	0.0	176.5	218.0
Contingent considerations from acquisitions	0.7	0.0	0.1	3.8	4.6
Total financial liabilities from financing activities	**629.3**	**−5.5**	**3.1**	**221.2**	**848.1**

€ 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**

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 2022 financial statements of the following entities:

- Metreon Bioproducts GmbH, Freiburg, Germany
- 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 (see Note 8 for details):

- Sartorius Chromatography Equipment S.A.S., Pompey, France
- Albumedix Ltd., Nottingham, United Kingdom

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
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	51
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
Sartorius Stedim Aseptics S.A.S., Lourdes, France	100
Sartorius Chromatography Equipment S.A.S., Pompey, 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
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100

Americas	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Sartorius Stedim North America Inc., Dover, Delaware, USA	100
WaterSep BioSeparations LLC, Boston, Massachusetts, 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	69
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 third-party valuation specialists. The valuations are based on the information available at the acquisition date.

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

The purchase price allocation is as follows:

€ in millions	**Final purchase price allocation**
Intangible assets	26.9
Property, plant and equipment	1.0
Inventories	7.5
Trade receivables	12.0
Other assets	0.8
Cash and cash equivalents	8.1
Deferred taxes - net	0.9
Provisions	–0.7
Trade payables | payments received for orders	–14.2
Other liabilities	–3.6
Net assets acquired	**38.6**
Purchase price	53.0
Goodwill	**14.4**

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

Acquisition of Albumedix

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

The purchase price allocation is as follows:

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

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

The intangible assets recognized separately are related to technologies (€148.7 million), customer relationships (€36.5 million), and brands (€5.1 million). The resulting goodwill reflects synergies, for example, those realized by the acquiree's access to the Group's global sales and distribution network and the combination of the acquired business with the Group's existing competencies and capacities in the field of advanced therapies (esp. cell culture media), the expansion of the Group's product offering for biopharmaceutical customers, and intangible assets that are not recognized separately, such as the know-how of the acquired workforce. Goodwill is not deductible for tax purposes.

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

Since their first-time consolidation, the businesses acquired in 2022 contributed sales revenue of €30.3 million (Chromatography business of Novasep) and €10.3 million (Albumedix Ltd.). Excluding one-time items from the purchase price allocations, the impact on the Group's net result is immaterial. If the acquisitions closed in the reporting period had both taken place as of January 1, 2022, sales revenue of the Group for the reporting period 2022 would have amounted to €3,520.2 million, and the Group's net result would not have changed materially.

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).

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 is 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, 2022, the Group had refund liabilities of €25.8 million arising from incentive agreements with customers (2021: €17.4 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 €1,844 million (2021: €1,915 million). The Group expects that most of these unsatisfied performance obligations will be satisfied in 2023.

There were no extraordinary changes in the carrying amounts of the contract liabilities and contract assets in the reporting period. Revenue in the amount of €221.3 million was recognized in the reporting period that was included in contract liabilities at the beginning of the reporting period (2021: €115.9 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, 2022**	Carrying amount as of December 31, 2021
Deferred revenue	Other liabilities	36.9	39.8
Payments received on account of orders	Trade payables	234.1	219.8
Contract liabilities (total)		**270.9**	**259.6**

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 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, allowances on trade receivables and reorganization, and other non-recurring expenses.

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	2022 12 months	2021 12 months
Purchases consumed	694.6	548.3
Cost of purchased services	191.1	153.3
Total	**885.7**	**701.6**

Personnel Costs

€ in millions	2022 12 months	2021 12 months
Wages and salaries	644.1	536.7
Social security	147.3	115.5
Expenses for retirement benefits and pensions	15.5	12.3
Total	**806.9**	**664.5**

11. Other Operating Income and Expenses

€ in millions	2022 12 months	2021 12 months
Currency translation gains	56.2	37.8
Income from the decrease in allowances for bad debts	4.1	3.9
Income from release of provisions and liabilities	1.7	1.8
Income from grants	3.6	1.4
Other income	6.6	2.6
Other operating income	**72.1**	**47.4**
Currency translation losses	–97.4	–28.9
Extraordinary expenses	–46.3	–26.5
Allowances for bad debts	–5.5	–3.8
Other expenses	–28.6	–33.7
Other operating expenses	**–177.8**	**–92.8**
Total other operating income and expenses	**–105.6**	**–45.3**

The item reported as "Income from grants" comprises grants for expenses, essentially related to research and development projects. The currency translation gains/losses in 2022 include an amount of €38.2 million (2021: €–4.9 million) for the reclassification of items from equity to profit or loss (see Note 38). For details about extraordinary items, see Note 5.

12. Financial Result

€ in millions	**2022 12 months**	2021 12 months
Interest and similar income	0.5	0.3
- of which from affiliated companies	0.2	0.2
Income from derivative financial instruments	4.3	5.1
Valuation earn-outs	149.6	0.0
Other financial income	31.4	16.9
Financial income	**185.8**	**22.3**
Interest and similar expenses	−18.2	−10.2
- of which from affiliated companies	−10.7	−5.6
Expenses for derivative financial instruments	−9.0	−4.8
Interest expense for pensions	−0.4	−0.2
Valuation earn-outs	−0.3	−212.3
Other financial expenses	−22.7	−13.5
Financial expenses	**−50.7**	**−241.0**
Total	**135.2**	**−218.7**

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 €148.0 million in the reporting period (2021: €-207.7 million), see Note 35 for details.

The interest expenses to affiliated companies are in connection with the loan granted by the Group's ultimate parent Sartorius AG (see also Notes 31 and 44).

13. Income Taxes

€ in millions	**2022 12 months**	2021 12 months
Current income taxes	−264.3	−251.1
Deferred taxes	13.9	18.7
Total	**−250.5**	**−232.4**

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.

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	**2022 12 months**	2021 12 months
Expected tax rate	25.6%	22.8%
Expected tax expense	−289.9	−147.3
Permanent differences	−7.9	−72.0
Tax-free income and other tax exemptions	56.7	5.0
Unrecognized tax losses and deductible temporary differences	−0.5	−0.5
Taxes for previous years	−5.5	−14.8
Withholding taxes and other income taxes with different tax base	−1.6	−2.4
Other	−1.8	−0.5
Total	**−250.5**	**−232.4**
Effective tax rate	22.2%	35.9%

The decrease in the effective 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	**2022 12 months**	2021 12 months
Sales revenue	3,492.7	2,887.0
Purchases consumed	−694.6	−548.3
Cost of purchased services	−191.1	−153.3
Personnel costs	−807.7	−664.5
Amortization and depreciation	−181.7	−141.6
Other operating costs	−622.3	−513.8
Subtotal	**−2,497.5**	**−2,021.6**
Operating profit (EBIT)	**995.2**	**865.4**
Financial income I expenses	135.2	−218.7
Income tax	−250.5	−232.4
Non-controlling interest	−3.8	0.1
Net profit after non-controlling interest	**876.1**	**414.4**

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.

	2022	2021
Net profit after tax (€ in millions)	879.9	414.3
Group net profit after tax (€ in millions)	876.1	414.4
Earnings per share (€)	9.51	4.50
Diluted earnings per share (€)	9.51	4.50
Number of shares (statutory level)	92,180,190	92,180,190
Treasury shares	−17,091	−3,361
Weighted average number of shares used in earnings per share calculation	**92,163,099**	**92,176,829**
Weighted average number of shares used in diluted earnings per share calculation	**92,163,099**	**92,176,829**

Notes to the Individual Balance Sheet Items

16. Goodwill and Other Intangible Assets

Goodwill

€ in millions	Goodwill
Gross book values at Jan. 1, 2021	**725.1**
Currency translation	10.3
Business combinations	85.3
Gross book values at Dec. 31, 2021	**820.7**
Impairment losses at Jan. 1, 2021	**0.0**
Currency translation	0.0
Impairment losses	0.0
Impairment losses at Dec. 31, 2021	**0.0**
Net book values at Dec. 31, 2021	**820.7**

€ 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**

The item reported as "Goodwill" in the amount of €1,136.4 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 2022 concerns the acquisitions of the chromatography business of Novasep and Albumedix Ltd. (see Note 8). The additions in the prior period resulted from the acquisitions of CellGenix GmbH and Xell AG.

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 solutions 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 2021, the impairment test conducted for 2022 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 2026. This rate is derived from 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.

The discount rates applied correspond to the weighted average cost of capital; they were recognized as follows:

	2022		2021	
	Before tax	**After tax**	Before tax	After tax
Biopharma segment	10.5%	8.4%	7.8%	6.3%

In 2022, our 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":

	2022	2021
Discount rates	21.6%	29.4%
Terminal growth rate	–23.9%	–86.3%
Cash flows	–72.8%	–90.0%

Intangible Assets

€ in millions	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized developme nt costs	Payments on account	Total
Gross book values at Jan. 1, 2021	**425.2**	**14.7**	**204.1**	**163.3**	**0.0**	**807.3**
Currency translation	8.2	0.3	6.3	1.7	0.0	16.5
Business combinations	89.6	5.2	35.2	0.0	0.0	130.1
Acquisitions	2.2	0.0	0.0	37.0	0.2	39.4
Disposals	–0.1	0.0	0.0	0.0	0.0	–0.1
Transfers	0.0	–0.4	0.4	0.0	0.0	0.0
Gross book values at Dec. 31, 2021	**525.2**	**19.8**	**246.1**	**202.0**	**0.2**	**993.2**
Amortization and impairment losses at Jan. 1, 2021	**–62.3**	**–0.6**	**–107.3**	**–65.2**	**0.0**	**–235.4**
Currency translation	–2.1	0.0	–2.0	–0.6	0.0	–4.8
Amortization and impairment losses	–34.6	–0.5	–18.3	–15.2	0.0	–68.6
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2021	**–99.0**	**–1.2**	**–127.5**	**–81.1**	**0.0**	**–308.8**
Net book values at Dec. 31, 2021	**426.2**	**18.6**	**118.6**	**120.9**	**0.2**	**684.4**

€ in millions	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized developmen t 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**

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 2022, the development costs of €63.1 million were recognized as assets (€37.0 million in 2021).

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 €3.9 million were recognized in 2022 in relation to capitalized development costs. No material impairments on intangible assets were recognized in the prior reporting period.

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, 2021	**351.6**	**249.8**	**135.1**	**125.7**	**862.2**
Currency translation	10.8	7.8	2.0	4.9	25.5
Business combinations	13.0	5.6	1.0	0.1	19.6
Acquisitions	22.5	40.3	21.5	201.2	285.5
Disposals	−0.5	−3.9	−4.4	0.0	−8.8
Transfers	28.8	13.0	1.8	−43.6	0.0
Gross book values at Dec. 31, 2021	**426.2**	**312.6**	**157.1**	**288.2**	**1,184.1**
Depreciation at Jan. 1, 2021	**−82.1**	**−118.5**	**−72.3**	**0.0**	**−272.9**
Currency translation	−1.7	−3.0	−1.5	0.0	−6.1
Depreciation	−17.8	−25.0	−15.0	0.0	−57.8
Disposals	0.4	2.8	4.1	0.0	7.4
Transfers	0.1	0.1	−0.1	0.0	0.0
Depreciation at Dec. 31, 2021	**−101.1**	**−143.5**	**−84.8**	**0.0**	**−329.4**
Net book values at Dec. 31, 2021	**325.1**	**169.1**	**72.4**	**288.2**	**854.7**
Net book values at Dec. 31, 2021 of right-of-use assets	**67.5**	**1.8**	**4.4**	**0.0**	**73.7**
Total property, plant and equipment at Dec. 31, 2021	**392.6**	**170.9**	**76.7**	**288.2**	**928.4**

	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	**426.2**	**312.6**	**157.1**	**288.2**	**1,184.1**
Currency translation	2.1	1.1	–0.7	3.0	5.4
Business combinations	5.9	16.9	1.0	3.7	27.4
Acquisitions	27.6	37.7	29.9	284.0	379.2
Disposals	–1.7	–8.6	–13.4	0.0	–23.8
Transfers	49.1	36.4	11.4	–94.8	2.0
Gross book values at Dec. 31, 2022	**509.1**	**396.0**	**185.3**	**484.0**	**1,574.4**
Depreciation at Jan. 1, 2022	**–101.1**	**–143.5**	**–84.8**	**0.0**	**–329.4**
Currency translation	0.2	–0.2	0.3	0.0	0.3
Depreciation	–23.2	–34.4	–18.7	0.0	–76.4
Disposals	1.2	7.9	12.4	0.0	21.5
Transfers	–1.7	0.3	–0.3	0.0	–1.7
Depreciation at Dec. 31, 2022	**–124.7**	**–169.9**	**–90.9**	**0.0**	**–385.6**
Net book values at Dec. 31, 2022	**384.4**	**226.1**	**94.3**	**484.0**	**1,188.8**
Net book values at Dec. 31, 2022 of right-of-use assets	**97.0**	**1.8**	**4.4**	**0.0**	**103.2**
Total property, plant and equipment at Dec. 31, 2022	**481.3**	**228.0**	**98.7**	**484.0**	**1,292.0**

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 2021, no significant impairment losses were recognized on property, plant and equipment in 2022.

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, 2022, lease liabilities stood at €110.6 million (2021: €78.9 million). 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, 2021	**70.5**	**2.8**	**7.9**	**81.2**
Currency translation	3.6	0.0	0.3	3.9
Business combinations	3.3	1.0	0.1	4.4
Additions	24.2	0.3	2.6	27.2
Disposals	−3.9	0.0	−0.6	−4.5
Transfers	0.0	0.0	0.0	0.0
Gross book values at Dec. 31, 2021	**97.8**	**4.2**	**10.3**	**112.2**
Depreciation at Jan. 1, 2021	**−21.0**	**−1.7**	**−3.6**	**−26.3**
Currency translation	−1.2	0.0	−0.1	−1.3
Depreciation	−12.0	−0.7	−2.5	−15.2
Disposals	3.9	0.0	0.3	4.2
Transfers	0.0	0.0	0.0	0.0
Depreciation at Dec. 31, 2021	**−30.3**	**−2.4**	**−5.9**	**−38.5**
Net book values at Dec. 31, 2021	**67.5**	**1.8**	**4.4**	**73.7**

€ 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**

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	**2022 12 months**	2021 12 months
Interest expenses for leases	3.1	2.4
Expenses for leases of low value assets	2.3	1.6
Expenses for short-term leases	3.3	1.9
Repayment of lease liabilities	18.1	13.6
Total cash outflow for leases	**26.8**	**19.5**

19. Deferred Taxes

	Deferred tax assets		Deferred tax liabilities		
€ in millions	**Dec. 31, 2022**	Dec. 31, 2021	**Dec. 31, 2022**	Dec. 31, 2021	**of which recognized in profit or loss**
Intangible assets	1.6	0.3	168.2	127.5	6.3
Tangible assets	0.8	0.0	15.6	8.9	–3.1
Inventory	45.4	25.6	0.0	5.1	26.2
Receivables and other current assets	0.5	7.8	3.7	0.1	–3.9
Provisions	7.2	9.5	0.0	0.0	1.1
Liabilities	15.9	22.9	0.0	0.0	–15.9
Tax losses | Tax credits	3.5	0.4	0.0	0.0	3.2
Undistributed earnings of subsidiaries	0.0	0.0	4.2	4.2	0.0
Gross amount	**74.9**	**66.5**	**191.6**	**145.8**	**13.9**
Offset	–13.3	–20.0	–13.3	–20.0	0.0
Net amount	**61.6**	**46.5**	**178.3**	**125.8**	**13.9**

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. The aim of minimum taxation is that the companies concerned pay an effective corporate tax rate of 15%. As soon as the changes in the tax laws in the countries in which the Group operates come into effect, the Group may be subject to the minimum tax. At the time these consolidated financial statements are authorized for issue, tax legislation relating to the minimum tax does not apply in any of the countries where the Group operates. As of December 31, 2022, the Group had no sufficient information to determine the potential quantitative impact.

Deferred Tax Assets

On the reporting date, the Group had unused tax losses carried forward of €10.3 million to be deducted from future taxable profits (€7.1 million in 2021). A deferred tax asset was reported on losses amounting to €4.3 million (€1.7 million in 2021). Deferred tax assets of €0.8 million (€0.3 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 (€35 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	**2022**	2021
Cash flow hedges	2.9	5.3
Remeasurements of the net defined benefit obligations	−3.6	−0.9
Net investment in a foreign operation	−5.0	0.0
Currency translation	1.4	−0.5
Total	**−4.3**	**3.8**

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, 2021	27.5	85.1
Change in the scope of consolidation	0.1	44.3
Recognized in profit or loss	12.2	−6.5
Recognized in other comprehensive income	6.8	2.9
Balance at Dec. 31, 2021	**46.5**	**125.8**

€ in millions	**Deferred tax assets**	**Deferred tax liabilities**
Balance at January 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 December 31, 2022	**61.6**	**178.3**

20. Inventories

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Raw materials and supplies	394.6	263.8
Work in progress	213.7	191.9
Finished goods and merchandise	400.2	309.3
Payments on account	16.3	18.0
Total	**1,024.8**	**783.0**

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Gross amount of inventories	1,104.6	840.2
Write-downs	−79.8	−57.3
Net amount of inventories	**1,024.8**	**783.0**

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, 2021, and December 31, 2022, 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, 2022	Dec. 31, 2021
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, 2022, as follows: payment of a net dividend of €1.44 per share (2021: €1.26), i.e., a total distribution of €132.7 million (excluding treasury shares; 2021: €116.1 million).

22. Non-Controlling Interest

The non-controlling interests of €64.9 million (2021: 77.4 million) recognized in the statement of financial position on the reporting date are related to the subsidiaries Sartorius Korea Biotech and Sartorius CellGenix.

In 2022, the Group purchased the remaining interest in Biological Industries (30%) that was still held by non-controlling shareholders. The company is now a wholly owned subsidiary of the Group. In exchange for the additional 30% stake in Biological Industries, the Group paid an amount of about €39.1 million in cash to the non-controlling shareholders. The financial liability that had been recognized for the corresponding put option of the non-controlling interest amounting to €44.5 million has been reclassified to retained earnings. The impact on the non-controlling interest and the equity attributable to the owners of the parent is presented in the statement of changes in equity.

The Group's interest in Sartorius Korea Biotech is 69%; the remaining 31% is 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. The Group's interest of 51% in Sartorius CellGenix was acquired in 2021. The remaining shares are subject to put and call options (see Note 35).

€ in millions	**Dec. 31, 2022**	Dec. 31, 2021
Sartorius Korea Biotech Co. Ltd.		
Sales revenue	169.3	134.3
Net result	8.0	7.1
Total assets	101.3	83.1
Attributed profit or loss	2.5	2.2

€ in millions	**Dec. 31, 2022**	Dec. 31, 2021
Sartorius CellGenix GmbH		
Sales revenue	32.0	12.5
Net result	2.8	−7.6
Total assets	145.7	144.3
Attributed profit or loss	1.3	−3.7

There are no significant restrictions on the Group's ability to access or use the assets or settle the liabilities of the above entities. For Sartorius CellGenix, prior-year data relates to the time period between date of acquisition (July 2, 2021) and December 31, 2021.

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 2022, the total expense recognized for the defined contribution plans amounted to €49.4 million (2021: €38.4 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 €13.9 million (€2.2 million in 2021).

An amount of €20.1 million is related in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €27.8 million in 2021 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, 2022**	Dec. 31, 2021
Discount rate	3.16	0.90
Future salary increases	3.00	3.00
Future pension increases	2.10	2.00

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, 2022**	Dec. 31, 2021
Discount rate	3.60	0.90
Future salary increases	2.25	2.00

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

€ in millions	**2022**	2021
Current service cost	–3.1	–2.9
Past service cost	0.9	1.2
Net interest expenses	–0.3	–0.2
Components of defined benefit costs recognized in profit or loss	**–2.6**	**–1.9**
Return on plan assets (excl. interest)	0.2	0.0
Remeasurements	13.7	2.2
Components of defined benefit costs recognized in other comprehensive income	**13.9**	**2.2**
Total	**11.3**	**0.3**

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, 2022**	Dec. 31, 2021
Present value of the obligations	52.5	64.9
Fair value of plan assets	−20.8	−21.2
Net liability	**31.7**	**43.7**

The present value of the defined benefit obligation developed as follows:

€ in millions	**2022**	2021
Present value of the obligations as of Jan. 1	**64.9**	**63.8**
Current service cost	3.1	2.9
Past service cost	−0.9	−1.2
Interest cost	0.6	0.3
Remeasurements	−13.8	−2.3
Foreign currency translation differences	0.9	0.8
Retirement benefits paid in the reporting year	−7.0	−1.3
Employee contributions	0.8	0.5
Contributions by plan participants	3.1	2.5
Other changes	0.7	−1.3
Present value of the obligations as of Dec. 31	**52.5**	**64.9**

The remeasurements of the defined benefit liabilities (assets) can be allocated as follows:

€ in millions	**2022**	2021
Experience adjustments	2.8	1.9
Changes in demographic assumptions	−0.6	−1.0
Changes in financial assumptions	−15.9	−3.1
Total	**−13.8**	**−2.3**

Plan Assets

€ in millions	**2022**	2021
Plan assets as of Jan. 1	**21.2**	**16.4**
Interest income	0.3	0.2
Return on plan assets (excl. interest)	0.2	0.0
Remeasurements	−0.1	−0.1
Group contribution & payments	−6.9	−1.1
Foreign currency translation differences	0.7	0.6
Employee contributions	0.8	0.5
Employer contributions	3.2	2.1
Contributions by plan participants	3.2	2.5
Other changes	−1.7	0.0
Plan assets as of Dec. 31	**20.8**	**21.2**

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 €5.3 million (€6.9 million in 2021) 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):

2021:

€ in millions		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	2.7	–2.7
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–7.6	8.5
Future salary increases	+50 bps	–50 bps
Effect	2.5	–2.4
Future pension increases	+25 bps	–25 bps
Effect	2.5	–2.4

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

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, 2022	Dec. 31, 2021
< 1 year	2.7	2.5
1 – 5 years	12.3	11.1
6 - 10 years	20.8	19.4
>10 years	115.8	110.0
Total	**151.6**	**142.9**

The weighted average duration of the defined benefit obligations is 14.6 years (2021: 16.0 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, 2021	2.2	4.3	6.5
Change in the scope of consolidation	0.0	0.0	0.0
Currency translation	0.0	0.0	0.0
Consumption	-1.0	-0.2	-1.2
Reversals	0.0	0.0	0.0
Additions	1.9	0.6	2.5
Balance at Dec. 31, 2021	**3.1**	**4.7**	**7.7**

€ 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**

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 2022, the discount rate for employees on the early retirement plan is 2.9% (2021: -0.2%).

Since 2022, the long-term obligations in connection with the newly introduced, so-called Long-Term Incentive Program ("LTI Program", see Note 43) are also reported under "Other non-current provisions".

Current Provisions

During fiscal 2021 and 2022, current provisions changed as follows:

€ in millions	Warranties	Other	Total
Balance at Jan. 1, 2021	8.7	12.1	20.7
Change in the scope of consolidation	0.1	0.4	0.5
Currency translation	0.2	0.0	0.2
Consumption	-1.0	-1.1	-2.1
Release	-3.9	-3.4	-7.2
Additions	10.1	8.7	18.8
Balance at Dec. 31, 2021	**14.2**	**16.8**	**30.9**

€ 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**

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, 2022**	Dec. 31, 2021
Bonuses and incentives	41.4	62.4
Vacation and overtime	17.5	11.1
Other	15.2	23.7
Employee benefits	**74.1**	**97.2**

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: Significant 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, contingent consideration according to IFRS 3, trade payables, lease liabilities, 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, 2022. 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, 2022, 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, 2022, cash and cash equivalents amounted to €107.1 million (2021: €223.6 million).

29. Current Trade Receivables | Other Receivables

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Trade receivables from third parties	364.3	334.9
Contract assets (IFRS 15)	13.6	4.0
Receivables from subsidiaries of the Sartorius AG Group	26.7	17.1
Trade receivables	**404.6**	**356.0**

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, 2022, was reduced by €211.5 million (2021: €140.2 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, 2022	Dec. 31, 2021
Derivative financial instruments	5.5	1.3
Other financial assets	25.9	13.7
Current financial assets	**31.4**	**15.0**

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 €1.1 million (2021: €1.0 million).

31. Loans and Borrowings

€ in millions	**Balance at Dec. 31, 2022**	**of which current Dec. 31, 2022**	Balance at Dec. 31, 2021	of which current Dec. 31, 2021
Liabilities to banks	6.6	1.4	22.5	16.8
Loans from Sartorius AG	1,018.5	3.0	524.1	8.7
Total loans and borrowings	**1,025.1**	**4.5**	**546.6**	**25.5**

The Sartorius Stedim Biotech Group has signed loan agreements with its parent company Sartorius AG mainly to finance acquisitions. The interest rates are fixed with a credit margin based on arms'-length principles. 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, 2022**	Dec. 31, 2021
Contingent considerations from acquisitions	76.2	194.9
Liability for acquisition of non-controlling interests	102.8	211.7
Other liabilities	2.2	11.8
Total	**181.2**	**418.5**

The contingent consideration agreements result from the acquisitions of BIA Separations, WaterSep BioSeparations LLC, and Xell AG. The liabilities for the acquisition of non-controlling interests relate to the potential acquisition of the remaining shares in Sartorius CellGenix (see Note 0 for all liabilities mentioned). The non-controlling interests in Biological Industries were acquired in fiscal 2022, and the liability for the obligation to purchase these interests was reclassified to equity (see Note 22).

33. Trade Payables

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Payments received on account of orders [1]	234.1	219.8
Trade payables to third parties	232.6	234.3
Payables to participations	1.5	1.1
Payables to subsidiaries of the Sartorius AG Group	17.6	15.9
Total	**485.6**	**471.2**

1 Contract liabilities according to IFRS 15.

34. Other Current Financial Liabilities

€ in millions	Dec. 31, 2022	Dec. 31, 2021
Derivative financial instruments	8.0	8.4
Other liabilities	111.6	138.8
Total	**119.7**	**147.3**

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, include the current portion of the liability for the potential acquisition of the remaining shares in Sartorius CellGenix (€66.1 million; see Note 0).

On the preceding reporting date, the position included the current portion of the contingent consideration in connection with the acquisition of BIA Separations (2021: €97.9 million) and the current portion of the liabilities in connection with the possible acquisition of the non-controlling interests in Biological Industries (2021: €6.3 million). The non-controlling interests in Biological Industries were acquired in fiscal 2022, and the liability for the obligation to purchase these interests was reclassified to equity (see Note 22). For the settlement of the first tranche of the contingent consideration in connection with the acquisition of BIA Separations in fiscal 2022, see Note 0.

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, 2022, and as of December 31, 2021:

€ in millions	Category acc. to IFRS 9	**Carrying amount Dec. 31, 2022**	**Fair value Dec. 31, 2022**	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
Investments in non-consolidated subsidiaries and associates	n/a	18.8	18.8	7.9	7.9
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	1.1	1.1	1.0	1.0
Financial assets	Measured at amortized cost	5.0	5.0	5.8	5.8
Financial assets (non-current)		**24.9**	**24.9**	**14.8**	**14.8**
Amounts due from customers for contract work	n/a	13.6	13.6	4.0	4.0
Trade receivables	Measured at fair value through other comprehensive income	166.3	166.3	147.3	147.3
Trade receivables	Measured at amortized cost	224.7	224.7	204.7	204.7
Trade receivables		**404.6**	**404.6**	**356.0**	**356.0**
Receivables and other assets	Measured at amortized cost	25.9	25.9	13.7	13.7
Derivative financial instruments designated as hedging instruments [1]	n/a	5.5	5.5	1.3	1.3
Other financial assets (current)		**31.4**	**31.4**	**15.0**	**15.0**
Cash and cash equivalents	**Measured at amortized cost**	**107.1**	**107.1**	**223.6**	**223.6**
Loans and borrowings	**Financial liabilities at cost**	**1,025.1**	**1,004.9**	**546.6**	**554.3**
Trade payables	Financial liabilities at cost	251.6	251.6	251.4	251.4
Trade payables | payments received for orders	n/a	234.1	234.1	219.8	219.8
Trade payables		**485.6**	**485.6**	**471.2**	**471.2**
Derivative financial instruments designated as hedging instruments [1]	n/a	8.0	8.0	8.4	8.4
Other financial liabilities	Financial liabilities at fair value through profit or loss	76.2	76.2	292.8	292.8
Other financial liabilities	Financial liabilities at cost	216.6	205.3	264.5	264.1
Other financial liabilities		**300.9**	**289.5**	**565.7**	**565.3**

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.

The financial instruments recognized at fair value as of December 31, 2022, relate especially to contingent considerations in connection with the acquisitions of BIA Separations, WaterSep BioSeparations, and Xell, which are all 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 present value of the expected future share prices at the expected settlement dates. As of the reporting date on December 31, 2022, the fair value of the remaining contingent consideration liability was measured at €72.1 million. The change since December 31, 2021 (value: €288.2 million; thereof current: €97.9 million) mainly reflects the decline of the share price of Sartorius Stedim Biotech S.A., as well as the settlement of the first tranche that was reported as a current liability in the 2021 consolidated financial statements (value upon settlement in first half of 2022: €68.1 million). Furthermore, 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, 2021, and the reporting date that is not related to the settlement amount described above amounts to €148.0 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 next few 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 €29.5 million (decrease by approximately €26.9 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 €14.4 million higher (€14.4 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 tranches of this contingent consideration is zero, while the upper limit cannot be quantified due to settlement in shares.

In connection with the acquisition of WaterSep BioSeparations, the parties agreed on an earn-out component, which depends on the future sales revenue in the years of 2021 to 2023 and is due in 2024. The lower (upper) end of the bandwidth of possible outcomes of this contingent consideration remains zero (US$9 million). This contingent consideration was measured at a fair value of €3.0 million on the reporting date December 31, 2022. The change since December 31, 2021 (value: €2.6 million) amounting to €0.4 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 future sales revenues with Xell products in the years 2022 to 2025. On the reporting date of December 31, 2022, the fair value of the financial liability amounts to €1.1 million. The change since December 31, 2021 (value: €2.0 million) amounting to €0.9 million was recognized within the financial result. Assuming 10% higher (lower) sales revenues in each of the remaining years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €0.9 million (decrease of approximately €0.6 million). The lower (upper) end of the bandwidth of possible outcomes of this contingent considerations remains zero (€25.6 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 and banks, were measured on the basis of the market interest rate, taking the current indicative credit spreads into account (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 €168.9 million (thereof current: 66.1). The non-current portion is variable and depends on the future sales with CellGenix products in the next three years. 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 €6.2 million (decrease of approximately €6.7 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	**2022** **12 months**	2021 12 months
Financial assets measured at amortized cost	10.4	13.3
Financial assets and liabilities measured at fair value through profit or loss	148.6	−207.1
Financial assets measured at fair value through other comprehensive income	−1.8	2.0
Financial liabilities measured at amortized cost	−8.0	−6.4

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 0).

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 were as follows:

€ in millions	**2022** **12 months**	2021 12 months
Interest income	1.6	1.0
Interest expenses	–12.0	–9.3

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. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. 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 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, respectively. 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, independently of the exchange rate on that date. 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, (net) forward contracts had been carried out in an amount of $302.3 million (2021: $324.1 million) to hedge against the risk of fluctuation in the EUR/USD exchange rate. This amount covers roughly 60% 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, 2021	Currency	Volume in millions	Maturity	Fair value € in millions
Forward contract	USD	324.1	2022	–7.3
	USD	**324.1**		**–7.3**
Forward contract	JPY	1,990.0	2022	0.1
	JPY	**1,990.0**		**0.1**
Forward contract	CHF	5.0	2022	–0.0
	CHF	**5.0**		**–0.0**
Forward contract	GBP	81.5	2022	0.2
	GBP	**81.5**		**0.2**
Forward contract	SEK	120.0	2022	–0.1
	SEK	**120.0**		**–0.1**

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	2023	0.7
	JPY	**1,890**		**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**

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, 2022**	Dec. 31, 2021
Foreign currency exposure	1,008.8	792.0
thereof short positions	187.0	42.5

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 taken into account in this method as risk is reduced in the risk aggregation.

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

€ in millions	**Dec. 31, 2022**	Dec. 31, 2021
Cash flow at risk	30.9	27.6

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 2022: €–16.3 million; 2021: €–6.7 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, 2021	Carrying amount (liability) as of Dec. 31, 2021	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	0.2	-6.9	100%	-6.7	-6.7	324.1	195.7	128.4	1.17
CHF	0.0	0.0	100%	0.0	0.0	5.0	5.0	0.0	1.04
JPY	0.1	0.0	100%	0.1	0.1	1,990.0	740.0	1,250.0	130.23
GBP	0.8	-0.7	100%	0.1	0.1	81.5	76.5	5.0	0.86
SEK	0.0	-0.1	100%	-0.1	-0.1	120.0	49.0	71.0	10.22

Currency	Carrying amount (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

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. The major loans are taken out at fixed interest rates (see Note 31); therefore, the Group is currently not significantly exposed to interest rate risks. To control the interest risk, an appropriate ratio between fixed and variable loans is generally maintained. However, as of December 31, 2022, and the preceding reporting date, there are no loans with variable interest rates. Accordingly, as of December 31, 2022, the Group has no open interest rate derivative contracts to hedge the risk of increasing interest rates.

40. Liquidity Risk Management

The maturity of the financial liabilities excluding derivative financial instruments shows the following pattern:

€ in millions	Carrying amount Dec. 31, 2021	Cash flow Dec. 31, 2021	< 1 year	1 – 5 years	> 5 years
Loans and borrowings	546.6	547.8	26.4	519.0	2.4
Lease liabilities	78.9	96.2	17.4	45.8	33.0
Trade payables	251.4	251.4	251.4	0.0	0.0
Other liabilities (excluding derivatives)	557.3	563.1	148.9	303.8	110.4
Financial liabilities	**1,434.2**	**1,458.4**	**444.1**	**868.6**	**145.7**

€ 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**

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 loan raised from the parent company Sartorius AG. 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 0).

The following tables illustrate the liquidity analysis for derivative financial instruments based on undiscounted cash flows:

€ in millions	Carrying amount Dec. 31, 2021	Cash flow Dec. 31, 2021	< 1 year	1 – 5 years	> 5 years
Gross fulfilment					
Forward contracts	**8.4**	**8.4**	**8.4**	**0.0**	**0.0**
Payment obligation		299.1	299.1	0.0	0.0
Payment claim		–290.7	–290.7	0.0	0.0
Derivatives	**8.4**	**8.4**	**8.4**	**0.0**	**0.0**

€ 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		
Payment claim		–197.2	–197.2		
Derivatives	**8.0**	**8.0**	**8.0**	**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 €3 million as of December 31, 2022 (2021: €9 million). In addition, the Group had further short-term bilateral credit lines at variable interest rates at the reporting date; these amounted to €77 million (2021: €50 million) and were not used to a material extent (2021: €16 million).

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 2022, no significant change regarding the credit risk of the Group's portfolio of biopharma customers was observed in line with the notion that the industry was not much affected by the current crises. Due to the Group's focus on the biopharma industry that is generally stable and largely independent from macroeconomic developments, 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, 2022, and as of December 31, 2021:

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

December 31, 2021 € 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	284.4	20.5	18.5	11.9	26.6	362.0
Gross carrying amount of contract assets	4.0	0.0	0.0	0.0	0.0	4.0
Impairment loss allowance	0.7	0.0	0.6	0.1	8.5	9.9

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	**2022**	2021
Valuation allowance at the beginning of the year	-9.9	-10.2
Increase during the year	-5.5	-3.8
Derecognition and consumption	0.9	0.3
Recoveries of amounts previously impaired	4.1	3.9
Foreign currency translation differences	0.1	-0.2
Business combinations	0.0	-0.1
Valuation allowance at the end of the year	**-10.5**	**-9.9**

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, 2022. 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, 2022, 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 exception is related to the financial liability as a result of the contingent consideration agreement 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 0).

43. Share-Based Payments

On the level of Sartorius Stedim Biotech's majority shareholder Sartorius AG, share-based payments exist in the form of so-called phantom stock units. Under this plan, the respective board member is granted a certain number of phantom stocks each year that represent an agreed amount of money. The exercise of these stocks is not possible before four years and depends on certain requirements regarding the performance of the Sartorius AG shares.

When the stocks are paid out, the amount is based on the share price at the exercise date. The payment is capped at an amount of 2.5 times the share price at the time these virtual options were granted.

The fair value of the phantom stock units granted to Sartorius AG board members who are also members of the Board of Directors of Sartorius Stedim Biotech S.A. is disclosed as follows:

	Number of phantom stock units	Subscription price in €	Fair value when granted on Jan. 1 of the particular year € in millions	**Fair value at year-end on Dec. 31, 2022 € in millions**	Paid out € in millions	Exercisable
Tranche of phantom stock units for 2018	2,685	80.32	0.2	0.0	0.5	
Tranche of phantom stock units for 2019	2,884	113.78	0.3	0.8	0.0	yes
Tranche of phantom stock units for 2020	1,818	190.30	0.3	0.7	0.0	no
Tranche of phantom stock units for 2021	1,229	354.13	0.4	0.4	0.0	no
Tranche of phantom stock units for 2022	931	574.61	0.5	0.3	0.0	no
Total	**9,547**			**2.2**	**0.5**	

In addition, 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 is planned for the first quarter 2026. The number of virtual shares varies with the performance achieved over the four years preceding the payout period. Goals are defined for the dimensions organic sales growth, underlying EBITDA margin, and 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. The personnel expenses related to the LTI Program, including effects from fair value measurement, and the fair value of the obligation on the reporting date December 31, 2022, amounted to €0.3 million. This obligation is reported under "Other non-current provisions" (see Note 24).

Other Disclosures

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

Material Events after the Reporting Date

No material events occurred after the reporting date.

Number of Employees

The average workforce employed during the reporting year 2022 was 11,849 (9,236 in 2021).

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 (e.g., IT support). 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."

€ in millions	**Sales revenue 2022**	**Purchases 2022**	**Receivables Dec. 31, 2022**	**Payables Dec. 31, 2022**
Related parties of Sartorius Group	118.2	26.2	30.6	1,036.0

€ in millions	Sales revenue 2021	Purchases 2021	Receivables Dec. 31, 2021	Payables Dec. 31, 2021
Related parties of Sartorius Group	103.8	21.0	21.2	540.1

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 paid commissions of

€1.2 million (€2.4 million in 2021). These commissions are typically calculated as a percentage of the sales revenue generated.

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. In 2022, an amount of €2.5 million was charged to Sartorius Stedim Biotech GmbH for their services (€2.4 million in 2021). Furthermore, two of Sartorius Stedim Biotech S.A.'s board members are also members of the Sartorius AG Executive Board. In 2021, Sartorius AG has charged a portion of their remuneration to Sartorius Stedim Biotech S.A. (€1.4 million). Following the new remuneration policy (please refer to the remuneration report for more details) the two board members now receive 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. at cost (amount in 2022: €1.5 million).

The use of the Sartorius brand by Sartorius Stedim Biotech entities is subject to a brand name fee. In 2022, an amount of €17.3 million was charged (2021: €7.8 million). 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 were charged to Sartorius Stedim Biotech S.A. in the amount of €1.6 million (2021: €1.3 million).

Shareholder Loan

The Sartorius Stedim Biotech Group's loans raised from its parent company Sartorius AG are described in Note 31. The interest rates are based on arm's-length conditions.

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 of 3% on total costs. 3% is a surcharge compliant with arm´s-length principles for routine tasks in line with OECD and EU guidelines. In 2022, services of approximately €91.8 million were provided to Sartorius Stedim Biotech GmbH (€94.6 million in 2021). 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 2021 and 2022 according to IFRS.

€ in millions	Total	Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
2022 [1]	1.5	1.1	0.0	0.4	0.0	0.0
2021 [1]	2.9	1.6	0.2	0.2	0.0	0.9

1 For more information, please refer to the chapter Corporate Governance (See pages 73 to 105).

Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended 31 December 2022

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 2022.

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 2022 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 2022 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. 823-9 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.

Goodwill valuation – Impairment Test

Identified risk

As of 31 December 2022, goodwill amounts to 1,136.4 M€, or 22.4% of total consolidated assets.

As described in Note 5 to the consolidated financial statements, Sartorius Stedim Biotech S.A. is an "integrated solution provider" for its customers, and as a result there is only one operating segment from a product and customer perspective: "Biopharm ". In addition, as indicated in Note 16 to the consolidated financial statements, because of the interdependence of the market in which your group operates, the lowest level at which goodwill can be allocated is the Biopharm segment. The goodwill has therefore been fully allocated to the Cash Generating Unit (C.G.U.) corresponding to the Biopharm segment.

Goodwill is subject to an annual impairment test and whenever there are indicators of impairment in accordance with the methods and assumptions described in Notes 4 and 16 to the consolidated financial statements.

We considered that the determination of the value of goodwill is a key point of our audit given its significance in the consolidated financial statements of your group, and because the determination of the recoverable amount taken into account in the impairment test on the basis of the value in use requires the use of estimates and assumptions (in particular in respect of future cash flows, perpetual revenue growth rates and the discount rate) that require significant management judgment.

Responses obtained during our audit

We obtained the impairment test from the C.G.U. corresponding to the Biopharm segment as well as the forecasts underlying the calculation (4-year plan).

We reviewed the compliance of the company's methodology with applicable accounting standards.

We also performed a critical analysis of how the company has implemented this methodology, including the following procedures:

- Assessed the reasonableness of the key assumptions used to determine the cash flow of the Biopharm segment as well as that used for the perpetual growth rate;
- Assessed, with the support of our valuation specialists, the discount rate used by management. We compared this rate with our own estimates and analysed its various constituent components;
- Checked the arithmetical accuracy of the impairment test performed by your group.

We have also obtained and assessed the sensitivity analyses carried out by management, as shown in Note 16 of the notes to the consolidated financial statements.

Lastly, we verified the appropriateness of the information provided in Notes 4 and 16 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 2022, Deloitte & Associés and KPMG S.A. were in the 17th year without interruption and 8th 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. 823-10-1 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.822-10 to L.822-14 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, 10 February 2023

The Statutory Auditors

French original signed by

KPMG Audit
A Division of KPMG S.A.

Nicolas Blasquez
Partner

Deloitte & Associés

Christophe Perrau
Partner

Annual Financial Statements and Notes

05

Annual Financial Statements

Parent Company Balance Sheet: Assets

€ in M	Gross at Dec. 31, 2022	Depreciation, amortization and provisions Dec. 31, 2022	Net at Dec. 31, 2022	Net at Dec. 31, 2021
Intangible assets	0.6	–0.2	0.3	0.4
Property, plant and equipment	23.8	–15.5	8.2	8.7
Financial investments	186.0	0.0	186.0	139.6
Total non-current assets	**210.3**	**–15.8**	**194.5**	**148.6**
Inventories and work in progress	0.0	0.0	0.0	0.0
Trade receivables to third parties	2.2	0.0	2.2	0.2
Other receivables	158.6	0.0	158.6	115.9
Deposits and cash equivalents	0.4		0.4	0.0
Total current assets	**161.2**	**0.0**	**161.2**	**116.2**
Prepaid expenses	0.1	0.0	0.1	0.1
Currency translation adjustment	0.0	0.0	0.0	0.0
Total assets	**371.6**	**–15.8**	**355.9**	**264.9**

Parent Company Balance Sheet: Liabilities

€ in M	At Dec. 31, 2022	At Dec. 31, 2021
Share capital	18.4	18.4
Share premium	12.6	12.3
Reserves	2.4	2.4
Retained earnings carried forward	74.8	75.4
Profit for the period	154.7	115.5
Regulated provisions	4.1	4.1
Total equity	**267.1**	**228.1**
Provisions for liabilities and charges	0.0	0.0
Total provisions for liabilities and charges	**0.0**	**0.0**
Loans and borrowings	0.0	0.0
Trade payables	0.8	2.9
Tax and social charges payable	0.1	0.1
Liabilities for non-current assets	0.0	0.1
Other liabilities	87.9	33.8
Total liabilities	**88.9**	**36.8**
Currency translation adjustment	0.0	0.0
Total equity and liabilities	**355.9**	**264.9**

Parent Company: Income Statement

€ in M	At Dec. 31, 2022	At Dec. 31, 2021
Sales revenue	2.6	2.1
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	-5.8	-9.5
Tax and duties	-0.3	-0.2
Personnel costs	0.0	0.0
Additions to amortization, depreciation and provision	-1.0	-0.9
Other operating expenses	-0.4	-0.4
Operating profit (EBIT)	**-4.9**	**-8.9**
Net financing income | (expense)	158.9	123.0
Profit | (loss) from ordinary activities	**154.0**	**114.1**
Exceptional income | (expense)	0.0	0.0
Income tax	0.8	1.4
Net profit | (loss)	**154.7**	**115.5**

1. Materiel Events during the Year

The 7th of February 2022, the Company closed the acquisition of the Novasep chromatography division.S.A.S. for an amount of €47 million. For more details please refer to the part 8 "Business Combinations" in the Consolidated Financial Statements and Notes of the Group.

2. Materiel Events after the Reporting date

None.

3. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2022, 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, 2022. 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, 2021	Increase in 2022	Decrease in 2022	At Dec. 31, 2022
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**	**0.6**
Amortization and depreciation in millions of €	0.2	0.0	0.0	0.2
Net amount	**0.4**	**0.0**	**0.0**	**0.4**

4.2. Property, Plant and Equipment

Gross values in millions of €	At Dec. 31, 2021	Increase in 2022	Decrease in 2022	At Dec. 31, 2022
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	4.1	1.7	0.0	5.9
Property, plant and equipment in progress	2.9	0.2	–1.4	1.7
Total	**23.3**	**1.9**	**–1.4**	**23.8**

Amortization and depreciation in millions of €	At Dec. 31, 2021	Addition	Release	At Dec. 31, 2022
Buildings	12.3	0.4	0.0	12.7
Plant and equipment	0.0	0.0	0.0	0.0
Other	2.3	0.6	0.0	2.8
Total	**14.6**	**1.0**	**0.0**	**15.5**
Property, plant and equipment, net	**8.7**	**0.9**	**–1.4**	**8.2**

The increase in tangible assets includes fixtures and fittings for a net amount of €1,7 M and assets under construction for an amount of €0,2 M.

4.3. Financial Investments

Investments in millions of €	At Dec. 31, 2021	**Increase in 2022**	**Decrease in 2022**	**At Dec. 31, 2022**
Shareholdings	128.0	47.2	0.0	175.2
Write-down of shareholdings	0.0	0.0	0.0	0.0
Deposits and guarantees	0.1	0.0	0.0	0.0
Treasury shares	11.5	0.0	-0.8	10.7
Write-down of treasury shares	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0
Total	**139.6**	**47.2**	**-0.9**	**186.0**

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 12,921 shares of SSB S.A. in portfolio at the closing.

1 Any buyback program for liquidity purposes is not to be continued during a takeover bid

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	10.8	3.4	7.4
Non-current assets	**10.8**	**3.4**	**7.4**
Advance payments on account	0.0	0.0	0.0
Trade receivables	2.2	2.2	0.0
Personnel	0.0	0.0	0.0
Social security	0.0	0.0	0.0
Taxes and duties	0.1	0.1	0.0
Group	158.5	158.5	0.0
Other receivables	0.0	0.0	0.0
Current assets	**160.8**	**160.8**	**0.0**
Prepaid expenses	0.1	0.1	0.0
Total receivables	**171.7**	**164.4**	**7.4**

The "Group" item for receivables from Group subsidiaries (€158,5 M) relates to current account cash advances provided to Sartorius Stedim Aseptics, Sartorius Stedim FMT and Sartorius Stedim Bioprocess Tunisia.

The "Taxes and duties" (€0,1 M) captions primarily includes the net tax receivable relating to the tax grouping system.

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	0.8	0.8	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	87.5	87.5	0.0	0.0
Other	0.3	0.3	0.0	0.0
Total liabilities	**88.8**	**88.8**	**0.0**	**0.0**

The "Group" item for liabilities from Group subsidiaries (€87,5 M) relates to cash-pooling liabilities and current account cash advances provided by Sartorius AG, Sartorus Stedim Biotech GmbH, Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and Sartorius Stedim Aseptics S.A.S.

Accrued expenses included in these accounts represented €0,4 M and concerned the following items:

Type of expense € in M	At Dec. 31, 2022
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, 2021, the share capital was €18,4 M, comprising 92,180,190 shares of a €0.20 par value.

At December 31, 2022, 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 2022, the 29th, approved the appropriation of the net profit for the year of €115,5 M, as follows:

- Use from the retained earnings carried forward: - €0,6 M
- Paid into the legal reserves: None

A dividend total of €116,1 M, or a net dividend per share of €1.26, was paid.

	Appropriation of profit in 2021			Movements 2022		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	0.4		0.4		−0.4	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	75.4	−0.6	74.8			74.8
Dividends paid	0.0	116.1	116.1		−116.1	0.0
Net profit to be appropriated	115.5	−115.5	0.0			0.0
Profit for the reporting year			0.0	154.7		154.7
Regulated provisions	4.1		4.1			4.1
Total	**228.8**	**0.0**	**228.8**	**154.7**	**−116.5**	**267.0**

7.2. Stock Options

None

8. Risks and Provisions

8.1. Provisions

Type of provision € in Millions	Provisions at Dec. 31, 2021	Additions 2022	Releases 2022	**Provisions at Dec. 31, 2022**
Regulated provisions				
Accelerated amortization and depreciation	4.1	0.0	0.0	4.1
Subtotal (1)	**4.1**	**0.0**	**0.0**	**4.1**
Provisions for liabilities and charges				
Exchange risk	0.0	0.0	0.0	0.0
Other costs	0.0	0.0	0.0	0.0
Taxation	0.0	0.0	0.0	0.0
Subtotal (2)	**0.0**	**0.0**	**0.0**	**0.0**
Grand Total = (1) + (2)	**4.1**	**0.0**	**0.0**	**4.1**

8.2. Market Risk Exposure

8.2.1 Operating Cash Flow risks

At December 31, 2022, there are no impacts on net amount in foreign currency in current assets and liabilities.

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. and Sartorius Stedim FMT 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 €0,8 M. Taking into grout the tax credits not yet, compensated, the company SSB holds a receivable from the State of €0,1 M.

9. Operating Income (in millions of €)

9.1. Sales Revenue by Operating Segment

Operating segment	**At Dec. 31, 2022**	%	At Dec. 31, 2021	%
Services	2.6	100%	2.1	100%
Total	**2.6**	**100%**	**2.1**	**100%**

9.2. Sales Revenue by Geographical Region

Geographical region	At Dec. 31, 2022	%	At Dec. 31, 2021	%
France	**2.6**	**100%**	**2.1**	**100%**
Export	**0.0**		**0.0**	**0%**
EU and other countries	0.0		0.0	
North American continent	0.0		0.0	
Total	**2.6**	**100%**	**2.1**	**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, 2022			At Dec. 31, 2021		
€ in M	**Profit before tax**	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	154.0	0.0	154.0	114.1	0.0	114.1
Exceptional income | (expense)	0.0	0.0	0.0	0.0	0.0	0.0
French tax integration relief	0.0	0.8	0.8	0.0	1.4	1.4
Net taxable income	**154.0**	**0.8**	**154.7**	**114.1**	**1.4**	**115.5**

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 2021 fiscal year and were paid in 2022.

No meeting fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2022. A Part of the Executive Board's remuneration has been recharged by Sartorius AG to Sartorius Stedim Biotech S.A. for an amount of €1,5 M (2021: €1,4 M).

12. Off-Balance Sheet Commitments

Type of commitment € in K	Comment	**At Dec. 31, 2022**	At Dec. 31, 2021
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	2.4	0.3	2.3	0.3	1.8
Total	**2.4**	**0.3**	**2.3**	**0.3**	**1.8**

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. and Sartorius Stedim Biotech GmbH.

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, 2022**	At Dec. 31, 2021
Investments	175.2	128.0
Trade receivables	0.0	0.2
Other receivables	158.5	110.8
Trade payables	0.0	0.0
Other liabilities	87.5	33.5
Income from investments	160.0	122.0
Other financial income	2.2	0.1
Finance expense	2.1	0.7

In the following, you will find the table of subsidiaries and shareholdings:

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	131.1	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

At Dec. 31, 2021	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	954.8		79.9	79,949.0	12.1	0.0	1,425.8	427.3	90.0
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	24.0
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	6.0	43.2				174.2		336.8	21.5	0.0
(Euros)				3.1	3.1	52.9	0.0	102.2	6.5	0.0
Sartorius Stedim RUS			100.00%							
(Rubles)	8.0	114.1						5,783.2	712.5	0.0
(Euros)	0.1	1.5		0.1	0.1	0.0	0.0	66.0	8.2	0.0
Sartorius Stedim Aseptics S.A.S.			**100.00%**							
(Euros)	0.4	14.8		1.8	1.8	26.1	0.0	30.4	12.5	8.0
Sartorius Stedim Chromatography Resins S.A.S.			**100.00%**							
(Euros)	0.0	2.2		0.0	0.0	0.0	0.0	19.9	6.4	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.

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 2022

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 2022.

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 2022 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 2022 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. 823-9 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.

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 2022, Deloitte & Associés and KPMG S.A. were in the 17th year without interruption and 8th 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. 823-10-1 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. 822-10 to L. 822-14 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, 10 February 2023

The Statutory Auditors

French original signed by

KPMG Audit A Division of KPMG S.A.	Deloitte & Associés
Nicolas Blasquez Partner	Christophe Perrau Partner

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Supplementary Information

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, 2022, 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):

<u>Internal regulations of the Board of Directors (extract)</u>

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, 2022, 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 2022.

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

Other Information on the Assets, Financial Position and Results for the Group

Major Contracts

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 2022 totalled €91.8 million against €94.6 million in 2021.

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.

Special Report of the Statutory Auditors on Related Party Agreements

This is a translation into English of the statutory auditors' Special report on related party agreements of the Company issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General meeting of Shareholders to approve the financial statements for the year ended 31 December 2022

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

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, 10 February 2023

The Statutory Auditors
French original signed by

KPMG Audit
A division of KPMG S.A.

Nicolas Blasquez
Partner

Deloitte & Associés

Christophe Perrau
Partner

Resolutions Submitted to the Annual Combined Shareholders` Meeting

Sartorius Stedim Biotech

A public limited company ("*société anonyme*") with capital of € 18,436,038
Registered office: Zone Industrielle Les Paluds Avenue de Jouques 13400 AUBAGNE
314 093 352 R.C.S. MARSEILLE

DRAFT RESOLUTIONS
OF THE SHAREHOLDERS' GENERAL MEETING
OF MARCH 27, 2023

Agenda

Ordinary Part:

- Reading of the Board of Directors' management report on the financial statements including the Group's report;
- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;
- Reading of the Board of Directors' corporate governance report;
- Reading of the Statutory Auditors' report on the Company's financial statements for the year ended 31 December 2022;
- Reading of the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2022;
- Reading of the Statutory Auditors' report on the regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code;
- Approval of the Company's financial statements for the year ended 31 December 2022 and discharge to all Directors; (Resolution N°1)
- Approval of the consolidated financial statements for the year ended 31 December 2022; (Resolution N°2)
- Allocation of the financial result for the year ended 31 December 2022; (Resolution N°3)
- Approval of the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L.225-38 et seq. of the French Commercial Code; (Resolution N°4)

- Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2023 financial year; (Resolution N°5)
- Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2022 financial year; (Resolution N°6)
- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2022 financial year; (Resolution N°7)
- Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2023 financial year; (Resolution N°8)
- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Deputy Chief Executive Officer for the 2022 financial year; (Resolution N°9)
- Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2023 financial year; (Resolution N°10)
- Authorization granted to the Board of Directors to enable the Company to trade in its own shares; (Resolution N°11)
- Powers to carry out the formalities. (Resolution N°12)

Extraordinary Part:

- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;
- Reading of the Statutory Auditors' special reports;
- Delegation of authority granted to the Board of Directors to issue shares, without preferential subscription rights of the shareholders, to named beneficiaries; (Resolution N°13)
- Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22 - 10 - 62 of the French Commercial Code; (Resolution N°14)
- Powers to carry out the formalities. (Resolution N°15)

Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the Company's financial statements for the year ended 31 December 2022 and discharge to all Directors)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the Company's financial statements for the year ended 31

December 2022, the report of the Board of Directors and the report of the Statutory Auditors concerning these financial statements, approved the Company's financial statements for the year ended 31 December 2022, which disclosed a net profit of €154,694,838 as presented, and the transactions reflected in these financial statements or summarized in these reports.

As a result, the Shareholders' Meeting grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The Shareholders' Meeting asserts that no overall expenses referred to in Article 39, 4° of the French Tax Code were noted.

Second resolution

(Approval of the consolidated financial statements for the year ended 31 December 2022)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings has, after having considered the consolidated accounts for the year ended 31 December 2022, the report of the Board of Directors and the report of the Statutory Auditors concerning these consolidated accounts, approved the consolidated financial statements for the year ended 31 December 2022, which disclosed a net profit of €879,915,491 as presented, and the transactions reflected in these financial statements or summarized in these reports.

Third resolution

(Allocation of the financial result for the financial year ended 31 December 2022)

The Shareholders' meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, has decided to allocate as follows, the net profit for the year ended 31 December 2022:

- Net Profit of the year 2022: €154,694,838
- Profit carried forward of the year 2021: €74,757,881
- Distributable profit: €229,452,719
- Total amount of dividends to be disbursed to shareholders [1]: € 132,721,775 (excluding treasury shares)
- Balance resulting from disbursement: €96,730,944.

1 The amount of dividends was calculated on the basis of the total number of shares as of December 31, 2022 (92,180,190 shares).

Each share of the company with a nominal value of €0,20 will entitle its holder to a payment of a net dividend valued at €1.44.

The dividend will be paid as from April 3, 2023.

The Shareholders' Meeting notes that for individual shareholders domiciled for tax purposes in France, dividends received are subject, pursuant to Article 200 A, 1 A 1° of the French Tax Code, to a single flat-rate withholding tax of 12.8%, or such income may be taxed at the progressive income tax rate at the shareholder's option. In the latter case, dividends are eligible for the 40% allowance referred to in Articles 158 3 2° and 243 bis of the French Tax Code. In both cases, when dividends are paid, they are subject to a non-discharging withholding tax at the rate of 12.8% as an advance payment of personal income tax, which is deducted from the final tax due.

However, in accordance with the third paragraph of Article 117 quater of the French Tax Code, individuals belonging to a tax household whose reference tax income is less than € 50,000 for single, divorced or widowed taxpayers or € 75,000 for taxpayers subject to joint taxation, may request exemption from this 12.8% non-discharging tax under the conditions provided for in Article 242 quater of the French Tax Code.

In addition, for individual shareholders domiciled in France for tax purposes, dividends paid are in any cases subject to social security contributions at a rate of 17.2%.

The Shareholders' Meeting notes, in accordance with the provisions of Article 243 bis of the French Tax Code, that the dividends paid in respect of the last three financial years were as follows:

Exercise	Dividendes[1]	Amount eligible for the 40% allowance	Amount not eligible for the 40% allowance	Dividend per shares[1]
Dec. 31, 2021	116,142,805	116,142,805	0	€1.26
Dec1 31, 2020	62,682,529	62,682,529	0	€0.68
Dec. 31, 2019	31,341,265	31,341,265	0	€0.34

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

Fourth resolution

(Approval of the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L.225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the report of the Board of Directors and the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L.225-38 et seq. of the French Commercial Code:

- takes note that no agreement as referred to in Articles L.225-38 et seq. of the French Commercial Code was entered into during the 2022 financial year;
- takes note that the services agreement entered into between the Company and Sartorius AG, which was previously submitted every year to the shareholders' meeting for approval in accordance with Articles L.225-38 et seq. of the French Commercial Code, was terminated with effect as from January 1, 2022;
- approves the conclusions of the special report of the Statutory Auditors.

Fifth resolution

(Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2023 financial year)

The Shareholder's Meeting, pursuant to Articles L. 225-45, L. 22-10-8 and L.22-10-14 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings:

- approves the remuneration policy applicable to the directors and the terms and conditions of the distribution of the amount to be allocated by the Shareholders' Meeting; and

- sets the total maximum annual amount of directors' remuneration at €325,800, to be distributed among the directors in respect of the financial year ending 31 December 2023 in accordance with the policy approved above.

Sixth resolution

(Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2022 financial year)

The Shareholders' Meeting, pursuant to Article L. 22-10-34 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, and after having considered the corporate governance report of the Board of Directors, approves the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2022 financial year as described in the corporate governance report of the Board of Directors.

Seventh resolution

(Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2022 financial year)

The Shareholders' Meeting, pursuant to Article L. 22-10-34 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, and after having considered the corporate governance report of the Board of Directors, approves the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to Mr. Joachim Kreuzburg, Chairman of the Board and Chief Executive Officer, for the 2022 financial year.

Eighth resolution

(Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2023 financial year)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the corporate governance report of the Board of Directors, pursuant to Article L. 22-10-8 of the French Commercial Code, approves the remuneration policy of the Chairman of the Board and Chief Executive Officer as described in the corporate governance report of the Board of Directors.

Ninth resolution

(Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Deputy Chief Executive Officer for the 2022 financial year)

The Shareholders' Meeting, pursuant to Article L. 22-10-34 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, and after having considered the corporate governance report of the Board of Directors, approves the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to Mr. René Fáber, Deputy Chief Executive Officer, for the 2022 financial year.

Tenth resolution

(Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2023 financial year)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the corporate governance report of the Board of Directors, pursuant to Article L. 22-10-8 of the French Commercial Code, approves the remuneration policy of the Deputy Chief Executive Officer as described in the corporate governance report of the Board of Directors.

Eleventh resolution

(Authorization granted to the Board of Directors to enable the Company to trade in its own shares)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors, in compliance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, the directly applicable provisions of the European Commission regulation no. 2273/2003 of December 22, 2003, the General regulation of the Autorité des marchés financiers (AMF – Financial Markets Authority), and the market practices accepted by the AMF:

1. authorizes the Board of Directors, having the right to sub-delegate in compliance with applicable laws and regulations, to make the Company acquire, hold, or transfer, on one or more occasions, shares of the Company in connection with the implementation of a share buyback program subject to the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code;

2. decides that the acquisition, sale or transfer of such shares may be achieved by any means on the market or over-the-counter, including through the acquisition of blocks of shares; these means include the use of any derivative financial instrument traded on a regulated market or over-the-counter or the delivery of shares as a result of the issuance of securities giving access to the Company's capital through conversion, exchange, redemption, exercise of a warrant or in any other manner either directly or through an investment service provider; the maximum share of the capital acquired or transferred in blocks may reach the entire program; these transactions may be carried out at any time, including during periods of public offer on the capital of the Company, in compliance with the regulations in force;

3. decides that the share buyback program will have, in order of priority, the following objectives:

- to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract in accordance with the AMAFI Code of Ethics recognized by the AMF;

- the cancellation of all or part of the shares thus purchased, within the maximum legal limit of 10% of the total number of shares composing the capital, for a period of twenty-four (24) months, pursuant to the fourteenth (14th) resolution of this Shareholders' Meeting and subject to the adoption of the fourteenth (14th) resolution;

- the delivery of shares (for exchange, payment or otherwise) in the context of external growth, merger, demerger or contributions;

- the delivery of shares upon the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, exercise of a warrant or in any other manner;

- the delivery of shares to its corporate officers and employees as well as those of companies affiliated to it, under the conditions and in the terms provided for by law, particularly in the context of stock option plan, free granting plan of issued or to be issued shares or company or inter-companies saving plans;

- the conservation of the shares for purposes of patrimonial and financial management.

4. decides that the terms and conditions of the share buyback program are the followings:

- duration of the program: a maximum of 18 months, starting from the date of this Shareholders' Meeting and expiring on the date when any shareholders' meeting of the Company adopts a new share buyback program or, alternatively, on September 27, 2024;

- maximum percentage: 0.10% of the share capital, i.e. 92,180 shares on the basis of 92,180,190 shares making up the share capital at the date of this Shareholders' Meeting; being specified that this limit applies to an amount of the share capital of the Company, which may be adjusted by the Board of Directors to take account of transactions affecting the share capital after the date of the present Shareholders' Meeting, the acquisitions made by the Company cannot in any case cause it to hold, directly or indirectly through its subsidiaries, more than 10% of its share capital; when the shares are acquired within the frame of a liquidity contract concluded with an investment firm in order to encourage the liquidity of the Company's shares under the conditions defined by the AMF's general regulations, the number of shares taken into account for the calculation of this limit will correspond to the number shares purchased net of the number of shares resold during the term of the authorization;

- maximum share purchase price (excluding fees and commissions): € 650, i.e. a maximum theoretical amount allocated to the share buyback program of € 59,917,000 on the basis of the maximum percentage of 0.10%, excluding trading costs, the maximum theoretical amount will be adjusted by the Board of Directors to take into account transactions affecting the share capital after the date of this Shareholders' Meeting.

5. decides that the dividends attached to the treasury shares of the Company shall be allocated to the retained earnings account;

6. grants all necessary powers to the Board of Directors, with right to sub-delegate in compliance with applicable laws and regulations, to implement this authorization and in particular to establish the terms and conditions of the share buy-back program in compliance with applicable laws and with the present resolution, and notably to proceed, as the case may be, with any adjustment required by transactions on the share capital; to place any purchase order on the stock market; to enter any agreement, notably for the keeping of registers of sale and purchase of shares, to make any and all declarations to the AMF and any other organization, to carry out all formalities, and more generally, to take all appropriate measures.

7. this delegation invalids, in the future, the delegation granted by the shareholders' meeting of March 29, 2022 in its tenth (10th) resolution.

Twelfth resolution

(Powers to carry out the formalities)

The Shareholders' Meeting gives full authority to the bearer of an original, a copy or an extract of the minutes from this Shareholders' Meeting to accomplish each necessary procedure.

Resolutions submitted to the Extraordinary Shareholders' Meeting

Thirteenth resolution

(Delegation of authority granted to the Board of Directors to issue shares, without preferential subscription rights of the shareholders, to named beneficiaries)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to the extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and noted that the share capital has been fully paid-up, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-138 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, in one or several times, in the proportion and at the times it considers appropriate, with the issuance of shares, other than preference shares, without preferential subscription rights of the shareholders, to the following named beneficiaries:

(a) Unicorn-Biotech Holding GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*), duly incorporated and validly existing under the laws of Austria, with its corporate seat in Vienna, Austria and its business address at Czerninplatz 4, A-1020 Vienna, Austria, registered with the commercial register of commercial court Vienna (*Handelsgericht Wien)* under registration number FN 492247 v ("**Unicorn-Biotech**");

(b) META Ingenium, družba tveganega kapitala, d.0.0., a limited liability company, duly incorporated and validly existing under the laws of Slovenia, with its corporate seat in Ljubljana, Slovenia and its business address at Trdinova ulica 9, 1000 Ljubljana, Slovenia, registered with the Slovenian court/commercial register under no. 3719669000 ("**META Ingenium**"); and/or

(c) any person affiliated with Unicorn-Biotech and/or META Ingenium (a person or entity that directly or indirectly controls, is controlled by, or is under common control with, another person or entity, within the meaning of Article L. 233-3 of the French Commercial Code);

2. decides that the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of one hundred thirty-three thousand and nine hundred eighty euros (€133,980);

3. decides to waive the preferential subscription rights of the shareholders of the Company on shares that may be issued pursuant to this delegation of authority;

4. decides that the subscription of the shares above may be made either in cash or by way of set-off against certain, due and payable receivables (*compensation de créances certaines, liquides et exigibles*) held upon the Company;

5. decides that, pursuant to Article L. 225-138 II of the French Commercial Code, the issue price of shares issued pursuant to this delegation of authority shall be at least equal to the volume weighted average of the prices of the Company share over the last three trading days on the Euronext Paris regulated market preceding the issuance of the shares issued pursuant to this delegation of authority;

6. grants the Board of Directors any necessary powers, with the right to sub-delegate in accordance with applicable law and regulations, to implement this delegation of authority and, in particular to:

- decide the share capital increase;
- decide the amount of the share capital increase, the issue price of the shares to be issued and, if applicable, the amount of the issue premium;
- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares to be issued;
- determine the means of payment of the shares to be issued;
- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving or capable of giving access to shares may be temporarily suspended;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of eighteen (18) months as from the date of this Shareholders' Meeting.

Fourteenth resolution

(Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code:

- delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to reduce the social capital, in one or several times and at any time as it deems appropriate, through the cancellation of shares that the Company owns or shall buy pursuant to the implementation of the share buyback program authorized in this Shareholders' Meeting in its eleventh (11th) resolution or any later resolution with the same object within the maximum limit of 10% of the capital of the Company and by periods of twenty-four (24) months, and to proceed in the corresponding proportions at a capital reduction, it being specified that this limit shall be adjusted, if necessary, in order to take into account the transactions that would affect it after this Shareholders' Meeting;

- gives all powers to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to adopt the terms and conditions of the share buyback, charge the difference between the accounting value of the cancelled shares and their nominal value against reserves or share premium, or to amend the articles of association subsequently to this authorization and to accomplish any necessary procedure;

- notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of March 29, 2022 in its twenty-fifth (25th) resolution.

This delegation of authority is granted for a period of twenty-four (24) months as from the date of this Shareholders' Meeting.

Fifteenth resolution

(Powers to carry out the formalities)

The Shareholders' Meeting gives full powers to the bearer of an original, copy or extract of the minutes of this Shareholders' Meeting to carry out any and all formalities that may be necessary.

**REPORT OF THE BOARD OF DIRECTORS
ON THE RESOLUTIONS PROPOSED
TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING
OF MARCH 27, 2023**

Dear Shareholders,

We have convened you to an ordinary and extraordinary shareholders' meeting of Sartorius Stedim Biotech (hereinafter the "Company"), on March 27, 2023 at 2:00 pm, in order to deliberate on the following agenda:

Ordinary Part

- Reading of the Board of Directors' management report on the financial statements including the Group's report;
- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;
- Reading of the Board of Directors' corporate governance report;
- Reading of the Statutory Auditors' report on the financial statements for the year ended 31 December 2022;
- Reading of the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2022;
- Reading of the Statutory Auditors' report on the regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code;
- Approval of the Company's financial statements for the year ended 31 December 2022 and discharge to all Directors; (Resolution N°1)
- Approval of the consolidated financial statements for the year ended 31 December 2022; (Resolution N°2)
- Allocation of the financial result for the year ended 31 December 2022; (Resolution N°3)
- Approval of the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L.225-38 et seq. of the French Commercial Code; (Resolution N°4)
- Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2023 financial year; (Resolution N°5)
- Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2022 financial year; (Resolution N°6)

- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2022 financial year; (Resolution N°7)

- Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2023 financial year; (Resolution N°8)

- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Deputy Chief Executive Officer for the 2022 financial year; (Resolution N°9)

- Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2023 financial year; (Resolution N°10)

- Authorization granted to the Board of Directors to enable the Company to trade in its own shares; (Resolution N°11)

- Proxy to carry out formalities. (Resolution N°12)

Extraordinary Part

- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;

- Reading of the Statutory Auditors' special reports;

- Delegation of authority granted to the Board of Directors to issue shares, without preferential subscription rights of the shareholders, to named beneficiaries; (Resolution N°13)

- Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22 - 10 - 62 of the French Commercial Code (Resolution N°14);

- Proxy to carry out formalities. (Resolution N°15).

The purpose of this report is to present a general explanation of the draft resolutions proposed by the Board of Directors.

A description of the Company's operations is provided in the management report and the universal registration document prepared by the Company. In order to complete your information, we invite you to read these documents as well as the statutory auditors' reports at the Shareholders' Meeting.

All documents related to the Shareholders' Meeting, in particular the draft resolutions proposed to the Shareholders' Meeting, the management report, the report of the Board of Directors on corporate governance, the universal registration document and the statutory auditors' reports are made available to you in the manner and within the time limits provided for by law. These documents are available on the Company's website (https://www.sartorius.com)

I. Details of draft resolutions submitted by the Board of Directors

I. 1 Ordinary Part

Approval of the Company's financial statements and of the consolidated financial statements for the financial year ending 31 December 2022 and discharge to the Directors (Resolutions N°1 and 2)

In the first resolution, we propose that you take the following decisions:

- approval of the Company's financial statements of Sartorius Stedim Biotech for fiscal year 2022, which show a profit of €154,694,838 and to grant discharge to the directors,
- taking note of the absence of expenses referred to in Article 39.4° of the French Tax Code.

In the second resolution, we propose that you approve the consolidated financial statements for the financial year 2022, which show a profit of €879,915,491.

The Company's and consolidated financial statements for the year ended December 31, 2022 are reproduced in the management report and the universal document registration relating to the audit of the financial year. These documents are available on the Company's website.

Allocation of the financial result for the year ended 31 December 2022 (Resolution N°3)

The annual accounts for the financial year ending 31 December 2022 show a net income of €154,694,838, to which is added the previous retained earnings of €74,757,881, resulting in a distributable profit of €229,452,719.

We propose that you allocate this distributable profit by distributing €132,721,775 as dividends (excluding treasury shares) and allocating the balance, i.e. €96,730,944, to the "Retained earnings" account.

The amount of the proposed dividend has been calculated on the basis of the number of shares entitled to dividends as of December 31, 2022, i.e. 92,180,190 shares. Thus, each share with a par value of €0.20 would give rise to the payment of a net dividend of €1.44.

The dividend would be paid as from April 3, 2023.

We would like to inform you that for individual shareholders domiciled for tax purposes in France, dividends received are subject, pursuant to Article 200 A, 1 A 1° of the French Tax Code, to a single flat-rate withholding tax of 12.8%, or such income may be taxed at the progressive income tax rate at the shareholder's option. In the latter case, the dividends are eligible for the 40% allowance referred to in Articles 158 3 2° and 243 bis of the French Tax Code. In both cases, when dividends are paid, they are subject to a non-discharging withholding tax at the rate of 12.8% as an advance payment of personal income tax, which is deducted from the final tax due.

However, in accordance with the third paragraph of Article 117 quater of the French General Tax Code, individuals belonging to a tax household whose taxable income is less than €50,000 for single, divorced or widowed taxpayers or €75,000 for taxpayers subject to joint taxation, may request exemption from this 12.8% non-discharging tax under the conditions provided for in Article 242 quater of the French Tax Code.

In addition, for individual shareholders domiciled in France for tax purposes, dividends paid are in any cases subject to social security contributions at a rate of 17.2%.

Pursuant to the provisions of Article 243 bis of the French Tax Code, we hereby inform you that the amounts distributed for the last three financial years were as follows:

Exercise	Dividend[1]	Amount eligible for the 40% allowance	Amount not eligible for the 40% allowance	Dividend per shares[1]
Dec. 31, 2021	116,142,805	116,142,805	0	€1.26
Dec. 31, 2020	62,682,529	62,682,529	0	€0.68
Dec. 31, 2019	31,341,265	31,341,265	0	€0.34

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

Approval of the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L. 225-38 et seq. of the French Commercial Code (Resolution N°4)

We invite you to take note of the statutory auditors' special report on regulated agreements, which will be read to you at the Shareholders' Meeting and which are made available to you in the manner and within the time limits provided for by law. These documents are available on the Company's website.

After having considered the report of the Board of Directors and the special report of the Statutory Auditors concerning regulated agreements as referred to in Articles L.225-38 et seq. of the French Commercial Code, we invite you to:

- take note that no agreement as referred to in Articles L.225-38 et seq. of the French Commercial Code was entered into during the 2022 financial year;
- take note that the services agreement entered into between the Company and Sartorius AG, which was previously submitted every year to the shareholders' meeting for approval in accordance with Articles L.225-38 et seq. of the French Commercial Code, was terminated with effect as from January 1, 2022;
- approve the conclusions of the special report of the Statutory Auditors.

Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2023 financial year (Resolution N°5)

We submit to your approval the remuneration policy applicable to the directors and the terms and conditions of the distribution of the amount allocated by the Shareholders' Meeting.

We invite you to set the total annual amount of directors' remuneration at €325,800, to be distributed among the directors in respect of the financial year ending 31 December 2023 in accordance with the policy approved above.

Approval of (i) the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2022 financial year, (ii) of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2022 financial year, (iii) of the remuneration policy of the Chairman and Chief Executive Officer for the 2023 financial year, (iv) of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Deputy Chief Executive Officer for the 2022 financial year and (v) of the remuneration policy of the Deputy Chief Executive Officer for the 2023 financial year (Resolutions N°6 to 10)

In accordance with the applicable law, the Board of Directors has prepared its report on corporate governance which is integrated in the universal registration document. The report on corporate governance contains in particular all the information required by Article L. 22-10-9 of the French Commercial Code (*ex post* vote), details of the elements comprising the compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for the 2022 financial year (*ex post* vote), as well as the remuneration policy of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for the 2023 financial year (*ex ante* post).

We invite you to take note of the Board of Directors' report on corporate governance, which will be read to you at the Shareholders' Meeting and which is made available to you in the manner and within the time limits provided for by law and regulations. It is available on the Company's website.

In this context, we submit to your approval:

- in the sixth (6th) resolution, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, on the information mentioned in I of Article L. 22-10-9 of the French Commercial Code as described in the Board of Directors' report on corporate governance (ex post vote),
- in the seventh (7th) resolution, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, on the fixed, variable and exceptional components of the remuneration and benefits of any kind due or allocated to Mr. Joachim Kreuzburg, Chairman of the Board and Chief Executive Officer, for the financial year ended December 31, 2022, as described in the Board of Directors' report on corporate governance (ex post vote),
- in the eighth (8th) resolution, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, on the remuneration policy of the Chairman of the Board and Chief Executive Officer for the financial year ended December 31, 2023, as described in the Board of Directors' report on corporate governance (ex ante vote),
- in the ninth (9th) resolution, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, on the fixed, variable and exceptional components of the remuneration and benefits of any kind due or allocated to Mr. René Faber, Deputy Chief Executive Officer, for the financial year ended December 31, 2022, as described in the Board of Directors' report on corporate governance (ex post vote),
- in the tenth (10th) resolution, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, on the remuneration policy of the Deputy Chief Executive Officer for the financial year ended December 31, 2023, as described in the Board of Directors' report on corporate governance (ex ante vote).

Authorization granted to the Board of Directors to enable the Company to trade in its own shares (Resolution N°11)

We remind you that the shareholders' meeting of March 29, 2022 in its tenth (10th) resolution, set up a share buyback program for a period of 18 months. The purpose of this program was to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract, within the limit of 0.10% of the share capital and for a maximum buyback price of € 650 per share.

We invite you to renew this share buyback program and therefore we submit to your approval the authorization granted to the Board of Directors to enable the Company to acquire, hold, or transfer, its own shares, during a period of 18 months starting from the date of this Shareholders' Meeting, up to a limit of 0.10% of the share capital.

The purpose of the share buyback program would be to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract that complies with the code of ethics of the French Association of Financial Market ("Association Française des Marchés Financiers") recognized by the French Financial Markets Authority ("Autorité des Marchés Financiers – AMF").

The share buyback program would have, in order of priority, the following objectives:

- to promote liquidity and stimulate the price of the Company's shares under a liquidity contract that complies with the ethical charter of the Association Française des Marchés Financiers recognized by the AMF,

- the cancellation of all or part of the shares thus purchased, within the maximum legal limit of 10% of the total number of shares composing the capital, for a period of twenty-four (24) months, pursuant to the fourteenth (14th) resolution this Shareholders' Meeting and subject to the adoption of the fourteenth (14th) resolution,

- the delivery of shares (for exchange, payment or otherwise) in the context of external growth, merger, demerger or contributions,

- the delivery of shares upon the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, exercise of a warrant or in any other manner,

- the delivery of share to its corporate officers and employees as well as those of companies affiliated to it, under the conditions and in the terms provided for by law, particularly in the context of stock option plan, free granting plan of issued or to be issued shares or company or inter-companies saving plans,

- the conservation of the shares for purposes of patrimonial and financial management.

The terms and conditions of the share buyback program would be as follows:

- Duration of the program: a maximum of 18 months, starting from the date of this Shareholders' Meeting and expiring on the date when any shareholders' meeting of the Company adopts a new share buyback program or, alternatively, on September 27, 2024,

- Maximum redemption percentage allowed: 0,10% of the share capital, i.e. 92,180 shares on the basis of 92,180,190 shares comprising the share capital as of the date of this Shareholders' Meeting; being specified that this limit applies to an amount of the Company's share capital which will be adjusted, if necessary, by the Board of Directors to take into account transactions affecting the share capital subsequent to this Shareholders' Meeting, and that the acquisitions made by the Company may not, under any circumstances, result in the Company holding, directly or indirectly through its subsidiaries, more than 10% of its share capital, when the shares are acquired in order to promote the liquidity of the Company's shares under the conditions defined by the general regulations of French Financial Market Authority (Autorité des Marchés Financiers), the number of shares taken into account for the calculation of this limit shall correspond to the number of shares purchased less the number of shares resold during the term of the authorization,

- Maximum unit purchase price (excluding fees and commissions): € 650, i.e. a maximum theoretical amount allocated to the share buyback program of €59,917,000 on the basis of the maximum percentage of 0.10%, excluding trading fees, the maximum theoretical amount will be adjusted, if necessary, by the Board of Directors to take into account transactions affecting the share capital subsequent to this Shareholders' Meeting.

The dividends from those shares would be allocated to the retained earnings account.

We also propose that you grant full powers to the Board of Directors, with the option of sub-delegation under the conditions provided for by law and regulations, to implement this authorization, and in particular to determine the terms and conditions of the share buyback program in accordance with the law and this resolution, and, in particular, make any adjustments related to capital transactions, place any stock market orders, enter into any agreements, in particular for the keeping of registers of purchases and sales of shares, make any declarations to the AMF and any other body, complete any formalities and, in general, do whatever is necessary.

This authorization would render ineffective for the future the authorization granted by the shareholders' meeting of March 27, 2022 in its tenth (10th) resolution.

Proxy to carry out formalities (Resolution N°12)

We propose that you give full powers to the bearer of a copy or extract of the minutes of the Shareholders' Meeting to carry out all legal formalities.

I. 2 Extraordinary Part

Delegation of authority granted to the Board of Directors to issue shares, without preferential subscription rights of the shareholders, to named beneficiaries (Resolution N°13)

In accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-138 of the French Commercial Code, we invite you to delegate authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, in one or several times, in the proportion and at the times it considers appropriate, with the issuance of shares, other than preference shares, without preferential subscription rights of the shareholders, to the following named beneficiaries:

(a) Unicorn-Biotech Holding GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*), duly incorporated and validly existing under the laws of Austria, with its corporate seat in Vienna, Austria and its business address at Czerninplatz 4, A-1020 Vienna, Austria, registered with the commercial register of commercial court Vienna (*Handelsgericht Wien)* under registration number FN 492247 v ("**Unicorn-Biotech**");

(b) META Ingenium, družba tveganega kapitala, d.0.0., a limited liability company, duly incorporated and validly existing under the laws of Slovenia, with its corporate seat in Ljubljana, Slovenia and its business address at Trdinova ulica 9, 1000 Ljubljana, Slovenia, registered with the Slovenian court/commercial register under no. 3719669000 ("**META Ingenium**"); and/or

(c) any person affiliated with Unicorn-Biotech and/or META Ingenium (a person or entity that directly or indirectly controls, is controlled by, or is under common control with, another person or entity, within the meaning of Article L. 233-3 of the French Commercial Code);

The nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of one hundred thirty-three thousand and nine hundred eighty euros (€133,980).

This delegation would enable the Board of Directors to issue Company's shares in consideration for the second earn-out payment in the context of the acquisition by the Company of the Slovenian purification specialist BIA Separations (see the Company's press release dated November 2, 2020).

This delegation of authority would automatically entail an express waiver by the Company's shareholders of their preferential subscription rights on shares that may be issued pursuant to this delegation of authority.

The subscription of the shares may be made either in cash or by way of set-off against certain, due and payable receivables (*compensation de créances certaines, liquides et exigibles*) held upon the Company.

Pursuant to Article L. 225-138 II of the French Commercial Code, the issue price of shares issued pursuant to this delegation of authority would be at least equal to the volume weighted average of the prices of the

Company share over the last three trading days on the Euronext Paris regulated market preceding the issuance of the shares issued pursuant to this delegation of authority.

We also propose that you grant full powers to the Board of Directors, with the option to sub-delegate such powers in accordance with the law and regulations, to implement this delegation of authority, and in particular to:

- decide the share capital increase;
- decide the amount of the share capital increase, the issue price of the shares to be issued and, if applicable, the amount of the issue premium;
- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares to be issued;
- determine the means of payment of the shares to be issued;
- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving or capable of giving access to shares may be temporarily suspended;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the Articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of eighteen (18) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code (Resolution N°14)

We invite you to authorize the Board of Directors, pursuant to Article L. 22-10-62 of the French Commercial Code, with the right to sub-delegate in accordance with applicable law and regulation, to reduce the social capital, in one or several times and at any time as it deems appropriate, through the cancellation of shares that the Company owns or shall buy pursuant to the implementation of the share buyback program authorized in this Shareholders' Meeting in its eleventh (11^{th}) resolution or any later resolution with the same object within the maximum limit of 10% of the capital of the Company and by periods of twenty-four (24) months, and to proceed in the corresponding proportions at a capital reduction, it being specified that this limit shall be adjusted, if necessary, in order to take into account the operations that would affect it after this Shareholders' Meeting.

Start

The purpose of this delegation is to provide the Board of Directors with an additional option in the conduct of its financial strategy and would enable it to ensure the preservation of your rights, particularly in periods of high financial volatility.

We also propose that you grant the Board of Directors all powers, with the option to subdelegate such powers in accordance with the law, to set the terms and conditions for the cancellation of shares, to allocate the difference between the book value of the cancelled shares and their par value to any reserve or additional paid-in capital accounts, to make the amendments to the bylaws resulting from this authorization and to carry out all necessary formalities.

This delegation would render ineffective for the future the delegation granted by the shareholders' meeting of March 29, 2022 in its twenty-fifth (25th) resolution.

This delegation would be valid for a period of twenty-four (24) months as from the date of this Shareholders' Meeting.

Proxy to carry out formalities (Resolution N°15)

We propose that you grant full powers to the bearer of an original, copy or extract of these minutes for the purpose of carrying out all filing, publication and other formalities provided for by the law and regulations in force relating to the decisions taken in the context of this Shareholders' Meeting.

We thank you for your trust and ask you to adopt the decisions that we submit to your vote.

Aubagne, February 8, 2023

The Board of Directors

Information on the URD and the Annual Financial Report

Declaration of Responsibility for the Universal Registration Document and the 2022 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 16, 2023

Joachim Kreuzburg

Chairman of the Board and CEO

Table of Reconciliation

The cross-reference table identifies the main information required by the Delegated Regulation No. 2019/980 of the European Commission dated March 14, 2019 (the "Regulation"). The table indicates the pages of this Universal Registration Document where is presented the information related to each item.

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

Financial Schedule

Annual Shareholders' Meeting	March 27, 2023
Payment of dividends[1]	April 3, 2023
Publication of first-quarter figures January - March 2023	April 20, 2023
Publication of first-half year figures January - June 2023	July 21, 2023
Publication of nine-month figures January - September 2023	October 19, 2023
Publication of preliminary figures for fiscal 2023	January 2024
Annual Shareholders' Meeting	March, 2024
Publication of first-quarter figures for January – March 2024	April 2024

1 Subject to approval by the Annual Shareholders' Meeting

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