

Sartorius Group

# 2022 Annual Report

# Key Figures

All figures are stated in millions of € according to IFRS, unless otherwise specified	2022	Δ in %	2021	2020	2019	2018
<b>Order intake, sales revenue and earnings</b>						
Order intake	4,007.3	-6.1	4,267.9	2,836.3	1,939.5	1,662.5
Sales revenue	4,174.7	21.0	3,449.2	2,335.7	1,827.0	1,566.0
Underlying EBITDA <sup>1</sup>	1,410.4	20.0	1,175.0	692.2	495.8	405.0
Underlying EBITDA <sup>1</sup> as a % of sales revenue	33.8	-0.3pp	34.1	29.6	27.1	25.9
Relevant net profit <sup>2</sup>	655.4	18.4	553.4	299.3	209.4	175.6
Earnings per ordinary share <sup>2</sup> (in €)	9.57	18.4	8.08	4.37	3.06	2.56
Earnings per preference share <sup>2</sup> (in €)	9.58	18.4	8.09	4.38	3.07	2.57
Dividend per ordinary share (in €)	1.43 <sup>3</sup>	14.4	1.25	0.70	0.35	0.61
Dividend per preference share (in €)	1.44 <sup>3</sup>	14.3	1.26	0.71	0.36	0.62
<b>Net worth and financial position</b>						
Cash flow from operating activities <sup>4</sup>	734.2	-15.9	873.2	511.5	377.2	244.5
Capital expenditures as a % of sales	12.5	0.7pp	11.8	10.3	12.3	15.2
Net debt	2,375.3	37.1	1,732.7	1,883.9	1,014.0	959.5
Ratio of net debt to underlying EBITDA <sup>5</sup>	1.7		1.5	2.6	2.0	2.4
Equity ratio (in %)	38.1	7.9pp	30.2	30.8	38.1	38.5
<b>Total number of employees as of December 31</b>						
	15,942	15.3	13,832	10,637	9,036	8,125
<b>Bioprocess Solutions Division</b>						
Order intake	3,122.7	-10.4	3,483.5	2,238.1	1,457.6	1,233.7
Sales revenue	3,326.5	22.0	2,727.0	1,782.6	1,350.5	1,143.1
Underlying EBITDA <sup>1</sup>	1,188.4	20.5	986.3	575.9	393.1	326.9
Underlying EBITDA <sup>1</sup> as a % of sales revenue	35.7	-0.5pp	36.2	32.3	29.1	28.6
<b>Lab Products &amp; Services Division</b>						
Order intake	884.6	12.8	784.4	598.2	481.9	428.8
Sales revenue	848.2	17.4	722.2	553.0	476.5	423.0
Underlying EBITDA <sup>1</sup>	222.0	17.6	188.8	116.3	102.7	78.1
Underlying EBITDA <sup>1</sup> as a % of sales revenue	26.2	0.1pp	26.1	21.0	21.6	18.5

1 Underlying = excluding extraordinary items

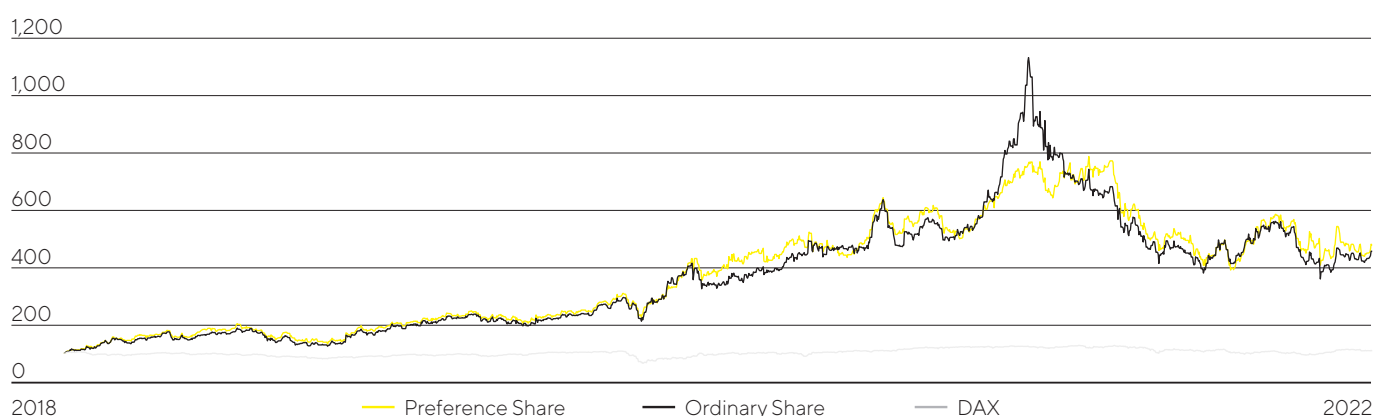
2 After non-controlling interest, adjusted for extraordinary items and amortization, as well as based on a normalized financial result and a normalized tax rate

3 Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

4 Interest received are reported under cash flows from operating activities since fiscal 2022. The prior year figure was restated accordingly.

5 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period

## Sartorius Shares in Comparison to the DAX (indexed)



1870

Founded by Florenz Sartorius,  
headquartered in Göttingen, Germany

60+

Production and sales sites worldwide

>15,900

Employees

~18%

Sales CAGR 2012-2022

+13.7pp

Change in underlying  
EBITDA margin 2012-2022

~€24.1bn

Sartorius AG market capitalization;  
listed on the DAX and TecDAX

Sales growth for continued operations, at constant exchange rates; 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 has evolved throughout its 150-year history 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 26, Sartorius Group at a Glance*

## Mission

We empower scientists and engineers to simplify and accelerate progress in life science and bioprocessing, enabling the development of new and better therapies and more affordable medicine.



## 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.

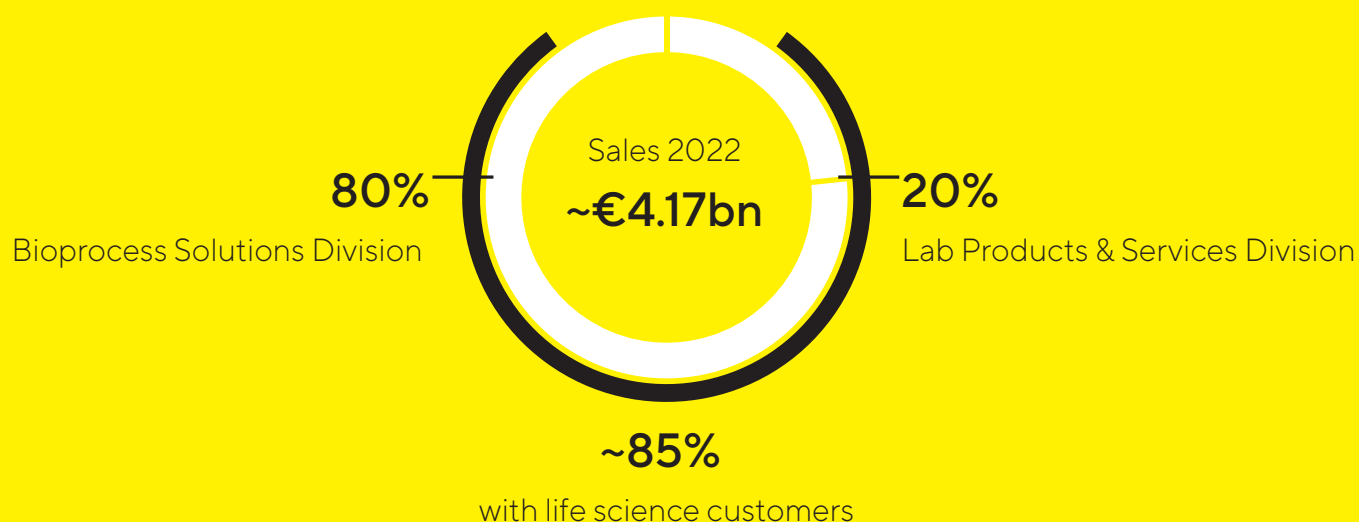


# Bioprocess Solutions

In the Bioprocess Solutions Division, Sartorius offers a broad product portfolio that covers all steps in the production of a biopharmaceutical. The company has held leading market positions for years in its core technologies, such as filtration, fermentation, cell cultivation and fluid management.



We Operate in Two Divisions With a Clear Focus on the Life Science Industry



## Lab Products & Services

The Lab Products & Services Division offers laboratories in the pharmaceutical and biopharmaceutical industries as well as at academic research institutes innovative solutions for bioanalytics, in addition to premium laboratory products, consumables and services. Sartorius is among the market leaders in laboratory balances, pipettes and lab consumables.

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# Report of the Executive Board

## Dear Shareholders and Business Partners,

With its products and solutions for more efficient development and production of medicines and vaccines, Sartorius 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 percent in constant currencies to almost 4.2 billion euros, with broad-based growth across our portfolio and all geographies in a challenging environment, and we currently see ourselves as being a good year ahead of our mid-term plan. While growth in the lab division was even slightly stronger than forecast, the bioprocess division was influenced by the expected normalization of demand. At 33.8 percent, the underlying EBITDA margin achieved in 2022 was close to the high prior-year level, even though we saw the expected significant increase in costs.

We continued to substantially invest in new capacities last year and spent more than half a billion euros in capital expenditures, primarily to expand production across all geographies, in particular in Germany, Puerto Rico, the United States, France and China. We also completed three acquisitions that add innovative and complementary products to our portfolio. We expanded our bioanalytics offering by acquiring a majority stake in ALS Automated Lab Solutions and strengthened our downstream business with the purchase of Novasep’s chromatography division. Albumedix adds a critical component for the manufacture of innovative biopharmaceuticals to our portfolio, particularly for modalities such as cell therapies, viral therapies, and vaccines. We also expect the partnership with the BICO Group agreed upon in December to provide valuable input for innovative applications in research and development, for example in the field of 3D cell printing.

Along with the continued expansion and sales revenue growth came an increase in the number of employees by more than 2,100 to around 16,000 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 preference share ended 2022 at a price of 369.40 euros, down around 38 percent year over year. The ordinary share closed 33 percent lower at 334.50 euros.



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 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; we expect the CAPEX ratio to be around 12.5 percent again 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 5.5 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 around 34 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 Executive Board, I would like to express my sincere thanks and appreciation for the exceptional performance the global Sartorius 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, 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  
Chief Executive Officer



# Executive Board

The Group's central management entity is the Executive Board of Sartorius AG. It defines the strategy, is responsible for the operational management of the Group and controls the distribution of resources within the organization.

## Joachim Kreuzburg

CEO

Group Strategy, Human Resources, Corporate Research, Legal & Compliance, Communications, Sustainability

Board member since 2002



## Rainer Lehmann

Member of the Board

Finance, Information Technology, Data Management, Corporate Sourcing

Board member since 2017



## René Fáber

Member of the Board

Head of Bioprocess Solutions

Board member since 2019



## Gerry Mackay

Member of the Board

Head of Lab Products & Services

Board member since 2019





# Report of the Supervisory Board

## Dear Shareholders and Business Partners,

Here at Sartorius, we can once again look back on another extremely successful year. With consolidated sales revenue of approximately 4.2 billion euros, the company grew profitably in both divisions, despite demand normalizing after many countries recovered from the COVID-19 pandemic as well as the difficult new challenges posed by a markedly different environment, both geopolitically and macroeconomically.

In 2022, the Supervisory Board intensively dealt with the situation and prospects of the company. We advised the Executive Board on corporate management and performed the tasks assigned by German corporate law and the company's Articles of Association. The Executive Board informed us regularly by providing prompt and comprehensive reports, both written and verbal, about all relevant corporate planning and strategic development issues, the progress of business in the divisions, the situation of the Group, including its risk situation, risk management and internal control systems, as well as about compliance. The health situation among the workforce and measures to safeguard supply chains and a stable energy supply were also on the agenda. The company's significant transactions were discussed in depth by the respective committees responsible as well as by the full Supervisory Board, on the basis of the reports provided by the Executive Board. Following thorough review of the Executive Board's reports and proposed resolutions, we voted on these to the extent that our vote was required.

Our cooperation with the Executive Board was always characterized by openness, constructive dialogue, and trust.

## Focus of the Supervisory Board's Conferences

The Supervisory Board held six meetings in the reporting year, all six of which were attended by all of its members. Four meetings were held as in-person meetings, and two were held in the form of a videoconference. A list of the participants that attended the Supervisory Board meetings and the meetings of the Supervisory Board committees can be found on the company's website and on page 14 of this report. The Executive Board attended the majority of our meetings; where matters relating to the Executive Board, internal Supervisory Board matters, or selected special topics were discussed, we met to discuss the relevant agenda items without the participation of the Executive Board.

At our meeting on February 10, 2022, we comprehensively discussed the annual and consolidated financial statements for fiscal 2021 and endorsed them based on the reports given by the Audit Committee and the independent auditors who were present during this item of the agenda. After the independent auditors' report and deliberations were held, we also endorsed the Non-Financial Group Statement for the reporting year.



Beyond this, we conferred about and approved the agenda, along with the proposed resolutions, for the 2022 Annual General Meeting, including the proposal for appropriation of the annual profit, as well as the remuneration policy for the Executive Board members. In view of the pandemic that was still ongoing at the time, we decided together with the Executive Board to hold the Annual General Meeting virtually again and conferred in detail regarding how the rights of shareholders, in particular the right to ask questions, could be considered in the best possible way. Corresponding principles were adopted. A discussion of various acquisition opportunities was also on the agenda.

Following the preceding regular elections of employee and shareholder representatives in March 2022, the new Supervisory Board held its first meeting on March 25, 2022 and elected the chair, vice-chair, and members of the committees. Furthermore, in light of the war in Ukraine and its consequences, the company's senior management informed us about various aid measures taken by Sartorius, the restriction of business activities in Russia, and how the company was preparing for a possible energy shortage, especially at its sites in Germany. We also received an overview of various financing matters and, in this context, we approved the conclusion of a new syndicated loan agreement and further loan agreements. Another area of discussion was the involvement of external expertise in the self-assessment of the Supervisory Board's work and in reviewing whether the compensation paid to the Executive Board and Supervisory Board is appropriate.

At our meeting on July 12, 2022, the Executive Board provided us with an overview of the status of various strategic initiatives and projects. Among other projects, the potential acquisition of the British company Albumedix was presented and discussed. We also received a detailed status report on the sustainability strategy and various sustainability initiatives implemented by the company.

At a meeting on August 3, 2022, the Supervisory Board adopted a resolution, after renewed thorough consideration, to approve the acquisition of Albumedix, which will significantly expand the portfolio of the Bioprocess Solutions Division, particularly for applications in advanced therapies.

At a further Supervisory Board meeting on September 15, 2022, which was also attended by a number of senior executives from Business Development, Marketing, and Sales, we discussed corporate strategy issues, potential portfolio additions in both divisions, and selected regional focus topics in detail. In addition, the Executive Board briefed us on matters relating to human resources strategy and employee development and retention programs, as well as succession planning. The results of the Executive Board and Supervisory Board compensation benchmarking were another point of discussion.

At the Supervisory Board meeting on December 8, 2022, we discussed the results of the self-assessment of the Supervisory Board's work and modifications to our Board's competence profile and rules of procedure. We also adopted the Declaration of Compliance for 2022 and discussed recommendations by the Executive Task Committee on the target agreements for the members of the Executive Board in 2023, which were subsequently adopted outside of a meeting in writing. In addition, we discussed matters relating to succession planning on the Executive Board, Executive Board compensation, and selected companies for the peer group

comparison for Executive Board compensation. Beyond this, we obtained information on progress being made with respect to our sustainability strategy and programs. We approved the Executive Board's plan to acquire an equity interest in the Swedish company BICO Group AB in connection with a sales and development partnership. We also approved the budget for 2023, which we had previously discussed in depth.

## Activity Report of the Committees

Four committees support the work of the Supervisory Board. These prepare topics for discussion by the full Supervisory Board and, where permissible, make decisions in individual cases instead of the full Supervisory Board. The committee chairpersons reported regularly to the Supervisory Board on the details of their committee work.

The Executive Task Committee held three meetings in the reporting year, all of which were held in person. Its discussions primarily focused on the company's various strategic actions as well as on Executive Board matters, particularly on preparation of resolutions on Executive Board remuneration. In addition, the committee dealt with the system on promotion of managers, succession planning for selected functions, as well as the topics of risk management and compliance. In addition, the committee conferred on the implementation of various regulatory changes to prepare for the discussions and the resolutions to be taken by the full Supervisory Board.

The Audit Committee held four meetings during the reporting year, two of which were held in person and two in the form of a videoconference. The committee prepared for the full Supervisory Board's conference on endorsement and approval of the consolidated annual financial statements for fiscal 2021 and discussed the quarterly results and the first-half financial report of 2022. Additional focal points were monitoring the effectiveness of the Group-wide risk management and internal control system. The committee also discussed matters relating to Group financing, IT security, and the company's sustainability management.

Beyond these items, the committee reviewed the Internal Auditing Department report, which did not indicate any material discrepancies in business transactions, and also considered the department's plans for the upcoming months. With respect to the audit of the annual financial statements for fiscal 2022, the committee confirmed the independence of the auditors and deliberated in detail on selecting auditors to recommend at the Annual General Meeting for appointment and commissioning to perform an audit review, as well as on defining and monitoring the audit procedure and the focal points of the audit.

The Nomination Committee and Conciliation Committee did not meet in 2022.

**Individual Meeting Attendance of the Supervisory Board Members 2022**

Supervisory Board Member	Meetings	Executive Task Committee	Audit Committee
Lothar Kappich	6/6	3/3	4/4
Manfred Zaffke	6/6	3/3	4/4
Annette Becker	6/6	3/3	--
David Raymond Ebsworth	6/6	--	--
Daniela Favoccia	6/6	--	--
Petra Kirchhoff	6/6	--	--
Dietmar Müller	6/6	--	4/4
Ilke Hildegard Panzer	6/6	--	--
Hermann-Jens Ritzau	6/6	--	--
Klaus Rüdiger Trützschler	6/6	3/3	4/4
Frank Riemensperger (member since March 25, 2022)	5/6	--	--
Sabrina Wirth (member since March 25, 2022)	5/6	--	--
Karoline Kleinschmidt (member until March 25, 2022)	1/6	--	--
Thomas Scheper (member until March 25, 2022)	1/6	--	--

## Training and Further Education Measures

As a matter of principle, the members of the Supervisory Board proactively undertake the training and further education measures required for their duties. To the extent necessary, the company provides organizational support and assumes the costs. When new members join the Board, they are provided extensive documentation to help them familiarize themselves with their new position, and onboarding meetings are also held to familiarize them with the company's business model and organizational structures. During the reporting year, the members of the Audit Committee also attended a training seminar on legal innovations resulting from Germany's Financial Market Integrity Strengthening Act (*Finanzmarktintegritätsstärkungsgesetz*) and on the EU taxonomy.

## Audit of the Annual and Consolidated Financial Statements; Review of the Non-Financial Group Statement

The annual and consolidated financial statements prepared by the Executive Board for fiscal 2022 and the management report of Sartorius AG were reviewed by the independent auditing company KPMG AG Wirtschaftsprüfungsgesellschaft based in Hanover, Germany. This company had been commissioned by the Audit Committee of the Supervisory Board pursuant to the resolution passed at the Annual General Meeting on March 25, 2022. The independent auditors issued an unqualified audit certificate.

The auditors attended the Audit Committee meeting on February 9, 2023, and the Supervisory Board Meeting on February 10, 2023, and reported on the essential results of their audits.

Sufficient time was allotted for discussion of all issues with the auditors. Written information and audit reports had been sent to all Supervisory Board members on time and were discussed in detail during the meetings mentioned. On the basis of its own examination of the annual Sartorius AG and consolidated financial statements, the Sartorius AG management report and the Group management report, the Supervisory Board concurred with the results of the audit conducted by KPMG and, at the meeting on February 10, 2023, endorsed the financial statements of Sartorius AG and the Group on recommendation by the Audit Committee. The annual financial statements were thus approved. The Supervisory Board and the Executive

Board will submit a proposal at the Annual General Meeting on March 29, 2023, to pay dividends of €1.44 per preference share and €1.43 per ordinary share to shareholders from the retained profit.

Furthermore, the Executive Board submitted a Non-Financial Group Statement based on the German Law to Strengthen Companies' Non-Financial Reporting to implement the EU CSR Directive. The content of this statement was submitted to a voluntary review by KPMG AG Wirtschaftsprüfungsgesellschaft based on a limited assurance engagement. On the basis of this review, KPMG issued an unqualified opinion. The auditing company attended the Supervisory Board meeting on February 10, 2023, and reported on the results of its audit review. Following intensive discussions and examination, the Non-Financial Group Statement was also endorsed by the Supervisory Board members.

## Composition of the Supervisory Board and the Executive Board

In fiscal 2022, new elections were held for the shareholder and employee representatives on the Supervisory Board. On the shareholders' side, Professor Dr. Thomas Scheper, and on the employees' side, Karoline Kleinschmidt, both stepped down from the Supervisory Board at the end of the Annual General Meeting on March 25, 2022. We would like to thank Professor Scheper and Ms. Kleinschmidt for their many years of dedicated service on our Board. Frank Riemensperger and Sabrina Wirth from the Sartorius workforce were elected as their successors by the Annual General Meeting, and they took office at the Supervisory Board meeting on March 25, 2022. The other shareholder and employee representatives were all reelected. The composition of the Executive Board did not change in 2022.

We would like to express our sincere thanks to the Executive Board and all Sartorius employees worldwide for their extremely dedicated and successful work in the past fiscal year. We would also like to thank our shareholders for the confidence they have once again shown in the company.

Hamburg, February 2023

On Behalf of the Supervisory Board



Dr. Lothar Kappich

Chairman

# Sartorius Shares

## Downturn in Global Stock Markets

International stock markets recorded price declines 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. Germany's benchmark index DAX and the technology index TecDAX, which both include Sartorius preference shares, also posted losses of 12.3% to 13,924 points and 25.5% to 2,921 points, respectively.

## Price of Sartorius Shares Declines

The two classes of Sartorius AG shares, 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 preference share closed the 2022 stock-market year at €369.4 – down 37.9% year over year. The ordinary share closed around 33.0% lower at €334.5.

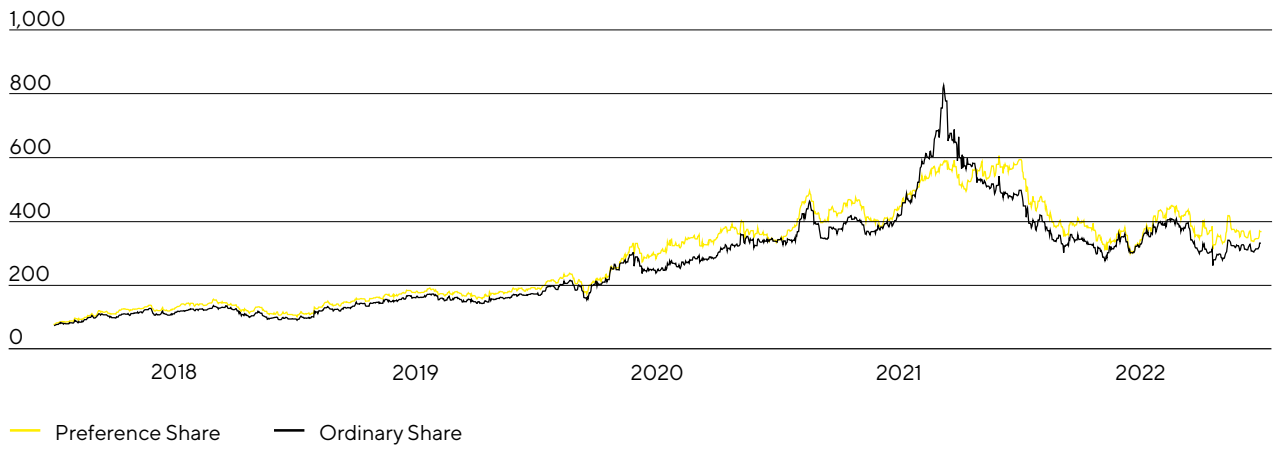
Sartorius AG preference shares have been listed in the German DAX share index since 2021, and are also included in the TecDAX. The preference shares ranked 33 in the DAX and 6th in the TecDAX at year-end based on the free float market capitalization criterion.

### Facts about the Shares

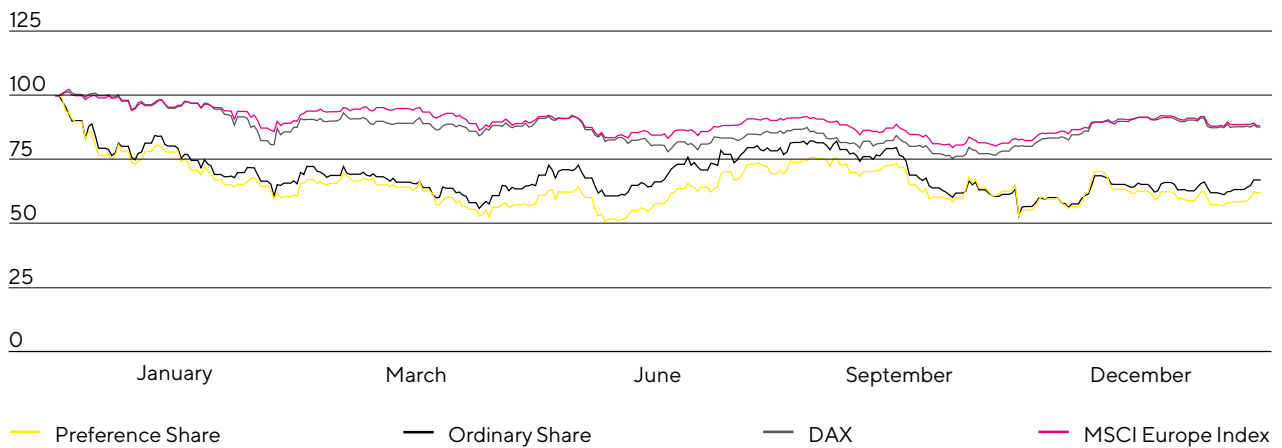
ISIN	DE0007165607 (ordinary shares)
	DE0007165631 (preference shares)
Designated sponsor	Oddo Seydler Bank AG   M.M. Warburg & Co. (AG & Co.) KGaA
Market segment	Prime Standard
Indexes	DAX   TecDAX   MSCI Germany Index   CDAX   Prime All Share-Index   Technology All Share-Index   NISAX20   STOXX Europe 600   DAX 50 ESG
Stock exchanges	XETRA   Frankfurt Main   Hanover   Hamburg   Berlin   Munich   Düsseldorf   Stuttgart   Tradegate
Number of shares	74,880,000 no-par individual share certificates with a calculated par value of €1 per share
Of which	37,440,000 ordinary shares
	37,440,000 preference shares
Of which shares outstanding	34,226,009 ordinary shares
	34,189,853 preference shares



**Sartorius Shares in €**  
January 1, 2018 to December 31, 2022



**Sartorius Shares in Comparison to DAX and MSCI Europe Index (indexed)**  
January 1, 2022 to December 31, 2022



Source: Nasdaq

## Market Capitalization and Trading Volume

The market capitalization of Sartorius AG based on the number of ordinary and preference shares outstanding fell in the reporting year by around 35.7% to €24.1 billion as of December 31, 2022, compared with €37.4 billion a year earlier.

The average number of preference shares traded daily on the Frankfurt Stock Exchange (Xetra and trading floor) was 89,710 during the reporting period, compared with 65,581 in the previous year. The trading volume was €8.9 billion (2021: €7.9 billion).

Due to the low free float of Sartorius' ordinary shares, they are traded only to a limited extent. Thus, the average number of ordinary shares traded daily was 5,070 compared with 4,244 in the previous year. The corresponding trading volume was around €433.5 million (2021: €577.7 million).

## Investor Relations

Sartorius, investor relations activities follow the objective of making the current and future development of the company transparent for its shareholders and other interested parties. To achieve this objective, Sartorius maintains an ongoing, open dialogue with shareholders, potential investors, and financial analysts.

Aside from providing quarterly, first-half, and annual reports, the company informs 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. Moreover, Group management and the IR team were available to communicate 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.

Further information and publications about the Sartorius Group and its shares are available online at [www.sartorius.com](http://www.sartorius.com).

## Analysts

The assessments and recommendations of financial analysts serve as an important foundation for the decisions of private and institutional investors when acquiring shares. During the reporting year, Sartorius maintained an ongoing dialogue with a total of 23 institutes.

### Research Coverage

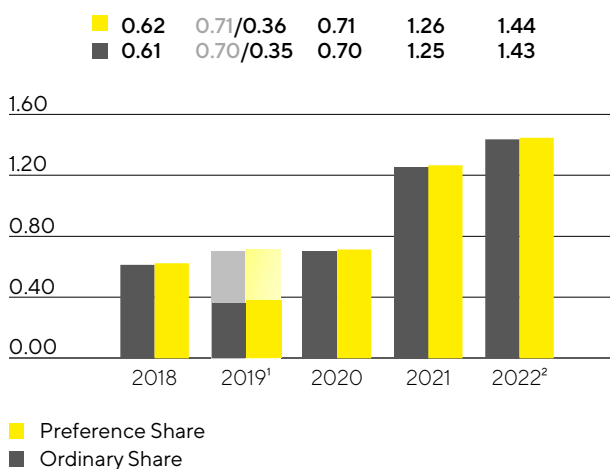
Date	Institute	Price target in €	Recommendation
January 27, 2023	LBBW	500.00	Buy
January 27, 2023	M.M. Warburg	466.00	Buy
January 27, 2023	Société Générale	483.00	Hold
January 27, 2023	Metzler	588.00	Buy
January 27, 2023	J.P. Morgan	530.00	Buy
January 27, 2023	Eaxne BNP Paribas	440.00	Hold
January 26, 2023	UBS	460.00	Buy
January 26, 2023	SRH AlsterResearch	295.00	Sell
January 26, 2023	ODDO BHF	455.00	Buy
January 26, 2023	Morningstar	267.00	--
January 26, 2023	Morgan Stanley	465.00	Buy
January 26, 2023	KeyBanc	--	Hold
January 26, 2023	Kepler Cheuvreux	500.00	Buy
January 26, 2023	HSBC	350.00	Hold
January 26, 2023	Deutsche Bank	530.00	Buy
January 26, 2023	Berenberg	493.00	Buy
January 23, 2023	Credit Suisse	450.00	Hold
November 18, 2022	AlphaValue	474.00	Buy
October 20, 2022	EQUI.TS	--	Buy
October 20, 2022	DZ Bank	315.00	Hold
October 19, 2022	Bank of America Merrill Lynch	561.00	Buy
July 21, 2022	Stifel	500.00	Buy
February 10, 2022	Redburn	449.00	Buy

## Dividends

The total return generated by Sartorius 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 the 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 strives to enable its shareholders to participate appropriately in the company's success through dividends.

The Executive Board and the Supervisory Board will submit a proposal to the Annual General Meeting on March 29, 2023, to pay dividends of €1.44 per preference share and €1.43 per ordinary share for fiscal 2022. If this proposal is approved, the total profit distributed would be €98.2 million, up 14.3% from the year-earlier sum of €85.9 million. The corresponding payout ratio lies within the general dividend policy, at 15.0% (previous year: 15.5%).

### Dividends in €



1 The original dividend proposal of €0.71 per preference share and €0.70 per ordinary share was adjusted in light of the pandemic crisis

2 Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

## Total Shareholder Return

Total shareholder return (TSR) considers both the dividends paid out and any share price increases over a certain period, and thus reflects the entire performance of an investment. In 2021, Sartorius preference shares delivered a TSR of -37.7% (previous year: 73.4%), and its ordinary shares a TSR of -37.7% (previous year: 44.8%).

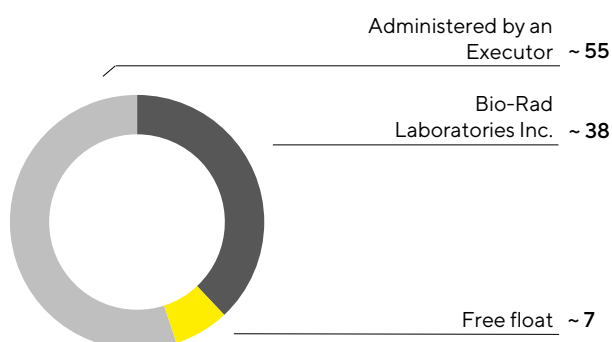
## Shareholder Structure

Sartorius AG's issued capital comprises 37,440,000 million ordinary shares and the same number of preference shares, each with a calculated par value of €1 per share. Some of both classes of share are held by the company itself. Minus these treasury shares, the number of ordinary shares outstanding is 34,226,009 and the number of preference shares outstanding is 34,189,853. A good 55% of the ordinary shares outstanding are under the management of an executor. According to the most recent information available, the U.S. company Bio-Rad Laboratories Inc. holds around 38% of the ordinary shares outstanding. To our knowledge, the remaining approximately 7% are in free float.

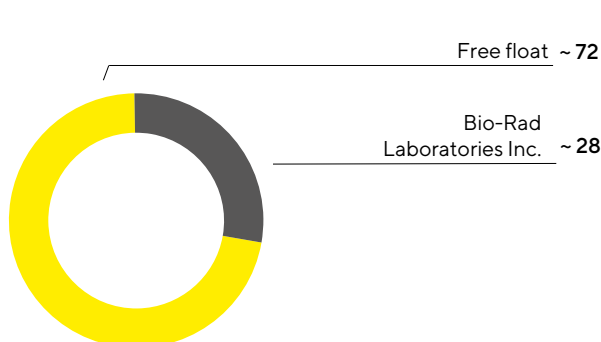
According to the information currently available, around 28% of the preference shares outstanding are held by Bio-Rad Laboratories Inc.; 72% are in free float.

**Shareholder Structure: Ordinary Shares**

in %, related to ~34.2 million shares outstanding

**Shareholder Structure: Preference Shares**

in %, related to ~34.2 million shares outstanding



Information on shareholdings and shares in free float pursuant to Sections 33 et seq. of the German Securities Trading Act (WpHG) and the shareholders' own disclosures. Reporting obligations refer only to ordinary shares and not to non-voting preference shares.

**Key Figures for Sartorius Shares**

		2022	2021	2020	2019	2018
Ordinary shares <sup>1</sup> in €	Reporting date <sup>6</sup>	369.40	499.00	345.00	175.00	96.00
	High	595.20	827.00	362.00	176.00	139.00
	Low	302.40	329.00	156.50	92.60	76.80
Ordinary shares <sup>1</sup> in €	Reporting date <sup>6</sup>	334.50	595.20	343.60	190.80	108.90
	High	499.00	607.00	404.20	195.00	158.60
	Low	264.00	343.60	174.20	104.00	80.15
Market capitalization <sup>2</sup> in millions of €		24,078.3	37,428.6	23,555.6	12,507.9	7,006.1
Average daily trading volume of preference shares		89,710	65,581	80,572	65,810	107,761
Average daily trading volume of ordinary shares		5,070	4,244	2,774	1,238	2,153
Trading volume of preference shares in millions of €		8,932.3	7,949.1	5,937.9	2,682.6	3,571.1
Trading volume of ordinary shares in millions of €		433.5	577.7	179.6	45.7	61.3
Total trading volume in millions of €		9,365.8	8,526.8	6,117.6	2,728.3	3,632.4
Dividend per ordinary share <sup>3</sup> in €		1.43	1.25	0.70	0.35	0.61
Dividend per preference share <sup>3</sup> in €		1.44	1.26	0.71	0.36	0.62
Total dividends <sup>3, 4</sup> in millions of €		85.9	85.9	48.2	24.3	42.1
Dividend yield per ordinary share <sup>5</sup> in %		0.4	0.3	0.2	0.2	0.6
Dividend yield per preference share <sup>5</sup> in %		0.4	0.2	0.2	0.2	0.6

1 Xetra daily closing price

2 Without treasury shares

3 For 2022, amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

4 Calculated on the basis of the number of shares entitled to dividends

5 In relation to the closing price in the year concerned

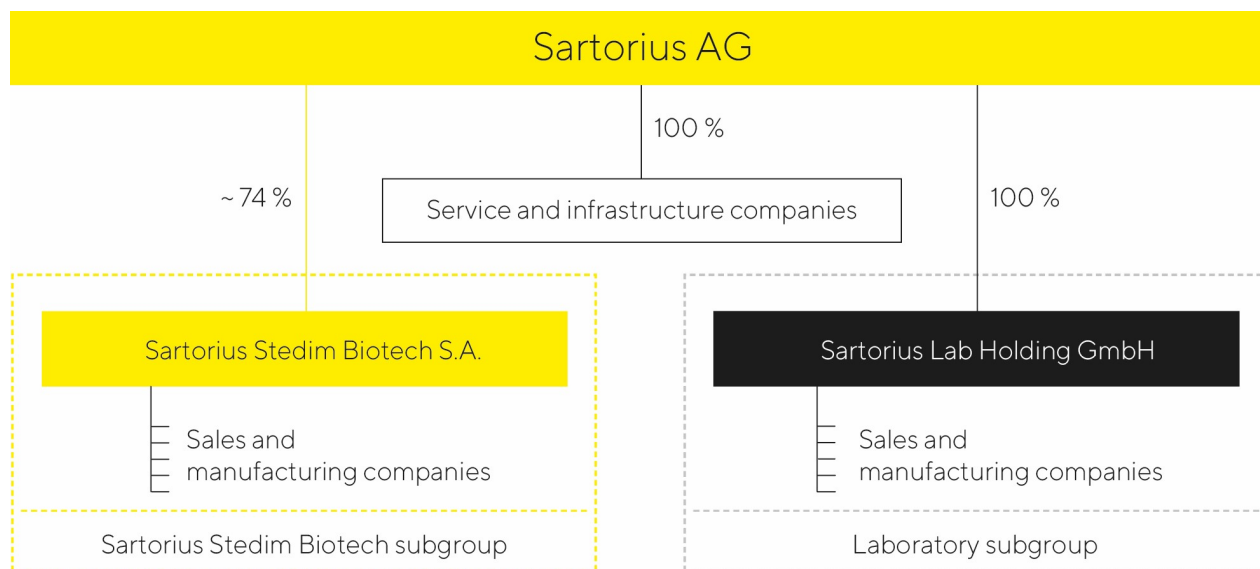
6 As of December 31 of the respective year

Sources: NASDAQ, Bloomberg





# Structure and Management of the Group



## Group Legal Structure

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

Sartorius manages its bioprocess business as a legally independent subgroup whose parent corporation is Sartorius Stedim Biotech S.A., which is listed on Euronext Paris. As of December 31, 2022, Sartorius AG held around 74% of the shares of Sartorius Stedim Biotech S.A. The Group's lab business is legally combined in a further subgroup whose parent company is Sartorius Lab Holding GmbH, in which Sartorius AG holds a 100% stake.

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

## Organization and Management of the Group

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

The Sartorius Group conducts its operating business in two divisions: Bioprocess Solutions and Lab Products & Services. The divisions each combine their respective businesses for the same fields of application and customer groups, and share part of the infrastructure and central services.

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

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

## Changes in the Group Portfolio

Sartorius expanded its product portfolio in both divisions by making three acquisitions in the reporting year. Effective January 3, 2022, the company acquired a majority stake in ALS Automated Lab Solutions, expanding its bioanalytics portfolio. This laboratory technology company based in Jena, Germany, has more than 30 employees and develops, manufactures, and markets solutions for the automated analysis, selection, and isolation of cells. Sartorius initially purchased 62.5% of the shares in ALS and plans to acquire the remaining 37.5% in 2026.

In February 2022, Sartorius, through its subgroup 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 also via the Sartorius Stedim Biotech subgroup, strengthens Sartorius' 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 Group is managed using a number of key performance indicators, which are also decisive for the determination of the variable remuneration component for the Executive Board and managers.

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

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

In addition, the following financial and non-financial indicators are reported on a regular basis:

- Order intake
- Relevant net profit | Earnings per share
- Annual 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<sub>2</sub> emission intensity

The Employee Net Promoter Score and the reduction in CO<sub>2</sub> emission intensity have been part of the compensation system for the Executive Board since 2022 and have therefore been newly included in this list.

The annual financial forecast that is published at the beginning of a fiscal year for the Group and the divisions refers, as a rule, 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, is additionally indicated for the Group.

# Business Model, Strategy and Goals

As a leading partner of life science research and the biopharmaceutical industry, Sartorius helps its customers in the development and manufacture of biotech medications and vaccines – from the initial idea in the lab to commercial-scale production.

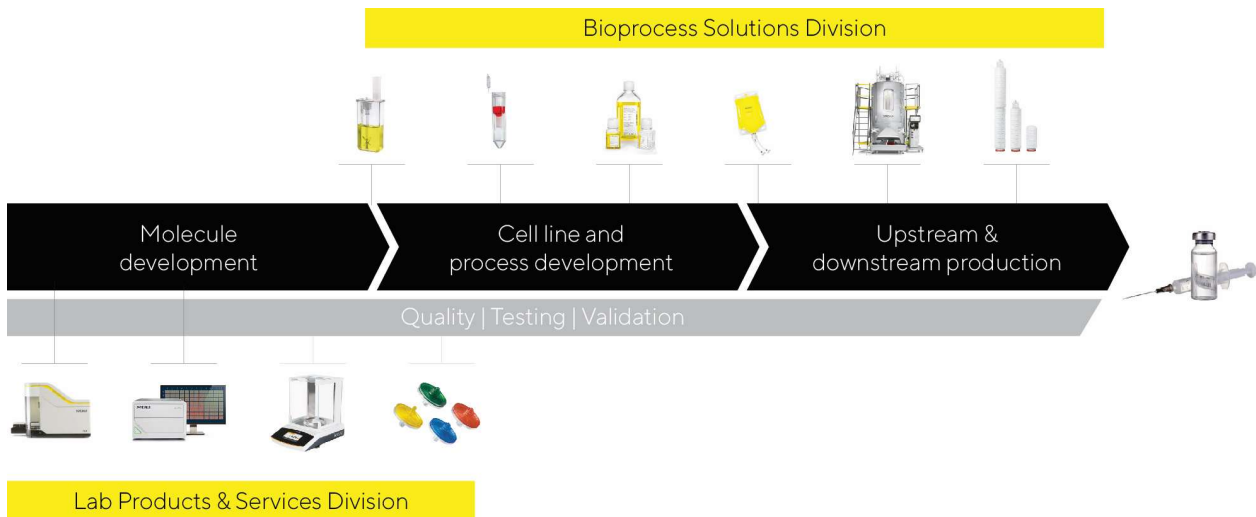
Biopharmaceuticals are integral components of advanced medicine and are used to treat many illnesses, mostly of a serious nature. However, long development times and complex production make these medications very expensive. This leads to high healthcare costs in industrialized countries and to the situation 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 with its products and services is enabling its customers to make their research, development, and production processes easier and more efficient so that advanced therapeutics can reach the market faster and become accessible for more people worldwide. Therefore, 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 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 offering highly differentiating technologies. The innovative power rests on three pillars: the company's own specialized product development, alliances with partners, and the integration of innovations through acquisitions.

With the biopharma industry, Sartorius 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.

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

## Strategic Focus on Biopharma Applications from Molecule Development to Production of Biopharmaceuticals



## Bioprocess Solutions

In the Bioprocess Solutions Division, Sartorius 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 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.

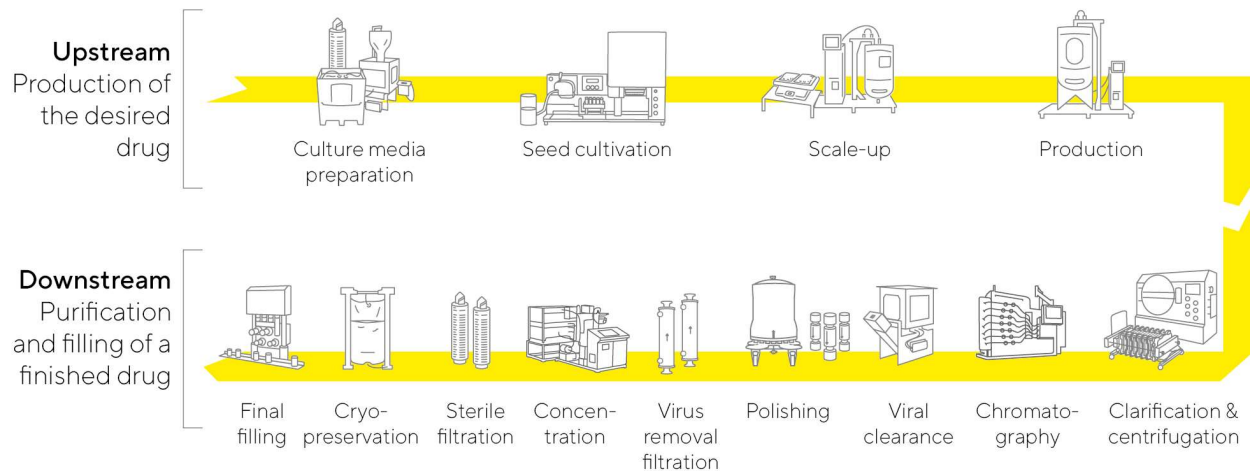
The breadth of the company's product portfolio is one of the key factors that differentiates it from its competitors. Sartorius can provide customers with complete process solutions from a single source, as well as assist with preceding project planning, process integration, and subsequent validation.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

Recurring business with sterile single-use products accounts for about three-quarters of the division's sales revenue. These offer customers cost advantages, flexibility, and less resource usage, and thus a better ecological footprint compared with conventional processes employing reusable stainless steel components. 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 division's strong strategic positioning and the above-average expansion of the sector are a good foundation for profitable growth in the future as well.

Information on the business development of this division is given in the chapter, Business Development of Bioprocess Solutions.

## Innovative Technologies for All Phases of Biopharmaceutical Drug Production



Schematic illustration

## Lab Products & Services

Over the past years, the Lab Products & Services Division has increasingly concentrated on the high-growth biopharmaceutical industry. With its products, the division addresses pharmaceutical and biotech research laboratories as well as academic research institutes. Sartorius supplies scientists and laboratory staff with the instruments and consumables they need to make their research and quality control easier and faster. For example, the company provides life science customers with innovative systems for bioanalytics to enable them to automate key analytical steps in the development of molecules, cell lines and processes: steps which earlier were mostly carried out manually. In this way, considerably larger quantities of samples can be examined and extensive sets of data generated and evaluated within a short time, substantially accelerating the identification of suitable drug candidates or cell clones. This contributes to the acceleration of the protracted timelines of drug development and increases the efficiency of R&D labs in the biopharmaceutical industry.

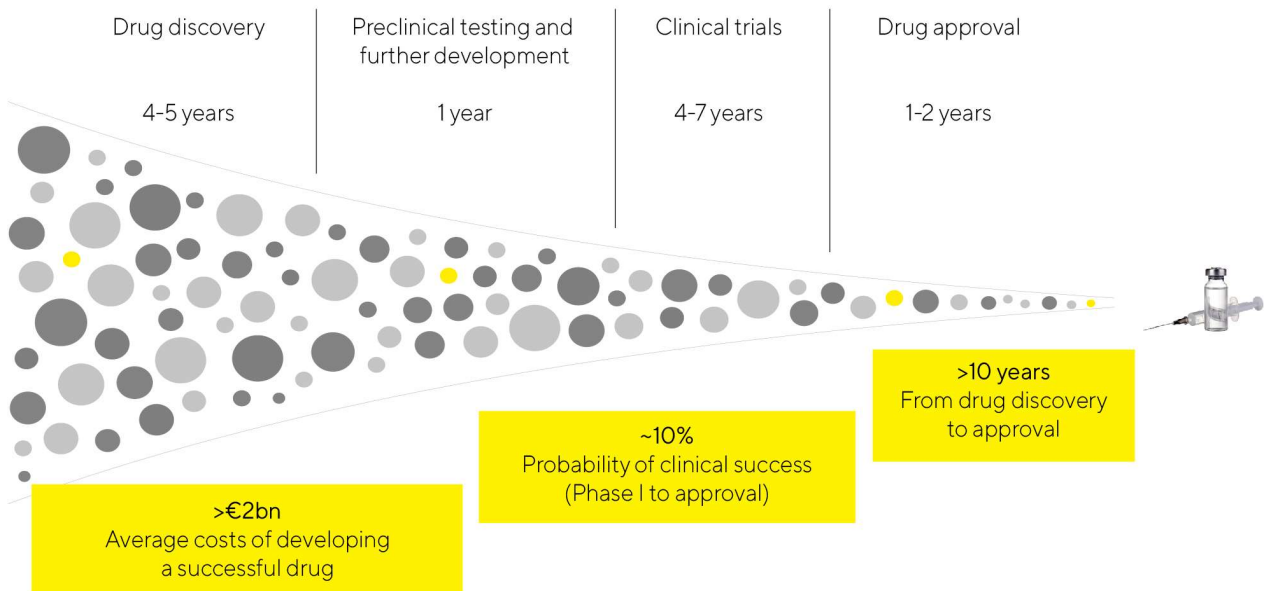
Beyond this, the division offers a wide range of premium laboratory instruments for sample preparation – such as laboratory balances, pipettes, and lab water systems – as well as consumables, such as filters and microbiological test kits. In these product categories, Sartorius has leading market positions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

With its innovative technology platforms for bioanalytics and its comprehensive portfolio for sample preparation, the Lab Products & Services Division has a strong foundation for further significant organic growth. Due to economies of scale and product mix effects, growth is projected to be accompanied by a continuous increase in profitability.

Information on the business development of this division in 2022 is provided in the section entitled “Business Development of the Lab Products & Services Division.”.



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



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

## Sartorius 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 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 €5.5bn in 2025 (previously around €5bn). For the Bioprocess Solutions Division, the company now projects sales revenue of around €4.2bn in 2025 (previously around €3.8bn) and for Lab Products & Services of around €1.3bn euros (previously around €1.2bn).

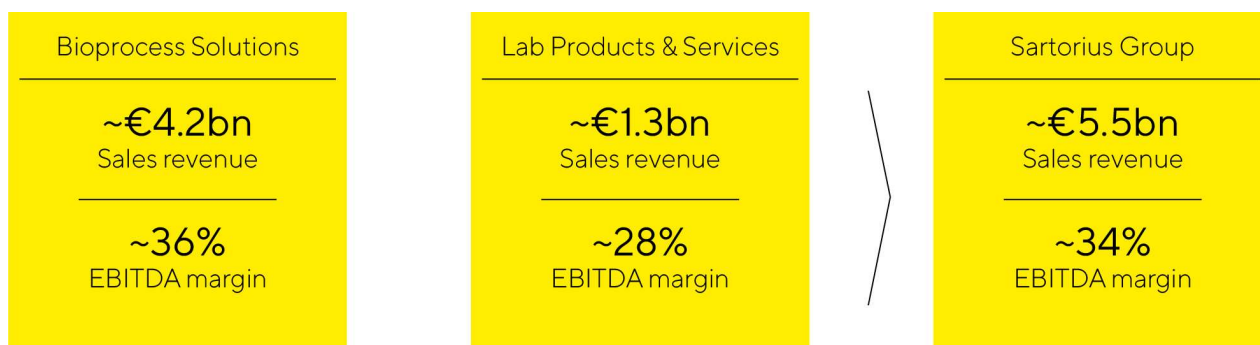
The forecast for the Group's underlying EBITDA margin in 2025 remains unchanged at around 34%. For the Bioprocess Solutions Division, the company continues to expect an underlying EBITDA margin of around 36% in 2025. The margin forecast for Lab Products & Services also remains unchanged at around 28%.

The mid-term targets for 2025 do not include any pandemic-related business, as management considers such estimates to be too uncertain.

The margin targets include expenses for measures to reduce the company's CO<sub>2</sub> emission intensity. Sartorius aims to reduce its CO<sub>2</sub> emission intensity by around 10% annually on average until 2030, spending over time around 1% of its sales revenue annually on 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 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, or energy supply, and no new relevant restrictions in connection with the coronavirus pandemic. Accordingly, current forecasts show higher uncertainties than usual.

### Sartorius 2025 Targets



2025 targets are based on 2022 currency rates; EBITDA excluding extraordinary items

These targets are being implemented by various growth initiatives with the following focal points:

## Expansion of the Product Portfolio

Sartorius 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 of both divisions. 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 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 invested substantially in expanding its production capacity during the reporting year. Capital expenditures totaled approximately €523 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 and laboratory products. Yet because it is home to the main competitors for both company divisions, Sartorius formerly had lower market share in this region than in Europe and Asia. By systematically strengthening its sales and service capacities, Sartorius has gained market share in 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 started initial work to build a new production facility at the beginning of 2023.

A detailed presentation of all investments can be found in the corresponding section starting on page 46.

## Optimization of Work Processes

Sufficient production capacity and a powerful supply chain are an essential foundation for future growth. In recent years, Sartorius 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 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.

# Research and Development

The Sartorius Group conducts its product development in its two divisions, Bioprocess Solutions and Lab Products & Services. A more detailed explanation of the focal points of product development can be found in the sections on the divisions on pages 58 and 63. Further related information, for example on the amount of expenditure for research and development in the reporting year, can be found on page 45.

The Group-wide Corporate Research function conducts cross-divisional research and development with a view to long-term technological topics and works in close cooperation with external partners. Its most important task and objective consists of identifying and developing key technologies and application fields of the future. In addition to collaborating closely with customers, research institutes, and startups, Corporate Research pursues its own research activities in selected fields. These include, for instance, innovative technologies in live cell analysis, materials with new functionalities and improved properties, and data analysis.

# Macroeconomic Environment and Conditions in the Sectors

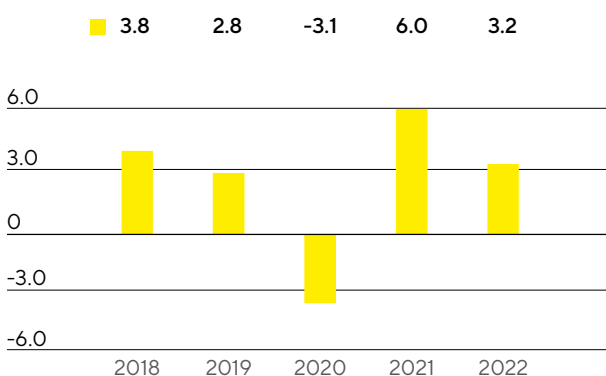
Sartorius Group is active in sectors that differ in their dependence on the economy. The Bioprocess Solutions Division, for instance, operates in an environment that is largely independent of economic fluctuations. The Lab Products & Services Division, in contrast, is partly active in sectors whose development is more strongly affected by economic factors.

## Global Economy on the Road to Recovery

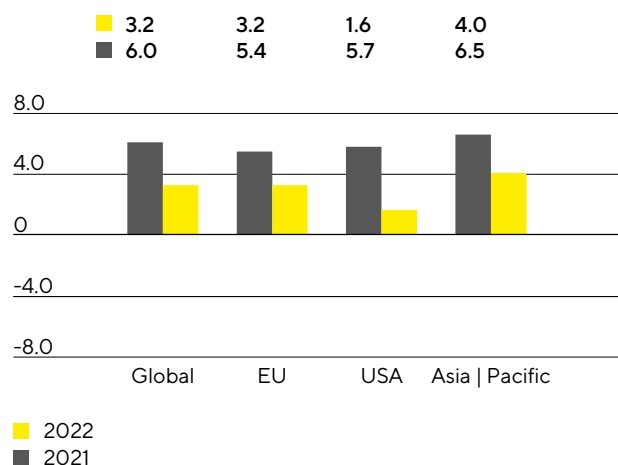
In addition to the easing yet still ongoing coronavirus pandemic, 2022 was characterized by significant political and economic uncertainties as a result of the war in Ukraine and high inflation rates. Uncertain supplies of key raw materials led to a substantial increase in prices, and the sanctions imposed on Russia and extensive lockdowns in key economic centers in China caused additional tensions in supply chains. High inflation prompted central banks around the world to intensify and accelerate the tightening of their previously expansionary monetary policy. At the same time, the reduction in government fiscal support measures and deteriorating sentiment indicators among consumers and companies had a negative impact on global economic activity, leading to multiple downward revisions of growth forecasts during the year.

Despite a significant deterioration in underlying conditions, global gross domestic product increased by 3.2% in 2022, according to IMF estimates. Economic activity in industrialized countries increased by 2.4%, and growth in emerging and developing countries stood at 3.7%.

**Global Development GDP (2018 to 2022)**  
in %



**Gross Domestic Product by Region**  
in %



Source: International Monetary Fund

According to the IMF, the European Union's economic output increased by 3.2% (2021: +5.4%). While the increase in Germany stood at 1.5% (2021: +2.6%), the economy in France picked up by 2.5% (2021: +6.8%). The United Kingdom, another core European market, grew by 3.6% (previous year: +7.4%).

The United States, the world's largest economy, posted a 1.6% increase in GDP in the first quarter (2021: +5.7%).

In the Asia|Pacific economic region, GDP grew by 4.0% (2021: +6.5%). India recorded the sharpest increase in this region in the reporting year, with growth of 6.8% (2021: +8.7%). Other countries important to Sartorius also posted gains, although growth in China slowed to 3.2% (2021: +8.1%). South Korean economic output rose by 2.6% (2021: +4.1%), and economic activity in Japan increased by 1.7% (2021: +1.7%).

## Exchange Rate and Interest Rate Trends

In addition to the euro, the currencies relevant to the Sartorius Group include the U.S. dollar in particular, as well as a number of other currencies, such as the British pound, the Singapore dollar, the South Korean won, the Japanese yen, the Chinese renminbi, and the Swiss franc.

### Exchange Rates Against the Euro

	Year-end Exchange Rates		Average Exchange Rate	
	2022	2021	2022	2021
U.S. dollar	1.06695	1.13245	1.05351	1.18270
British pound	0.88584	0.83902	0.85265	0.85972
Singapore dollar	1.43060	1.52820	1.45160	1.58913
South Korean won	1,344.77000	1,347.69000	1,357.87961	1,353.74171
Japanese yen	140.73000	130.36000	138.04150	129.87475
Chinese renminbi	7.36960	7.18870	7.08120	7.62740
Swiss franc	0.98370	1.03336	1.00486	1.08106

Interest rates rose on average in the reporting year, having previously remained at a very low level in the preceding years. The European Central Bank gradually raised its key interest rate to 2.50% by the end of 2022. The 3-month EURIBOR – i.e., the rate of interest on fixed-term deposits denominated in euros in interbank business – stood at 2.1% as of December 31, 2022 (December 31, 2021: -0.57%).

## Conditions in the Sectors

Sartorius' key customer groups include the biopharmaceutical and pharmaceutical industries as well as public research institutions. In addition, the company's customers include quality control laboratories in the chemical and food industries. Accordingly, the progress of the Group's business depends on developments in these industries.

### 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.

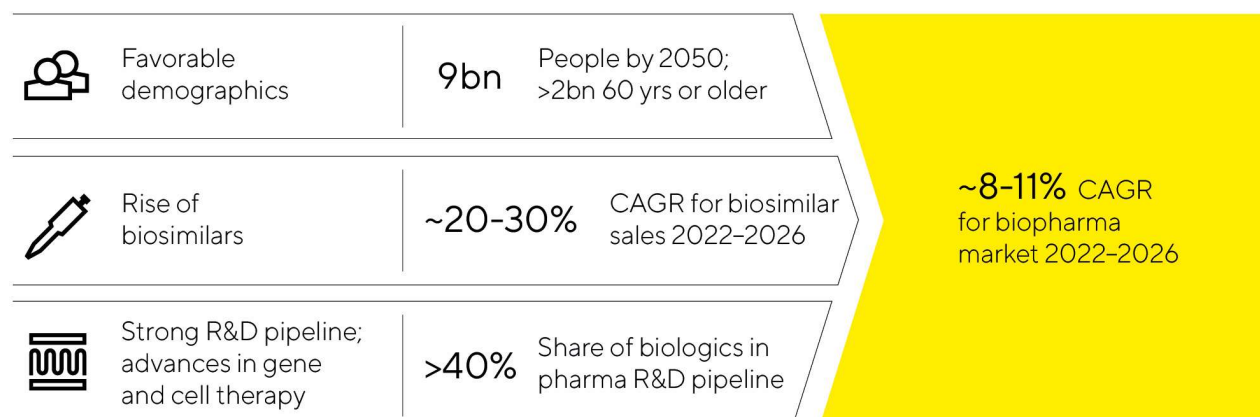
The leading manufacturers of products for the development and production of biopharmaceuticals recorded further growth in 2022, although the reported growth rates were lower, as expected, given the exceptionally high base of comparison in 2021. In particular, expected revenue from pandemic-related business 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 within 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 and 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 and an increasing variety of therapy types and substance classes, coupled with growing demand for medications, are the main drivers for the worldwide increase in production capacities for biopharmaceuticals.

Biosimilars, the generic versions of reference biologics that have lost their patent protection, are also playing an increasingly important role in the biotechnology market. According to market studies, their sales volume in 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 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. 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 Position

The competitive environment of the Bioprocess Solutions Division is characterized by relatively high entry barriers arising in part from the biopharmaceutical industry's strong degree of regulation and its technological complexity. In this environment, the Bioprocess Solutions Division operates as a total solutions provider, covering the core process steps in biopharmaceutical production and preceding process development. It has leading market positions in key technologies, especially in the areas of bioreactors, filtration, and the transportation and storage of liquids. The Bioprocess Solutions Division's principal competitors are certain business units of Merck KGaA, Thermo Fisher Scientific Inc., and Danaher Corporation.

The Lab Products & Services Division is positioned as a premium provider of laboratory instruments. It serves both R&D laboratories and quality control laboratories with a focus on the biopharmaceutical industry. The division's product range includes laboratory balances, pipettes, and instruments for bioanalytics, as well as a wide range of lab consumables. The division ranks among the leading providers worldwide in most of these areas. Major competitors include certain divisions at Thermo Fisher Inc., Merck KGaA, and Danaher Corporation. Among these competitors are also Mettler-Toledo Intl. Inc. for laboratory balances in particular; Eppendorf AG for pipettes; and companies such as Agilent Technologies Inc., Becton Dickinson Co., and PerkinElmer Inc. for cell analytics.

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](http://www.fda.gov)

# Group Business Development

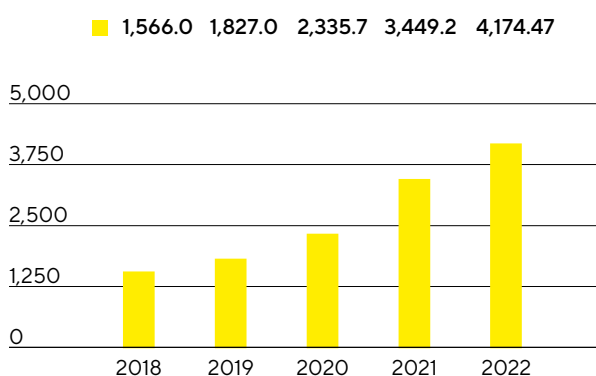
## Sales Revenue and Order Intake

In the reporting year, sales revenue of the Sartorius Group rose 15.0% in constant currencies to €4,174.7million (reported: +21.0%). Thus, the company again grew at double-digit rates in a challenging and volatile environment and following the exceptionally high growth rates in 2020 and 2021. The main driver of this very robust development was organic<sup>1</sup> growth in the laboratory as well as in the bioprocess division. Recent acquisitions also developed positively and contributed close to 2 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.

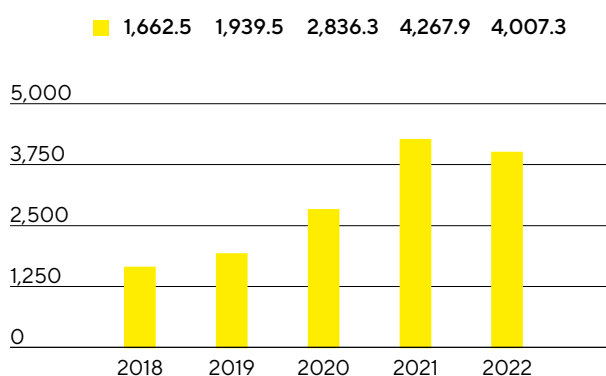
As expected, order intake declined in 2022, after Sartorius had posted exceptionally high growth rates in the previous two years, particularly in the Bioprocess Solutions Division. In addition to a very good base business, there had been significant additional demand from coronavirus vaccine manufacturers 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 increasingly 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 10.1% in constant currencies to €4,007.3million (reported: -6.1%). Excluding the dampening effect of the declining Covid-19-related business, order intake would have increased slightly.

For a full comparison of the Group's business development with its forecast, see page 64.

**Sales Revenue 2018 to 2022**  
€ in millions



**Order Intake 2018 to 2022**  
€ in millions



**Sales Revenue and Order Intake**

€ in millions	2022	2021	in % reported	in % cc <sup>2</sup>
Sales revenue	4,174.7	3,449.2	21.0	15.0
Order intake	4,007.3	4,267.9	-6.1	-10.1

<sup>1</sup> The revenue contributed by acquired companies is not included in the calculation of organic revenue growth in the first 12 months after acquisition.

<sup>2</sup> In constant currencies

## Double-digit growth in both divisions

Both divisions and all business regions contributed to growth in fiscal 2022. The Bioprocess Solutions Division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals and vaccines, expanded - despite the high prior-year base and a sharp decline in Covid-19-related business - by 15.9% in constant currencies to €3,326.5million (reported: +22.0%). This includes about 2 percentage points of non-organic growth from acquisitions.

The Lab Products&Services Division, which specializes in life science research and pharmaceutical laboratories, recorded a very dynamic development, increasing by 11.5% in constant currencies to €848.2million (reported: +17.4%). Around 1 percentage point came from non-organic growth. The bioanalytical instruments business showed a particularly strong expansion, whereas the decline in Covid-19-related business had a somewhat dampening effect on the increase in sales of the laboratory division.

### Sales by Division

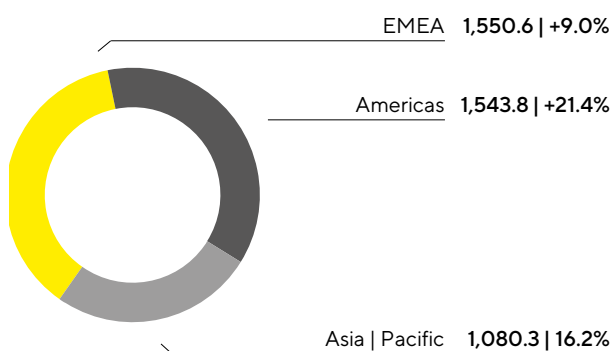
€ in millions	2022	2021	in % reported	in % cc
Bioprocess Solutions	3,326.5	2,727.0	22.0	15.9
Lab Products&Services	848.2	722.2	17.4	11.5

Further information on the business development of the Group divisions is given on pages 54 et seq. for the Bioprocess Solutions Division and on pages 59 et seq. for the Lab Products&Services Division.

## Gains in All Regions

### Sales Revenue and Growth<sup>1</sup> by Region<sup>2</sup>

€ in millions, unless otherwise specified



<sup>1</sup> In constant currencies

<sup>2</sup> Acc. to customers' location

Sartorius increased its sales revenue in all three business regions.

Sales in the EMEA region recorded an increase of 9.0% to €1,550.6 million, representing a share of 37% of total Group revenue. The considerable business limitations in Russia dampened growth by close to 2 percentage points in the reporting year. While the Bioprocess Solutions Division grew by 10.6% compared to a high prior-year base, the Lab Products & Services Division increased moderately by 2.5%.

Sales in the Americas region saw very dynamic development, so that for the first time the share of total Group sales was on a par with the EMEA region at 37%. Growth amounted to 21.4% to €1,543.8 million and was based on a strong development of both the bioprocess division (+22.0%) and the laboratory division (+19.0%).

Business in the Asia|Pacific region, which accounted for around 26% of total Group revenue in 2022, achieved growth of 16.2% to €1,080.3 million in the reporting year, with pandemic-related restrictions in China having a slightly dampening effect, particularly in the first half of the year. The Bioprocess Solutions Division expanded by 16.5% and the Lab Products & Services Division by 15.5%.

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

#### Sales by Region

€ in millions	2022	2021	in % reported	in % cc
EMEA	1,550.6	1,411.0	9.9	9.0
Americas	1,543.8	1,141.2	35.3	21.4
Asia Pacific	1,080.3	897.0	20.4	16.2

## Costs and Earnings

In 2022, cost of sales rose by 22.9% to €1,978.3 million in connection with the growth in sales revenue. The respective cost of sales ratio was 47.4% compared to 46.7% in the previous year.

Selling and distribution costs rose at an underproportionate rate with respect to sales revenue due to economies of scale by 8.2% to €628.5 million, so the ratio of these costs to sales revenue fell year over year to 15.1% (previous year: 16.8%). Research and development expenses rose by 27.1% to €177.8 million. The corresponding ratio of R&D expenses to sales revenue was 4.3% (previous year: 4.1%). General administrative expenses increased by 21.5% to €200.5 million, and the administrative expense ratio in 2022 was unchanged at 4.8%.

The balance of other operating income and expenses in 2022 was -€124.8 million (previous year: -€50.2 million), and essentially covered extraordinary items of -€60.4 million (previous year: -€40.7 million). These extraordinary items consisted primarily of expenses in connection with the most recent acquisitions as well as of expenses for various corporate projects and structuring measures. The realized currency hedges and valuation effects included in the balance of other operating income and expenses resulted in an expense of €51.0 million, particularly due to the development of the dollar exchange rate in 2022, following income of €10.5 million in the previous year.

EBIT increased by 17.9% to €1,064.8 million; the respective EBIT margin was 25.5% (previous year: 26.2%).

The financial result was €116.9million in 2022 compared to -€234.7million in 2021. This includes non-cash-effective income of €148.9million, 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 €207.8million in the previous year.

In 2022, tax expenses amounted to €268.6million (previous year: €241.4million). In relation to the reported earnings before taxes, the tax rate is 22.7% (previous year: 36.1%). However, taking into account that the above-mentioned valuation effect in the financial result has no subsequent tax impact, the tax rate amounts to 26.0% (previous year: 27.6%).

Net profit for the period increased by 113.8% to €913.1million (2021: €427.0million).

Net profit attributable to shareholders of Sartorius AG rose to €678.1million in the reporting year, up from €318.9million in 2021. Non-controlling interest stood at €235.0million (previous year: €108.1million), which essentially reflected shares in Sartorius Stedim Biotech S.A. not held by the Sartorius Group.

#### Statement of Profit or Loss

€ in millions	2022	2021	Δ in %
Sales revenue	4,174.7	3,449.2	21.0
Cost of sales	-1,978.3	-1,610.3	-22.9
<b>Gross profit on sales</b>	<b>2,196.5</b>	<b>1,838.9</b>	<b>19.4</b>
Selling and distribution costs	-628.5	-580.7	-8.2
Research and development costs	-177.8	-139.9	-27.1
General administrative expenses	-200.5	-165.0	-21.5
Other operating income and expenses	-124.8	-50.2	-148.8
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,064.8</b>	<b>903.2</b>	<b>17.9</b>
Financial income	198.2	29.3	576.7
Financial expenses	-81.3	-264.0	69.2
<b>Financial result</b>	<b>116.9</b>	<b>-234.7</b>	<b>149.8</b>
<b>Profit before tax</b>	<b>1,181.7</b>	<b>668.4</b>	<b>76.8</b>
<b>Income taxes</b>	<b>-268.6</b>	<b>-241.4</b>	<b>-11.2</b>
<b>Net profit for the period</b>	<b>913.1</b>	<b>427.0</b>	<b>113.8</b>
Attributable to:			
Equity holders of Sartorius AG	678.1	318.9	112.6
Non-controlling interest	235.0	108.1	117.4

## Underlying EBITDA

The Sartorius Group uses underlying EBITDA – earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items – as its key profitability indicator to provide a better picture of its operating development, also in an international comparison. More information on extraordinary items is provided on page 178.

### Reconciliation from EBIT to Underlying EBITDA

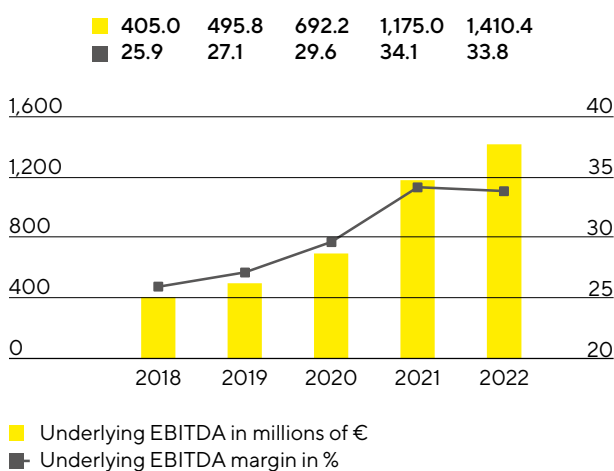
€ in millions	2022	2021
EBIT	1,064.8	903.2
Extraordinary items	60.4	40.7
Amortization   depreciation	285.3	231.1
Underlying EBITDA	1,410.4	1,175.0

### Extraordinary items

€ in millions	2022	2021
M&A projects   Integration costs	-16.1	-22.5
Structuring measures	-29.6	-10.4
Other	-14.7	-7.8
<b>Total</b>	<b>-60.4</b>	<b>-40.7</b>

In fiscal 2022, the Sartorius Group increased its earnings and achieved high profit margins despite a significant rise in inflation rates. Underlying EBITDA increased by 20.0% to €1,410.4million. The corresponding margin of 33.8% was close to the high level of the prior-year period of 34.1%. 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, in addition to the dilution caused by currency effects, had a dampening effect on profitability. Price effects on the procurement and customer sides largely offset each other.

### Underlying EBITDA<sup>1</sup> and Margin



<sup>1</sup> Underlying = excluding extraordinary items

## Underlying EBITDA by Division

	Underlying EBITDA € in millions	Underlying EBITDA margin in %
<b>Group</b>	<b>1,410.4</b>	<b>33.8</b>
Bioprocess Solutions	1,188.4	35.7
Lab Products & Services	222.0	26.2

Underlying EBITDA of the Bioprocess Solutions Division rose by 20.5% to €1,188.4 million. The resulting margin of 35.7% was close to the high prior-year level of 36.2% and was dampened by higher costs, as planned, for example due to the growth in the number of employees as well as other normalized cost positions.

In the Lab Products & Services Division, underlying EBITDA increased by 17.6% to €222.0 million; the corresponding margin increased slightly to 26.2% (previous year: 26.1%). A positive product mix, mainly due to strong growth in the bioanalytics business, and economies of scale compensated for negative currency effects and planned higher costs.

## Relevant Net Profit

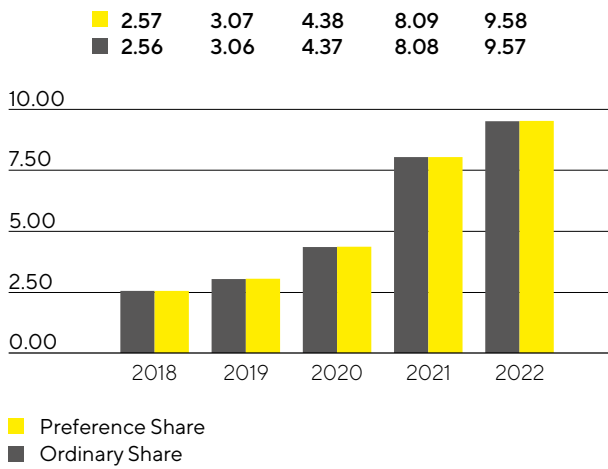
The relevant net profit attributable to the shareholders of Sartorius AG rose compared to the previous year by 18.4% to €655.4 million. This figure is the basis for determining the profit to be appropriated, is calculated by adjusting for extraordinary items and eliminating amortization, and is based on the normalized financial result and the normalized tax rate. Underlying earnings per ordinary share grew 18.4% to €9.57, up from €8.08 a year earlier, and by 18.4% per preference share to €9.58, up from €8.09 a year ago.

€ in millions	2022	2021
EBIT	1,064.8	903.2
Extraordinary items	60.4	40.7
Amortization	104.5	88.4
Normalized financial result <sup>1</sup>	-38.7	-28.1
Normalized income tax (27%) <sup>2</sup>	-321.6	-271.1
Underlying earnings	869.4	733.1
Non-controlling interest	-214.0	-179.7
Underlying earnings after taxes and non-controlling interest	655.4	553.4
Underlying earnings per share		
per ordinary share (in €)	9.57	8.08
per preference share (in €)	9.58	8.09

<sup>1</sup> Financial result adjusted for valuation effects from the subsequent measurement of contingent purchase price liabilities as well as for effects of foreign currency translation and hedging.

<sup>2</sup> Income tax considering the average expected Group tax rate, based on the underlying profit before tax.

### Underlying Earnings per Share<sup>1</sup> in €



<sup>1</sup> After non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.

Further information on earnings development and extraordinary items for the Group divisions is given on pages 56 et seq. and 61 et seq.



## Research and Development

Sartorius 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 Sartorius Group spent €177.8 million on R&D, corresponding to an increase of 27.1% compared to the previous year. The ratio of R&D costs to sales revenue stood at 4.3% (previous year: 4.1%).

The International Financial Reporting Standards (IFRS) require certain development costs to be capitalized on the statement of financial position and then to be amortized over subsequent years. In the reporting year, these development investments increased in connection with the growth in sales revenue to €81.7 million compared with €50.9 million the year before. This equates to a share of 31.5% (previous year: 26.7%) of the Group's total R&D expenses. Scheduled amortization related to capitalized development costs totaled €23.9 million in 2022 (previous year: €24.3 million). These expenses were disclosed in the cost of sales. At 6.2%, the gross capital expenditure ratio, which is even more meaningful for assessment of innovation-related expenses and includes capitalized development costs, was higher than the previous year's figure of 5.5%.

At Sartorius, we pursue a strategic intellectual and industrial property rights policy across our divisions to protect our expertise. The Group systematically monitors compliance with these rights on a cost|benefit basis to determine which specific individual rights are to be maintained.

In 2022, Sartorius filed a total of 261 applications for intellectual and industrial property rights (previous year: 155). As a result of these applications, including those of prior years, we were issued 353 patents and trademarks during the reporting year (previous year: 298). As of the reporting date, we had a total of 6,421 patents and trademarks in our portfolio (previous year: 5,479).

Further information is provided in the sections covering the individual divisions on pages 54 et seq. and 59 et seq.

## Investments

Against the backdrop of strong growth, Sartorius invested considerably in building up new capacities in all regions in the reporting year. 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 meeting strong demand. Further projects will be completed in the current year.

At €522.6million, capital expenditures in 2022 were significantly higher than the previous year's figure of €407.2million. The corresponding CAPEX ratio was 12.5% (previous year: 11.8%).

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 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 there for the first time, and is scheduled to come on stream in 2023.

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

In Ann Arbor, Michigan, USA, Sartorius invested in the construction of a new center of excellence in the field of bioanalytics, including research laboratories and production capacity.

In the Asia|Pacific region, the company 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, Sartorius plans to build a technology center for customer consulting and product demonstrations as well as laboratory space at the new site, which is located in the middle of a biopharma park.

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

# Employees

The following employee figures include all employees of the Sartorius Group except for vocational trainees, interns, permanent absent employees, and employees in partial retirement. Employee figures are shown as headcount.

As of the reporting date of December 31, 2022, the Sartorius Group had 15,942 employees in 36 countries worldwide: 2,110 or 15.3% more than a year earlier. This figure includes 245 employees who joined the Group as a result of acquisitions in the reporting year. Due to the renewed sharp increase in the size of the workforce during the reporting year, the number of employees working for the Sartorius Group has nearly doubled since 2018.

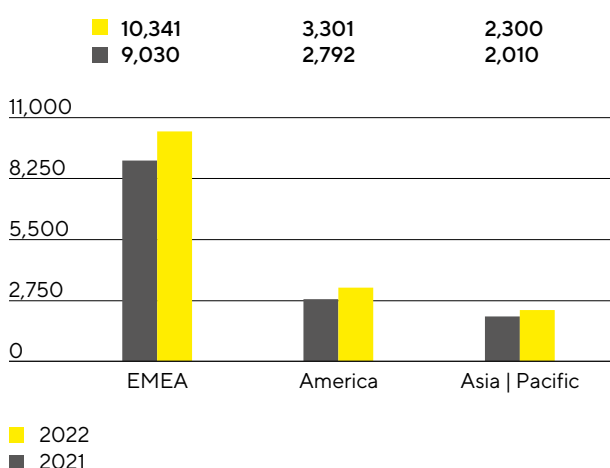
## Employees

	2022	2021	Increase in %
Group	15,942	13,832	15.3
Bioprocess Solutions	12,560	10,745	16.9
Lab Products & Services	3,382	3,087	9.6

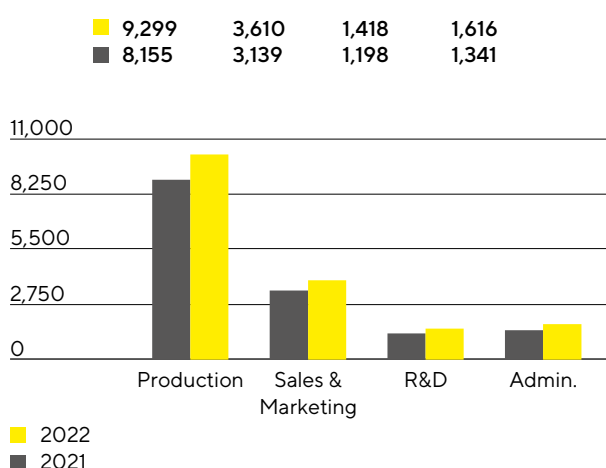
The Bioprocess Solutions Division had 12,560 employees at the end of the reporting year (previous year: 10,745). The Lab Products & Services Division had 3,382 employees (previous year: 3,087).

The employees of the central administrative functions were allocated to the divisions on the basis of their activities.

## Employees by Region



## Employees by Function



The number of employees in the EMEA region grew by 1,311, an increase of 14.5%. In Germany, Sartorius had 5,391 employees at the end of the reporting year, which corresponds to 33.8% of the total workforce.

With an increase of 18.2% or 509 employees, the Americas region recorded the strongest increase in percentage terms. In the Asia | Pacific region, the number of employees increased by 14.4% or 290.

At the end of 2022, approximately 58% of all Sartorius employees worked in production. At 9,299, the number of employees in this area increased by 14.0% year over year.

At the end of the year, 3,610 people were employed in marketing and sales, representing an increase of 15.0% and a share of around 23% of the total workforce.

A good 9% of all employees worked in R&D. This corresponded to an increase by 220 individuals or 18.4% more than in the previous year, bringing the total number of employees to 1,418.

As of the reporting date, 1,616 people worked in administrative positions. This corresponds to an increase of 20.5% compared with the same date last year and to 10% of all Sartorius employees.

Further information on employees can be found in the Group's Non-Financial Statement starting on page 106.

# Net Worth and Financial Position

## Cash Flow

Cash flow from operating activities amounted to €734.2million in 2022, compared with €873.2million in the previous year, a decrease of 15.9%. 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. In addition, increased tax payments had an impact.

Due to high demand, Sartorius had been driving the expansion of its production capacities full speed ahead. Cash outflows from investing activities increased in the reporting period by 38.8% to €593.8million. Because of expenses of €536.1million (previous year: €141.7million) in connection with the most recent acquisitions, cash flow from investing activities and acquisitions rose to -€1,129.9million compared with -€569.6million in the previous year.

Primarily driven by the placement of a new note loan ("Schuldscheindarlehen"), cash flow from financing activities amounted to €209.9million in 2022 (previous year: -€172.6million). This also included dividend payments for the 2021 financial year of €118.1million (previous year: €65.8million).

### Cash Flow Statement

€ in millions	2022	2021 <sup>1</sup>
Cash flow from operating activities	734.2	873.2
- thereof change in working capital	-300.1	-217.8
Cash flow from investing activities and acquisitions	-1,129.9	-569.6
Cash flow from financing activities	209.9	-172.6
Cash and cash equivalents	165.9	342.8
Gross debt	2,541.2	2,075.5
Net debt	2,375.3	1,732.7

<sup>1</sup> 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 Group was €6,977.7million as of the end of fiscal 2022 and thus €1,279.8million higher than the prior-year level. This increase is largely due to the rise in non-current assets by €1,053.4million to €4,954.6million, predominantly driven by the recent acquisitions and by the continuation of the extensive investment program. In addition, current assets rose by €226.4million year over year to €2,023.2million, mainly as a result of the increase in working capital and, in particular, the build-up of inventories as a risk provision to ensure supply security in the event of interrupted supply chains. Working capital amounted to €1,663.5million as of December 31, 2022 (previous year: €1,316.8million).

**Key Figures for Working Capital**

in days		2022	2021
<b>Days inventory outstanding</b>			
Inventories   Sales revenue <sup>1</sup>	x 360	101	93
<b>Days sales outstanding</b>			
Trade receivables   Sales revenue <sup>1</sup>	x 360	41	44
<b>Days payables outstanding</b>			
Trade payables   Sales revenue <sup>1</sup>	x 360	47	54
<b>Net working capital days</b>			
Net working capital <sup>2</sup>   Sales revenue <sup>1</sup>	x 360	95	83

<sup>1</sup> Including pro forma sales of recent acquisitions

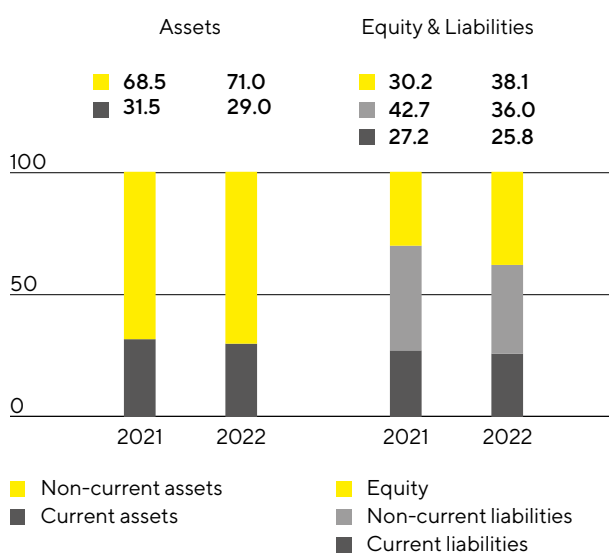
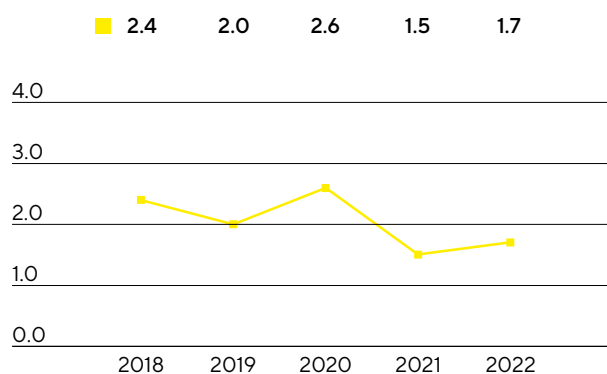
<sup>2</sup> Sum of inventories and trade receivables less the trade payables

Equity grew by €938.7million to €2,658.9million as of year-end. The equity ratio was 38.1% (previous year: 30.2%).

In the reporting year, current and non-current liabilities for the Sartorius Group of €4,318.8million were higher than the previous year's figure of €3,977.7million. The increase resulted, among other things, from the financing of recent acquisitions and the build-up of working capital.

**Balance Sheet Structure**

in %

**Ratio of Net Debt to Underlying EBITDA<sup>1</sup>**

<sup>1</sup> Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period

At the end of fiscal 2022, gross debt stood at €2,541.2million relative to €2,075.5million in fiscal 2021 and is comprised of liabilities to banks, including note loans ("Schuldscheindarlehen"), as well as lease liabilities. The increase is essentially due to the placement of a new note loan, which was mainly used to refinance the acquisition of Albumedix completed at the end of September 2022. Net debt, defined as gross debt less cash and cash equivalents, was €1,732.7million compared to €2,375.3million a year ago.

In relation to the debt financing capacity of the Sartorius 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. At 1.7 as of December 31, 2022, this ratio was only slightly higher than the prior-year figure of 1.5, despite extensive investments and the acquisitions made in the reporting year.

#### Reconciliation

€ in millions	2022	2021
Gross debt	2,541.2	2,075.5
- Cash & cash equivalents	165.9	342.8
Net debt	2,375.3	1,732.7
Underlying EBITDA (12 months)	1,410.4	1,175.0
+ Pro forma EBITDA from acquisitions (12 months)	11.7	6.1
Pro forma underlying EBITDA	1,422.1	1,181.1
Ratio of net debt to underlying EBITDA	1.7	1.5

## Impact of War in Ukraine

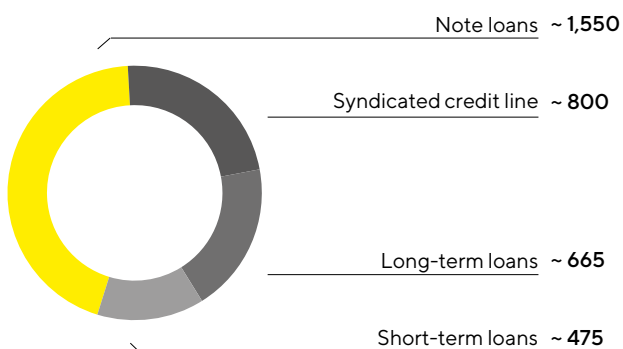
Since the beginning of Russia's attack on Ukraine, Sartorius has suspended all business activities in Russia that are not related to humanitarian medical products. This has been done in compliance with all applicable sanctions and in line with the practice of other companies in the pharmaceutical and 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 can be found on pages 73 and 177 et seq.

## Financing|Treasury

Sartorius covers its operational and strategic financing needs through a combination of operating cash flows and the assumption of short-, medium- and long-term financial liabilities. The major debt financing instruments are shown in the graphic below.

**Main Financing Instruments**  
€ in millions



A major pillar in the financing mix is a syndicated credit line with a term of five years and extension options, which was refinanced in the reporting year and increased from €600million to €800million. In addition, Sartorius has diverse short-term credit lines totaling around €475million. As of December 31, 2022, the total volume of all available credit lines amounted to €1,275million, of which around €180million was used. Thus, the available credit lines unused as of the end of 2022 was €1,095million.

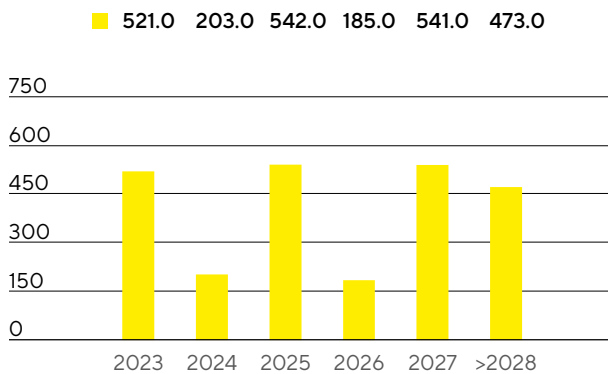
Corporate financing was supplemented in the reporting year by the placement of new note loans ("Schuldscheindarlehen") with a volume of €650million and maturities of 3, 5, 7, 10 and 13 years. Around €210million of this placement will be paid out in the first quarter of 2023. The funds were mainly used to refinance the acquisition of Albumedix completed at the end of September 2022. The total volume of all outstanding note loans amounted to around €1,550million at the end of the year. In addition, the company has several short- and long-term loans in place that total around €665million and are being used in part for the expansion of production capacities.

The financing instruments mentioned above comprise those with both fixed and variable interest rates. The maturity profile of the Group's financing instruments is broadly and appropriately diversified.



**Maturity Profile of the Financing Facilities<sup>1</sup>**

€ in millions

<sup>1</sup> As of December 31, 2022, major financing instruments

Due to its global business activities, Sartorius is exposed to the usual fluctuations in foreign exchange rates, which it hedges by forward contracts. At the end of 2022, foreign exchange contracts amounted to a volume of €585 million on a reported basis, with a market value of –€3.3 million.

# Business Development of Bioprocess Solutions

Strong increase in sales and earnings

Growth driven by all product areas and regions

Expected normalization of demand as of mid-2022

Division sales  
**€3,326.5m**  
In constant FX: +15.9%

Order intake  
**€3,122.7m**  
In constant FX: -14.0%

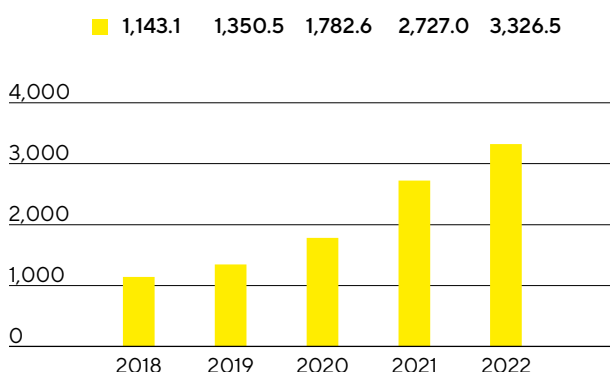
Underlying EBITDA margin  
**35.7%**  
-0.5 percentage points



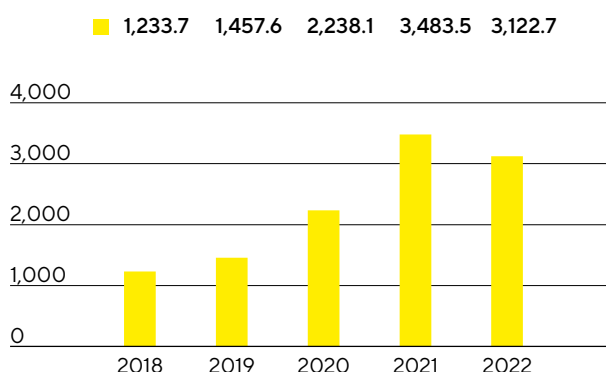
## Sales Revenue and Order Intake

Following the exceptionally high growth rates in 2020 and 2021, the Bioprocess Solutions Division again grew at a double-digit rate in the reporting year by 15.9% in constant currencies to €3,326.5million (reported: +22.0%). This includes around 2 percentage points of non-organic growth from acquisitions. All product areas contributed to this good development, while the Covid-19-related business declined significantly compared to the previous year.

**Sales Revenue 2018 to 2022**  
€ in millions



**Order Intake 2018 to 2022**  
€ in millions



**Sales Revenue and Order Intake**

€ in millions	2022	2021	in % reported	in % cc <sup>1</sup>
Sales revenue	3,326.5	2,727.0	22.0	15.9
Order intake	3,122.7	3,483.5	-10.4	-14.0

<sup>1</sup> In constant currencies

In 2022, the Bioprocess Solutions Division increased its sales revenues in all business regions. In the EMEA region, which accounted for around 38% of the division's sales, revenues increased by 10.6% to €1,260.5million compared with a strong prior-year base. The Americas region again showed particularly strong growth, with an increase of 22.0% to €1,240.8million. The region accounted for 37% of total sales. The Asia|Pacific region, which accounted for 25% of the division's sales, also posted significant double-digit growth of 16.5% to €825.2million. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

As expected, order intake declined year over year against the backdrop of noticeable demand normalization and significantly lower Covid-19-related business, reaching €3,122.7million (in constant currencies: -14.0%; reported: -10.4%). Excluding the Covid-19-related business, order intake would have grown slightly. In the two previous years, the division had recorded exceptionally high growth rates due to changed ordering patterns and strong demand from coronavirus vaccine manufacturers.

**Sales by Region**

€ in millions	2022	2021	in % reported	in % cc
EMEA	1,260.5	1,130.5	11.5	10.6
Americas	1,240.8	913.1	35.9	22.0
Asia   Pacific	825.2	683.5	20.7	16.5

## Earnings

Underlying EBITDA of the Bioprocess Solutions Division increased by 20.5% to €1,188.4million. The corresponding margin of 35.7% was close to the high level of the prior-year period of 36.2%. 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.

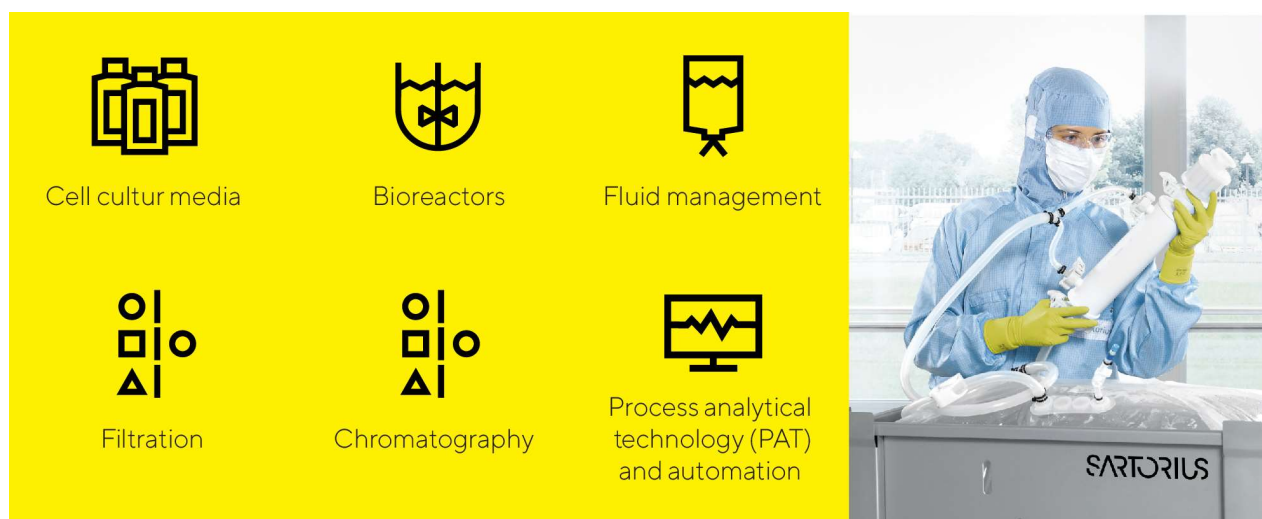
**Underlying EBITDA and EBITDA Margin**

	2022	2021
Underlying EBITDA in millions of €	1,188.4	986.3
Underlying EBITDA margin in %	35.7	36.2

In the year under review, the Bioprocess Solutions Division recorded extraordinary items of -€46.5million relative to -€32.1million a year earlier. These items predominantly consisted of expenses in connection with the most recent acquisitions as well as for various cross-divisional projects.

## Products and Sales

The Bioprocess Solutions Division markets products and services for the entire added-value chain in biopharmaceutical production and preceding process development. The division's 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 expanded its product portfolio in the Bioprocess Solutions Division by making two acquisitions in 2022:

- By acquiring the business from Novasep in February 2022, Sartorius 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, adds an important component to Sartorius' portfolio in the production of innovative biopharmaceuticals, especially for modalities such as cell therapies, viral therapies, and vaccines.

During 2022, the Bioprocess Solutions Division 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 division 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

The Bioprocess Solutions Division markets its product portfolio directly. Sales activities for key accounts are coordinated and supported by global key account management.

After the gradual lifting of pandemic-related travel and contact restrictions, sales representatives continued to interact directly with many customers using digital communication tools. Video conferencing and

augmented reality 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, through specialized training for employees.

## Product Development

Development activities at Sartorius 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 comprise 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

Bioprocess Solutions 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, this division also manufactures in the UK, 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 has eased somewhat overall compared with 2021. 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 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 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 site first before they are delivered to and set up at their plant facilities.



# Business Development of Lab Products & Services

Significant sales growth following strong prior-year performance

The bioanalytical instruments business showed a particularly strong expansion

Profit margin rises slightly above the already high prior-year level

Division sales  
**€848.2m**  
In constant FX: +11.5%

Order intake  
**€884.6m**  
In constant FX: +7.4%

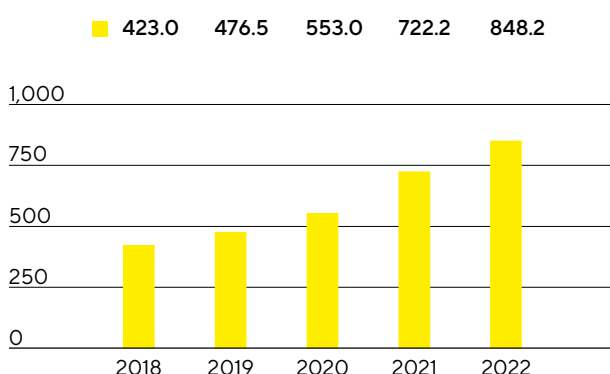
Underlying EBITDA margin  
**26.2%**  
+0.1 percentage points



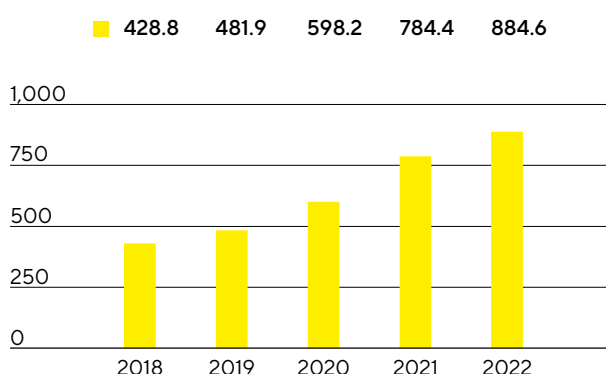
## Sales Revenue and Order Intake

The Lab Products&Services Division recorded a very dynamic development against a high prior year base, growing by 11.5% in constant currencies to €848.2million (reported: +17.4%). The major part of this growth was organic, and recent acquisitions contributed around 1 percentage points to the increase in sales. Business with bioanalytical instruments, which life science customers use to develop medications and cell lines, continued to develop particularly positively across all regions. In contrast, the decline in Covid-19-related business had a somewhat dampening effect on growth.

**Sales Revenue 2018 to 2022**  
€ in millions



**Order Intake 2018 to 2022**  
€ in millions



**Sales Revenue and Order Intake**

€ in millions	2022	2021	in % reported	in % cc <sup>1</sup>
Sales revenue	848.2	722.2	17.4	11.5
Order intake	884.6	784.4	12.8	7.4

<sup>1</sup> In constant currencies

Following the strong development in the previous year, sales in the Americas region again grew significantly by 19.0% to €303.0million in 2022, so that this region accounted for the largest share of the division's sales for the first time at 36%. Sales in the EMEA region, which accounted for around 34% of the division's sales, grew moderately by 2.5% to €290.1million. The Asia|Pacific region, which contributed 30% to the Lab Products&Services Division's business, expanded by 15.5% to €255.1million. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

Order intake rose 7.4% in constant currencies to €884.6million (reported: +12.8%).

**Sales by Region**

€ in millions	2022	2021	in % reported	in % cc
EMEA	290.1	280.5	3.4	2.5
Americas	303.0	228.2	32.8	19.0
Asia Pacific	255.1	213.5	19.5	15.5



## Earnings

The underlying EBITDA of the Lab Products&Services Division increased by 17.6% to €222.0million in the reporting year. The corresponding margin slightly increased to 26.2% (previous year: 26.1%). The above-average growth contribution of the bioanalytics business and economies of scale more than compensated for negative currency effects and planned higher costs.

### Underlying EBITDA and EBITDA Margin

	2022	2021
Underlying EBITDA in millions of €	222.0	188.8
Underlying EBITDA margin in %	26.2	26.1

The Lab Products&Services Division recorded extraordinary items of –€13.9million in the reporting year relative to –€8.7million a year ago. These were predominantly related to the most recent acquisitions as well as to expenses for various cross-divisional projects.

## Products and Sales

The Lab Products & Services Division focuses with its products on research laboratories in the pharmaceutical and biopharmaceutical industries as well as on academic research institutes.

In the area of bioanalytics, the division offers life science customers innovative systems for cell analysis. These greatly accelerate the otherwise time-intensive discovery of medical drug candidates by automating and digitalizing core steps in analysis. Sartorius expanded its bioanalytics portfolio by acquiring a majority stake in ALS Automated Lab Solutions on January 3, 2022. ALS develops, manufactures, and markets solutions for automated analysis, selection, and isolation of cells. With these solutions, the company enables life science customers to significantly reduce time to result as well as cost in cell line development and antibody discovery. Furthermore, the division introduced a new version of its system for label-free, real-time analysis of biomolecular interactions.

Since the end of the year, Sartorius has been holding around 10% of the shares and 8.5% of the voting rights in the Swedish BICO Group, a provider of instruments and consumables for bioprinting, biosciences, and bioautomation applications. In addition, the partners have agreed on a comprehensive technology, as well as sales and marketing cooperation.

In addition, the product range of the Lab Products & Services Division includes a broad array of premium laboratory instruments for sample preparation, such as laboratory balances, pipettes, and lab water systems, as well as lab consumables, such as filters and microbiological test kits. This Sartorius portfolio is tailored to the biopharmaceutical industry and additionally focuses on research and quality control labs in the chemical and food industries. The division expanded its product array by launching new vacuum filtration systems and dosing stations for lab water.



The services offered by the Lab Products & Services Division cover the entire life cycle of laboratory instruments, from device installation and commissioning to validation, calibration, verification, and regular maintenance to repair. These services are not limited to Sartorius instruments alone; they are offered to a partial extent for devices from other manufacturers as well. This extensive range enables customers to minimize the number of service providers they use and to reduce complexity and costs.

Beyond this, Sartorius application laboratories in all regions offer customers the opportunity to test Sartorius products, even using their own samples, and to take training courses. New laboratories were opened in China and India, among other places, during the reporting year.

## Sales Activities

The division sells its products directly and through laboratory distributors, focusing on direct sales that are continuously being expanded along with the company's alignment with the needs of life science customers. In aligning its activities, the division is increasing using digital channels.

Aside from extending sales structures, the company also concentrates on the ongoing enhancement of sales efficiency, in part through the creation of synergies between the two divisions. This gives the Lab Products & Services Division access to customers of the Bioprocess Solutions Division, which in turn can also open up new sales opportunities.

## Product Development

The division has extensive technological expertise in the areas of bioanalytics, laboratory instruments, and laboratory consumables. Software and hardware advancements in the company's cell analysis products create many new evaluation opportunities for our customers. They are the foundation for the development of new tools capable of processing and visualizing vast quantities of data appropriately based on specific applications. Sartorius expects that such software solutions will become increasingly important.

Compliance with regulatory requirements is critical for the company's customers. Product development priorities for Sartorius therefore include data management, connectivity, and process automation.

Most of the research and development for the Lab Products & Services Division is conducted at Group headquarters in Göttingen, Germany, where a new product development building is scheduled to open in the first quarter of 2023. Sartorius also carries out R&D activities at its sites in Finland and the UK, as well as in the USA.

## Production and Supply Chain Management

The Lab Products & Services Division operates plants in Germany, China, Finland, the UK, and the USA. These plants serve as centers of competence and tend to focus on one product group or a small set of product groups. In 2022, for example, laboratory balances were manufactured in Germany and China, pipettes in Finland, and bioanalytical systems in the USA and China. Microbiological test kits are produced in the UK, and most membrane-based products in Germany.

The overall supply chain situation has eased somewhat in 2022 compared with the previous year. The availability of electronic components continued to pose a challenge, but improved over the course of the year. The prices of many of Sartorius' preliminary products did increase, however, in some cases significantly. In response to high demand, the company significantly ramped up the production of individual bioanalytical systems by making changes to the production process.

# Assessment of Economic Position

Following the company's exceptionally high growth rates in 2020 and 2021, and in a geopolitically as well as macroeconomically challenging environment, Sartorius achieved double-digit growth rates again in the reporting year. This good development was predominantly based on organic growth in both divisions. The Bioprocess Solutions Division reported significant sales revenue growth in 2022, and at the same time, as expected, a noticeable normalization of demand following two years influenced by strong special effects due to the pandemic. The Lab Products & Services Division once again grew dynamically in the reporting year, primarily driven by the strong performance of the bioanalytical instruments business. Despite high inflation, profit margins remained at the high levels of the previous year, as cost increases incurred by the company and price increases at customers largely offset each other.

Consolidated sales revenue in 2022 rose by 15.0% in constant currencies to €4,174.7million. The Group's earnings margin, measured on the basis of underlying EBITDA, stood at 33.8%. This means that both the forecast for revenue growth specified in October 2022 (lower half of the range of around 15% – 19%) and the profitability target of approximately 34% communicated at the beginning of the year were achieved.

The Bioprocess Solutions Division grew its sales revenue by 15.9% in constant currencies to €3,326.5million and achieved an underlying EBITDA margin of 35.7%. Consequently, sales revenue growth was slightly below the range specified in October of the reporting year (lower half of the range of around 17% – 21%), mainly due to the stronger than expected decline in Covid-19-related business, which reduced growth by approximately 2 percentage points on a full-year basis. The division's earnings margin was in line with the forecast of approximately 36% published in January 2022.

With an increase in sales revenue of 11.5% in constant currencies to €848.2million, the Lab Products & Services Division slightly exceeded the forecast for sales revenue growth specified in the publication of the nine-month 2022 figures (upper half of the range of around 6% – 10%) and, with an earnings margin of 26.2%, also achieved the profitability target of approximately 26% set at the beginning of the year.

At €220million, the Covid-19-related business was slightly below the forecast of €250million that was adjusted at mid-year 2022. At the beginning of 2022, the company had expected around €500million.

The ratio of net debt to underlying EBITDA stood at 1.7 as of December 31, 2022, in line with the forecast of approximately 1.6, which was revised in October 2022 following the completion of the acquisition of Albedimex.

In line with its ambitious growth targets through 2025, Sartorius continued to expand its production capacity in the reporting year. At 12.5%, the ratio of capital expenditures (CAPEX) to sales revenue remained high, but stood slightly below the forecast of approximately 14% published at the beginning of the year.

## Projected | Actual Comparison for the Year 2022

	Actual	Guidance	Guidance	Actual
	2021	January 2022	October 2022	2022
<b>Sartorius Group</b>				
Sales growth <sup>1</sup>	49.3%	~15% - 19%	lower end ~15% - 19%	15.0%
Underlying EBITDA margin in %	34.1%	~34%	~34%	33.8%
Net debt to underlying EBITDA	1.5	~1.1 <sup>2</sup>	~1.6 <sup>2</sup>	1.7
CAPEX ratio	11.8%	~14%	~14%	12.5%
<b>Sartorius Divisions</b>				
<b>Bioprocess Solutions</b>				
Sales growth <sup>1</sup>	54.7%	~17% - 21%	lower end ~17% - 21%	15.9%
Underlying EBITDA margin in %	36.2%	~36%	~36%	35.7%
<b>Lab Products &amp; Services</b>				
Sales growth <sup>1</sup>	32.0%	~6% - 10%	upper end ~6% - 10%	11.5%
Underlying EBITDA margin in %	26.1%	~26%	~26%	26.2%

1 In constant currencies

2 Possible acquisitions are not considered

# Annual Financial Statements of Sartorius AG

Whereas the Sartorius Group financial statements are drawn up according to the International Financial Reporting Standards (IFRS), the annual financial statements for Sartorius AG are prepared by applying the rules and regulations of the German Commercial Code (HGB). In this context, the reported retained profit is used to determine the dividend payment to our shareholders.

The Management Report of Sartorius AG and the Group Management Report for fiscal 2022 are combined. The annual financial statements of Sartorius AG prepared according to the HGB and the combined management report are published simultaneously in the German Federal Gazette (Bundesanzeiger).

## Business Operations, Corporate Strategy, Corporate Management and Oversight, Overview of Business Development

Sartorius AG has exercised only the functions of the strategic, group-leading management holding entity for the Sartorius Group since the beginning of fiscal 2011, and we refer in this connection to the explanatory reports concerning business operations, corporate strategy, corporate management and oversight, as well as the overview of business development, presented on pages 23 et seq. of the combined management report of Sartorius AG and the Group.

## Earnings Situation

Sales revenue of Sartorius AG essentially consists of cost transfers to affiliated companies within the Group for management services rendered as well as of the rental of buildings on the Sartorius Campus and in the Sartorius Quarter.

Other operating income in the fiscal year includes book profits from asset disposals totaling €67.3million. These resulted from the transfer of shares in Sartorius Stedim Biotech S.A. to the sellers of BIA Separations as part of the transaction structure agreed upon in 2020.

Income from investments of €85.5million relative to €46.3million in the previous year concerns dividends paid out for the French subsidiary Sartorius Stedim Biotech S.A.

Due to profit and loss transfer agreements, Sartorius AG received a profit of €11.9million from Sartorius Corporate Administration GmbH (previous year: €16.1million). In addition, Sartorius Lab Holding GmbH transferred a profit of €7.6million (previous year: loss of €2.5million).

## Net Worth and Financial Position

The balance sheet total of Sartorius AG increased in the reporting year by €516.4 million to €2,874.1 million.

The balance sheet structure of Sartorius AG reflects its function as the management holding entity for the Sartorius Group. Fixed assets consist primarily of financial assets and, in the reporting year, stood at €2,748.4 million (previous year: €2,226.8 million). Accordingly, fixed assets accounted for 95.6% of the balance sheet total (previous year: 94.4%). The equity ratio stood at 14.1%, compared with 14.2% in the previous year.

Financing of the Sartorius Group is carried out centrally by Sartorius AG. Internal Group financing is provided by granting corresponding short-term and long-term loans. Long-term loans are reported under financial assets as loans to affiliated companies, which totaled €2,158.9 million in the fiscal year (previous year: €1,658.9 million). This increase as well as the increase in liabilities is primarily due to the acquisitions made by the Sartorius Group in the fiscal year.

### Statement of Profit and Loss of Sartorius AG

Based on the total cost accounting method according to Section 275, Subsection 2, of HGB<sup>1</sup>

In millions of €	2022	2021
1. Sales revenue	20.0	16.3
2. Other operating income	67.7	1.4
3. Employee benefits expense	-7.2	-8.7
4. Depreciation and amortization	-9.9	-9.4
5. Other operating expenses	-18.9	-14.9
6. Income from investments	85.5	46.3
7. Income from long term loans	21.7	16.8
8. Profit received under a profit and loss transfer agreement	19.5	16.1
9. Loss accepted under a profit and loss transfer agreement	0.0	-2.5
10. Interest and similar income	2.7	1.1
11. Interest and similar expenses	-26.4	-23.0
12. Income tax expense	-0.1	1.1
<b>13. Profit after tax</b>	<b>154.6</b>	<b>40.6</b>
14. Other taxes	-0.1	-0.1
<b>15. Net profit for the period</b>	<b>154.5</b>	<b>40.5</b>
16. Profit brought forward	112.6	158.0
<b>17. Retained profits incl. net profit for the period</b>	<b>267.1</b>	<b>198.5</b>

**Balance Sheet of Sartorius AG**  
**According to HGB <sup>1</sup>, in millions of €**

Assets	Dec. 31, 2022	Dec. 31, 2021
<b>A. Fixed Assets</b>		
I. Intangible assets	12.9	18.5
II. Property, plant and equipment	133.0	105.7
III. Financial assets	2,602.5	2,102.6
	<b>2,748.4</b>	<b>2,226.8</b>
<b>B. Current Assets</b>		
I. Trade and other receivables	117.8	113.6
II. Cash on hand, deposits in banks	4.4	14.5
	<b>122.2</b>	<b>128.1</b>
<b>C. Prepaid Expenses</b>	<b>3.5</b>	<b>2.8</b>
	<b>2,874.1</b>	<b>2,357.7</b>
Equity and Liabilities	Dec. 31, 2022	Dec. 31, 2021
<b>A. Equity</b>		
I. Subscribed capital	74.9	74.9
Nominal value of treasury shares	-6.5	-6.5
<b>Issued capital</b>	<b>68.4</b>	<b>68.4</b>
II. Capital reserves	59.0	57.7
III. Earnings reserves	10.9	10.9
IV. Retained profits incl. net profit for the period	267.1	198.5
	<b>405.4</b>	<b>335.5</b>
<b>B. Provisions</b>	<b>37.0</b>	<b>37.4</b>
<b>C. Liabilities</b>	<b>2,431.7</b>	<b>1,984.8</b>
	<b>2,874.1</b>	<b>2,357.7</b>

<sup>1</sup> HGB = German Commercial Code

## Proposal for Appropriation of Profits

The Executive Board and the Supervisory Board propose to the Annual General Meeting that the retained earnings of Sartorius AG reported as of December 31, 2022, in the amount of €267,109,441.57 be appropriated as follows:

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

## Research and Development

Detailed information on the research and development activities of the Sartorius Group and its divisions is provided on pages 32, 58, and 63.



## Employees

As a holding company, Sartorius AG does not employ any staff to be disclosed pursuant to Section 285, No. 7, of HGB.

## Risks and Opportunities

The opportunities and risks affecting the business development of Sartorius AG as the management holding entity are essentially equivalent to those of the Sartorius Group. Sartorius AG shares in the risks to which its investments and subsidiaries are exposed in proportion to the extent of its investment. For all identifiable risks to Sartorius AG that could have a negative impact on its net assets, financial position, and results of operations, countermeasures were taken and/or balance sheet provisions formed in the reporting year, insofar as this was reasonable and possible.

A detailed Opportunity and Risk Report for the Sartorius Group is provided on pages 70 to 82; a description of the internal control and risk management system, on page 88.

## Forecast Report

Earnings trends for Sartorius AG depend substantially on the performance of its subsidiaries and, as such, on the Sartorius Group.

With respect to the individual financial statements of Sartorius AG, a slightly higher annual profit is expected due to the anticipated increase in dividend income from Sartorius Stedim Biotech S.A.

The Sartorius Group's business performance is discussed in the Forecast Report on pages 83 to 86.

# 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, Sartorius's approach is to intentionally take a certain measure of risk in its 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, the company ensures that risk assessments are taken into account in the decision-making processes from the very beginning.

At Sartorius, identification and management of opportunities and risks is a cross-functional component of Group management. To this extent, the risk management organization reflects a global functional organization in the two divisions of Bioprocess Solutions and Lab Products&Services, and in the supporting functions as well. Individuals heading a functional area of the Group companies are each responsible for their own management of opportunities and risks. In addition, the Finance Department assumes responsibility for central risk management and is responsible for regular reporting and the further development of the risk management system as a whole.

## 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. One of the key roles of the relevant managers is to identify potential for development, which initially takes place at the local rather than the central level. Particularly the market-facing functions, such as strategic marketing and product management in each of the two 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 and laboratory industries, Sartorius 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 34 and 84, respectively.

The company's own assessments rank Sartorius as one of the global market leaders in many subsegments and product areas. Based on its quality products, high degree of brand awareness, and established customer relationships, the company has excellent opportunities to stabilize and further expand its leading market position. The corresponding divisional strategies, as well as growth opportunities and initiatives based on them are outlined in the sections "Strategy of the Bioprocess Solutions Division" on page 27 and "Strategy of the Lab Products&Services Division" on page 28.

# Risk Management

## Organization

Overall responsibility for an effective risk management system lies with the Executive Board. Coordinating and developing this system and combined risk reporting are the responsibilities of the Finance Department, while the particular functional areas are responsible for identifying and reporting individual risks, as well as for assessing their potential impact and for taking the appropriate countermeasures.

The Supervisory Board of Sartorius AG monitors the effectiveness of the risk management system, with the preparatory work being performed by the Audit Committee of this board. While carrying out their statutory audit mandate for the annual financial statements and consolidated financial statements, the independent auditors assess 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 effectiveness of the risk management system. The key results of these audits are discussed by the Executive Board, Supervisory Board, and Audit Committee. Any adjustments to the risk management system are then implemented by the central risk management team.

## Insurance

To the extent possible and financially reasonable, Sartorius has taken out insurance policies to cover a large number of risks. 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 the insurance protection and makes any adjustments as necessary.

When choosing insurers, the company particularly considers the credit rating of these entities as potential contractual partners, and aims to achieve a high degree of diversity in order 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 controls 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 guidelines. The Group's strong growth over the past few years as well as increasing regulatory and customer requirements necessitate the ongoing refinement of these guidelines and specifications.

The prescribed reporting process in the risk categories subsequently described establishes the rules for the ongoing review of reporting of information regarding 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. In addition, as soon as these risks reach defined size criteria, they are reported to the central risk management system. As a matter of policy, assessment of risks is governed by the remaining net risk, i.e., taking any risk-mitigating measures into account. The central risk management

system aggregates the risk reports and provides regular reports to the Executive Board and the Supervisory Board on the risk situation of the Group. This reporting also includes a comparison of the risk portfolio with the Group's risk-bearing capacity as determined on the basis of rolling liquidity planning. An urgent reporting procedure is in place to ensure that the Executive Board of Sartorius AG receives all of the necessary details without delay when a new or emerging significant risk to the Group's net worth, financial position, and/or profitability is identified.

In order to provide a logical structure, Sartorius has defined four main risk categories: 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, a risk matrix has been created that categorizes the probability of occurrence and potential impact on net profit into specific classes as follows:

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

<b>Significance</b>	
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 of occurrence   Impact	< €10 million	€10 - €50 million	€50 - €100 million	> €100 million

## External Risks

### General Risks

In principle, the ability to foresee and mitigate direct or indirect effects of general existential risks, such as natural disasters, pandemics, armed conflicts, or force majeure, and the resulting damage to economically relevant or even critical infrastructure, is limited. Yet Sartorius proactively takes measures, whenever feasible, to ensure that the Group can respond appropriately and at short notice is insured against any damage entailed in such risks.

The effects of the coronavirus pandemic also had a significant impact on Sartorius' business performance. Overall, as one of the leading bioprocess technology providers, the Group was able to help manage the pandemic by supplying products used in the manufacture of coronavirus vaccines and testing methods. Revenue generated in this context, however, fell significantly short of the previous year's level. At the same time, the temporary lockdown in China had a slightly adverse effect on the Group's business. Pandemic-related travel and contact restrictions were largely phased out in the reporting year and therefore had less of an impact than in previous years. Sartorius currently assumes that the additional business in connection with the coronavirus pandemic will no longer have a significant impact on the Group's business performance in the future. The supply chain situation remained challenging in 2022, but has eased somewhat overall compared with 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 2022. The countries affected accounted for just over 2% of consolidated revenues in 2021. Since the beginning of the war, Sartorius has discontinued all business activities in Russia that are not related to humanitarian medical products. These activities are carried out in compliance with the applicable sanctions and in line with the practices of other companies in the pharmaceutical and health sectors. In 2022, however, revenues fell significantly short of the previous year's level, and a further decline is expected in 2023.

From the perspective of the Group as a whole, Sartorius does not hold any significant non-current assets in Russia, Belarus, or Ukraine. The risk of default in connection with accounts receivable in Russia is limited due to an insignificant amount of receivables as of the reporting date, intensive receivables management, and changes in payment terms (e.g., delivery of products only after receiving payment in advance).

While the direct effects of the war on the Sartorius Group's financial situation were limited overall, there were noticeable indirect effects. For example, although the Group does not do business with any major suppliers in the countries concerned, it saw an increase in logistics and energy costs as well as a rise in procurement costs for primary products and raw materials. In addition, some countries, particularly Germany, are highly dependent on natural gas from Russia, which means that there is a risk of massive repercussions, including production stoppages, at the Group's own sites and those of key suppliers in the event of a gas shortage.

The Group has been implementing a wide range of measures to mitigate these risks since the beginning of the crisis. Extensive price increases were introduced to compensate for the rise in procurement costs. The Group's German sites have largely succeeded in making themselves independent of Russian gas supplies, e.g., by creating the technical conditions necessary in order to switch to oil. Safety stocks from suppliers with energy-intensive production processes were increased significantly.

Overall, the direct and indirect effects of the war in Ukraine are not currently having a material impact on the Group's business performance. As the war is ongoing and it is impossible to reliably assess the further development of the conflict as well as its indirect effects, this situation is subject to a relatively high degree of uncertainty.

The Group's largest sites in Germany and France do not face any major risks from natural catastrophes, while the production plants in Puerto Rico and in Fremont, California, are exposed to the risks of severe hurricanes or earthquakes and could be impacted accordingly. To mitigate the associated risks, Sartorius applies the highest possible safety standards when constructing buildings and explicitly takes potential risk scenarios into account when defining strategies with regard to warehousing and the international production network.

In 2022, Hurricane Fiona caused significant damage in the Caribbean and Canada. Sartorius had to temporarily halt production at its site in Yauco, Puerto Rico, but there was no lasting impact on the Group's ability to supply its customers, and production was fully resumed within a few days.

Furthermore, political developments such as changes in the 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 the Group's business activities. To reduce any possible impacts, various measures are currently being reviewed, such as an extension of our supplier network.

Overall, the relevance of geopolitical risks to the Group's business activities has increased significantly in recent years. The Group monitors developments in this regard and, where possible, initiates risk mitigation measures at an early stage.

## Business Cycle Risks

Owing to the concentration of its business activities in the life science sector, the effect of general economic developments on Sartorius is lower than average. The Lab Products & Services Division is susceptible to business cycles in certain areas that can pose a risk to its growth. This division's increasing focus on the biopharma sector, however, significantly reduces these risks.

## Operating Risks and Opportunities

At Sartorius, value creation extends from procurement through production to distribution. Problems within this workflow can have consequential effects, including delays in deliveries. The Group's supply chain management system ensures that all of the processes along the entire value chain are analyzed and managed in order to largely minimize the risks in this context. On the other hand, the Group's high level of internationalization unlocks a number of opportunities. The individual risks and opportunities within the value chain are presented in detail below.

## Procurement Risks and Opportunities

Sartorius 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 or suppliers. In addition, the Group regularly conducts supplier audits and carefully monitors the delivery status and inventory levels of critical raw materials.

Sartorius actively manages procurement risks due to the current shortage of raw materials on the market. By concluding binding purchase agreements with suppliers and/or by seeking alternatives within the supplier network, Sartorius can reduce their impact and secure continuous supply. Due to the strained market for electronic components, there is currently an increased risk of product counterfeiting in this area. To keep this risk as low as possible, the Group has implemented additional internal and external test cycles.

In addition, Sartorius identifies and evaluates its supplier base with respect to compliance with sustainability standards. In the event of deviations, the process provides for a variety of measures that are coordinated with the suppliers in question.

Opportunities in the field of procurement may arise if order volumes increase, thereby strengthening the Group's position with key suppliers.

## Production Risks and Opportunities

On the basis of its core technological expertise, Sartorius manufactures a significant share of its products in-house with a high degree of vertical integration, for example, filters and laboratory balances. For other products, such as reusable fermenters, the Group works with suppliers, which means that some of the production risks can be shifted to external third parties. Where Sartorius manufactures products itself, the Group also 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.

Carefully planning of production capacities, using versatile machines, and semi-automated individual workstations in conjunction with flextime work schedules, and continuously monitoring of production processes, can significantly limit these risks. Moreover, Sartorius' global manufacturing network enables the Group to compensate for any capacity bottlenecks by shifting production to other regional plants as well as to limit the Group's dependency on individual local manufacturing sites. Furthermore, the Group has taken out business interruption insurance policies to compensate for any possible losses due to production downtimes.

Highly flammable or explosive substances are used in some production areas. 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 considers it an opportunity that investments in infrastructure and production resources have afforded the Group a high degree of flexibility in manufacturing operations and that the Group is capable of meeting customer requirements and regulatory standards with respect to business continuity concepts. In addition, this approach ensures that international production sites can concentrate on specific manufacturing technologies, leveraging regional cost advantages as a result. Continuous improvements in manufacturing, such as the simplification of processes, as well as increased automation and digitalization, also help to further increase efficiency.

## Sales and Distribution Risks and Opportunities

The Group uses a variety of channels to sell and distribute products around the world. Possible risks include unexpected changes in the demand structure, for example, due to consolidations in the markets served by Sartorius, increasing price pressure, or failure to comply with supply agreements entered into with customers. Sartorius uses targeted market analyses to try to identify trends in demand in individual submarkets at an early stage so that it can react accordingly. Technical innovations and the fact that a large number of our products are used in validated production processes in the biopharmaceutical industry reduce the Group's exposure to the risk of growing price pressure. Distribution logistics have been optimized in recent years through the establishment and use of central warehouses, thus limiting the corresponding risks.

Opportunities arise in the area of sales and distribution when the increasing breadth of the product range – in both the bioprocess and lab segments – puts the Group in a position to sell new products to existing customers. Furthermore, opportunities arise for Sartorius from its generally long-term business relationships and its global presence. Finally, through acquisitions in cell analysis, Sartorius offers customers in the biopharmaceutical industry, a key sector for the Group, comprehensive product solutions to address needs ranging from research laboratories all the way to production processes.

Sartorius sources its key customers from the pharmaceutical, chemical, and food industries and from research and educational institutions in the public sector. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. Most of the Group's 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 has a leading competitive position in its core technologies and competes with mainly larger rivals sharing its status as a globally operating company. As the Group serves a large number of customers from highly regulated sectors, such as the pharmaceutical and food industries, and the technology barriers to market entry are fairly high, Sartorius regards the probability of new competitors emerging in the short term 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 in winning clients from competitors in this industry are also higher.

Further risks could arise from a change in the competitive environment, such as further consolidation in the markets or new competitors, for example in China. Sartorius 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 products in a wide range of critical production processes, including the manufacture of medications, foods, and chemicals, and in research and development laboratories. Risks in this context primarily involve the failure to meet defined quality criteria, affecting the performance of the supplied products and, in the worst case, lead to losses on the part of customers, for which Sartorius may be held liable in the form of damages.

Through extensive quality controls and the use of modern manufacturing techniques in a classified clean room environment, Sartorius ensures that all of its products meet the highest standards of quality and the stringent regulatory requirements. Furthermore, these manufacturing methods and processes are subject to constant review as part of continuous improvement processes and are optimized as requirements evolve. Quality controls are carried out both within the manufacturing processes and as part of test procedures on the end products. This ensures that critical or essential product specifications are continuously achieved. A rigorous product release process also ensures that only products that meet agreed upon specifications are actually shipped.

The effectiveness of the existing quality systems has been confirmed by the successful completion of regular customer audits, as well as by certifications to ISO 9001 and, where applicable, to ISO 13485. Irrespective thereof, product liability risks are insured to a significant extent.

In addition, Sartorius has established a traceability system that enables the Group to efficiently identify and, if required, recall an entire production batch immediately. This minimizes the consequences if a defect or nonconforming component is discovered in a product. A complaint management system is used to process and systematically document customer feedback in a timely manner, ensuring that Sartorius efficiently analyzes reported cases and initiates the necessary measures.



In the sectors in which the Group is active, quality requirements are growing more and more stringent all the time, not least as a result of increasing requirements regarding 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, 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 Group's work on professional committees and membership in industry associations and standards committees, Sartorius actively takes part in drafting new standards and guidelines and is able to identify these emerging requirements at an early stage and prepare accordingly.

## Research and Development Risks and Opportunities

Sartorius 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. The Group mitigates these risks by continuously monitoring trends and proof-of-concept activities on the one hand, and through project management, intensive development controlling, and the early involvement of customers in the development process on the other. In particular, Sartorius ensures that proofs-of-concepts and product designs are always reviewed promptly with regard to how well they meet customers' needs so products can be adapted accordingly as required. Continuously tracking technology trends and competitive activities, as well as filing patents at an early stage ensures that the Group has an appropriate technology and marketing position.

Intensive collaboration with partners who are among the global market and opinion leaders in their fields enables Sartorius to develop particularly innovative products. In areas such as membrane technology and plastics technology, sensors and biopharmaceutical process engineering, and analytic technologies for laboratory applications, the expertise of Sartorius specialists puts the Group at the very forefront of global research and development worldwide, presenting Sartorius with an opportunity to turn this technical knowledge into potential sales and an even stronger market position. The combination of different innovative activities in a separate Corporate Research Department enables the Group to identify promising developments at universities, startups and at customers' plants and ensure that all relevant IP positions are secured in advance.

## Acquisition Risks and Opportunities

By nature, acquisitions provide many opportunities, such as sales growth, extension of the product portfolio, 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.

The Group takes a number of measures to mitigate these risks. These include performing a thorough due diligence review of important areas and carrying out comprehensive analysis of the market concerned. Furthermore, external consultants and experts are integrated into the purchase or sales processes as required. Sartorius especially focuses on drafting transaction contracts so that they adequately counter such risks, especially by incorporating clauses assuring specific characteristics or by including contractual warranty or guarantee provisions, as well as agreements regarding mechanisms for adjustment of the purchase price or 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 was established as an independent function in the Business Process Management Department to ensure the efficiency of the integration process and minimization of the associated risks.

## Personnel Risks and Opportunities

As an innovative technology group, Sartorius employs a large percentage of highly qualified people. This entails the risk that Sartorius may not be able to hire a sufficient number 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 also pose sizable challenges in connection with the integration and familiarization of new employees with the company, and thus also harbor risks.

Sartorius 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 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 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 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, uncontrolled loss, or outflow of data.

Sartorius mitigates these risks by continuously investing in the implementation and operation of secure IT systems and applications and by continually developing and applying concepts and security measures on the basis of the international ISO 27001 Standard for Information Security Management Systems, 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 via the governance structure and IT risk management through 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 continues to expect the threat of cyberattacks to increase worldwide, both in number and intensity. For this reason, the corresponding measures and activities were further expanded in the past fiscal year. Sartorius has strengthened the Group-wide IT security organization in terms of personnel and expertise, established a round-the-clock security control and defense team, and set up further systems and services to monitor, detect, and defend against cyberattacks.

The IT Department actively provides targeted information across the Group on potential cyberthreats and risks, and 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 Group's operations entails 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 and Opportunities

As a consequence of its global business activities, Sartorius is exposed to risks arising from fluctuations in foreign exchange rates. Since around two-thirds of the Group's consolidated sales revenue is generated in foreign currencies and, in turn, approximately two-thirds of this total revenue in foreign currencies is in U.S. dollars or in currencies pegged to the U.S. dollar, Sartorius 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 Group are the British pound, the Singapore dollar, the South Korean won, the Japanese yen, the Chinese renminbi, and the Swiss franc.

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

Sartorius continuously calculates its risk exposure 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 to take into consideration hedging transactions already executed. This is the basis used to decide whether to employ additional derivative financial instruments, especially spot, forward, and swap transactions, to adjust for maximum loss.

### Interest Rate Risks and Opportunities

Sartorius has concluded fixed interest agreements for more than 70% of its loans outstanding so that any changes in the interest rate will not have any meaningful effects on consolidated earnings. The remaining portion of the financing instruments outstanding as of the reporting date is subject to variable interest rates on the basis of a short-term money market rate. Sartorius constantly monitors interest rate trends and the Group's interest rate exposure and arranges for hedging transactions where it is considered necessary and financially advisable to do so for individual loans. The Group did not hold any interest rate derivatives as of December 31, 2022.

### Liquidity Risks and Opportunities

Sartorius operates an active central liquidity management system in order to minimize the liquidity risks in the individual Group companies on the one hand and to optimize the Group's net interest income on the other. A variety of long-term and short-term financing instruments are used for this purpose. With regard to the maturities of loans, Sartorius generally adopts a risk-averse approach.

A syndicated credit line of 800 million euros, which can be drawn down and repaid at short notice, and several smaller bilateral credit lines at individual Group companies are used to secure short-term liquidity. Furthermore, cash pooling agreements between selected Group companies are primarily used to manage liquidity across the Group, ensuring that available liquidity is used efficiently.

## Tax Risks

Sartorius 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 law 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, which is supported by external consultants in the respective countries, continuously monitors and analyzes the tax environment in order to manage the resulting risks.

## Compliance Risks

### Regulatory Risks

As a partner to the biopharmaceutical and healthcare industries, Sartorius is also affected by regulatory changes in these sectors. The primary risk in this context is the possibility of regulatory authorities, such as the U.S. Food & Drug Administration (FDA), the European Medicines Agency (EMA), or other national or international bodies, taking a more restrictive approach to the approval of new drugs or medical devices of our 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' 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 at Sartorius monitor the affected markets and assess whether the Group needs to make any changes to its processes.

### Environmental Risks

Sartorius purchases a wide range of raw materials: consumables, and supplies, for example, plastic, metal, and electronic components, as well as packaging. In addition, some production processes generate waste due to the use of solvents, which is subject to special recycling and disposal regulations. In this context, there is a risk that the Group will fail to comply with the applicable legal requirements.

The Environmental Protection, Health, and Safety Department is responsible for ensuring that the Group complies with all applicable regulations. In order to manage environmental issues and mitigate risks, Sartorius has established environmental management systems (according to ISO 14001:2015 for both divisions). In addition, most of the Group's large production sites have been certified according to ISO 14001:2015, including the sites in France, India, Puerto Rico, and China. Appropriate functions exist at these locations to ensure compliance with legal and internal requirements and the ongoing implementation of sustainable technical innovations to improve environmental aspects in production processes. Environmental and

sustainability aspects are playing an increasingly important role in many business processes at Sartorius. The aspect of environmentally sustainable business activities 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 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, the Group adopted countermeasures and/or made risk provisions in the balance sheet during the reporting year to cover all discernible risks within the Sartorius Group, and specifically those risks that had a defined probability of occurrence, and the potential to materially affect the Group's net assets, financial position, and/or results of operations.

For the purposes of this report, Sartorius has assessed the probability of occurrence of risks as shown below and, in the adjacent columns, classified their particular significance for the entire Group. There were no material changes in comparison with the prior year.

Risk Category	Probability of Occurrence	Significance	Total Impact	Total Impact (Previous Year)
External risks				
General risks	Probable	Moderate	Medium	Medium
Business cycle risks	Possible	Moderate	Medium	Medium
Operating risks				
Procurement risks	Possible	Significant	Medium	Medium
Production risks	Possible	Significant	Medium	Medium
Sales and distribution risks	Possible	Moderate	Medium	Medium
Competitive risks	Possible	Moderate	Medium	Low
Quality risks	Remote	Significant	Medium	Medium
Research and development risks	Possible	Significant	Medium	Medium
Acquisition risks	Possible	Significant	Medium	Medium
Personnel risks	Possible	Significant	Medium	Medium
IT risks	Possible	Significant	Medium	Medium
Financial risks				
Exchange rate risks	Probable	Moderate	Medium	Medium
Interest rate risks	Probable	Moderate	Medium	Low
Liquidity risks	Remote	Moderate	Low	Low
Tax risks	Possible	Moderate	Medium	Medium
Compliance risks				
Regulatory risks	Possible	Significant	Medium	Medium
Environmental risks	Remote	Moderate	Low	Low
Litigation risks	Possible	Moderate	Medium	Medium

Following a detailed analysis of the overall risk situation, there are no risks discernible from today's perspective that could jeopardize the Group's continued existence as a going concern.

Furthermore, from today's perspective, there are no foreseeable risks that could jeopardize the Group's continued existence as a going concern in the future.

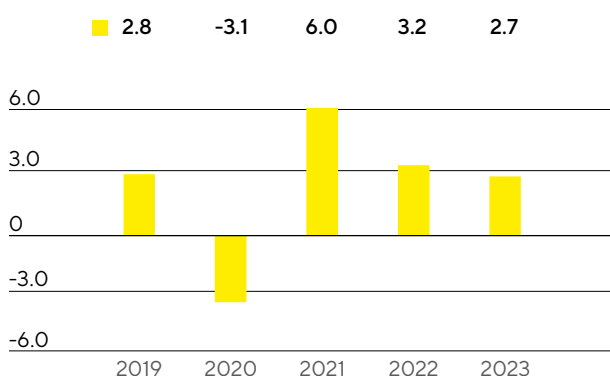
# Forecast Report

## Future Macroeconomic Environment

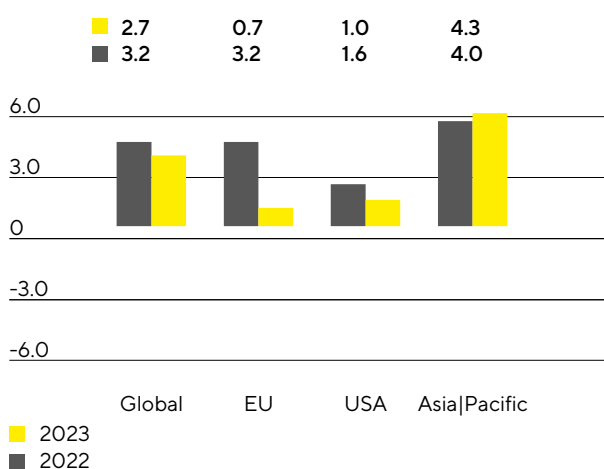
According to a forecast by the International Monetary Fund (IMF), the global economy is expected to continue growing in the current year, albeit at a slower pace. Global GDP is expected to grow globally by 2.7% in 2023 (2022: +3.2%), with an increase of 1.1% expected for industrialized countries (2022: +2.4%) and 3.7% for emerging and developing countries (2022: +3.7%). The economic environment continues to be characterized by numerous risk factors that are negatively impacting consumer and business sentiment. Inflation rates and the cost of living remain high and are weighing on consumer spending, while rising interest rates and a gloomier economic outlook are dampening corporate investments. At the same time, rising debt levels mean that national governments have fewer funds available for fiscal policy support measures, so that the risks of a global recession or stagflation have increased overall.

The IMF expects growth of 0.7% for the EU in 2023, compared with 3.2% in 2022. In Germany, Europe's largest economy, economic output is expected to contract by 0.3% (2022: +1.5%), while other European economies that are important for Sartorius, such as France and the United Kingdom, are likely to remain virtually stagnant, with growth rates of +0.7% (2022: +2.5%) and +0.3% (2022: +3.6%), respectively.

**Global Development GDP**  
in %



**Gross Domestic Product by Region**  
in %



Source: International Monetary Fund

According to the latest estimates, the United States is expected to grow by 1.0% in 2023, compared with 1.6% in the previous year.

The Asia|Pacific economic region is forecast to grow by around 4.3% (2022: +4.0%), with GDP in China expected to increase by 4.4% (2022: +3.2%) and in India by 6.1% (2022: +6.8%). Other countries in this region that are important for Sartorius are also expected to grow. South Korea is expected to grow by 2.0% (2022: +2.6%) and Japan by 1.6% (2021: +1.7%).

## Exchange and Interest Rate Trends

Based on experts' estimates, base interest rates in the European Economic and Monetary Union are expected to increase from 2.50% at the end of 2022 to up to 3.00% in 2023. The U.S. Federal Reserve is also expected to initially raise the base rate further before making rate cuts in the second half of the year, to an estimated 4.65% by the end of 2023.

Inflation expectations for the euro area in 2023 are 6.2%, whereas the U.S. inflation rate is expected to be 3.2%.

The market consensus on the exchange rate of the euro to the U.S. dollar for the course of 2023 is that it will range between 0.95 euros to the U.S. dollar and 1.10 euros to the U.S. dollar.

Sources: International Monetary Fund, World Economic Outlook, October 2022; Bloomberg, UBS, November 2022.

## Outlook for the Sectors

### 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.

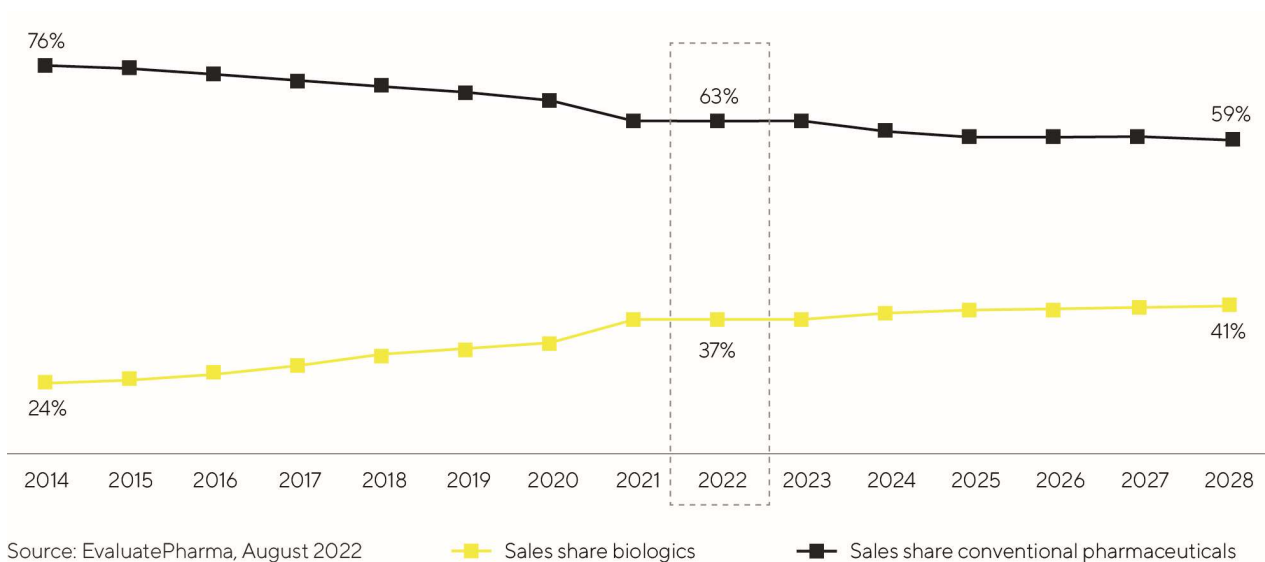
Considerable growth in the United States and Europe is also anticipated, driven in particular by a growing need for medications for aging societies as well as the rising number of patients. In addition, the number of approved biopharmaceutical medications is steadily increasing. Of the estimated 10,000+ 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



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](http://www.fda.gov)

## Outlook for 2023

Following the exceptionally strong previous years, Sartorius 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 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 (33.8%).

For the Bioprocess Solutions Division, the company anticipates sales revenue growth in the low single-digit percentage range. Excluding the Covid-19-related business, the increase would be in the high single-digit percentage range. Acquisitions are expected to contribute around 1 percentage point to growth. The division's underlying EBITDA margin is anticipated to be around the level reached in 2022 (35.7%).

Sales revenue growth in the Lab Products & Services Division is expected to be in the mid single-digit percentage range. Excluding the Covid-19-related business, the increase would be in the high single-digit percentage range. This division's underlying EBITDA margin is also expected to be around the level of the prior year (26.2%).

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 1.5. 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.

# Description of the Key Features of the Internal Control System

In relation to the Group Accounting Process (Section 289(4) and Section 315(4) of the German Commercial Code [HGB])

## Definitions and Elements of the Internal Control System at the Sartorius Group

The internal control system (ICS) of Sartorius AG and the Sartorius Group encompasses all of the principles, procedures, and measures adopted to ensure the organizational implementation of management decisions. The main priority of the system as it relates to Sartorius AG's and the Group's accounting process is to verify that accounting is cost-efficient and formally correct and that it complies with the applicable legal provisions.

The internal control system of Sartorius AG and of the Sartorius Group consists of a combination of process-integrated and non-process-integrated monitoring measures. The process-integrated safeguarding measures are organizational measures, on the one hand, and control measures, on the other. The Supervisory Board, specifically in this case the Audit Committee of Sartorius AG, and the Group Auditing Department are involved in the Sartorius Group's internal control system through their non-process-integrated audit activities. The Audit Committee regularly reviews quarterly reports in addition to the annual financial statements of the parent corporation and the consolidated annual financial statements.

Moreover, to ensure systematic, early identification of risks across the entire Group, a "monitoring system for early group-wide detection of risks with the potential to jeopardize the company's continued existence" as defined in Section 91(2), of the German Stock Corporation Law (AktG) is in place at the Sartorius Group. The efficacy of the early risk detection system, which the Sartorius Group adapts promptly in response to any relevant changes in circumstances, is assessed by the independent auditors of Sartorius AG in accordance with Section 317(4), of the German Commercial Code (HGB). An integral component of this system is also operational risk management, which involves activities such as the transfer of risk to insurance companies through coverage for damage and liability risks, and the arrangement of suitable hedges to limit currency risks and interest rate risks.

## Organizational Measures

Accounting processes are strictly organized according to the principle of segregation of functions and comply with the "four-eyes" principle – i.e., review by at least two individuals, also referred to as the dual-review or multiple-review principle. Duties and responsibilities are clearly assigned to different specialized departments and companies. The separation of administrative, executive, settlement, and approval functions reduces the possibility of fraud. It also continues to play a significant role in ensuring that any possible errors are discovered early and any potential misconduct is prevented.

The IT applications used in the company's accounting processes have access restrictions, which allow only authorized persons to have controlled access to the accounting system and data. Each access right is assigned specifically according to the tasks to be performed and is subject to annual review. Furthermore, the dual-review principle is also applied in IT process design and the assignment of access rights.

In addition, defined written local and global operating procedures exist that are regularly updated and communicated throughout the Group. The scope of regulation of the Group accounting guidelines extends to the central definition of valuation rules and parameters, among other aspects. Additional data for the presentation of external information in the notes to the financial statements and in the Group management report is also prepared and aggregated at Group level.

Continuous coordination of internal accounting during the year for planning and control with external accounting contributes significantly to the quality of Group financial reporting. Reporting itself is done through a standardized reporting system implemented throughout the Group. This system visualizes all consolidation processes. Internal controls, on the one hand, and the Group auditors of Sartorius AG, on the other hand, ensure that Group financial reports are accurately generated from the consolidated Group companies' financial statements.

The employees involved in the accounting process meet qualitative standards and receive regular training. The Group Financial Reporting Department assists the local units in resolving complex accounting issues, such as measuring fair value, to ensure consistent and accurate reporting in the consolidated financial statements. Complex evaluations, such as actuarial calculations and company valuations or purchase price allocations, are assigned to specialized service providers who involve the respectively qualified in-house staff.

## Control Measures

Comprehensive control activities are performed by managers and staff to ensure effective and reliable accounting. As a result, this ensures compliance with legal requirements and internal guidelines as well as properly conducted business transactions. Examples of such control activities include the analysis of situations and developments with reference to specific key indicators. Moreover, every month individual reporting units comment on and explain special characteristics or variances using Group-wide standardized analytical tools as the basis. Further specific control activities performed to ensure effective and reliable Group accounting encompass the analysis and, where applicable, correction of the individual financial statements submitted by the Sartorius Group companies. A large number of automated control mechanisms already incorporated into the consolidated reporting system enable erroneous information to be identified and corrected at Group level. Impairment tests are conducted centrally for assets and/or cash-generating units considered material from the Group's perspective in order to ensure that consistent, standardized evaluation criteria are applied.

The Group Auditing Department draws up a risk-based audit plan annually and reviews in spot checks whether basic legal requirements and internal group guidelines are complied with for the entire control and risk management system of the Group. This monitoring function covers, in particular, audits of the functional efficiency and effectiveness of defined control measures. The results of these audits are reported directly to the audited departments and units, making it possible to efficiently remedy any identified deficiencies and to further enhance the company's internal control system (ICS). The Executive Board and the Supervisory Board regularly receive reports on audit activities.

The main rules governing the organization of the internal control system are defined in a manual based on business processes. This manual combines all ICS-relevant requirements that Group management considers of material importance into one standardized document and will be supplemented by further appropriate rules as necessary.

## Qualifying Statements

The internal control and risk management system enables the complete recording, processing, and evaluation of company-related matters on the basis of the organizational, control, and monitoring structures defined in the Sartorius Group, as well as their accurate presentation in Group accounting. Yet it must be considered that an internal control system, regardless of its design, cannot guarantee absolute certainty with regard to the correct and complete recording of facts in the consolidated financial statements.

The statements made relate solely to the subsidiaries included in the consolidated financial statements of Sartorius AG, provided that this parent company has direct or indirect control over such subsidiaries within the meaning of the international accounting standards.

# Explanatory Report of the Executive Board on the Disclosures Pursuant to Sections 289a and 315a of the German Commercial Code (HGB)

## Composition of the Issued Capital | Limitations to Voting Rights

Sartorius AG's capital stock totals €74,880,000. It comprises 74,880,000 no par value individual bearer shares, 37,440,000 of which are ordinary shares and 37,440,000 of which are non-voting preference shares. Each share certificate represents a calculated proportion of €1 of the issued capital.

The rights and obligations associated with these shares are governed by the provisions of the German Stock Corporation Law (Aktiengesetz, abbreviated "AktG"). According to the company's Articles of Association, preference shares are entitled to a dividend payment that is one euro cent higher per share than that for ordinary shares. However, this entitlement to receive dividends shall be at least two euro cents per preference share. Apart from the cases provided for in sections 140 and 141 AktG, preference shares are non-voting. Beyond this, preference shares grant all other rights to which every shareholder is entitled.

The company holds 3,213,991 ordinary shares and 3,250,147 preference shares; these do not entitle the company to any membership rights.

## Direct or Indirect Equity Ownership Exceeding 10% of Voting Rights

According to voting rights notifications, the community of heirs of Horst Sartorius holds 18,754,160 ordinary shares of Sartorius AG (approx. 50.1% of all ordinary shares issued and approximately 54.8% of all ordinary shares outstanding) and thus just over 50% of the voting rights in the company or just over 25.0% of the total capital stock of Sartorius AG. The members of this community of heirs currently include the following: Karin Sartorius-Herbst, Sartorius-Herbst Beteiligungen I GmbH, Sartorius-Herbst Beteiligungen II GmbH (both of the aforementioned companies are controlled by Karin Sartorius-Herbst according to the voting rights notification), Christine Franken and LifeScience Holding SCSp (indirectly controlled by Alexander Schemann via the chain of subsidiaries, starting with the ultimate controlling company, Armira Partners Verwaltungs GmbH, Armira Partners GmbH & Co. KG, Armira HC Holding GmbH, and LSH Management GP S.à r.l., according to the voting rights notification); Karin Sartorius-Herbst has also disclosed that she directly holds a further 855,673 ordinary shares in the company outside the community of heirs (approximately 2.3% of all issued ordinary shares and approximately 2.5% of all outstanding ordinary shares). The decedent Horst Sartorius ordered that his will be administered by an executor. Dr. Lothar Kappich is the appointed executor of Horst Sartorius' estate and exercises the specified voting rights at his own discretion as defined by section 34(1)(1)(6) of the German Securities Trading Act (Wertpapierhandelsgesetz, abbreviated "WpHG").

According to a voting rights notification, more than 30% of the issued ordinary shares of Sartorius AG are held by Bio-Rad Laboratories GmbH (indirectly controlled by Alice N. Schwartz through the chain of subsidiaries, starting with the top controlling company, David Schwartz Non-Exempt Marital Trust, Blue Raven Partners, L.P., Bio-Rad Laboratories, Inc., Bio-Rad Luxembourg S.à r.l., and Bio-Rad France Holding SAS, according to the voting rights notification). According to the company's own quarterly report dated October 28, 2022, the number of Sartorius AG shares held or ascribed to Bio-Rad Laboratories Inc. is specifically 12,987,900 ordinary shares (approximately 34.7% of all ordinary shares issued and approximately 37.9% of all ordinary shares outstanding) as well as a further 9,588,908 preference shares (approximately 25.6% of all preference shares issued and approximately 28.0% of all preference shares outstanding), thus approximately 30.2% of the entire capital stock of Sartorius AG.

## Appointment and Dismissal of Executive Board Members | Amendment to the Articles of Association

Executive Board members of Sartorius AG are nominated and/or appointed as well as removed from office in accordance with sections 84 et seq. of the German Stock Corporation Law (AktG) and sections 31 and 33 of the German Codetermination Law (Mitbestimmungsgesetz, abbreviated "MitBestG"). Amendments to Sartorius AG's Articles of Association are regulated by sections 133 and 179 of the German Stock Corporation Law (AktG).

## Powers of the Executive Board to Issue Shares

Subject to approval by the Supervisory Board, the Executive Board is authorized to sell treasury shares held by the corporation, including selling them through channels other than the stock exchange or by tendering an offer to all shareholders in proportion to their participation in the company, provided that these shares are transferred to third parties as contribution in kind, particularly in the (indirect) acquisition of companies, in return. Under these circumstances, the preemptive rights of the shareholders are excluded.

## Material Agreements with Clauses Regulating the Event of a Change of Control

The majority of the loan agreements contain customary market clauses regulating the possible event of a change of control and giving participating lenders the option of demanding complete repayment of the outstanding loan.

These primarily consist of the outstanding note loans ("Schuldscheindarlehen"), a number of bilateral credit agreements, and the syndicated credit line. The repayment sum outstanding for these loan agreements stands at €2,393 million as of December 31, 2022.



# Corporate Governance Report

These contents were not part of the audit of the Group management report and the non-financial Group-statement.

Corporate governance aligned with the interests of stakeholders, lawful and responsible conduct, and constructive cooperation between the managerial bodies and within the company in a spirit of mutual trust constitute the essential cornerstones of Sartorius' corporate culture.

The Executive Board and the Supervisory Board report in the following declaration on the key aspects of corporate management and governance pursuant to Section 289f of the German Commercial Code ("HGB") and to Article 3.10 of the German Corporate Governance Code.

## Declaration of Compliance with Corporate Governance

Declaration of the Executive Board and of the Supervisory Board of Sartorius AG Concerning the Recommendations of the Government Commission on the German Corporate Governance Code Pursuant to Section 161 of the German Stock Corporation Law ("Aktiengesetz"):

The Executive Board and the Supervisory Board declare that Sartorius AG complied with the recommendations promulgated by the Government Commission on the German Corporate Governance Code (GCGC) in the period since issuing last year's Declaration of Compliance dated December 9, 2021, with the following exception, and will continue to comply in the future:

In divergence from the recommendation pursuant to G.10(1) of the GCGC, the variable compensation paid to the members of the Executive Board – except for that of the Executive Board Chairman – consists only to a minor extent of share-based compensation components. The Supervisory Board is of the opinion that the existing structure of the variable compensation, which corresponds to the compensation system approved by the Annual General Meeting, also achieves an incentive structure that is geared towards the sustainable and long-term development of the Company.

For the period prior to June 27, 2022, the above declaration refers to the GCGC as amended on December 16, 2019, and for subsequent periods to the GCGC as amended on April 28, 2022, as published by the Federal Ministry of Justice in the official section of Germany's Federal Gazette ("Bundesanzeiger") on June 27, 2022.

Göttingen, December 8, 2022

For the Supervisory Board

Dr. Lothar Kappich

For the Executive Board

Dr. Joachim Kreuzburg

## Further Remarks Concerning Corporate Governance

Sartorius AG is a joint stock corporation founded under German law and headquartered in Göttingen, Germany. With the Annual General Meeting, Supervisory Board; and Executive Board, it has three corporate managerial bodies whose tasks and powers are essentially derived from the German Stock Corporation Law ("Aktengesetz", abbreviated in German as "AktG") and the company's Articles of Association.

As owners of the company, the shareholders exercise their rights at its Annual General Meeting, where they decide, in particular, on the appropriation of profits, measures concerning share capital, amendments to the Articles of Association, formal approval of the actions taken by the Supervisory Board and the Executive Board, and the appointment of statutory auditors, as well as electing shareholder representatives to the Supervisory Board. The Annual General Meeting meeting is held at least once a year within the first eight months of the respective fiscal year.

In managing the company, the Supervisory Board and the Executive Board perform their tasks in a dual management system, each with separate duties and powers.

The Supervisory Board appoints members to the Executive Board, determines their compensation and monitors and advises the Executive Board in its management of the company. The Supervisory Board is not authorized to take any operational management measures for the business. The Supervisory Board's rules of procedure are published on the company's website.

The Executive Board is responsible for independently managing the company. In particular, it defines corporate strategy, coordinates and agrees on this approach with the Supervisory Board, and implements such corporate strategy. In line with established reporting obligations, the Executive Board regularly informs the Supervisory Board promptly and comprehensively, and requests the latter's approval for certain key business transactions.

## Composition and Operating Mode of the Supervisory Board and Its Committees

The Supervisory Board has an equal number of shareholder representatives and employee representatives: six shareholder representatives elected by the Annual General Meeting and six employee representatives elected according to the German Codetermination Law ("Mitbestimmungsgesetz"). The members serve a regular term of office of five years. Members can be reelected. Details on the members of the Supervisory Board and its committees are provided on pages 240 to 243.

The Supervisory Board Chairman coordinates the work of the Supervisory Board, convenes the meetings, and chairs them. Furthermore, he is the first individual for the Executive Board to contact and externally represents the matters of the Supervisory Board.

The Supervisory Board holds at least two meetings every six months. This board has established four committees: the Executive Task Committee, the Audit Committee, the Conciliation Committee, and the Nomination Committee. The Executive Task Committee, Audit Committee, and Conciliation Committee each have four members, consisting of an equal number of shareholder representatives and employee representatives. The Executive Task Committee and Audit Committee hold regular meetings; the Conciliation Committee and the Nomination Committee meet only as necessary.

## Audit Committee

Chair:

Prof. Dr. Klaus Rüdiger Trützscher

Other members:

Dr. Lothar Kappich

Dietmar Müller

Manfred Zaffke

Duties:

The Audit Committee supports the Supervisory Board in performing its supervisory function.

It must include at least one member of the Supervisory Board with expertise in the field of accounting and at least one other member with expertise in the field of auditing.

The Chairman of the Audit Committee, Prof. Dr. Klaus Trützscher, is independent and has expertise in the fields of accounting, auditing, and risk management thanks to his many years of service as Chief Financial Officer, Audit Committee member, and professor of business administration. In addition, Professor Trützscher actively follows current developments in the field of sustainability reporting and contributes this expertise to the Audit Committee and the Supervisory Board of Sartorius AG.

As a further member of the Audit Committee, Dr. Lothar Kappich has particular knowledge and experience in the application of accounting principles and internal control procedures from his professional practice as a controller, general manager, and management consultant. Dr. Kappich also possesses expertise in the fields of sustainability reporting and auditing.

## Executive Task Committee

Chair:

Dr. Lothar Kappich

Other members:

Annette Becker

Prof. Dr. Klaus Rüdiger Trützscher

Manfred Zaffke

Duties:

The Executive Task Committee carries out preparatory work for resolutions and issues to be addressed in the meetings of the Supervisory Board. It also oversees the preparations for appointments, including the compensation and employment contract conditions of members of the Executive Board. The Executive Task Committee regularly discusses long-term succession planning for the Executive Board.

## Nomination Committee

Members:

Dr. Lothar Kappich

Dr. Daniela Favoccia

Prof. Dr. Klaus Rüdiger Trützscher

**Duties:**

The Nomination Committee consists of three members representing the shareholders. Its task is to suggest suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting for the shareholder representatives on the Supervisory Board. In doing so, it takes into account the goals regarding the Board's composition.

**Conciliation Committee****Chairman:**

Dr. Lothar Kappich

**Other members:**

Annette Becker

Prof. Dr. Klaus Rüdiger Trützschler

Manfred Zaffke

**Duties:**

The Conciliation Committee meets if the majority required in connection with the appointment of members to the bodies authorized to represent the company for legal purposes is not reached.

Further information on the number and agenda of the individual meetings of the Supervisory Board and its committees as well as individual meeting attendance in the reporting year can be found in the Supervisory Board's report on pages 11 to 15.

The Supervisory Board carries out an assessment annually to determine how effectively the board as a whole and its committees fulfill their tasks. In the reporting year, this self-assessment was completed with external support on the basis of a questionnaire that was filled out by the Supervisory Board members. The results of this survey were presented in anonymized form in December 2022 and discussed within the Supervisory Board.

## Appointment Objectives for the Supervisory Board in terms of Areas of Expertise and Diversity

Members of the Supervisory Board of Sartorius AG are to be appointed such that they, on the whole, have the knowledge, skills, and experience that are necessary to perform the Board's duties properly.

For this purpose and based on the recommendations of the German Corporate Governance Code, the Supervisory Board decided on the following appointment objectives:

- **Diversity:** The members of the Supervisory Board should have complementary professional profiles and international experience. In view of achieving an appropriate gender balance, the legal quotas of at least 30% women and at least 30% men apply to the Sartorius Supervisory Board. The shareholder representatives and the employee representatives decided to fulfill these legal targets separately. Further details can be found in the Supervisory Board's competence profile.
- **Age limit:** A fundamental age limit of 70 applies to members of the Supervisory Board at the time they are elected. The age limit may be waived in individual cases, provided there are no reservations about the suitability of the persons proposed and their election is expedient to the interests of the company in spite of the age limit being exceeded.

- Maximum number of mandates / time resources: A Supervisory Board member who is not a member of the management board of a listed company is not to hold more than five Supervisory Board positions at external listed companies or perform comparable functions; in this regard, the chairmanship of a Supervisory Board counts twice. A Supervisory Board member who is a member of the management board of a listed company must not hold more than two Supervisory Board positions at external listed companies or perform comparable functions, and must not chair the Supervisory Board at an external listed company. Regardless of other mandates held, care must be taken that every member has enough time to fulfill his or her mandate in the Supervisory Board of Sartorius AG.
- Independence: According to the GCGC, the Supervisory Board should include an appropriate number of shareholder representatives, but no less than four independent members. The ownership structure is to be taken into account. In the opinion of the shareholder representatives on the Supervisory Board, Prof. Dr. David Ebsworth, Dr. Daniela Favoccia, Ilke Hildegard Panzer, Frank Riemensperger, and Prof. Dr. Klaus Rüdiger Trützschler are independent members of the Supervisory Board. As the executor for the community of heirs of Horst Sartorius, Dr. Lothar Kappich is to be regarded as dependent upon the controlling shareholder. However, despite the fact that Dr. Kappich has served on the Supervisory Board since April 2007 and has thus been a member for more than 12 years, the shareholders on the Supervisory Board regard him as independent of the company and its Executive Board. Thus, a Supervisory Board membership of many years alone would not constitute the grounds for the existence of any significant, or not merely temporary, conflict of interest. In particular, the fact that Dr. Kappich represents the majority of the voting rights in the company counters the presumption of his dependence on the company and its Executive Board.
- Former members of the Executive Board: No more than two former members of the Sartorius Executive Board are to serve simultaneously on the Supervisory Board.
- Function at competitor companies: Members of the Supervisory Board should not hold any board function or consulting mandate at companies that are important competitors of Sartorius AG, and should not be in a personal relationship to an important competitor.
- In addition, the Supervisory Board has defined a competence profile. The members of the Supervisory Board should have experience in the life science sector as well as knowledge of key competitors and a basic understanding of marketing and sales strategies.
- Members of the Supervisory Board should have knowledge of technologies and products relevant to the Group as well as experience in the fields of innovation processes and research & product development, especially in the biopharmaceutical sector.
- Members of the Supervisory Board should have expertise in the international markets relevant to the Sartorius Group.
- Members of the Supervisory Board need to have in-depth knowledge of financial business processes and competences in financial controlling and risk management; at least one member of the Supervisory Board must have expert knowledge of accounting and at least one further member of the Supervisory Board expert knowledge of auditing (Section 100, Subsection 5 of AktG). Accounting and auditing activities also include sustainability reporting and its audit.
- Members of the Supervisory Board should have in-depth knowledge of law and compliance, in particular expertise in the areas of capital markets and corporate law. In addition, members should have knowledge and experience in the field of corporate governance.

- The Board should have in-depth knowledge of and experience in human resources issues, in particular in the fields of international human resources planning as well as executive recruitment and succession planning.
- The Supervisory Board should have in-depth knowledge of the Sartorius organizational structure and processes in order to be able to take the employees' perspective into account.
- Members of the Supervisory Board should have experience in the areas of digitalization and data-based business models.
- Furthermore, there should be sufficient sustainability/ESG and CSR expertise on the Board.
- The Supervisory Board should also always include members with international experience or backgrounds.

According to the Supervisory Board's self-assessment, the members on its board meet the diversity and competency requirements. In addition, the board meets the appointment objectives described above.

### Competency profile

	L. Kappich	M. Zaffke	A. Becker	D. Ebsworth	D. Favoccia	P. Kirchhoff
Corporate governance and strategy development	X	X		X	X	
Customer-specific perspectives				X		
Technology and product development				X		
International markets				X		X
Financial economy	X	X		X		X
Corporate and capital market law					X	X
Human resources		X	X	X		
Employee-specific perspectives		X	X			X
Digitalization			X			
Competence sustainability and regulatory affairs	X				X	X
International experience or life backgrounds				X	X	

	D. Müller	I. Panzer	H. Ritau	K. Trützschler	F. Riemensperger	S. Wirth
Corporate governance and strategy development		X		X	X	X
Customer-specific perspectives	X	X	X			
Technology and product development		X			X	
International markets		X			X	
Financial economy	X			X		
Corporate and capital market law				X		
Human resources		X		X	X	X
Employee-specific perspectives	X		X			X
Digitalization		X	X		X	
Competence sustainability and regulatory affairs				X		
International experience or life backgrounds		X			X	

With a view to achieving an equal gender balance, the Supervisory Board meets the quota of 30% set for the underrepresented gender. The Supervisory Board includes a total of seven men (around 58%), of whom four are shareholder representatives and three are employee representatives. In addition, five women (around

42%) are members of this board, among them two representatives of the share owners and three representatives of the employees. As a result, the gender quota requirements are met on both sides of Supervisory Board representation and on the full Supervisory Board itself.

To facilitate comparison of the appointment objectives, brief resumés of the Supervisory Board members are available on the Sartorius website.

## Composition and Operating Mode of the Executive Board

The Executive Board of Sartorius AG manages the company under its own responsibility, with the goal of increasing the company's value over the long term. It develops the company's strategy, coordinates it with the Supervisory Board, and ensures that this strategy is implemented effectively. Beyond that, the rules of procedure for the Executive Board define the legal transactions requiring approval by the Supervisory Board in order for such transactions to be affected. The Executive Board is responsible for compliance with all provisions of the law and the company's internal policies, as well as for appropriate risk management.

Decision-making by the Executive Board is done at its regular meetings, which are convoked and conducted by the Chairman. Other specialists and managers are invited as necessary to provide advice.

The Executive Board members are jointly responsible as a collegiate body for matters of special significance. In all other respects, each member independently manages the area of the company to which he or she has been assigned in accordance with the distribution-of-business plan, and the Chairman must be informed of all material transactions and events.

## Composition of the Executive Board, Diversity and Competency Requirements

In the opinion of the Supervisory Board, the basic qualification criteria for appointments to positions on the Executive Board are professional qualifications for heading each particular area of responsibility, a proven track record along the individual's career path, and impressive managerial skills. In addition, the Supervisory Board also considers the aspect of diversity in its appointment decisions. Therefore, the Supervisory Board strives to appoint people with complementary profiles, professional and personal life experiences and in different age brackets to the Executive Board. Moreover, the latter board is required to have broad international experience.

The Supervisory Board deals regularly with succession planning for the Executive Board in its Executive Task Committee and in its plenary sessions. To identify special talent within the company, promising junior staff are invited to make presentations to the Supervisory Board on specific topics.

An Executive Board member must not be older than 65 years of age at the time of his or her appointment. This age limit can be waived in individual cases, provided there are no reservations about the suitability of the person proposed and his or her appointment is expedient to the interests of the company in spite of the age limit being exceeded.

Currently, the Executive Board of Sartorius AG consists of four men and, since January 1, 2019, with the same personnel composition.

Name	Ressort	Year of birth	Initial order	End of current ordering period
Dr. Joachim Kreuzburg (Chairman)	Chairman of the Board	1965	2002	November 10, 2025
René Fáber	Full member, responsible for the BPS division	1975	2019	December 31, 2026
Rainer Lehmann	Chief Financial Officer	1975	2017	February 28, 2025
John Gerard Mackay	Full member, responsible for the LPS division	1962	2019	December 31, 2023

Further information, including information on memberships of supervisory boards and other comparable domestic and foreign supervisory bodies of business enterprises, is published on page 244 of this report.

The statutory participation requirement pursuant to Section 76(3a) AktG, which came into force in August 2022, applies to the number of women on the Executive Board. The statutory participation requirement will be implemented with the next new appointment to the Executive Board.

Regarding the appointment of women to the Executive Board of Sartorius AG as well, the Supervisory Board supports the activities of the Executive Board to further increase the percentage of female executives at the management levels subordinate to the Executive Board in the company. The Executive Task Committee and the full Supervisory Board regularly receive reports on the development of the proportions of women in senior-level management positions.

## First and Second Management Levels Below the Executive Board

Over the past years, the percentage of women at the first two management levels below the Executive Board has considerably increased on the whole and is already at a comparably high level.

The Executive Board resolved in 2017 to increase the percentage of women at both levels of management below this Board to around 30% by the next deadline of June 30, 2022. The target was clearly exceeded, with the percentage of women at the first level standing at 50% (N-1: 9 women / 9 men), while at the second level it was roughly achieved at around 29% (N-2: 25 women / 61 men).

A target of one-third women was set for both management levels in March 2022, to be achieved by the deadline of December 31, 2025.

It should be noted that owing to the relatively small number of managers at the first level, even individual personnel changes can lead to sizable swings in this percentage. Moreover, the integration of acquired companies has frequently led to fluctuations in the past, and this effect cannot be ruled out for the future.

## Remuneration Report | Remuneration Policy

The remuneration report for fiscal 2022 and the auditor's notice in accordance with Section 162 of AktG, the compensation policy currently in place as approved by the Annual General Meeting on March 26, 2021, pursuant to Section 87a, Subsections 1 and 2, sentence 1, of AktG, and the resolution approved by the Annual General Meeting on March 26, 2021, on the remuneration pursuant to Section 113, Subsection 3, of AktG are publicly accessible at [www.sartorius.de/Compliance](http://www.sartorius.de/Compliance).



# Further Corporate Governance Practices

## Risk Management, Internal Monitoring System and Compliance Management System

Conscientious management of commercial risks is a key principle of good corporate governance. Sartorius AG and the Group have at their disposal enterprise-wide and company-specific reporting and control systems designed to facilitate the recording, assessment and management of commercial risks. These systems are developed and adapted continuously as conditions evolve. The Executive Board informs the Supervisory Board regularly of existing risks and their development. The Audit Committee is concerned, in particular, with monitoring of the following: the accounting process including reporting; the efficacy of the internal control system; risk management and the internal auditing system; compliance; and the independent statutory audit. Details on risk management are presented in the Opportunity and Risk Report.

The internal control system (ICS) is based on the principles, guidelines, and measures introduced by the Executive Board that are aimed at the organizational implementation of the Executive Board's decisions. They include the management of risks and opportunities relating to the achievement of business objectives, ensuring that internal and external accounting is accurate and reliable, and compliance with the legal rules and regulations relevant to Sartorius. This also includes sustainability aspects, which are continuously refined and updated on the basis of regulatory requirements.

All of the Sartorius Group's functions are integrated into a global matrix organization and are part of the ICS. The scope of activities each function is responsible for performing varies and depends, among other aspects, on the specific risks associated with the function. Each function's management is required to implement an appropriate and effective ICS in its area of responsibility, based on the methodology that is mandatory throughout the Group.

Overall responsibility for the ICS lies with the Executive Board. The Sartorius Group's individual functions support the Executive Board in creating and maintaining appropriate and effective processes for implementing, monitoring, and reporting on internal control activities.

Extensive control activities are carried out by managers and employees within each function's individually defined processes to ensure that the processes are reliable and effective. As a result, this ensures compliance with legal requirements and internal guidelines as well as properly conducted business transactions. Examples of such control activities include the analysis of situations and developments with reference to specific key indicators. Based on the defined control mechanisms, errors can be identified and corrected at the Group level. In addition, the Group Auditing Department draws up a risk-based audit plan each year and reviews in spot checks whether basic legal requirements and internal group guidelines are complied with for the Group's entire control and risk management system. This monitoring function covers, in particular, audits of the functional efficiency and effectiveness of defined control measures. The results of these audits are reported directly to the audited functions, making it possible to efficiently remedy any identified deficiencies and to further enhance the company's internal control system (ICS). The Executive Board and the Supervisory Board regularly receive reports on audit activities. The main rules governing the organization of the ICS are defined in a manual based on business processes. This manual combines all ICS-relevant requirements that Group management considers of material importance into one standardized document and will be supplemented by further appropriate rules as necessary.

Part of the ICS is also a compliance management system that is valid worldwide. With this, Sartorius ensures that the members of its individual boards, executives and employees comply with all legal regulations and

codes, and perform their activities in accordance with the company's internal rules and guidelines. Targeted training and awareness-raising prevent any misconduct, as well as economic damage and loss of image.

Sartorius makes every effort to ensure optimal risk management by using a combination of approaches: a preventive compliance approach designed to proactively stop any potential breaches before they occur and a repressive compliance approach intended to continuously monitor compliance with the company's rules. These processes are closely intermeshed, creating a standardized compliance management system that aims to offer the best possible protection against potential violations of rules and regulations. Sartorius has developed a Code of Conduct as a preventive component of its compliance management system and has committed to an Anti-Corruption Code. An internal system is available for reporting any suspicious circumstances involving potential compliance violations.

The Executive Board is not aware of any circumstances that would speak against the suitability and effectiveness of the risk management system and the ICS.

Further information can be found in the "Description of the Key Features of the Internal Control System" section on pages 88 et seq. and on the company's website at [www.sartorius.com](http://www.sartorius.com).

## Transparency

Sartorius AG places great importance on disclosing consistent and complete information promptly. Information about the economic position of the Group and new developments is consequently released regularly, without delay, as it becomes known in order to inform participants in the capital market and interested members of the public at large. The annual report, first-half financial report, and quarterly reports are published within the time frames specified for this purpose. Current developments and material events are publicized as press releases and, where appropriate, ad hoc announcements. This information is usually made available in German and English simultaneously and published via suitable media and on the internet. Capital market participants remain in close contact with the company's investor relations team. Investors and analysts are provided information on current and future business performance in conference calls held in conjunction with the respective quarterly reporting. Sartorius regularly participates in roadshows and investor conferences and holds its own capital market events.

The chief recurring events and publications, such as the Annual General Meeting, the annual report and the interim reports, are listed on a financial calendar that may be viewed at any time on the Group website.

## Share Trading Activities of Supervisory and Executive Board Members

We have been notified of the following transactions involving Sartorius AG shares or related financial instruments by members of the Executive Board and Supervisory Board or other persons with management responsibilities, as well as by persons closely related to them: The Chairman of the Executive Board, Dr. Joachim Kreuzburg, sold a total of 20,000 preference shares on November 14, 2022. Reported transactions are published on the Sartorius AG website.

The Chairman of the Executive Board, Dr. Joachim Kreuzburg, holds 113,785 ordinary shares and 93,785 preference shares in the company. They were transferred to him as components of his compensation on the basis of corresponding agreements in his employment contracts dated December 18, 2015, and November 26, 2020, each with a minimum holding period of four years from the beginning of the respective contract. For further information on this transfer, please see the Remuneration Report on pp. 137 et seq.

As executor of the estate of Horst Sartorius, the Supervisory Board Chairman, Dr. Lothar Kappich, holds around 50.1% of the ordinary shares issued by the company. Beyond this, there is no notifiable possession of shares or financial instruments by members of the Executive Board or Supervisory Board consisting directly or indirectly of more than 1% of the shares issued by the company.

## Accounting and Independent Statutory Audit

The consolidated financial statements and the Group Management Report, as well as the consolidated interim financial statements and reports, are prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied within the EU, and according to the commercial law regulations to be applied under Section 315e, Subsection 1, of the German Commercial Code, HGB. The annual financial statements of Sartorius AG are prepared in accordance with German commercial law, HGB. The consolidated financial statements and the annual financial statements are prepared by the Executive Board, audited by the independent auditors elected by the Annual General Meeting, and approved by the Supervisory Board.

It has been agreed with the independent auditors that they will notify the Supervisory Board directly of any potential disqualification or bias issues and any material findings and incidents identified during the audit. This also encompasses the corporate governance reporting duties pursuant to Section 161 of the German Stock Corporation Law (Aktiengesetz).

The Supervisory Board | The Executive Board

# Sustainability

The following content was not included in the audit of the Group Management Report and the Non-financial Group Statement.

## The Business Model and its Contribution of to Good Health and Well-Being

In 2016, the United Nations Sustainable Development Goals (abbreviated “SDGs”) came into force – also known as the 2030 Agenda. The 17 political goals are intended to promote sustainable development worldwide at the economic, social, and environmental levels and are aimed not only at governments worldwide, but also at civil society, the private sector, and academia.

Through its business activities, Sartorius particularly contributes to the achievement of nine of the global sustainability goals. The focus is on goal number 3 for “good health and well-being,” which is addressed by the company’s business model.

Sartorius operates in the life science sector – more precisely, in the field of medical biotechnology. As a partner to the biopharmaceutical industry, the Group manufactures products and process technologies that are used in the development and production of biological medicines and vaccines. In this context, the Group places a particular focus on innovations that make it possible to increase the safety, speed, and efficiency of the development and production process for such active ingredients. This allows new therapies to be made available to patients earlier, at lower prices, and to a larger number of patients.

The biopharmaceutical industry plays a crucial role in the development of new drugs and vaccines to prevent and treat diseases, some of which were previously incurable. In this way, it improves the lives of patients worldwide. For example, the use of recombinant antibodies has reduced mortality in patients with non-Hodgkin’s lymphoma by approximately one quarter and doubled the survival rate among patients with metastatic skin cancer.

The industry invested about 198 billion US dollars in biopharmaceutical research in 2020, and more than 9,000 compounds were in various stages of development in 2021. The main areas of focus were therapies for the treatment of cancer, autoimmune, and neurological diseases, as well as the development of vaccines for infectious diseases.

Vaccines have proven to be one of the most effective preventive technologies, protecting against more than 30 infectious diseases today, with nearly unprecedented public health impact. Diseases such as smallpox, polio, measles, diphtheria, and rubella – that once claimed millions of lives – have been largely eradicated. Currently, vaccines save the lives of over 2.5 million children each year (source: IFPMA, The pharmaceutical industry and global health. Facts and figures 2015, p. 15).

Vaccines also played a central role in overcoming the coronavirus pandemic. The development of the novel mRNA vaccine within the span of one year was only possible due to intensive research activities and collaboration within the biopharmaceutical and biotechnology industry. More than 13 billion vaccine doses have been administered worldwide (source: WHO COVID-19 Dashboard, January 24, 2023), saving approximately 20 million lives (source: *The Lancet Infectious Diseases*, Vol. 22, September 2022).

In this way, vaccines also contribute to the sustainability of health systems by reducing the number of hospitalized patients, thereby reducing the costs of hospitalization, follow-up treatments, and care.

In developing and emerging countries, the availability and affordability of healthcare stands well below the standards in industrialized nations – more than half the world's population has either no or inadequate access to medical care.

Innovative technologies for the development and manufacture of biopharmaceutical therapeutics and vaccines will continue to play an important role in achieving medical progress in the future. That is why Sartorius, through its business activities in this important sector, is playing a key role in improving health for a greater number of people. As a result, Sartorius also supports the implementation of the human right to good health and well-being from the United Nations Universal Declaration of Human Rights, which has also been prioritized in global policy terms in the 2030 Agenda for Sustainable Development with respect to access to effective, high-quality, and affordable medicines and vaccines.

## Contribution to the Achievement of UN Sustainable Development Goals

The following overview shows the Sustainable Development Goals relevant to Sartorius and references the relevant pages in this Annual Report for corresponding descriptions of the company's contribution to their achievement in fiscal 2022.

Goal		Reference
	<b>Good Health and Well-Being</b>	Page 104
	<b>Quality Education</b>	NFS <sup>1</sup> > Development of Strategic Sustainability Topics > Social Responsibility, p. 116
	<b>Gender Equality</b>	NFS > Development of Strategic Sustainability Topics > Social Responsibility, p. 116
	<b>Clean Water and Sanitation</b>	NFS > Development of Strategic Sustainability Topics > Water and Wastewater, p. 115
	<b>Decent Work and Economic Growth</b>	NFS > Development of Strategic Sustainability Topics > Social Responsibility, p. 116 and Sustainability in the Supply Chain, p. 121
	<b>Industry, Innovation and Infrastructure</b>	NFS > Development of Strategic Sustainability Topics > Social Responsibility, p. 116
	<b>Responsible Consumption and Production</b>	NFS > Development of Strategic Sustainability Topics > Materials and Circularity, p. 113
	<b>Climate Action</b>	NFS > Development of Strategic Sustainability Topics > Climate, p. 109
	<b>Partnerships for the Goals</b>	NFS > Development of Strategic Sustainability Topics > Climate, p. 109 and Materials and Circularity, p. 113

<sup>1</sup> Non-financial Group Statement

# Non-financial Group Statement

The following section presents the Non-financial Statement of Sartorius AG for the Sartorius Group for fiscal 2022, hereinafter referred to as the "Non-financial Statement." The Sartorius Stedim Biotech S.A. subgroup is exempt from the obligation to prepare its own non-financial statement upon submission of this Non-financial Statement.

The information presented herein did not form part of the audit of the Group Management Report, as it was subject to a separate limited assurance engagement performed by KPMG AG Wirtschaftsprüfungsgesellschaft. The independent auditor's report can be found on page 133 et seq. of this Annual Report.

## Notes on Reporting

### Framework

This statement was prepared in accordance with sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code ("HGB"). International frameworks such as the GRI and Greenhouse Gas Protocol (GHG) Protocol were used to prepare the indicators.

### Material Topics Subject to Reporting Requirements

The topics subject to reporting requirements are derived directly from the strategic sustainability topics defined in fiscal 2022, which are described in the Sustainability Management section.

### Consolidation

The concepts requiring presentation under Section 289c(3) of the German Commercial Code (HGB) for the main sustainability issues, including due diligence processes and the results of the concepts, relate to the entire Group in accordance with the scope of consolidation for financial reporting (see page 184 et seq. of this Annual Report), unless otherwise stated at the respective point.

### Further Information

The key performance indicators provided in this statement serve to quantify the Group's performance and do not constitute performance indicators relevant to company management within the meaning of Section 289c(3) of the German Commercial Code (HGB).

The presentation of indicators in this statement has been largely restructured and expanded compared with the previous year. Where available, the values for fiscal 2021 were taken from the 2021 Non-financial Statement or calculated and expanded retrospectively. Subsequent calculations and additions have been indicated at the respective points.

Where new data concepts and calculation methods are used as well as in the case of identified errors in the data reports, the values for fiscal 2021 have been restated in this Non-financial Statement. This applies to the

greenhouse gas emissions reported in the “Climate” section and the work-related injuries reported in the “Social Responsibility” section. Data restatements are indicated at the respective points.

Detailed explanations on greenhouse gas accounting can be found on page 130 et seq. of this Non-financial Statement.

Sustainability reporting in this Non-financial Statement is supplemented by the Sustainability Report of the Sartorius Group, which is prepared based on the GRI Standards. This will be published in the first quarter of 2023 for fiscal 2022.

## Sustainability Management

### Business Model

Sartorius operates in the life science sector – more precisely, in the field of medical biotechnology. As a partner to the biopharmaceutical industry, the Group manufactures products and process technologies that are used in the development and production of biological medicines and vaccines. In this context, the Group places a particular focus on innovations that make it possible to increase the safety, speed, and efficiency of the development and production process for such active ingredients. This allows new therapies to be made available to patients earlier, at lower prices, and to a larger number of patients.

For further information on the Group’s business model, strategy, and objectives, please refer to the section “Business Model, Strategy, and Goals” on page 26 et seq. of this Annual Report.

### Ambition and Strategic Sustainability Topics

As a signatory to the United Nations Global Compact, the Group is committed to complying with certain social and environmental standards when conducting its business activities. This includes identifying and preventing, or mitigating, adverse impacts on the environment and society that may arise throughout the upstream and downstream value chain as a result of business operations and provide remediation.

Sartorius maintains a close, ongoing dialogue with its stakeholders in this regard. We define stakeholders as those individuals, companies, institutions, and interest groups that are able to influence the success of the Sartorius Group or are affected by the company’s activities. This particularly includes customers, employees, investors, suppliers, and business partners as well as local residents. During the reporting year, Sartorius continued engaging and interacting with its customers in a variety of formats. Major interactive events in the fiscal year included an ESG investor conference, a supplier day focusing on sustainability, and an internal dialogue on the new Sartorius climate action strategy, in which nearly 3,000 Group employees actively participated.

In fiscal 2022, Sartorius defined the following strategic sustainability topics for the Group, taking its stakeholders’ concerns into account:

- Climate
- Materials and circularity
- Water and wastewater

- Social responsibility
- Corporate governance
- Sustainability in the supply chains

Dedicated ambitions, Group-level objectives, and operational targets as well as implementation plans are now gradually being developed and implemented or further refined for these sustainability topics.

## Steering

In fiscal 2022, Sartorius established the Corporate Sustainability Department to systematically advance the issue of sustainability within the Group. The Chairman of the Executive Board is responsible for this department, which reports directly to him. The department's job is Group sustainability management and therefore the development of strategic sustainability topics and corresponding targets at the Group level. Identifying and coordinating necessary initiatives to achieve these goals, sustainability reporting, and overseeing the Corporate Sustainability Committee are also the responsibility of the Corporate Sustainability Department.

Under the leadership of the Chairman of the Executive Board, the entire Executive Board and the heads of the relevant departments meet on an ad hoc basis as the Corporate Sustainability Committee to discuss the further advancement of strategic sustainability topics with respect to targets and concepts. The committee did not meet in the reporting year and is planned to meet in 2023.

In fiscal 2022, the Corporate Sustainability Department focused on developing a comprehensive greenhouse gas (GHG) reporting system as a basis for managing sustainability topics. In this context, numerous alignment meetings in consultation with the Executive Board took place. In addition, the department made progress with the implementation of the Group's climate strategy and the implementation of Germany's Supply Chain Due Diligence Act within the framework of steering groups.

## Risks

The required disclosures on risks pursuant to Section 289c(3) of the German Commercial Code (HGB) can be found in the Opportunities and Risks section of the Annual Report on page 70 et seq. The Group did not identify any risks within the meaning of Section 289c(3) of the HGB in the 2022 fiscal year.



## External Evaluations of Sustainability Performance and Capital Market Indices

Sartorius' sustainability performance is evaluated on a regular basis. An overview of the most recent evaluations of sustainability performance can be found in the following table. The results are incorporated into the concepts aimed at continuously improving sustainability performance.

### Latest Company Ratings

Company	Rating	Publication	Results
Sartorius AG	EcoVadis	10.11.2021	60/100 (83th percentile) – silver
Sartorius AG	CDP	14.12.2022	B
Sartorius AG	MSCI	27.09.2022	A
Sartorius Stedim Biotech S.A.	MSCI	05.12.2022	BBB

In addition, Sartorius AG is listed in Deutsche Börse's DAX ESG 50 sustainability index. This index includes the leading 50 companies based on ESG (environmental, social, governance) performance, market capitalization, and turnover.

## Development of the Strategic Sustainability Topics

### Climate

#### Ambition

Sartorius aims to reduce greenhouse gas (GHG) emissions in relation to turnover and thus gradually decouple them from Group growth.

#### Concept and Due Diligence Processes

Against this background, the Group set a target of reducing CO<sub>2</sub> emission intensity by an average of 10% per year, measured against the base year of 2019. Sartorius has defined this indicator as adjusted gross GHG intensity per net turnover by market-based calculation in gCO<sub>2</sub>e/€ based on the Accounting and Reporting Standards of the Greenhouse Gas (GHG) Protocol. However, it accounts for instead of the purchased goods and services in the GHG category "Purchased goods and services", only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. This indicator was included in the Executive Board's and management's long-term variable compensation components in fiscal 2022.

To achieve the targeted reduction, Sartorius is focusing on avoiding emissions and improving process efficiency – at its own sites and in the upstream and downstream value chain. An implementation plan is currently being drawn up for the specific levers already identified at the end of the 2021 fiscal year. For example, the Group aims to reduce Scope 1 and Scope 2 emissions, in particular by switching to renewable energy sources at its own sites. When it comes to reducing Scope 3 emissions, the focus is initially on measures that address the upstream value chain. This includes, for example, an adapted supplier strategy as well as the optimization of shipping and logistics processes and the use of resources. Sartorius expects to spend around 1% of its annual turnover on reducing CO<sub>2</sub> emissions intensity.

To achieve its target for CO<sub>2</sub> emissions intensity, the Group has defined the following absolute targets with respect to Scope 1 and Scope 2 GHG emissions:

- Avoidable Scope 1 GHG emissions reduced to zero by 2030. Process emissions generated during membrane production are currently deemed unavoidable based on the technology available at present
- Scope 2 GHG emissions reduced to zero by 2030. This goal is subject to the availability of renewable energy at global locations.

### Results of the Concept

#### GHG balance sheet

Sartorius published a comprehensive GHG balance sheet for the first time in fiscal 2022 that includes all 17 GHG categories based on the GHG Protocol. Detailed explanations on greenhouse gas accounting can be found on page 130 et seq. of this Non-financial Statement.

Total gross GHG emissions (Scope 1, 2, and 3) according to a market-based calculation amounted to 1,137,703 tCO<sub>2</sub>e in fiscal 2022 (previous year: 914,731 tCO<sub>2</sub>e; base year: 573,539 tCO<sub>2</sub>e). This represents an increase of 24.4% over the prior year and 98.4% over the 2019 base year. This increase was primarily due to the Group's significant growth. Since no negative GHG emissions, known as carbon removals, could be offset, gross GHG emissions correspond to net GHG emissions. Carbon removal is the process of permanently removing GHG emissions from the atmosphere using biological, chemical, and physical methods.

Gross Scope 1 GHG emissions amounted to 17,939 tCO<sub>2</sub>e (previous year: 13,841 tCO<sub>2</sub>e, base year: 13,529 tCO<sub>2</sub>e), equal to an increase of 29.6% compared with the previous year and 32.6% compared with the base year. Gross Scope 2 GHG emissions amounted to 28,714 tCO<sub>2</sub>e (previous year: 20,885 tCO<sub>2</sub>e, base year: 25,777 tCO<sub>2</sub>e), equal to an increase of 37.5% compared with the previous year and 11.4% compared with the base year. The respective increases are due to the growth-related increase in energy consumption and emissions generated during the membrane production process.

Gross GHG intensity per net turnover according to a market-based calculation stood at 0.000273 tCO<sub>2</sub>e (previous year: 0.000265 tCO<sub>2</sub>e, base year: 0.000314 tCO<sub>2</sub>e). This represents a 2.6% increase over the prior year and a 13.2% reduction from the 2019 base year, respectively.

**GHG Balance Sheet<sup>1,2</sup>**

	FY 2022	FY 2021	Base year: FY 2019
<b>Gross GHG emissions - scope 1 in t CO<sub>2</sub>e<sup>3,4,5</sup></b>	<b>17,939</b>	<b>13,841<sup>6</sup></b>	<b>13,529</b>
Share of Scope 1 GHG emissions under regulated emission trading schemes in %	0	0	0
<b>Gross GHG emissions - scope 2 - location-based calculation in t CO<sub>2</sub>e<sup>3,4,5</sup></b>	<b>53,886</b>	<b>42,066</b>	<b>30,689</b>
<b>Gross GHG emissions - scope 2 - market-based calculation in t CO<sub>2</sub>e<sup>3,7</sup></b>	<b>28,714</b>	<b>20,885</b>	<b>25,777</b>
<b>Gross GHG emissions - scope 3 in t CO<sub>2</sub>e</b>	<b>1,091,050</b>	<b>880,006</b>	<b>534,233</b>
Category 1: Purchased goods and services in t CO <sub>2</sub> e	521,912	447,894	238,446
Category 2: Capital goods in t CO <sub>2</sub> e	95,492	69,759	36,892
Category 3: Fuel- and energy-related activities (not included in scope 1 and 2) in t CO <sub>2</sub> e <sup>3</sup>	11,323	9,067	6,553
Category 4: Upstream transportation and distribution in t CO <sub>2</sub> e	128,734	98,358	57,426
Category 5: Waste generated in operations in t CO <sub>2</sub> e <sup>3</sup>	9,235	7,876	4,021
Category 6: Business travel in t CO <sub>2</sub> e	21,067	6,318	26,093
Category 7: Employee commuting in t CO <sub>2</sub> e <sup>8</sup>	22,053	19,134	15,019
Category 8: Upstream leased assets in t CO <sub>2</sub> e	0	0	0
Category 9: Downstream transportation and distribution in t CO <sub>2</sub> e	10,942	8,360	4,881
Category 10: Processing of sold products in t CO <sub>2</sub> e	0 <sup>9</sup>	0 <sup>9</sup>	0 <sup>9</sup>
Category 11: Use of sold products in t CO <sub>2</sub> e <sup>10</sup>	222,138	165,654	108,626
Category 12: End-of-life treatment of sold products in t CO <sub>2</sub> e	48,153	47,584	36,276
Category 13: Downstream leased assets in t CO <sub>2</sub> e	0	0	0
Category 14: Franchises in t CO <sub>2</sub> e	0	0	0
Category 15: Investments in t CO <sub>2</sub> e	0 <sup>9</sup>	0 <sup>9</sup>	0 <sup>9</sup>
<b>Total gross GHG emissions (scope 1, 2 and 3) - location-based calculation in t CO<sub>2</sub>e</b>	<b>1,162,875</b>	<b>935,913</b>	<b>578,451</b>
<b>Total gross GHG emissions (scope 1, 2 and 3) - market-based calculation in t CO<sub>2</sub>e<sup>7</sup></b>	<b>1,137,703</b>	<b>914,731</b>	<b>573,539</b>
Total GHG removals in t CO <sub>2</sub> e	0	0	0
<b>Total net GHG emissions (scope 1, 2 and 3) - location-based calculation in t CO<sub>2</sub>e</b>	<b>1,162,875</b>	<b>935,913</b>	<b>578,451</b>
<b>Total net GHG emissions (scope 1, 2 and 3) - market-based calculation in t CO<sub>2</sub>e<sup>7</sup></b>	<b>1,137,703</b>	<b>914,731</b>	<b>573,539</b>
<b>Gross GHG intensity - location-based calculation per net turnover in t CO<sub>2</sub>e/€</b>	<b>0.000279</b>	<b>0.000271</b>	<b>0.000317</b>
<b>Gross GHG intensity - market-based calculation per net turnover in t CO<sub>2</sub>e/€<sup>7</sup></b>	<b>0.000273</b>	<b>0.000265</b>	<b>0.000314</b>

1 The data presented contain uncertainties and should currently be seen as an indication with respect to Scope 3 emissions. Explanations on greenhouse gas accounting, including the data concepts and calculation methods applied, can be found on page 130 et seq. of this Non-financial Statement.

2 Preparation based on the GHG Protocol (Corporate Accounting and Reporting Standard 2004 and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2011).

3 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.

4 Excluding GHG emissions from fleet fuel consumption.

5 Fugitive emissions data currently only collected in Göttingen and Yauco.

6 The data for fiscal 2021 was restated in fiscal 2022 based on the application of new and complemented data concepts.

7 If a contract-specific emission factor was not available for the market-based calculation method, the location-based emission factor was used in accordance with the GHG Protocol.

8 Excluding GHG emissions from commuting by trainees, interns, and contingent workers.

9 In accordance with the GHG Protocol, this category is reported with zero GHG emissions because Sartorius cannot currently account for it appropriately due to the wide range of options available for further processing the Group's products, each of which has its own specific GHG profile, and because, according to one estimate, it is also not material to the Group's overall GHG accounting.

10 GHG accounting currently covers only products that require electricity to use.

11 This category is reported with zero GHG emissions, as the most relevant shareholding from a GHG perspective has been classified as not material in the financial reporting for fiscal 2022, and the GHG emissions related to this shareholding have also been assessed as not material to the Group's overall GHG accounting, according to an estimate.

## CO<sub>2</sub> Emission Intensity

In fiscal 2022, the Group's CO<sub>2</sub> emission intensity, i.e., the adjusted gross GHG intensity per net turnover, stood at 256 gCO<sub>2</sub>e/€ (previous year: 245 gCO<sub>2</sub>e/€). The value for the base year of 2019 defined for the climate strategy was restated in fiscal year 2022 from 250 gCO<sub>2</sub>e/€ to 308 gCO<sub>2</sub>e/€ due to the application of new and complemented data concepts. The average annual reduction in CO<sub>2</sub> emission intensity from the base year therefore amounted to 6.0% in fiscal 2022. Sartorius plans to further improve and refine its GHG accounting in the coming years, which is why the company will continue to make restatements to previously reported indicators in the future, if necessary. Explanations on greenhouse gas accounting, including the data concepts and calculation methods applied, can be found on page 130 et seq. of this Non-financial Statement.

### CO<sub>2</sub> Emission Intensity

	FY 2022	FY 2021	Base year: FYJ 2019
<b>Adjusted gross GHG intensity - market-based calculation per net turnover in t CO<sub>2</sub>e/€<sup>1</sup></b>	<b>256</b>	<b>245</b>	<b>308<sup>2</sup></b>
<b>Average annual reduction in %</b>	<b>6.0</b>	<b>10.8</b>	<b>n. r.</b>

1 The "Adjusted gross GHG intensity per euro of net turnover – market-based calculation," accounts for instead of the purchased goods and services in the GHG category "Purchased goods and services", only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. This means that the data has been adjusted for warehouse inventories.

2 The data for fiscal 2021 and the base year of 2019 was restated in fiscal 2022 based on the application of new and complemented data concepts.

## Energy Consumption

Total energy consumption increased by 23.6% to 200,715 MWh in fiscal 2022 (previous year: 162,340 MWh). In this context, renewable energy sources accounted for 31.7% of total energy consumption, roughly the same level as in the previous year (30.9%). The Group-wide degree of coverage with certified energy management systems in accordance with ISO 50001 as of December 31, measured against the number of employees, stood at 27.1% (previous year: n.a.). Within the scope of the site-specific energy management systems in accordance with ISO 50001, energy flows such as the energy sources used and energy consumers as well as the energy efficiency status of the largest energy-consuming systems/facilities and processes/activities are systematically identified and evaluated. The data collected can then be used to develop measures that support Scope 1 and Scope 2 emission reductions and to measure their success.

At the Göttingen site, which accounts for almost 50% of total energy consumption and is therefore by far the largest energy consumer in the Group, work was carried out to expand the use of geothermal energy during the fiscal year. The goal is to secure the energy supply and operate a carbon-neutral campus as early as 2030.

**Indicators Energy**

	FY 2022	FY 2021 <sup>1</sup>
<b>Total energy consumption in MWh<sup>2,3</sup></b>	<b>200,715</b>	<b>162,340</b>
<b>Renewable energy consumption in MWh</b>	<b>63,546</b>	<b>50,151</b>
Purchased certified renewable electricity in MWh	62,256	48,669
Self-generated solar energy in MWh	697	775
Purchased geothermal energy in MWh	594	707
Other renewable energy in MWh	0	0
<b>Non-renewable energy consumption in MWh</b>	<b>137,169</b>	<b>112,189</b>
Purchased heating oil in MWh	60,774	52,466
Purchased non-renewable electricity in MWh	53,422	45,094
Purchased district heating in MWh	10,653	6,262
Purchased diesel in MWh	8,797	4,957
Purchased heating oil in MWh	2,490	1,130
Purchased district cooling in MWh	815	1,530
Purchased LPG in MWh	218	751
<b>Total share of renewable energy in %</b>	<b>31.7</b>	<b>30.9</b>
<b>Certified management systems according to ISO 50001</b>		
- Employee coverage as of 31.12. in %	271	n.a.

1 Total energy consumption for the 2021 fiscal year was taken from the 2021 Non-financial Statement and the breakdown into renewable and non-renewable energy consumption as well as the total share of renewable energy was calculated and added retroactively.

2 Preparation of the indicator based on the GRI Standards.

3 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.

## Materials and Circularity

### Ambition

Sartorius sources a wide range of raw materials, consumables, and supplies in order to manufacture its products and product packaging. This includes, in particular, plastic, metal, and electronic components as well as packaging materials.

The aim of a circular economy is to decouple economic growth from environmental pollution by recycling materials, i.e., not only reducing the consumption of resources but also simultaneously reducing the generation of waste, pollution, and greenhouse gas emissions.

For this reason, Sartorius aims to continuously optimize the selection and use of materials along the value chain, thereby improving its products' environmental footprint. This applies to the materials the company uses in terms of type and quantity at the beginning of a product's life, the material intensity on the part of the customer, and how materials are handled at the end of a product's life. To underscore its commitment, Sartorius has also been a signatory of the European Plastics Pact since 2019.

### Concept and Due Diligence Processes

Closed-loop operations pose significant challenges to the specialized biopharmaceutical industry in which Sartorius operates. This is mainly due to the high standards of quality the products must meet, as they are used in the medical field.

Sartorius generates a large share of its turnover with presterilized products made predominantly of plastic, which are often used by customers to manufacture a single production batch. The overall environmental

footprint of these plastic products is often better because less energy and water are required to produce the production batch. As such, the use of these plastic products can help customers improve their environmental footprint.

Nevertheless, Sartorius believes there is potential for improvement and, in particular, is looking for ways to increase the circularity of plastics along the product life cycle in line with the “New Plastics Economy Global Commitment” vision. The aim here is to reduce the resources required to a minimum and to promote effective and practicable recycling or to increase production output using the same amount of resources.

In this context, a holistic understanding of products that encompasses, for example, their material composition, manufacturing, transportation, use, and end-of-life handling is essential. Starting fiscal 2023, the Group intends to conduct life cycle assessments (LCAs) in accordance with recognized standards and industry practices as a decision-making tool during the course of developing or updating products, packaging, and processes in order to analyze and evaluate the relevant environmental impacts.

To optimize the use of materials and improve circularity, the divisions and business units have launched various initiatives, projects, individual measures, and collaborations for which a number of different functions are responsible.

With respect to waste management, Sartorius is working along the a five-step approach to the waste hierarchy, particularly on waste avoidance and recycling. To this end, Sartorius already makes efforts to reduce waste during the production process. This primarily applies to bag, membrane, and cartridge production. At the Aubagne site, plastic waste is sorted directly on the factory premises in order to recycle the scraps for reuse in other processes. The Environment, Health, and Safety (EHS) Department is responsible for waste management.

### Results of the Concept

The total volume of waste generated increased by 64.5% to 18,581 tons (previous year: 11,295 tons). This was due to the generation of captured process wastewater and its appropriate disposal at our Yauco site. The volume of waste classified as hazardous under local legislation increased by 11.1% to 3,593 tons (previous year: 3,235 tons). Hazardous waste is primarily generated in membrane production due to the use of solvents. The total waste recycling rate stood at 28.8%, and therefore decreased due to the overall increase in the volume of waste (previous year: 44.2%).

The Group continued its initiative to reduce the use of plastics in fiscal 2022, along with various projects focused on reducing packaging waste, recycling production waste, and product end-of-life strategies. Plastic waste increased by 1.3% to 2.113 t (previous year: 2.087 t). At the same time, the plastic recycling rate increased by 0.8 percentage points to 75.4% (previous year: 74.5%).

**Indicators Waste Generation**

	FY 2022	FY 2021 <sup>1</sup>
<b>Total waste generation in t<sup>2,3</sup></b>	<b>18,581</b>	<b>11,295</b>
<b>Hazardous waste in t</b>	<b>3,593</b>	<b>3,235</b>
Recycled hazardous waste in t <sup>4,5</sup>	456	527
<b>Non-hazardous waste in t</b>	<b>14,988</b>	<b>8,060</b>
Recycled non-hazardous waste in t <sup>4,5</sup>	4,894	4,464
<b>Total waste recycling quota in %<sup>3,4</sup></b>	<b>28.8</b>	<b>44.2</b>

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement.

2 Preparation of the indicator based on the GRI Standards.

3 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.

4 Waste recycling is defined as the processing of products, components, and materials for reuse.

5 Waste is classified as hazardous in accordance with the respective local legislation.

**Indicators plastic waste**

	FY 2022	FY 2021 <sup>1</sup>
<b>Plastic waste in t<sup>2</sup></b>	<b>2,113</b>	<b>2,087</b>
Recycled plastic waste in t <sup>2</sup>	1,593	1,555
<b>Plastic recycling quota in %<sup>2</sup></b>	<b>75.4</b>	<b>74.5</b>

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement, and the quantity of recycled plastic waste and plastic waste recycling rate were calculated and added retroactively.

2 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.

## Water and Wastewater

**Ambition**

At Sartorius, water is primarily used in the Bioprocess Solutions Division for membrane production and modification. The manufacturing processes for membranes and membrane products are optimized to minimize the use of rinsing water. Organic solvents are processed and for the most part, recycled. The goal is to ensure compliance with applicable regulations during the use and handling of hazardous materials. The company aims to avoid the use of critical substances when developing new products.

**Concept and Due Diligence Processes**

Distillation plants have been installed at the relevant consumption sites, such as Göttingen and Yauco, and are intended to ensure an almost closed solvent cycle. In addition, the Yauco and Bangalore sites have a cistern system that harnesses collected rainwater for various applications.

The company monitors its use of hazardous substances, for example on the basis of the REACH candidate list and comparable other lists of substances.

The Environment, Health, and Safety (EHS) Department is responsible for managing the use of water and hazardous substances throughout the Group. EHS managers at the sites are responsible for local environmental management. Within the framework of the local environmental management systems, the company evaluates environmental aspects such as water and wastewater loads, and initiates and follows up on improvement measures.

## Results of the Concept

As of December 31, the degree of coverage with certified energy management systems in accordance with ISO 14001, measured against the number of employees, stood at 53.6% (previous year: n.a.).

Water withdrawals for fiscal 2022 totaled 701,568 m<sup>3</sup> (previous year: 692,672 m<sup>3</sup>). Of this total, the majority, 95.9% (previous year: 95.7%), came from public water supplies and 67.6% from areas suffering from water stress (previous year: 69.7%).

### Indicators Water and Waste Water

	FY 2022	FY 2021 <sup>1</sup>
<b>Total water withdrawal in m<sup>3,2,3</sup></b>	<b>701,568</b>	<b>692,672</b>
Third-party water in m <sup>3</sup>	672,630	663,156
Ground water in m <sup>3</sup>	19,119	18,979
Surface water m <sup>3</sup>	9,820	10,536
<b>Total water withdrawal from water stress areas in %<sup>4</sup></b>	<b>67.6</b>	<b>69.7</b>
<b>Certified management systems according to ISO 14001</b>		
- Employee coverage as of 31.12. in %	53.6	n.a.

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement.

2 Preparation of indicator based on the GRI Standards.

3 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.

4 Water withdrawals from areas under water stress are defined as those from areas where the level of water stress has been classified as "high" (40 – 80%) or "very high" (>80%) according to the Aqueduct Water Risk Atlas published by the World Resources Institute (WRI).

## Social Responsibility

### Ambition

In light of the Group's intention to continue growing, recruiting new employees and retaining existing ones is a strategic priority for Sartorius. To this end, creating an attractive, fair, and safe working environment is key. As a signatory to the UN Global Compact, the Group is also committed to respecting fundamental human rights within its own sphere of influence.

### Concept and Due Diligence Processes

#### Human Rights and Labor Standards

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

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



The company monitors compliance with the provisions of the Code as part of its compliance management system, for example through regular audits by the Group Auditing Department. Once a year, a report is submitted to the responsible Supervisory Board committee or, if this committee does not include employee representatives, to the local employee representative body. Further information on the compliance management system can be found in the corporate governance statement on page 101 et seq. of this annual report.

In addition, a centralized process for assessing the sustainability of the sites was introduced in fiscal 2022 that is also used to review compliance with the human rights requirements set out in the Sartorius Code of Conduct. For this purpose, the sites are externally audited by an accredited organization in accordance with Pharmaceutical Supply Chain Initiative (PSCI) standards. The PSCI has established itself as an initiative in the pharmaceutical industry to promote sustainability throughout the value chain. In a rolling process, a defined number of sites selected on the basis of risk are reviewed each year.

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

#### Diversity

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

#### Employability

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

Annual performance reviews between employees and their managers provide a forum for discussing performance, targets, and individual development opportunities. Various training opportunities exist throughout the Group, such as self-learning opportunities, targeted management development and mentoring programs, and also opportunities to work abroad.

#### Satisfaction

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

In fiscal 2022, the employee net promoter score, which measures the extent to which employees would recommend Sartorius as an employer, was included as a target in the Executive Board's and management's short-term variable compensation components. Sartorius has set itself the goal of achieving an average annual score of 35, which is considered good in HR circles.

#### Results of the Concept

In fiscal 2022, Sartorius had 15,942 employees, 15.3% more than in the previous year (13,832). Similar to the previous year, 38.9% of the workforce were women (previous year: 39.3%) and the majority of employees were between the ages of 30 and 49, accounting for 58.8% of the workforce (previous year: 57.2%). The average age and length of employment were almost unchanged from the previous year, at 39.2 years (previous year: 39.1 years) and 6.6 years (previous year: 6.7 years), respectively. A total of 5.6% of employees worked part-time (previous year: 7.0%).

In fiscal 2022, five external sustainability-related site audits were carried out in accordance with PSCI standards, which included an assessment of compliance with human rights. The percentage of employees covered by site audits stood at 38.5% (previous year: n.a.).

Certified occupational safety management systems covered 6.9% of employees (previous year: n.a.). Across the Group, 5.8 work-related injuries occurred per million hours worked. The previous year's figure was restated from 6.3 to 4.4 due to a significant internal reporting error by a Group company. This means that 31.8% more injuries occurred per million hours worked than in the previous year. Three work-related injuries with serious consequences were documented in fiscal 2022 (previous year: 0). These are defined as work-related injuries that cause, or are likely to cause, more than six months of lost time. Similar to the previous year, none of the work-related injuries were fatal (previous year: 0).

A total of 232,699 training hours (previous year: 167,600 hours) was invested. This is equivalent to an average of 14.8 training hours per employee (previous year: 12.2 hours).

The fluctuation rate increased to 9.2% (previous year: 8.4%) and new hires rate decreased to 22.9% (previous year: 31.7%).

The employee net promoter score for the year stood at 29.2 on average, an increase over the previous year (previous year: 27.4). The score therefore is trending towards the defined target of 35. This was also due to the implementation of measures at the team level which employees had indicated were necessary in the survey.

**Indicators Social Responsibility**

	FY 2022	FY 2021 <sup>1</sup>
<b>Total employees as of 31.12.</b>	<b>15,942</b>	<b>13,832</b>
Women in %	38.9	39.3
Age group ≤ 29 years in %	20.8	22.2
Age group 30 – 49 years in %	58.8	57.2
Age group ≥ 50 years in %	20.4	20.6
Part-time in %	5.6	7.0
Average age	39.2	39.1
Women in management positions in %	32.9	32.2
<b>Average years of tenure as of 31.12.</b>	<b>6.6</b>	<b>6.7</b>
Women	6.1	6.2
Men	6.8	7.0
≤ 4 years in %	61.1	59.0
5–14 years in %	25.5	27.0
≥ 15 years in %	13.4	14.0
<b>External sustainability-related site audits (PSCI audits)</b>	<b>5</b>	<b>n.a.</b>
Employee coverage in %	38.5	n.a.
<b>Certified management systems according to ISO 45001</b>		
- Employee coverage as of 31.12. in %	6.9	n.a.
<b>Work-related injuries<sup>2,3,4,5</sup></b>	<b>159</b>	<b>104<sup>5</sup></b>
<b>Work-related injuries per million hours worked<sup>3,4,5</sup></b>	<b>5.8</b>	<b>4.4<sup>5</sup></b>
<b>Work-related injuries with a serious outcome<sup>2,3,4,6</sup></b>	<b>3</b>	<b>0</b>
<b>Fatal work-related injuries<sup>2,3,4</sup></b>	<b>0</b>	<b>0</b>
<b>Total training hours<sup>4</sup></b>	<b>232,699</b>	<b>167,600</b>
<b>Total average training hours per employee<sup>4</sup></b>	<b>14.8</b>	<b>12.2</b>
Women <sup>4</sup>	15.2	12.5
Men <sup>4</sup>	14.5	12.1
<b>Total fluctuation rate in %</b>	<b>9.2</b>	<b>8.4</b>
Women	10.1	9.6
Men	8.5	7.6
Age group ≤ 29 years in %	13.3	13.3
Age group 30 – 49 years in %	7.8	6.7
Age group ≥ 50 years in %	8.9	7.9
<b>Total new hires rate in %</b>	<b>22.9</b>	<b>31.7</b>
Women	24.2	33.4
Men	22.1	30.5
Age group ≤ 29 years in %	44.2	65.2
Age group 30 – 49 years in %	20.1	25.5
Age group ≥ 50 years in %	9.4	12.7
<b>Employee Net Promoter Score</b>	<b>29.2</b>	<b>27.4</b>

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement. This does not apply to total employees broken down by age group, average age, and women in management positions, and employee net promoter score. This data was calculated and added retroactively.

2 Preparation of indicator based on the GRI Standards.

3 This figure includes all work-related injuries that go beyond requiring basic first aid, i.e., requiring a visit to the doctor; it does not include commuting injuries; it does not include work-related injuries of trainees, interns, and contingent workers.

4 Excluding the companies newly acquired in the reporting year.

5 Due to a significant reporting error by a Group company, the data for fiscal 2021 has been restated. Fewer work-related injuries occurred than previously reported.

6 Serious work-related injuries are those that have caused or will cause 6 months of lost time.

## Corporate Governance

### Ambition

Corporate governance aligned with the interests of stakeholders, lawful and responsible conduct, and constructive collaboration between the managerial bodies and within the company in a spirit of mutual trust constitute the essential cornerstones of Sartorius' corporate culture.

### Concept and Due Diligence Processes

Corporate governance is based on the requirements defined in the German Corporate Governance Code. The corporate governance statement and declaration of compliance can be found on page 93 et seq. of this annual report.

Through its global compliance management system, Sartorius aims to ensure that the members of its individual boards, executives, and employees comply with all legal regulations and codes and perform their activities in accordance with the company's internal guidelines. The basic principles of the compliance management system, which, in essence, is based on Sartorius' global Code of Conduct, are also explained in the corporate governance statement on page 101 et seq.

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

### Results of the Concept

In fiscal 2022, 11,883 employees (previous year: 9,143 employees) completed the Code of Conduct training and 12,154 employees (previous year: 9,341 employees) completed the Anti-Corruption Code training. This represents 75.6% and 77.4% of the total employees, respectively.

#### Indicators corporate governance

	FY 2022	FY 2021 <sup>1</sup>
<b>Employees who completed training on Code of Conduct<sup>2</sup></b>	<b>11,883</b>	<b>9,143</b>
Employee coverage in % <sup>2</sup>	75.6	66.8
<b>Employees who completed training on anti-corruption code<sup>2</sup></b>	<b>12,154</b>	<b>9,341</b>
Employee coverage in % <sup>2</sup>	77.4	68.2

<sup>1</sup> The data for fiscal 2021 was taken from the 2021 Non-financial Statement. This does not apply to the employee coverage rate. This was calculated and added retroactively.

<sup>2</sup> Excluding the companies newly acquired in the reporting year.

## Sustainability in the Supply Chain

### Ambition

With roughly 8,000 suppliers from more than 40 countries and a purchasing volume equivalent to more than 40% of turnover, Sartorius' supply chain plays a significant role in the company's sustainability transformation. For this reason, the Group expects suppliers and their suppliers to comply with sustainability standards and to promote sustainability.

### Concept and Due Diligence Processes

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

This Code of Conduct has been binding for new suppliers since 2019. Both new and existing suppliers are required to sign the updated Code of Conduct.

In fiscal 2022, Sartorius introduced a standardized, multi-stage process to assess supplier sustainability. This is based on internal and external information and requires corrective measures to be taken in the event of non-compliance. In order to discuss the results, the Bioprocess Solutions Division has already set up a risk committee in the current fiscal year, and the results are reported to this committee on a regular basis.

The new supplier evaluation process involves reviewing compliance with sustainability requirements using self-assessments based on standardized questionnaires via recognized sustainability platforms. For selected suppliers, Sartorius engages independent on-site sustainability audits by external third parties. Furthermore, sustainability aspects are also part of the on-site quality audits conducted by Sartorius itself.

The sourcing departments are responsible for ensuring that suppliers are bound by the Code of Conduct and for verifying compliance with the requirements. The quality departments are responsible for carrying out the quality audits.

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

### Results of the Concept

In November 2022, the Bioprocess Solutions Division held a workshop with more than 50 selected, international suppliers at its main site in Göttingen to discuss, among other issues, the topics of climate change mitigation and the implementation of Germany's Supply Chain Due Diligence Act (LkSG) and thereby make further progress in these areas.

As of December 31, 2022, 441 suppliers had signed the updated 2022 Code of Conduct for Business Partners (previous year: n.a.). This means that suppliers that have signed the 2022 Code of Conduct account for 12% of Sartorius' total purchasing volume (previous year: n.a.). In addition, the company has received a total of 654 valid sustainability-related supplier self-assessments (previous year: 110). This means that suppliers that have submitted a self-assessment account for 49% of Sartorius' total purchasing volume (previous year: n.a.). Furthermore, the company carried out 125 of its own quality-related supplier audits that included sustainability aspects (previous year: 107). External sustainability audits have not yet been carried out at any suppliers' sites, as the process was newly introduced in fiscal 2022.

The Bioprocess Solutions Division already completed the sustainability assessment for strategic suppliers in fiscal 2022. The company has since analyzed the results and, on this basis, defined corrective measures that are currently being implemented. In addition, Sartorius has begun the assessment of its nonstrategic suppliers.

**Indicators Supply Chain**

	FY 2022	FY 2021 <sup>1</sup>
<b>Suppliers having signed the Code of Conduct for Business Partners 2022</b>	<b>441</b>	<b>n.a.</b>
Coverage purchasing volume in %	12	n.a.
<b>Sustainability-related supplier self-assessments as of 31.12.<sup>2</sup></b>	<b>654</b>	<b>110</b>
Coverage purchasing volume in % <sup>2</sup>	49	n.a.
<b>External sustainability-related supplier audits</b>	<b>0</b>	<b>n.a.</b>
Coverage purchasing volume in %	0	n.a.
<b>Own quality-related supplier audits, which include sustainability aspects</b>	<b>125</b>	<b>107</b>

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement.

2 Includes the available sustainability-related self-assessments via recognized sustainability platforms which, according to the platform, are valid as of the reporting date or whose validity date is not older than two years.

## Disclosures Pursuant to the EU Taxonomy Regulation

The EU taxonomy is a classification system for determining environmentally sustainable economic activities in the real economy, combined with specific disclosure requirements for companies.

These relate to taxonomy-eligible and taxonomy-aligned turnover, capital expenditures, and operating expenditures with respect to the EU's six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

In accordance with the simplified procedure granted by the EU Commission, the disclosure requirement for fiscal 2021 was initially limited to taxonomy-eligible turnover, capital expenditures, and operating expenditures for the environmental objectives of climate change mitigation and climate change adaptation. In this context, the economic activities described in the Delegated Acts are considered to be taxonomy-eligible, as they make a substantial contribution to the achievement of the EU's environmental objectives. Companies are required to disclose taxonomy-aligned turnover, capital expenditures, and operating expenditures for the first time for fiscal year 2022. Economic activities that meet the technical screening criteria and the minimum safeguards criteria are considered to be taxonomy-aligned.

The following disclosures constitute the mandatory disclosures required of the Sartorius Group in accordance Article 8 of the EU Taxonomy Regulation 2020/852 for fiscal 2022.

## Special Notes on Reporting

### Legal Framework

Preparation of the required disclosures was fundamentally associated with uncertainties for Sartorius, in particular because a number of unanswered questions currently still exist regarding the definition of taxonomy-eligible economic activities, the interpretation of the technical screening criteria and the minimum safeguard criteria, which have not yet been conclusively answered by the EU Commission. The company has taken information into account that was available through January 31, 2023.

### Materiality approach

Capital expenditures and operating expenditures were disclosed on the basis of materiality thresholds. Economic activities that accounted for less than 1% of total taxonomy-eligible capital expenditures and operating expenditures were qualitatively assessed in terms of their significance for Sartorius. Amounts classified as immaterial have been reported as not taxonomy-eligible and therefore were not subject to further assessment for taxonomy alignment. This applies to capital expenditures and operating expenditures related to activities 4.1 "Electricity generation using solar photovoltaic technology", 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", and 8.1 "Data processing, hosting and related activities".

Since Sartorius did not recognize any capital expenditures and only immaterial operating expenditures related to fossil gas in fiscal 2022 for the economic activities described in EU Commission Delegated Regulation 2022/1214 and in Annex XII, the reporting pursuant to Annex XII of EU Commission Delegated Regulation 2021/2178 does not apply.

### Procedure for Determining Taxonomy Alignment ("Compliance Assessment")

Sartorius used a three-step process to determine which turnover, capital expenditures, and operating expenditures were taxonomy-aligned:

- **Determination of Basically Taxonomy-Eligible Economic Activities:** The process of determining the Group's economic activities that are basically taxonomy-eligible was carried out separately for the breakdown of turnover as well as capital expenditures and operating expenditures. The results are each described in the following sections on taxonomy-aligned turnover, capital expenditures, and operating expenditures, respectively.
- **Assessment of Compliance with the Technical Screening Criteria:** Compliance with the technical screening criteria, which include assessing whether the contribution to an EU environmental objective is substantial ("Substantial contribution" – SC) and whether the other EU environmental objectives are not significantly harmed ("Do no significant harm" – DNSH), was determined by means of a survey of the relevant Group companies. The results are described in each of the following sections. With respect to the EU environmental objective "adaptation to climate change", the company's economic activities were generally not found to make a significant contribution.
- **Assessment of Compliance with the Minimum Safeguards:** Sartorius assessed and determined compliance with the minimum safeguards criteria based on the recommendations contained in the *Final Report on Minimum Safeguards* published by the European Platform on Sustainable Finance in October 2022 for the following four topics as follows:

**Taxes:** In this regard, the Group particularly refers to the existing Group-wide risk management system, which is described in the "Risk and Opportunities" section of this Annual Report starting on page 70 et seq. Responsibility for tax compliance generally lies with the local management of the individual Group companies. These are supported by both local tax consulting firms and the central Group Tax Department. A system of various measures, such as monitoring local regulations (filing deadlines, tax rates, etc.) and tax risks, ensures that information is collected within the Group and reported to the Executive Board accordingly.

**Corruption and Bribery:** In this regard, the Group refers to the existing Group-wide compliance management system, which is described in the "Corporate Governance Report" section of this Annual Report starting on page 102 et seq.

**Fair Competition:** In this regard, the Group would like to refer to the existing Group-wide compliance management system, which is described in the “Corporate Governance Report” section of this Annual Report starting on page 101 et seq.

**Human Rights:** With respect to the required human rights due diligence system in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, the Group refers to the existing measures for its own sites and direct and indirect suppliers described in this Non-financial Statement, which can be found in the “Social Responsibility” and “Sustainability in the Supply Chain” sections, respectively. Sartorius’ human rights due diligence system does not extend to customer relationships, as the Group has not identified any relevant areas of risk stemming from Sartorius’ products and services. Since the taxonomy-aligned capital expenditures and operating expenditures reported below for fiscal 2022 relate to Germany, Sartorius has assessed and determined the effectiveness of the system exclusively within this framework.

### Avoiding Double Counting

Sartorius currently allocates the amounts listed below exclusively to the environmental objective of climate change mitigation. Furthermore, the individual economic activities reported for capital expenditures and operating expenditures are not interrelated. This approach eliminates double counting.



## Turnover from Taxonomy-Eligible and Taxonomy-Aligned Economic Activities

The turnover pursuant to Section 1.1.1. of the Delegated Act on Article 8 of the EU Taxonomy Regulation corresponds to the figure reported on the Statement of Profit or Loss for the fiscal year in question on p. 168 of this Annual Report, which was determined on the basis of the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements.

In fiscal 2022, the Sartorius Group did not generate any turnover from the economic activities specified in the Delegated Acts for climate change mitigation and climate change adaptation. So far, the legislation only addresses particularly relevant economic activities for the achievement of the environmental objectives in the field of climate change mitigation and climate change adaptation, meaning that only a limited range of industries is covered. As a result, Sartorius does not have any taxonomy-eligible economic activities for which it would currently have been possible to assess compliance with the technical screening criteria.

Accordingly, taxonomy-aligned turnover accounted for 0% of total consolidated turnover in fiscal 2022 (previous year: n.a.).

				SC <sup>1</sup>			DNSH <sup>2</sup>					Taxonomy-aligned proportion of turnover		
	NACE code	Turnover	Proportion of turnover	Climate protection	Climate protection	Climate adaptation	Water protection	Pollution	Circularity	Biodiversity	Minimum safeguards	FY 2022	FY 2021	Category
Economic activities		€ in million	in %	in %	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	in %	in %	E/T <sup>3</sup>
A. Taxonomy-eligible economic activities														
A.1. Environmentally sustainable activities (taxonomy-aligned)														
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)	n.a.	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	n.a.	n.a.
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)														
Turnover of taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	n.a.	0	0											
Total (A.1. + A.2.)	n.a.	0	0											
B. Taxonomy-non-eligible economic activities														
Turnover of taxonomy-non-eligible activities (B)	n.a.	4,174.7	100											
Total (A + B)	n.a.	4,174.7	100											

1 SC stands for "substantial contribution"

2 DNSH stands for "do no significant harm"

3 E stands for "enabling"; T stands for "transitional"

## Capital Expenditures for Taxonomy-Eligible and Taxonomy-Aligned Economic Activities

Capital expenditures in accordance with Section 1.1.2. of the Delegated Act on Article 8 of the EU Taxonomy Regulation consisted of gross additions to tangible and intangible fixed assets in the reporting year, including additions from business acquisitions. In this context, goodwill is not taken into account. Capital expenditures were measured on the basis of the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements. Capital expenditures correspond to the sum of the amounts recognized in the notes to the consolidated financial statements from investments and additions from acquisitions, in the sections "15. Other intangible assets" on page 197, "16. Property, plant and equipment" on page 200 et seq., and "17. Leases" on page 201 et seq.

The analysis of these capital expenditures revealed that the Sartorius Group incurs such expenditures that relate to the purchase of products or services (letter c under Section 1.1.2.2 of the Delegated Act on Article 8 of the EU Taxonomy Regulation) from the following taxonomy-eligible economic activities:

- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles
- Activity 7.7: Acquisition and ownership of buildings

Sartorius' assessment of compliance with the technical screening criteria for these taxonomy-eligible economic activities resulted in the conclusion that the taxonomy-eligible amounts for Activity 6.5 cannot be designated as taxonomy-aligned due to a lack of information supporting compliance with the DNSH criteria for the EU environmental objective "pollution prevention and control." Capital expenditures on vehicles already include numerous e-cars. This means that the company has met key EU taxonomy criteria, for example with regard to CO<sub>2</sub> emissions. Sartorius could not, however, provide full evidence that other requirements, including the mandatory EU tire labels, had been met.

With respect to Activity 7.7, compliance with the technical screening criteria could only be determined for the company's buildings in Germany. This assessment was carried out on the basis of existing and planned certifications by the German Sustainable Building Council (DGNB) and energy performance certificates, among other data. Sartorius was able to successfully evaluate the SC and DNSH criteria for most of the buildings in Germany.

As such, taxonomy-aligned capital expenditures accounted for 13% of all capital expenditures in fiscal 2022 (previous year: n.a.).

100% of the company's capital expenditures consist of additions recognized in accordance with IAS 16, IAS 38, IAS 40, and IFRS 16.

Economic activities	NACE code	Capital expenditures € in million	Proportion of capital expenditures in %	SC <sup>1</sup>			DNSH <sup>2</sup>					Taxonomy-aligned proportion of capital expenditures		Category	
				Climate protection	Climate protection	Climate adaptation	Water protection	Pollution	Circularity	Biodiversity	Minimum safeguards	FY 2022	FY 2021		
				in %	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	Yes / no	in %	in %		E/T <sup>3</sup>
A. Taxonomy-eligible economic activities															
A.1. Environmentally sustainable activities (taxonomy-aligned)															
7.7. Acquisition and ownership of buildings	n.a.	110.5	13	100	Ja	Ja	Ja	Ja	Ja	Ja	Ja	13	n.a.	E	
Capital expenditures of environmentally sustainable activities (taxonomy-aligned) (A.1.)	n.a.	110.5	13	100								13	n.a.		
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)															
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	n.a.	7.8	1												
7.7. Acquisition and ownership of buildings	n.a.	180.2	21												
Capital expenditures for taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	n.a.	188.0	22												
Total (A.1. + A.2.)	n.a.	298.5	34 <sup>4</sup>												
B. Taxonomy-non-eligible economic activities															
Capital expenditures for taxonomy-non-eligible activities (B)		569.6	66												
Total (A + B)		868.1	100												

1 SC stands for "substantial contribution"

2 DNSH stands for "do no significant harm"

3 E stands for "enabling"; T stands for "transitional"

4 Figure rounded down due to mathematical constraints

## Operating expenditures for Taxonomy-Eligible and Taxonomy-Aligned Economic Activities

Operating expenditures as defined in Section 1.1.3. of the Delegated Act on Article 8 of the EU Taxonomy Regulation include all direct, non-capitalized costs associated with research and development, renovation measures, short-term leases, and maintenance and repair.

The analysis of these operating expenditures revealed that the Sartorius Group incurs such expenses that relate to the purchase of products or services (letter c under Section 1.1.3.2 of the Delegated Act on Article 8 of the EU Taxonomy Regulation) from the following taxonomy-eligible economic activities:

- Activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles
- Activity 7.7: Acquisition and ownership of buildings

The associated operating expenditures were allocated based on the capital expenditures determined to be taxonomy-aligned. At Sartorius, this only includes the costs associated with renovating and maintaining buildings.

As such, taxonomy-aligned operating expenditures accounted for 1% of all operating expenditures in fiscal 2022 (previous year: n.a.).

Economic activities	NACE code	Operational expenditures € in million	Proportion of operating expenditures in %	SC <sup>1</sup>		DNSH <sup>2</sup>					Taxonomy-aligned proportion of operating expenditures		Category		
				Climate protection in %	Climate protection Yes / no	Climate adaptation Yes / no	Water protection Yes / no	Pollution Yes / no	Circularity Yes / no	Biodiversity Yes / no	Minimum safeguards Yes / no	FY 2022 in %		FY 2021 in %	
A. Taxonomy-eligible economic activities															
A.1. Environmentally sustainable activities (taxonomy-aligned)															
7.7. Acquisition and ownership of buildings	n.a.	2.1	1	100	Ja	Ja	Ja	Ja	Ja	Ja	Ja	1	n.a.	E	
Operating expenditures of environmentally sustainable activities (taxonomy-aligned) (A.1.)	n.a.	2.1	1	100								1	n.a.		
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)															
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	n.a.	3.4	2												
7.7. Acquisition and ownership of buildings	n.a.	27.5	16												
Operating expenditures for taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	n.a.	30.9	18												
Total (A.1. + A.2.)	n.a.	33.0	19												
B. Taxonomy-non-eligible economic activities															
Operating expenditures for taxonomy-non-eligible activities (B)		141.3	81												
Total (A + B)		174.3	100												

1 SC stands for "substantial contribution"

2 DNSH stands for "do no significant harm"

3 E stands for "enabling"; T stands for "transitional"

# Notes on the Calculation of GHG Emissions

## Applied Standards

GHG emissions are accounted for and reported based on the mandatory disclosures set out in the GHG Protocol's 2004 Corporate Accounting and Reporting Standard and 2011 Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Operational control was selected as the consolidation approach.

## Data Concepts

Accounting of Scope 1 and 2 GHG emissions and Scope 3 categories in the upstream value chain is carried out on the basis of calculations. Accounting of Scope 3 categories in the downstream value chain is carried out on the basis of models that include a number of assumptions and estimates. The company's own data was used for most of these calculations and models. Accounting for the GHG categories "Upstream transportation and distribution" and "Downstream transportation and distribution" was based on data reported by carriers. The data concepts used for fiscal 2022 accounting are described in more detail below for each GHG category.

### Scope 1

Fuel consumption and fugitive emissions for solvents and refrigerants were multiplied by a specific emission factor.

### Scope 2

The consumption of electricity, heating, and cooling was multiplied by a specific emission factor.

### Scope 3

#### ▪ Category 1: "Purchased goods and services"

The weight or grouped operating expenditures for purchased goods and services was multiplied by a specific emission factor.

The "Adjusted gross GHG intensity per euro of net turnover – market-based calculation" (also referred to as "CO<sub>2</sub> emission intensity," see "Climate" section), accounts for instead of the purchased goods and services in the GHG category "Purchased goods and services", only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. This means that the data has been adjusted for warehouse inventories.

#### ▪ Category 2: "Capital goods"

The grouped capital expenditures for goods and services were multiplied by a specific emission factor.

- **Category 3: “Fuel- and energy-related activities (not included in Scope 1 and 2)”**

The fuel and energy consumption used to calculate Scope 1 and 2 GHG emissions was each multiplied by specific emission factors.

- **Category 4: “Upstream transportation and distribution”**

GHG emissions reported by the largest carriers were accounted for and logistics expenditures not covered by this method were multiplied by an average spend-based emission factor.

- **Category 5: “Waste generated in operations”**

The amount of waste generated was multiplied by emission factors specific to each material and method of disposal.

- **Category 6: “Business travel”**

The recorded train, airplane, and rental car routes as well as the number of nights spent in hotels were each multiplied by specific emission factors. Routes and nights spent in hotels that were not recorded were estimated in each case and also multiplied by a specific emission factor.

- **Category 7: “Employee commuting”**

The average distance employees commuted per day was extrapolated based on the number of employees and scaled using on-site attendance days and estimated work weeks, and the result was multiplied by emission factors specific to each method of transportation.

- **Category 8: “Upstream leased assets”**

No GHG emissions were accounted for in the category “Upstream leased assets” because energy consumption is fully controlled by Sartorius and the corresponding emissions are therefore already presented in Scope 1 and 2.

- **Category 9: “Downstream transportation and distribution”**

GHG emissions accounted for in the “Upstream transportation and distribution” category were multiplied by an estimated factor for the ratio of paid to unpaid transportation activities to customers in a warehouse selected based on data availability.

- **Category 10: “Processing of sold products”**

In accordance with the GHG Protocol, this category is reported with zero GHG emissions because Sartorius cannot currently account for it appropriately due to the wide range of options available for further processing the Group’s products, each of which has its own specific GHG profile, and because, according to one estimate, it is also not material to the Group’s overall GHG accounting.

- **Category 11: “Use of sold products”**

Turnover generated with energy-consuming product groups was multiplied by specific energy factors determined on the basis of representative products. The resulting total energy consumption of the products sold was multiplied by a global emission factor for electricity.

- **Category 12: “End-of-life treatment of sold products”**

Sartorius applied the global disposal method mix to the estimated weight of products sold (see the “What a waste 2.0” study, 2018 World Bank Report) and multiplied each by emission factors specific to the material and the disposal method.

- **Category 13: “Downstream leased assets”**

No GHG emissions were accounted for in the category “Downstream leased assets” because energy consumption is fully controlled by Sartorius and the corresponding emissions are therefore already presented in Scope 1 and 2.

- **Category 14: “Franchises”**

No GHG emissions were accounted for in the “Franchises” category because Sartorius does not currently distribute its products through franchises.

- **Category 15: “Investments”**

This category is reported with zero GHG emissions, as the most relevant shareholding from a GHG perspective has been classified as not material in the financial reporting for fiscal 2022, and the GHG emissions related to this shareholding have also been assessed as not material to the Group’s overall GHG accounting, according to an estimate.

## Emission Factors

For GHG accounting, emission factors from Defra (version 10.0, 09/2021), Gabi (version 13.0, 12/2020), Ecometrica (version 2022), Ecoinvent (version 3.9, 2022), the EPA (US Environmental Protection Agency, version 3.0, 12/2021), VfU (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V., Version 04/2016), the GHG Protocol/IEA (Version 15.0, 05/2021), and other factors such as self-calculated average factors were applied.

## Outlook

Sartorius has set itself the goal of strategically managing GHG emissions. To this end, the company plans to further improve and refine its GHG accounting in the coming years. The factors for internal steering shall be better reflected in the current calculation approaches. For this purpose, Sartorius particularly intends to change the data collection concepts in the largest GHG categories for the upstream value chain, in particular the categories “Purchased goods and services” and “Upstream transportation and distribution,” from the spend-based calculation method to a impact-based calculation method. It is likely that GHG emissions are currently being overestimated using the spend-based method. This switch will therefore increasingly eliminate the current uncertainties in the data.



# Independent Assurance Practitioner's Report<sup>1</sup>

## To Sartorius AG, Göttingen

We have performed an independent limited assurance engagement on the Non-financial Group Statement of Sartorius AG, Göttingen (further „Sartorius“ or the “Group”) as well as the by reference qualified parts “Business Model, Strategy and Targets” and “Opportunities and Risks” of the group management report (further: „Non-Financial Statement”) for the business year from January 1, 2022 to December 31, 2022.

In the Non-Financial Statement Sartorius refers to the corporate governance statement and the declaration of compliance. The adequacy of these declarations and the accuracy of the conclusions drawn therefrom were not part of our limited assurance engagement.

## Responsibility of the Legal Representatives

The legal representatives of Sartorius AG are responsible for the preparation of the Non-Financial Statement for the business year from January 1, 2022 to December 31, 2022 in accordance with Sections 315c in conjunction with 289c to 289e HGB [Handelsgesetzbuch: German Commercial Code] and with Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (further „EU Taxonomy Regulation”) and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section “Disclosures Pursuant to the EU Taxonomy Regulation” of the Non-Financial Statement.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Non-Financial Statement and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for such internal control as they consider necessary to enable the preparation of the Non-Financial Statement in a way that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

The EU Taxonomy Regulation and the supplementing Delegated Acts contain wording and terms that are still subject to substantial uncertainties regarding their interpretation and for which not all clarifications have been published yet. Therefore, the legal representatives have included a description of their interpretation in Section “Disclosures Pursuant to the EU Taxonomy Regulation” of the Non-Financial Statement. They are responsible for its tenability. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

<sup>1</sup> Our engagement applied to the German version of the Report. This text is a translation of the Independent Assurance Report issued in German language, whereas the German text is authoritative.

## Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer, IDW*) regarding quality assurance requirements in audit practice (IDW QS 1).

## Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Non-Financial Statement of the Group for the business year from January 1, 2022 to December 31, 2022 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section "Disclosures Pursuant to the EU Taxonomy Regulation" of the Non-Financial Statement.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Obtaining an understanding of the structure of the Group's sustainability organization and stakeholder engagement.
- A risk assessment, including a media analysis, of relevant information about the Group's sustainability performance during the reporting period.
- Inquiries of the legal representatives and relevant employees involved in the preparation of the Non-Financial Statement about the preparation process, about the internal control system related to this process, and about disclosures in the Non-Financial Statement.
- Identification of probable risks of material misstatement in the Non-Financial Statement.
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the group management report.
- Analytical assessment of the data and trends of the quantitative disclosures reported for consolidation at Group level by all entities included in the scope of the Non-Financial Statement.
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on a sample of the sites at The Automation Partnership (Cambridge) Ltd.,

Royston (UK), Sartorius Stedim Biotech GmbH, Sartorius Lab Instruments GmbH & Co. KG and Sartorius Corporate Administration GmbH, Göttingen (GER).

- Assessment of the overall presentation of the disclosures in the Non-Financial Statement.

With regard to the audit of the non-financial information on the EU Taxonomy, the following audit procedures and other activities were performed, among others:

- Interviewing responsible employees at the Group level to obtain an understanding of the procedures for identifying taxonomy-eligible and -compliant economic activities in accordance with the EU Taxonomy.
- Assessment of the design and implementation of systems, processes and measures for the identification, processing and monitoring of data on sales, capital expenditures and operating expenses for the taxonomy-eligible and -compliant economic activities.
- Interviewing staff at the corporate level responsible for identifying disclosures of concepts, due diligence processes, results, and risks, performing internal control actions, and consolidating the disclosures.
- Assessing the process for identifying taxonomy-eligible and -compliant business activities and the corresponding disclosures in the Non-Financial Statement.
- Assessing the overall presentation of the EU Taxonomy disclosures.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the legal representatives are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

## Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Non-Financial Statement of Sartorius AG for the business year from January 1, 2022 to December 31, 2022 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation disclosed in Section “Disclosures Pursuant to the EU Taxonomy Regulation” of the Non-Financial Statement.

We do not express an opinion on the corporate governance statement referred to in the Non-Financial Statement or on the declaration of compliance, which were not part of our assurance engagement.

## Restriction of Use/Clause on General Engagement Terms

This assurance report is solely addressed to Sartorius AG, Göttingen.

Our assignment for the Supervisory Board of Sartorius AG, Göttingen and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 ([https://www.kpmg.de/bescheinigungen/lib/aab\\_english.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf)). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 Mio as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Hanover, February 8, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Krause

ppa. Matthias



# Remuneration Report

## 1. Main Features of the Remuneration Policy for the Executive Board

### 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 Board was revised by the Supervisory Board and approved by the Annual General Meeting on March 25, 2022. It aims to remunerate the members of the Executive Board appropriately in line with their tasks and responsibilities and to directly consider the performance of each member of the Executive Board and the success of the company. For this reason, the remuneration policy includes both short-term and long-term variable remuneration components in addition to fixed 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 Board of Sartorius AG: The short-term variable remuneration depends on annual corporate targets that are aligned with key performance indicators for profitable growth of the company. Long-term remuneration is based on corporate objectives that reflect the sustainable long-term growth of the Group and the long-term performance of the share price, which directly mirrors the development of the company's value. As a result, the company's remuneration policy creates incentives to promote the long-term and positive sustainable development of the company.

The policy for remuneration of the Executive Board members is designed to be simple, clear and understandable. It meets the requirements of the German Stock Corporation Law ("Aktiengesetz" abbreviated as "AktG") as well as the recommendations of the German Corporate Governance Code ("**GCGC**") with the exception of any divergences explained in the Declaration of Compliance with the Recommendations of the GCGC as amended from time to time. The existing divergences in the reporting year from the recommendations of the applicable GCGC in the area of remuneration are given below.

## B. Details of the Remuneration Policy

		Remuneration components	Structure of the remuneration components	Maximum bonus (in % of the target amount)	Maximum remuneration	Further benefits	
Fixed	Variable	Fixed remuneration	Basic remuneration + Fringe benefits	100%	Maximum amount of all cash remuneration components for the respective fiscal year	Compensation for post-contractual non-competition clause (50% of most recent remuneration)	
		Retirement benefits	Basic amount	100%		Clawback	
			Additional amount (matching contribution)	120%			
		Short-term variable remuneration	Sales revenue   Order intake (Group and/or division)	120%			Severance cap in the event of early contract termination
			Underlying EBITDA (Group and/or division)				
			Ratio of net debt to underlying EBITDA (Group)				
			Employee Net Promotor Score (Group)				
		Long-term variable remuneration	Consolidated net profit	120%		Extraordinary performance	
			Reduction of CO <sup>2</sup> -equivalent emission intensity	120%			
			Phantom stock units	250%			
			Share-based payment	One-time allotment; afterwards, no measurement of inflow	Proportional grant date fair value of share-based payment for the respective fiscal year		
Cash	Share-based payment						

### I. Remuneration Components

#### 1. Overview of the Individual Remuneration Components

Remuneration consists of fixed and variable components. The fixed components are the fixed annual salary and fringe benefits. 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. In addition, there are pension commitments, which depend, among other things, on the amount of the own contribution made by the respective Executive Board member in the form of deferred compensation for variable remuneration components, and which are therefore also variable.

#### 2. Fixed Remuneration Components

##### a) Fixed Annual 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 Board member. This fixed annual remuneration is paid in twelve monthly installments.

##### b) Fringe Benefits

Beyond the remuneration components stated above, the members of the Executive Board receive the following fringe benefits: each member is entitled to use a company car that can also be utilized for private purposes and to be covered by accident insurance taken out in the respective Executive Board member's name as a beneficiary. Moreover, for Executive Board members residing outside Germany – namely Rainer Lehmann and John Gerard Mackay in the 2022 reporting year – the costs for taking flights home and running two households as well as the costs associated with said activities are also paid by the company as fringe benefits.

In addition, the company maintains a D&O insurance policy concluded for Executive Board members as beneficiaries. The respective insurance premiums are not of a remunerative nature and are therefore not recognized as salary expenses.

### 3. Variable Performance-Based Remuneration Components

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

In addition to the fixed remuneration components, all Executive Board members are entitled to receive short-term variable remuneration with a one-year assessment basis.

##### *Target Parameters*

The short-term variable remuneration with a one-year assessment basis consists of four individual components that relate to the subordinate financial targets of average sales revenue and order intake, underlying EBITDA, ratio of net debt to underlying EBITDA, and the employee net promoter score (ENPS), a measure of how likely employees would recommend Sartorius to others as an employer.

These subordinate 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 the Group.

##### *Measurement of Target Achievement and Payment*

For each target parameter, the Supervisory Board has defined a formula that is used to calculate the amount to be paid out according to the degree of target achievement for the associated individual component. For each of these components, the Supervisory Board also sets (i) a minimum target to be achieved below which the amount that will be paid out is zero, and (ii) a maximum target to be achieved above which the amount that will be paid out will no longer increase. Therefore, the amount paid out for each subordinate target is capped at the maximum percentage of the individual target amount. This cap is currently 120% for all subordinate targets.

For each of the individual components of short term variable remuneration with a one year assessment basis, the Supervisory Board sets a separate individual target amount for every Executive Board member before the beginning of a fiscal year. This target amount is used as the basis to determine the specific amount to be paid out according to the particular target achievement of the relevant subordinate target for the fiscal year in question. The targets are weighted for the individual Executive Board members according to their area of responsibility and relate to the divisions and/or to the Group, respectively.

The Supervisory Board derives each target value of the subordinate financial targets from the approved annual budget for a respective fiscal year and determines the degree of target achievement by comparing it with the actual result reported in the company's consolidated financial statements audited and approved for the respective fiscal year. When it comes to the non-financial target parameters, the degree of target achievement is determined by comparing the target values set by the Supervisory Board with the respective actual results. The Supervisory Board may make adjustments to the actual figures to take account of non-recurring, exceptional circumstances or non-operating effects resulting, for example, 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.



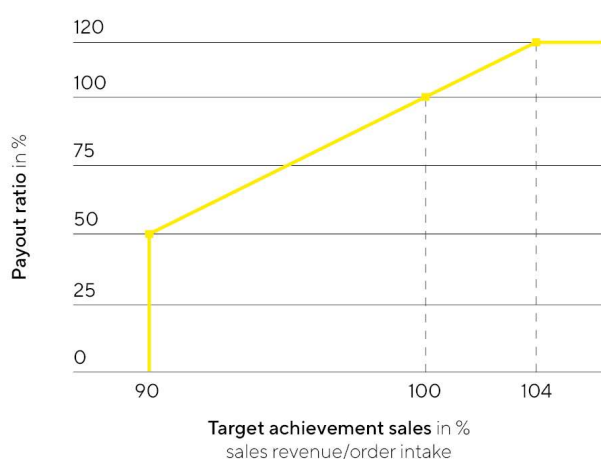
The subordinate targets within the short-term variable remuneration are weighted for the Executive Board members as follows:

Subordinate Target	Executive Board Chairman   Chief Financial Officer	Executive Board Members with Division Responsibility
Related to the Sartorius Group		
Average calculated from sales revenue   order intake	40%	10%
Underlying EBITDA	40%	10%
Ratio of net debt to underlying EBITDA	10%	10%
Employee Net Promoter Score (ENPS)	10%	3%
Related to the particular division		
Average calculated from sales revenue   order intake	--	30%
Underlying EBITDA	--	30%
Employee Net Promoter Score (ENPS)	--	7%

### Subordinate Target “Average of Sales Revenue | Order Intake”

The subordinate target “Average of Sales Revenue | Order Intake” is a key performance indicator of growth and is derived from the budget for the Group or division, respectively. The minimum target achievement is 90% of the target amount, and this amount is capped at 104%. If 90% of the target amount is achieved, 50% of the associated individual target sum will be paid out; if the target is achieved at less than 90%, no payment is rendered for this sub-target. If 104% of the target amount is achieved, an amount equal to 120% of the corresponding individual target amount will be paid out; if the target is achieved in excess of this percentage, this will not further increase the amount to be paid out. Intermediate values are interpolated linearly. Target achievement is measured on the basis of actual sales and order intake in constant currencies, as reported in the company’s consolidated financial statements audited according to the defined audit focal points and approved, as well as adjusted for the amounts contributed by businesses acquired or divested during the respective reporting year to the extent that such businesses are not part of the target amount.

### Sales revenue | Order intake



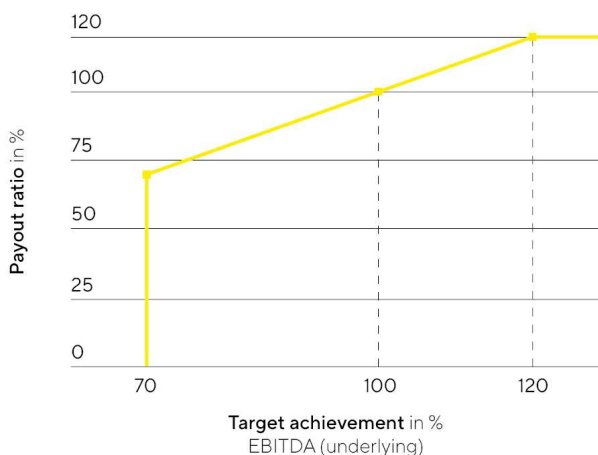
Due to the company’s performance in 2022, achievement of the subordinate target “Average of Sales Revenue | Order Intake” differed between the Group and division level. At the Group level, target achievement stood at 90.18% of the target value, resulting in a payout rate of 50.9% for the Chairman of the Executive Board and the Chief Financial Officer. In the Bioprocess Solutions Division, target achievement stood at 87.49% of the target value, corresponding to a payout rate of 0%, and in the Lab Products & Services Division at 101.67%,

corresponding to a payout rate of 108.4%, resulting in the corresponding payout to the respective board member responsible for the division.

### Subordinate Target “Underlying EBITDA”

The subordinate target “Underlying EBITDA” is a key indicator of the Group’s profitability, which can also be used to present the Group’s operating performance in a more comparable way internationally. Underlying EBITDA represents earnings before interest, taxes, depreciation, and amortization adjusted for extraordinary effects. The target is derived from the budget and is defined by the Supervisory Board for the Group or division, respectively. The minimum target achievement is 70% of the target amount, and this amount is capped at 120%. The level of the bonus payment is linear to the level of target achievement; i.e., if 70% of the subordinate target is achieved, 70% of the related individual target amount will be paid out, or if 120% of the target is achieved, 120% of the related individual target amount will be paid out. If the target is achieved at less than 70%, no payment will be made for this subordinate target. By contrast, if the target is achieved by 120% or more, this will not further increase the amount to be paid out. Target achievement is measured on the basis of the actual underlying EBITDA figure, as reported in the company’s consolidated financial statements audited according to the defined audit focal points and approved, as well as by taking into account current exchange rates.

### Underlying EBITDA

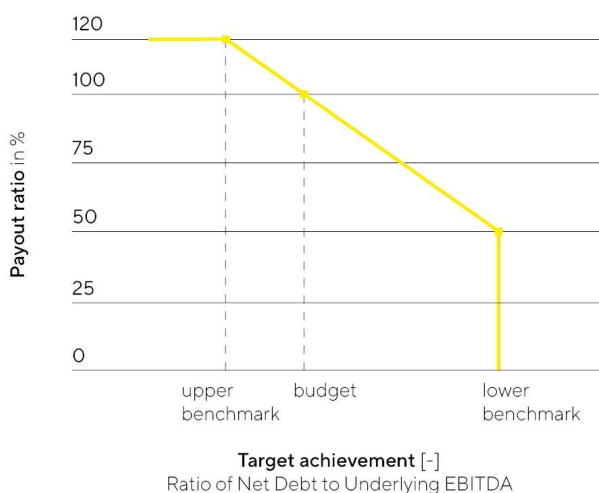


In fiscal 2022, target achievement for the subordinate target "Underlying EBITDA" stood at 95.59% of the respective target value for the Group as a whole, 94.14% for the Bioprocess Solutions Division and 104.12% for the Lab Products & Services Division, which translate into payout rates of 95.6% for the Group, 94.1% for the Bioprocess Solutions Division and 104.1% for the Lab Products & Services Division and are paid out to the members of the Executive Board in accordance with the respective weighting of the subordinate targets.

### Subordinate Target "Ratio of Net Debt to Underlying EBITDA"

The subordinate target "ratio of net debt to underlying EBITDA" is a key financial ratio regarding the Group's debt financing capacity. This ratio is calculated as the quotient of net debt and underlying EBITDA. It is derived from the budget and is defined by the Supervisory Board for the Group. The level of the bonus paid lies between 50% and 120% of the respective subordinate target amount. If the target ratio is reached, the bonus level to be paid is 100%. If net debt to underlying EBITDA is above the target ratio, the bonus level will decrease proportionately down to 50% if the maximum amount defined by the Supervisory Board for the ratio of net debt to underlying EBITDA is reached. If the ratio exceeds this maximum amount, no bonus will be paid for this subordinate target. By contrast, if net debt to underlying EBITDA is below the target ratio, the bonus amount is capped at 120%, with the associated ratio of net debt to underlying EBITDA derived mathematically on a linear proportional basis from the maximum and target values for this ratio as defined by the Supervisory Board. Target achievement is measured on the basis of the actual ratio of net debt to underlying EBITDA in constant currencies, as reported in the company's consolidated financial statements audited according to the defined audit focal points and approved, as well as adjusted for inflows and outflows entailed by strategic (capital) measures, such as acquisitions, provided that such inflows and outflows are not included in the target ratio.

#### Ratio of Net Debt to Underlying EBITDA

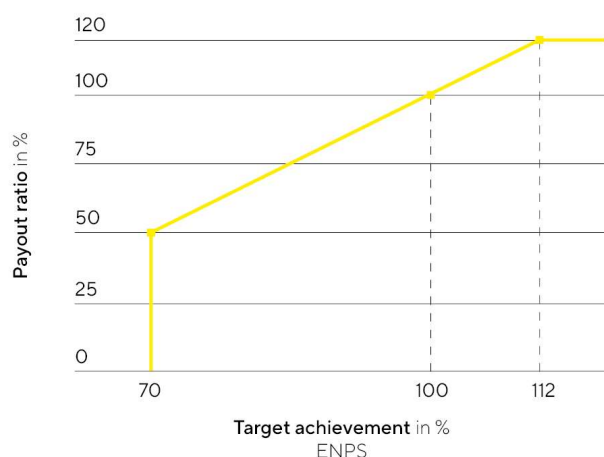


In fiscal 2022, target achievement for the subordinate target "Ratio of Net Debt to Underlying EBITDA" stood at 77.0%, resulting in a corresponding payout for this subordinate target.

### Subordinate Target "Employee Net Promoter Score (ENPS)"

The subordinate target "Employee Net Promoter Score (ENPS)" refers to the non-financial component of employee satisfaction. The focus is on a high or competitive recommendation rate, which is currently polled twice a year within the scope of global employee surveys. The target is defined by the Supervisory Board for the Group or division, respectively. The minimum target achievement is 70% of the target amount, and this amount is capped at 120%. The level of the bonus payment is linear to the level of target achievement; i.e., if 70% of the subordinate target is achieved, 50% of the related individual target amount will be paid out, or if 112% of the target is achieved, 120% of the related individual target amount will be paid out. If the target is achieved at less than 70%, no payment will be made for this subordinate target. By contrast, if the target is achieved by 112% or more, this will not further increase the amount to be paid out. Target achievement is measured on the basis of the actual value achieved.

## Employee Net Promoter Score (ENPS)



In fiscal 2022, target achievement for the subordinate target "Employee Net Promoter Score (ENPS)" stood at 83.50% of the target value for the Group, as a whole, 71.43% for the Bioprocess Solutions Division, and 105.26% for the Lab Products & Services Division. This target achievement results in payout amounts of 72.5% for the Group, 52.4% for the Bioprocess Solutions Division, and 108.8% for the Lab Products & Services Division, so that each member of the Executive Board is paid an amount corresponding to the respective weighting of the individual target amount for this subordinate target.

### b) Long-Term Variable Remuneration Components

In the reporting year, the long-term variable remuneration components for all members of the Executive Board consisted of the following three individual components: Each individual component is based on the development of consolidated net profit, the reduction in CO<sub>2</sub> emissions intensity and the development of the Sartorius AG preference share price over a four-year assessment period. As a result, the long-term variable remuneration components are also aligned with 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 aforementioned long-term variable remuneration components are weighted as follows: 25% each for consolidated net profit and reduction in CO<sub>2</sub>-equivalent emission intensity and 50% for the phantom stock plan. For each of the individual components, a separate individual target amount is set for each Executive Board member, on the basis of which the specific payment amount is determined in each case based on the level at which the associated targets were achieved for the relevant fiscal years.

The Executive Board Chairman Dr. Joachim Kreuzburg was additionally granted share-based compensation as a further long-term variable remuneration component. The long-term increase in the value of the company as an overriding strategic objective of the company is also promoted by this share-based compensation and participation provided by this in the development of the price of the company's shares. The respective long-term variable remuneration components together generally represent the majority of the variable compensation components for each Executive Board member.

The "consolidated net profit" and "reduction in CO<sub>2</sub>-equivalent emissions intensity" components of long-term variable remuneration are each weighted at 25%. In contrast, the "development of preference share price" component of long-term variable remuneration is weighted at 50%. As a result, the share-based portion of variable remuneration, in deviation from Recommendation G.10, sentence 1 of the GCGC, does not, in

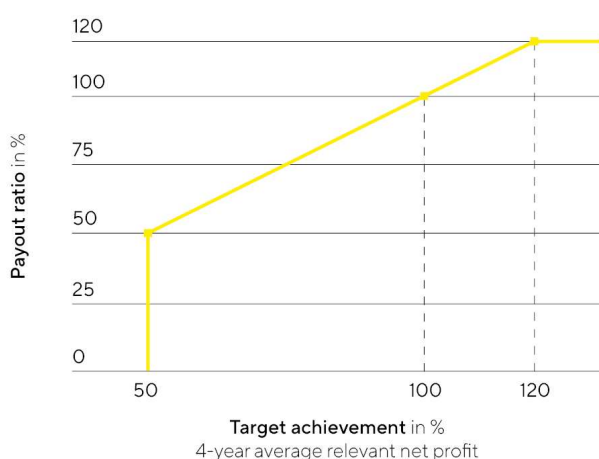
principle, constitute the predominant portion of Executive Board members' variable remuneration. The Supervisory Board believes that even with the current weighting, an incentive structure is achieved which is geared to the sustainable and long-term development of the company. In the case of the Chairman of the Executive Board, however, his variable remuneration is predominantly share-based in view of the additional share bonus granted, in line with this Recommendation.

### Consolidated Net Profit

The individual component based on consolidated net profit has an assessment period of four consecutive fiscal years (until 2021: three consecutive fiscal years) and begins with the fiscal year in which the tranche in question is granted. A new tranche is granted on a rolling basis for each fiscal year. The payout amount for the respective tranche is based on the total target achievement for the respective measurement period, which corresponds to the average target achievement for each of the four fiscal years of the relevant measurement period. For each fiscal year, the Supervisory Board annually defines a target for consolidated net profit in euros. To determine the level of target achievement for a fiscal year, the consolidated net profit (up to and including the 2020 amount granted, after deduction of non-controlling interest) that is reported in the company's consolidated financial statements audited according to the defined audit focal points and approved and excludes amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3) is compared with the respective target set by the Supervisory Board. In individual cases, the Supervisory Board may make adjustments to the actual value to account for non-recurring extraordinary or non-operating items (such as acquisitions).

The amount paid out is determined on the basis of the individual target amount and the formula defined by the Supervisory Board. It establishes (i) a minimum target achievement level of 50%, below which the payout is zero, and (ii) a maximum target achievement level, above which the payout amount no longer increases. Therefore, the amount paid out for this remuneration target is capped at the maximum percentage of the individual target amount. This cap currently stands at 120% for all individual target amounts and is reached at a target achievement level of 120%. This remuneration component is generally paid after the end of the last fiscal year of the assessment period for the tranche in question, which was four years for tranches granted in the reporting year and three years for tranches granted in previous years.

### Average net profit



In order to balance out the payout amounts over time, in the past a partial payment was paid out in the amount of 50% of the payout amount, determined on the basis of the level of target achievement for the first fiscal year of the assessment period of a tranche in each case, based on the individual subordinate target amount. This partial payment only applies to Rainer Lehmann, whose contract predates the new remuneration policy coming into effect as it pertains to this component. Such a partial amount is calculated and paid out at the end of the first fiscal year of a respective assessment period based on the company's consolidated financial

statements audited according to the defined audit focal points and approved. Any overpayment as a result of these partial payments will be offset against other remuneration components once the total target achievement level has been determined after the third or fourth fiscal year of the relevant assessment period.

The target for the “consolidated net profit” component for fiscal 2022 was achieved at 96.8% of the target value. For the 2020 to 2022 multi-year assessment period, the target achievement level stands at 118%, meaning that a payout of 118% less the partial payment granted in 2020 will apply for this three-year period. The complete target achievement for the multi-year assessment period beginning in 2022 cannot be determined until the consolidated financial statements audited and approved for 2025 are available.

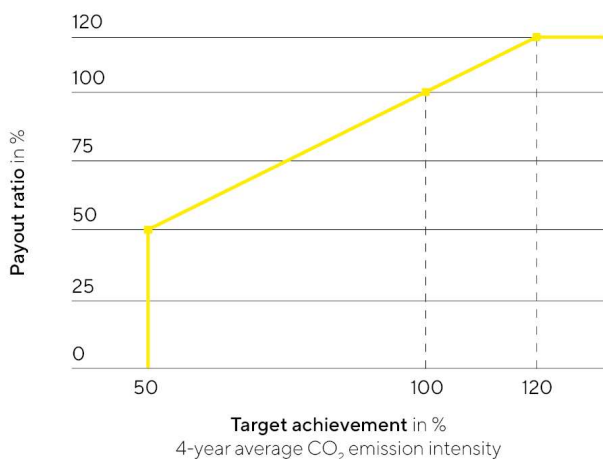
### Reduction in CO<sub>2</sub> emission intensity

The individual component related to the reduction in CO<sub>2</sub> emission intensity has an assessment period of four fiscal years and begins with the fiscal year in which the tranche in question 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. Each year, the Supervisory Board sets a target value for each tranche for the average annual reduction in CO<sub>2</sub> emission intensity during the assessment period, which corresponds to the current target value of the company’s sustainability strategy for this period (currently 10% reduction per fiscal year measured against the baseline value for 2019) and whose starting value is derived from the audited Non-financial Group Statement for the previous year. To determine the target achievement of this parameter, the final value used is based on the actual value of the CO<sub>2</sub> emission intensity reached in the last fiscal year of the respective four-year assessment period for the corresponding tranche, as reported in the respective audited Group Non-financial Statement. If specific reasons exist, the Supervisory Board will make appropriate corrections to base effects and recording inaccuracies.

The amount paid out is determined on the basis of the individual target amount and the formula defined by the Supervisory Board. It establishes (i) a minimum target achievement level of 50%, below which the payout is zero, and (ii) a maximum target achievement level, above which the payout amount no longer increases. Therefore, the amount paid out for this remuneration target is capped at the maximum percentage of the individual target amount. This cap stands at 120% and is reached at a target achievement level of 120%.

This remuneration component is paid out after the end of the fourth fiscal year of the assessment period for the tranche in question.

### CO<sub>2</sub> emission intensity



Target achievement for the multi-year assessment period beginning in 2022 cannot be determined until the audited and approved consolidated financial statements for 2025 are available.

**Development of the Preference Share Price (Phantom Stock Plan)**

As the third individual component of long-term variable compensation, Executive Board members receive virtual shares, known as phantom stock units. Through the issue of such phantom shares, Executive Board members are treated as if they were owners of a certain number of preference shares in Sartorius AG, without, however, being entitled to receive dividends. The development of the value of these phantom stocks is linked with the development of the Sartorius preference share; both increases and decreases in the share price are taken into account. Later, the value of these phantom stocks are assessed based on the share price at the time, and its equivalent is paid out in cash, provided that the associated conditions are met. Phantom stocks cannot be traded and do not confer any rights to purchase shares.

According to the Sartorius phantom stock plan, each Executive Board member is credited at the beginning of every year with phantom stock units valued at an agreed monetary value. The value of these phantom stocks can be paid out only as an entire annual tranche. Payment can be requested at the earliest after a period of four years and no later than after eight years. If a member is appointed to the Executive Board during a year, this member will be assigned phantom stock units retroactively as of the beginning of this fiscal year (pro rata temporis, if applicable).

An Executive Board member is entitled to receive payment for phantom stock units only if the share price at the time of such payment request has appreciated at least 7.5% per year relative to the time the phantom stock units were assigned or if the share price outperformed the TecDAX as a comparative index. In addition, the value of the phantom stock units must be at least 50% of the grant value. The phantom stock plan rules out subsequent changes to the parameters used for comparative stock valuation.

Assignment of these phantom stock units and later payment of their monetary equivalent depend on the mean value calculated from the average prices of the Sartorius AG preference share, with said prices quoted in the closing auction of Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor trading system) over the last 20 days of trading of the previous year (in the case of granting) or over the last 20 days of trading prior to submission of a payment request (in the case of payment). This serves to compensate for any short-term fluctuations in the share prices.

The payout amount is capped at a maximum of 2.5 times the share price at the time the phantom stock units were granted, based in each case on the individual annual tranche.

Under the current terms of the phantom stock plan, payment for phantom stock is blocked for the four weeks preceding the scheduled publication date of quarterly results and for the 30 calendar days before the scheduled publication of the half-year results and preliminary year-end results, as well as for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These black-out periods are intended to ensure that payments are only made during periods in which the most recent business results have already been processed in the capital market and the regular publication of further business results is still sufficiently far in the future.

The fair value grant price for this remuneration component is €574.61 for 2022. Target achievement for this subordinate target is reported in the remuneration report after vesting or exercise by the Executive Board members; i.e., between 2026 and 2030.

**Share-Based Payment**

In December 2019, Executive Board Chairman Dr. Kreuzburg was additionally granted share-based payment in connection with the fourth extension of his appointment as a member and Chairman of the Executive Board as well as CEO. This was in the form of company shares with a grant date fair value totaling €5.0 million (based on the share price as of December 5, 2019, as the grant date); this corresponds to a proportional grant date fair value of €1.0 million for each year of his new five-year term of appointment. For this purpose, a corresponding number of treasury shares (27,570 treasury shares in total), consisting of equal proportions of the company's

own preference shares and own ordinary shares, were transferred to Dr. Kreuzburg at the beginning of his new term in November 2020. The shares granted are subject to a holding period that will end on November 10, 2024. Should Dr. Kreuzburg leave the company prior to November 11, 2022, at his own request, his entitlements to be granted said shares by transfer shall lapse in their entirety. If Dr. Kreuzburg leaves the company after November 10, 2022, and before November 11, 2024, at his own request, half of his entitlements to be granted said shares shall lapse. For the purpose of the target total remuneration, the shares granted for Dr. Kreuzburg's current five-year term of appointment are recognized at their pro-rated grant date fair value for each year of his term of appointment. Dr. Kreuzburg sold a total of 20,000 preference shares on November 14, 2022. This reported transaction was published on the Sartorius AG website.

#### 4. Pension Commitments

The members of the Executive Board generally receive pension commitments as defined-benefit plans for their first reappointment. At the request of the Executive Board member concerned, the company will take out an insurance policy for the term of their employment contract and pay the particular benefit contributions into this insurance policy. The pension contribution consists of a base amount of 14% of the respective member's annual fixed remuneration. If desired, the Executive Board member in question can pay in an additional 7% of the gross amount paid to the Executive Board member in the fiscal year in question as short-term variable compensation and as long-term variable compensation attributable to net profit as a personal contribution by way of deferred compensation. If a member of the Executive Board exercises this right, the company will in turn make an additional contribution in the same amount (known as a matching contribution benefit). For the purpose of determining the target total compensation and the relative share of the pension commitments in a member's target total remuneration, only the basic amount to be paid by the company and the matching benefit contribution were taken into account (based on 100% target achievement of the relevant variable remuneration components).

Pursuant to the insurance terms and conditions, the pension benefit can be granted in the form of a retirement pension or a lump-sum payment for reaching the regular retirement age or needing to retire due to disability, as well as in the form of surviving dependents' benefits for widows and orphans, according to which particular option an Executive Board member elects. The company does not guarantee the paid-in capital or an annual interest rate.

Furthermore, an earlier pension agreement granted to Dr. Kreuzburg provides that he will receive a monthly pension dependent on the basic 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") in the respective version applicable. With each full year of service on the Executive Board, 5% of his full pension will be vested until his fully vested pension will have been reached after 20 years. In this case, these retirement benefits will have been fully vested, taking his years of service on the Executive Board into account, at the end of December 31, 2021. His retirement benefits will be granted in the form of a pension in the cases where he reaches the regular retirement age or needs to retire due to disability, as well as in the form of a pension for widows and orphans and shall correspond to 70% of the monthly pension benefits 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"). These additional pension commitments are considered in the determination of Dr. Kreuzburg's target total remuneration and of the relative proportion of his pension commitments in his target total remuneration along with the respective employee benefit expense attributable thereto.

The regular retirement age for all pension commitments is 65. There are no early retirement regulations, except in the case of disability.



## 5. Other Remuneration Components

The remuneration policy provides that the Supervisory Board may grant special compensation at its reasonable discretion for extraordinary performance by a member of the Executive Board. This option was not used in the reporting year.

## II. Target Total Remuneration; Relative Percentages of Fixed and Variable Remuneration Components

The Supervisory Board determines a specific target total remuneration for each Executive Board member. The target total remuneration is the sum of all remuneration components relevant for total remuneration. For the variable components, the target amount is taken as a basis in each case of 100% target achievement, provided that a target is measured. In the case of share-based compensation, which is granted as an additional variable remuneration component only to the Executive Board Chairman, the prorated grant date fair value (= €1.0million annually) is recognized for each year of the Chairman's associated contract term to ensure transparent and traceable reporting for the purposes of target total remuneration. Regarding pension commitments, it is further assumed that the Executive Board members will exercise their right to receive deferred compensation of their variable remuneration components (based on 100% achievement of targets) to the maximum extent permitted and that the company will therefore also pay each member a corresponding additional amount as a matching contribution.

For the Executive Board Chairman, the relative percentage of fixed remuneration components (fixed annual salary and fringe benefits) is roughly 29% and the percentage of the variable remuneration components on the whole roughly 65% of his target total remuneration. The percentage of the short-term (target) compensation of his target total remuneration is roughly 17%; that of the long-term compensation of his target total remuneration, roughly 48%. The percentage of pension commitments for the Executive Board Chairman is currently roughly 6% of his target total remuneration.

For the other Executive Board members, the relative percentage of the fixed remuneration components (fixed annual salary and fringe benefits) is between 37% and 43% of their respective total target remuneration and the percentage of all variable remuneration components between roughly 50% and 55% of their corresponding target total remuneration. In this context, short-term (target) compensation accounts for between roughly 21% and 23% of total target compensation, while long-term (target) compensation accounts for between roughly 29% and 32% of total target compensation. Pension commitments currently account for between 7% and roughly 8% of total target compensation.

The defined relative proportions of the remuneration components correspond in their respective amounts to the requirements of the relevant remuneration policy.

## III. Reclaiming or Reducing Variable Remuneration (Clawback)

All Executive Board employment contracts contain provisions specifying that the company is entitled to reclaim from Executive Board members variable remuneration components already paid out to them in the following cases described:

### 1. Performance Clawback

If the entitlement to payment of annual short-term variable remuneration and of remuneration with a multi-year assessment basis in relation to the individual component of consolidated net profit is based on audited and approved consolidated financial statements that were objectively incorrect and therefore had to be subsequently corrected in accordance with the relevant accounting standards, and if no or a lower entitlement to payment of variable remuneration components would have arisen based on the corrected audited consolidated financial statements, the company may reclaim the corresponding amount of overpayment from the respective Executive Board member.

## 2. Compliance Clawback

If an Executive Board member commits, either through gross negligence or willful intent, any dereliction of the duty to exercise the skill and care of a prudent manager faithfully complying with his duties in accordance with Section 93, Subsection 1, of the German Stock Corporation Law "AktG," the company shall be entitled to reclaim from the respective Executive Board member the full or partial repayment of the annual short-term variable remuneration paid out to him for the respective assessment period in which the breach of duty occurred, the remuneration with a multi-year assessment basis related to the individual component of the consolidated net profit, and of the liquidated phantom stock units and/or to declare that member's forfeiture with respect to tranches of phantom stock units yet to be granted.

The Executive Board member shall not be obligated to reimburse the company if more than three years have elapsed as counted from the payment of the respective variable remuneration components up to the time a claim against said member for reimbursement is asserted. The objection of disenrichment in accordance with Section 818, Subsection 3, of the German Civil Code "BGB" is excluded under the remuneration policy. The right to claim damages pursuant to Section 93 of the German Stock Corporation Law "AktG" shall remain unaffected.

## 3. Exercise

In fiscal 2022, none of the conditions for reclaiming or reducing remuneration under these clawback provisions existed. Accordingly, no use was made of this right to exercise a clawback option.

## IV. Remuneration-Related Legal Transactions

### 1. Terms and Prerequisites for Termination of Remuneration-Related Legal Transactions

The employment contracts of Executive Board members are concluded for the term of their respective appointments. Initial appointments are each for a maximum of three years; extensions of an appointment term are for up to five years.

The current terms of the employment contracts of the incumbent members of the Executive Board are as follows:

- Dr. Joachim Kreuzburg: November 10, 2025
- Dr. René Fáber: December 31, 2026
- Rainer Lehmann: February 28, 2025
- John Gerard Mackay: December 31, 2023

Termination of their employment contracts by giving due and proper notice is excluded. For this reason, an employment contract of an Executive Board member can only be terminated by mutual agreement based on a termination agreement or by termination for good cause with immediate effect. The company may terminate an Executive Board member's employment contract for good cause defined by the German Stock Corporation Law "AktG" as "grave cause," particularly in the event that the Supervisory Board revokes this member's appointment for said grave cause pursuant to Section 84, Subsection 3, of AktG. In this case, the statutory periods of notice pursuant to Section 622 of the German Civil Code "BGB" shall apply, unless there is also a compelling reason ("good cause") for termination without notice pursuant to Section 626 of BGB.

## 2. Severance Payments

The employment contracts for Executive Board members provide that a member will receive a severance payment in the event the company terminates the employment contract of said member with immediate effect, provided that said member is not responsible for any grave cause or compelling reason warranting said termination ahead of the regular contract expiration date. The maximum severance payment equals two years'

remuneration (including variable components), but no more than the amount of remuneration that would be payable until the end of the contract term.

Furthermore, in the event of early termination of employment on the Executive Board by mutual agreement, the company may also grant, or agree to grant, severance payments, the amount of which shall be limited, in turn, to a maximum of two years' remuneration and shall not compensate for more than the remaining term of the member's employment contract.

### **3. Non-Competition Clause**

The Executive Board employment contracts provide for a post-contractual non-competition clause for a duration of up to two years upon termination of employment with the company. In the event that this non-competition clause is not waived or is nullified, half of the remuneration last paid by the company shall be granted to the respective Executive Board member as compensation for non-competition throughout the non-competition period. Any severance to be paid in connection with the termination of an employment contract to an Executive Board member shall be deducted in full from said compensation for non-competition in accordance with Recommendation G.13 of the GCGC dated December 16, 2019, provided that the employment contracts concerned have been extended after the GCGC had entered into force. This does not apply to Rainer Lehmann's employment contract, the term of which was extended at an earlier date and which does not currently contain a corresponding offsetting provision.

### **V. Procedure for Establishing and Implementing as well as Reviewing the Remuneration Policy**

The Supervisory Board establishes and regularly reviews the remuneration policy for the Executive Board. The Executive Task Committee of the Supervisory Board prepares the remuneration policy for approval by the full Supervisory Board and makes the respective suggestions.

In the process, the Supervisory Board also reviews the appropriateness of such remuneration in comparison to the remuneration of the Executive Board within the peer group of the company (horizontal appropriateness). The peer group is defined by the Supervisory Board and/or its Executive Task Committee and is adapted as necessary. During the reporting year, the Supervisory Board conducted a benchmarking analysis of Executive Board remuneration with the assistance of a neutral external remuneration consultant and, in this context, reviewed and reconstituted the peer group. In determining the composition of the peer group, the Supervisory Board identified domestic and foreign companies that are comparable to the company in terms of industry, size, and sales. This updated peer group currently includes the following companies: Beiersdorf, Carl Zeiss Meditec, Drägerwerk, Gerresheimer, Qiagen, Symrise, SYNLAB, bioMérieux, Coloplast, Eurofins Scientific, Lonza Group, Smith&Nephew, Steris, and UCB.

In establishing the remuneration for the Executive Board members, the Supervisory Board further considers both the compensation of senior management and that of the remaining workforce in relation to the German Group companies (vertical appropriateness). For these purposes, the Supervisory Board defines senior management as the group of executives of the first two management levels below the Executive Board. The Supervisory Board looks not only at the current compensation ratio, but also at how it has developed over time.

If necessary, the Supervisory Board will engage an independent compensation consultant to review vertical and horizontal appropriateness; this was last carried out in the reporting year. Furthermore, the Supervisory Board also considers the requirements of the German Corporate Governance Code when determining and reviewing the remuneration of the Executive Board.

Any conflict of interest in the establishment, implementation and review of the remuneration policy shall be treated by the Supervisory Board in the same way as other conflicts of interest in the person of a Supervisory Board member. The Supervisory Board member concerned is therefore required to disclose any conflict of interest to the Chairman of the Supervisory Board and will not participate in the adoption of resolutions or in

the deliberations concerned. Disclosure of any conflicts of interest at an early stage ensures that the decisions of the Supervisory Board are not influenced by inappropriate considerations.

The current Executive Board members' employment contracts already complied with the new remuneration system in the reporting year, with only a few deviations as explained above. Insofar as discrepancies between the Executive Board employment contracts and the Executive Board remuneration policy still exist beyond the current year – this relates only to the partial payment for the consolidated net profit component of long-term variable remuneration and the lack of offsetting of the severance payment in the case of Rainer Lehmann – the Supervisory Board will examine, in consultation with the Executive Board member concerned, to what extent and, if applicable, from what period onwards an adjustment can be made. As long as such discrepancies continue to exist, they will be presented in the company's Remuneration Report.

## **VI. Compliance with the Maximum Remuneration Limits for the Executive Board**

Executive Board remuneration is capped in two respects. Under the new remuneration policy, the total remuneration consisting of a fixed salary including fringe benefits, employee benefit expense, and the short-term and long-term variable remuneration components for a fiscal year – irrespective of whether it is paid in the fiscal year in question or at another time – is limited to a maximum gross amount of €4.5 million for the Executive Board Chairman and €2.25 million for each of the other Executive Board members. The maximum remuneration covers the maximum possible non-performance-related fixed and performance-related variable remuneration components, including employee benefit expense. Benefits in kind granted as fringe benefits are recognized at their value for income tax purposes. Regarding the share-based compensation of the Executive Board Chairman, this compensation paid as part of his maximum remuneration is calculated based on the pro-rated grant value attributable to one year.

For all current Executive Board members, the individual components of their remuneration are already structured so that the total remuneration granted to each respective Executive Board member for a fiscal year – regardless of whether it is paid in the fiscal year in question or at another time – does not exceed the maximum remuneration established in the new remuneration policy. For this purpose, a separate maximum amount is set for each of the variable remuneration components. This maximum amount is currently 120% of the target amount in the case of short-term variable compensation with a one-year assessment basis and 120% of the target amount in the case of the component of long-term variable compensation based on consolidated net profit, and 250% of the granted amount in the case of participation in the phantom stock program; for the purposes of calculating maximum remuneration, the Executive Board Chairman's share-based compensation is taken into account at the prorated grant value attributable to one year and thus at an amount fixed from the outset (see above).

The following table shows the maximum limits for the variable remuneration components and the shares granted. Compliance with the maximum limits for short-term variable remuneration and for the shares granted can be reviewed already for fiscal 2022. For multi-year variable remuneration, compliance with the maximum limits can only be reviewed retroactively as soon as these are vested or phantom stock units are exercised.

€ in K	Dr. Joachim Kreuzburg		Dr. René Fáber			
	Target remuneration	Maximum remuneration	Receipts	Target remuneration	Maximum remuneration	Receipts
<b>Short-term variable remuneration</b>	<b>600</b>	<b>720</b>	<b>442</b>	<b>300</b>	<b>360</b>	<b>169</b>
<b>Long-term variable remuneration</b>						
Consolidated net result 2022 (3 years)	163	195	-	105	126	-
Reduction CO <sub>2</sub> -emission intensity (3 years)	163	195	-	105	126	-
Phantom stock plan 2022 (exercisable from 2025)	325	813	-	210	525	-
<b>Shares granted</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

€ in K	Rainer Lehmann		John Gerard Mackay			
	Target remuneration	Maximum remuneration	Receipts	Target remuneration	Maximum remuneration	Receipts
<b>Short-term variable remuneration</b>	<b>288</b>	<b>345</b>	<b>212</b>	<b>300</b>	<b>360</b>	<b>288</b>
<b>Long-term variable remuneration</b>						
Consolidated net result 2022 (3 years)	101	121	-	105	126	-
Reduction CO <sub>2</sub> -emission intensity (3 years)	101	121	-	105	126	-
Phantom stock plan 2022 (exercisable from 2025)	201	503	-	210	525	-
<b>Shares granted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The amount of the fixed remuneration components and the target and/or grant date amounts of the variable remuneration components for fiscal 2022 were selected for all Executive Board members so that even if the maximum amounts of the variable remuneration components are reached, the total gross amount of fixed and variable remuneration components of each Executive Board member will not exceed the highest sum defined by the maximum remuneration for this reporting year. The following table shows the maximum achievable amounts of the individual compensation components for 2022 and clearly shows that the maximum achievable compensation falls short of the defined maximum compensation of the Supervisory Board pursuant to Section 87a, Subsection 2, sentence 2, item no. 1 of the German Stock Corporation Law (AktG).

€ in K	Dr. Joachim Kreuzburg	Dr. René Fáber	Rainer Lehmann	John Gerard Mackay
Fixed remuneration	1,000	480	460	480
Fringe benefits	15	13	124	50
<b>Total non-performance-based remuneration</b>	<b>1,015</b>	<b>493</b>	<b>584</b>	<b>530</b>
Variable performance-based remuneration (1 year)	720	360	345	360
<b>Short-term variable remuneration</b>	<b>720</b>	<b>360</b>	<b>345</b>	<b>360</b>
Consolidated net result (3 years)	195	126	121	126
Reduction CO <sub>2</sub> -emission intensity (3 years)	195	126	121	126
Phantom stock plan (4-8 years)	813	525	503	525
<b>Long-term variable remuneration</b>	<b>1,203</b>	<b>777</b>	<b>745</b>	<b>777</b>
Shares granted	1,000	0	0	0
Other remuneration component	0	0	0	0
Post-employment benefits	367	247	96	67
<b>Maximum achievable remuneration</b>	<b>4,304</b>	<b>1,877</b>	<b>1,770</b>	<b>1,734</b>
<b>Maximum remuneration in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act</b>	<b>4,500</b>	<b>2,250</b>	<b>2,250</b>	<b>2,250</b>

The final review of compliance with the maximum remuneration for fiscal 2022 will be presented in the remuneration report for the fiscal year in which the last long-term remuneration component was vested and/or exercised. As Sartorius did not have any comparable policy for maximum remuneration in the past, no disclosures on compliance with maximum remuneration can be provided for an earlier business year.

## 2. Remuneration of the Executive Board Members in the Reporting Year

Total remuneration granted and owed for the active service of all Executive Board members together amounted to €5,901K in 2022, compared with €5,750K in the previous year. The details of the individual remuneration components are described in the following.

### Remuneration Granted and Owed to the Executive Board Pursuant to Section 162 of AktG

The following table shows the remuneration granted and owed to the Executive Board pursuant to Section 162 of the German Stock Corporation Act (AktG). Remuneration is deemed to be owed if it is due but has not yet been paid. In this case, remuneration granted is assumed already at the time service is performed and not only at the point in time of payment. The figures stated for variable remuneration components are the amounts "vested" in the respective fiscal year.

€ in K	Dr. Joachim Kreuzburg				Dr. René Fáber			
	2022	in %	2021	in %	2022	in %	2021	in %
Fixed remuneration	1,000	44%	1,000	39%	480	45%	440	49%
Fringe benefits <sup>1</sup>	15	1%	15	1%	13	1%	13	1%
<b>Fixed remuneration</b>	<b>1,015</b>	<b>44%</b>	<b>1,015</b>	<b>39%</b>	<b>493</b>	<b>47%</b>	<b>453</b>	<b>51%</b>
<b>Variable performance-based remuneration (1 year)<sup>2</sup></b>	<b>442</b>	<b>19%</b>	<b>720</b>	<b>28%</b>	<b>169</b>	<b>16%</b>	<b>264</b>	<b>30%</b>
Consolidated net profit (3 years) <sup>3</sup>	278	12%	266	10%	130	12%	128	14%
Phantom stock plan (4-8 years) <sup>4</sup>	555	24%	539	21%	266	25%	0	0%
<b>Components with a long-term incentive effect</b>	<b>833</b>	<b>36%</b>	<b>805</b>	<b>31%</b>	<b>396</b>	<b>37%</b>	<b>128</b>	<b>14%</b>
Other remuneration component	0	0%	45	2%	0	0%	45	5%
Defined contribution plans <sup>5</sup>	0	0%	0	0%	0	0%	0	0%
<b>Total remuneration</b>	<b>2,290</b>	<b>100%</b>	<b>2,585</b>	<b>100%</b>	<b>1,058</b>	<b>100%</b>	<b>890</b>	<b>100%</b>

€ in K	Rainer Lehmann				John Gerard Mackay			
	2022	in %	2021	in %	2022	in %	2021	in %
Fixed remuneration	460	36%	440	34%	480	37%	440	44%
Fringe benefits <sup>1</sup>	124	10%	83	6%	50	4%	29	3%
<b>Fixed remuneration</b>	<b>584</b>	<b>46%</b>	<b>523</b>	<b>41%</b>	<b>530</b>	<b>41%</b>	<b>469</b>	<b>47%</b>
<b>Variable performance-based remuneration (1 year)<sup>2</sup></b>	<b>212</b>	<b>17%</b>	<b>330</b>	<b>26%</b>	<b>288</b>	<b>22%</b>	<b>264</b>	<b>27%</b>
Consolidated net profit (3 years) <sup>3</sup>	210	17%	128	10%	130	10%	128	13%
Phantom stock plan (4-8 years) <sup>4</sup>	266	21%	259	20%	266	21%	0	0%
<b>Components with a long-term incentive effect</b>	<b>476</b>	<b>37%</b>	<b>387</b>	<b>30%</b>	<b>396</b>	<b>31%</b>	<b>128</b>	<b>13%</b>
Other remuneration component	0	0%	45	4%	0	0%	45	5%
Defined contribution plans <sup>5</sup>	0	0%	0	0%	67	5%	84	8%
<b>Total remuneration</b>	<b>1,272</b>	<b>100%</b>	<b>1,285</b>	<b>100%</b>	<b>1,281</b>	<b>100%</b>	<b>990</b>	<b>100%</b>

1 The amounts contributed to D&O insurance totaling €871K (2021: €470K) are not included, as these refer to the executive bodies of all companies of the Sartorius Group and are not allocated to the individual insureds.

2 Recognized amount corresponds to actual target achievement.

3 Recognized amount corresponds to actual target achievement of the plan in which a fiscal year ended; i.e., for 2022, consolidated net profits for 2020 – 2022 (2021: consolidated net profits for 2019 – 2021).

4 Fair value at the time granted.

5 Payments for a pension plan.

As part of the remuneration component based on the consolidated net profit of three consecutive fiscal years, each Executive Board member receives a partial compensation payment of 50% of their respective target achievement for the first fiscal year under review. Once the total target achievement has been determined after the third fiscal year, final payment is then effected by deducting the particular partial payment already made. The amounts of the partial payments made in total at the end of the reporting year are shown as follows:

€ in K	2022	2021
Balance as of Jan. 1 of a fiscal year	607	470
Partial payments deducted	-280	-190
Partial payments effected	442	327
<b>Balance as of Dec. 31 of a fiscal year</b>	<b>769</b>	<b>607</b>

## Remuneration Granted and Owed to Former Executive Board Members

€ in K	Reinhard Vogt (until Dec. 31, 2018)		Other	
	2022	2021	2022	2021
Phantom stock plan (4-8 years) <sup>1</sup>	188	336	0	0
Annuity	0	0	526	517
<b>Total remuneration</b>	<b>188</b>	<b>336</b>	<b>526</b>	<b>517</b>

<sup>1</sup> Fair value at the time granted.



### 3. Disclosures on Share-Based Payments | Phantom Stock Units

	Number of phantom stock units	Price on assignment in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2021 € in K	Fair value at year-end on Dec. 31, 2022 € in K	Paid in fiscal 2022 € in K	Change in value in fiscal 2022 € in K	Status
<b>Dr. Joachim Kreuzburg</b>								
Tranche for fiscal 2018	2,685	80.32	216	539	0	539	0	Paid out in 2022
Tranche for fiscal 2019	1,950	113.78	222	555	555	0	0	Exercisable
Tranche for fiscal 2020	1,240	190.30	236	590	455	0	-135	Not exercisable
Tranche for fiscal 2021	918	354.13	325	500	315	0	-185	Not exercisable
<b>Sum of the tranches from the previous years</b>	<b>6,793</b>		<b>999</b>	<b>2,184</b>	<b>1,325</b>	<b>539</b>	<b>-320</b>	
Tranche for fiscal 2022	566	574.61	325	0	179	0	-146	Not exercisable
<b>Total sum of tranches</b>	<b>7,359</b>		<b>1,324</b>	<b>2,184</b>	<b>1,504</b>	<b>539</b>	<b>-466</b>	
<b>Dr. René Fäber</b>								
Tranche for fiscal 2019	934	113.78	106	266	266	0	0	Exercisable
Tranche for fiscal 2020	578	190.30	110	275	212	0	-63	Not exercisable
Tranche for fiscal 2021	311	354.13	110	169	106	0	-63	Not exercisable
<b>Sum of the tranches from the previous years</b>	<b>1,823</b>		<b>326</b>	<b>710</b>	<b>584</b>	<b>0</b>	<b>-126</b>	
Tranche for fiscal 2022	365	574.61	210	0	116	0	-94	Not exercisable
<b>Total sum of tranches</b>	<b>2,188</b>		<b>536</b>	<b>710</b>	<b>700</b>	<b>0</b>	<b>-220</b>	
<b>Rainer Lehmann</b>								
Tranche for fiscal 2018	1,289	80.32	104	259	0	259	0	Paid out in 2022
Tranche for fiscal 2019	934	113.78	106	266	266	0	0	Exercisable
Tranche for fiscal 2020	936	190.30	178	445	344	0	-101	Not exercisable
Tranche for fiscal 2021	544	354.13	193	297	186	0	-111	Not exercisable
<b>Sum of the tranches from the previous years</b>	<b>3,703</b>		<b>581</b>	<b>1,267</b>	<b>796</b>	<b>259</b>	<b>-212</b>	
Tranche for fiscal 2022	350	574.61	201	0	111	0	-90	Not exercisable
<b>Total sum of tranches</b>	<b>4,053</b>		<b>782</b>	<b>1,267</b>	<b>907</b>	<b>259</b>	<b>-302</b>	
<b>John Gerard Mackay</b>								
Tranche for fiscal 2019	934	113.78	106	266	266	0	0	Exercisable
Tranche for fiscal 2020	578	190.30	110	275	212	0	-63	Not exercisable
Tranche for fiscal 2021	311	354.13	110	169	106	0	-63	Not exercisable
<b>Sum of the tranches from the previous years</b>	<b>1,823</b>		<b>326</b>	<b>710</b>	<b>584</b>	<b>0</b>	<b>-126</b>	
Tranche for fiscal 2022	365	574.61	210	0	116	0	-94	Not exercisable
<b>Total sum of tranches</b>	<b>2,188</b>		<b>536</b>	<b>710</b>	<b>700</b>	<b>0</b>	<b>-220</b>	
<b>Reinhard Vogt (until Dec. 31, 2018)</b>								
Tranche for fiscal 2018	1,673	80.32	134	336	0	336	0	Paid out in 2022
Tranche for fiscal 2019	661	113.78	75	188	188	0	0	Exercisable
<b>Sum of the tranches from the previous years</b>	<b>2,334</b>		<b>209</b>	<b>524</b>	<b>188</b>	<b>336</b>	<b>0</b>	

## 4. Pension Commitments

The projected pension payments, the present value of pension obligations and service cost are shown in the following table:

€ in K	Projected pension payment	Present value of the obligation (IFRS)		Service cost (IFRS)	
	p.a.	Dec. 31, 2022	Dec. 31, 2021	2022	2021
Dr. Joachim Kreuzburg	283	3,959	4,941	113	177
Dr. René Fáber	44	236	0	0	0
Rainer Lehmann	89	523	391	0	0
	<b>416</b>	<b>4,718</b>	<b>5,332</b>	<b>113</b>	<b>177</b>

In addition, a pension contribution of €189 K (2021: €138 K) was recognized in 2022 for Dr. Joachim Kreuzburg, a pension contribution of €247 K (2021: €0 K) for Dr. René Fáber, and a pension contribution of €96 K (2021: €91 K) for Rainer Lehmann. The pension contribution for Dr. René Fáber includes a lump-sum payment with an amount of €180 K.

## 5. Comparative Table

€ in K	2022	Change in %	2021	in %	2020
<b>Managing Board Members</b>					
Dr. Joachim Kreuzburg	2,290	-11%	2,585	17%	2,202
Dr. René Fáber	1,058	19%	890	25%	714
Rainer Lehmann	1,272	-1%	1,285	13%	1,138
John Gerard Mackay	1,281	29%	990	27%	777
<b>Former Managing Board Members</b>					
Reinhard Vogt	188	-44%	336	-73%	1,246
Other	526	2%	517	3%	501
<b>Earnings Development</b>					
Underlying EBITDA in millions of €	1,410	20%	1,175	70%	692
Net profit of Sartorius AG in millions of €	155	277%	41	-64%	113
<b>Average Remuneration of Employees</b>					
Group employees in Germany only	85	-4%	89	1%	88

In the presentation of the average remuneration of employees, all people employed by the German companies of the Sartorius Group (except for the Executive Board members) were included. In addition to wages and salaries, average remuneration also includes social security contributions and pension expenses. If employees simultaneously receive remuneration as members of the Supervisory Board of Sartorius AG, this compensation was not considered. Remuneration of part-time employees was extrapolated to full-time equivalents.

## 6. Main Features of the Remuneration Plan for the Supervisory Board

The remuneration for Supervisory Board members is defined in the Articles of Association of Sartorius AG and comprises fixed remuneration, meeting attendance fees, and reimbursement of out-of-pocket expenses. Members serving as chairperson and vice chairperson of the Supervisory Board receive higher fixed remuneration.

Members and chairpersons of Supervisory Board committees, except for those of Nomination Committee or the committee pursuant to Section 27, Subsection 3, of the German Codetermination Law (MitBestG), are entitled to receive additional annual fixed amounts and meeting attendance fees as well as reimbursement of their out-of-pocket expenses.

In addition, the members of the Supervisory Board are included in a directors and officers (D&O) liability insurance policy taken out by the company, the premiums for which are paid by Sartorius Aktiengesellschaft. This D&O insurance policy covers the legal liability arising from Supervisory Board activities and is taken out at standard market terms and conditions.

In line with prevailing market practice at listed companies in Germany, the remuneration of Supervisory Board members is strictly fixed compensation along with meeting attendance fees and does not include any performance-related components. The Executive Board and Supervisory Board are of the opinion that strictly fixed remuneration for Supervisory Board members is best suited to strengthening the independence of the Supervisory Board and fulfilling the latter's advisory and supervisory functions, which are to be performed independently of the company's success. The amount and structure of Supervisory Board remuneration ensure that the company is able to attract qualified candidates for membership in the company's Supervisory Board; in this way, Supervisory Board remuneration helps sustainably promote the business strategy and the long-term development of the company. The existing remuneration policy especially takes into account Recommendation G.17 and the Suggestion G.18, sentence 1, of the German Corporate Governance Code in the current version as amended.

## 7. Remuneration Granted and Owed to the Supervisory Board Members

€ in K	2022	2021
<b>Remuneration for the Supervisory Board Members</b>		
<b>Total remuneration</b>	<b>1,017</b>	<b>1,057</b>
Fixed remuneration	675	675
Compensation for committee work	120	121
Meeting attendance fee	154	192
Total remuneration for the Sartorius Stedim Biotech subgroup	68	69
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	68	69

€ in K	2022	2021
<b>Dr. Lothar Kappich (Chairman)</b>		
<b>Total remuneration</b>	<b>256</b>	<b>261</b>
Fixed remuneration	135	135
Compensation for committee work	33	33
Meeting attendance fee	20	24
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	68	69

€ in K	2022	2021
<b>Manfred Zaffke (Vice Chairman) <sup>1</sup></b>		
<b>Total remuneration</b>	<b>134</b>	<b>137</b>
Fixed remuneration	90	90
Compensation for committee work	24	24
Meeting attendance fee	20	23

€ in K	2022	2021
<b>Annette Becker <sup>1</sup></b>		
<b>Total remuneration</b>	<b>68</b>	<b>70</b>
Fixed remuneration	45	45
Compensation for committee work	9	8
Meeting attendance fee	14	17

€ in K	2022	2021
<b>Prof. David Raymond Ebsworth, Ph.D.</b>		
<b>Total remuneration</b>	<b>54</b>	<b>57</b>
Fixed remuneration	45	45
Meeting attendance fee	9	12

€ in K	2022	2021
<b>Dr. Daniela Favoccia</b>		
<b>Total remuneration</b>	<b>54</b>	<b>57</b>
Fixed remuneration	45	45
Meeting attendance fee	9	12

€ in K	2022	2021
<b>Petra Kirchhoff</b>		
<b>Total remuneration</b>	<b>54</b>	<b>57</b>
Fixed remuneration	45	45
Meeting attendance fee	9	12

€ in K	2022	2021
<b>Dietmar Müller<sup>1</sup></b>		
<b>Total remuneration</b>	<b>75</b>	<b>75</b>
Fixed remuneration	45	45
Compensation for committee work	15	13
Meeting attendance fee	15	17

€ in K	2022	2021
<b>Ilke Hildegard Panzer</b>		
<b>Total remuneration</b>	<b>54</b>	<b>57</b>
Fixed remuneration	45	45
Meeting attendance fee	9	12

€ in K	2022	2021
<b>Frank Riemensperger (as of Mar. 25, 2022)</b>		
<b>Total remuneration</b>	<b>43</b>	<b>0</b>
Fixed remuneration	35	0
Meeting attendance fee	8	0

€ in K	2022	2021
<b>Hermann Jens Ritzau (as of Mar. 1, 2021)<sup>1</sup></b>		
<b>Total remuneration</b>	<b>54</b>	<b>49</b>
Fixed remuneration	45	38
Meeting attendance fee	9	11

€ in K	2022	2021
<b>Prof. Dr. Klaus Rüdiger Trützschler</b>		
<b>Total remuneration</b>	<b>104</b>	<b>108</b>
Fixed remuneration	45	45
Compensation for committee work	39	39
Meeting attendance fee	20	24

€ in K	2022	2021
<b>Sabrina Wirth (as of Mar. 25, 2022)<sup>1</sup></b>		
<b>Total remuneration</b>	<b>43</b>	<b>0</b>
Fixed remuneration	35	0
Meeting attendance fee	8	0

## Former Supervisory Board Members

€ in K	2022	2021
<b>Uwe Bretthauer (until Feb. 28, 2021) <sup>1</sup></b>		
<b>Total remuneration</b>	<b>0</b>	<b>16</b>
Fixed remuneration	0	7
Compensation for committee work	0	4
Meeting attendance fee	0	5

€ in K	2022	2021
<b>Karoline Kleinschmidt (until Mar. 25, 2022) <sup>1</sup></b>		
<b>Total remuneration</b>	<b>12</b>	<b>57</b>
Fixed remuneration	10	45
Meeting attendance fee	2	12

€ in K	2022	2021
<b>Prof. Dr. Thomas Scheper (until Mar. 25, 2022)</b>		
<b>Total remuneration</b>	<b>12</b>	<b>56</b>
Fixed remuneration	10	45
Meeting attendance fee	2	11

<sup>1</sup> The employee representatives declared that they donate their Supervisory Board remuneration to the foundation Hans-Böckler-Stiftung according to the guidelines of the German Trade Union Association.

Beyond their Supervisory Board remuneration, the employee representatives who are employees within the Sartorius Group receive compensation that is not related to their service on the Supervisory Board.

## 8. Comparative Table

€ in K	2022	Change in %	2021	in %	2020
<b>Supervisory Board Members</b>					
Dr. Lothar Kappich (Chairman)	256	-2%	261	0%	262
Manfred Zaffke (Vice Chairman)	134	-2%	137	-2%	140
Annette Becker	68	-3%	70	30%	54
Prof. David Raymond Ebsworth, Ph.D.	54	-5%	57	2%	56
Dr. Daniela Favoccia	54	-5%	57	2%	56
Petra Kirchhoff	54	-5%	57	2%	56
Dietmar Müller	75	0%	75	142%	31
Ilke Hildegard Panzer	54	-5%	57	2%	56
Frank Riemensperger (as of Mar. 25, 2022)	43		0		0
Hermann Jens Ritzau (as of Mar. 1, 2021)	54	10%	49		0
Prof. Dr. Klaus Rüdiger Trützschler	104	-4%	108	0%	108
Sabrina Wirth (as of Mar. 25, 2022)	43		0		0
<b>Former Supervisory Board Members</b>					
Karoline Kleinschmidt (until Mar. 25, 2022)	12	-79%	57	2%	56
Prof. Dr. Thomas Scheper (until Mar. 25, 2022)	12	-79%	56	0%	56
Uwe Bretthauer (until Feb. 28, 2021)	0	-100%	16	-83%	95
<b>Earnings Development</b>					
Underlying EBITDA in millions of €	1,410	20%	1,175	70%	692
Net profit of Sartorius AG in millions of €	155	277%	41	-64%	113
<b>Average Remuneration of Employees</b>					
Group employees in Germany only	85	-4%	89	1%	88

In the presentation of the average remuneration of employees, all people employed by the German companies of the Sartorius Group (except for the Executive Board members) were included. In addition to wages and salaries, average remuneration also includes social security contributions and pension expenses. If employees simultaneously receive remuneration as members of the Supervisory Board of Sartorius AG, this compensation was not considered. Remuneration of part-time employees was extrapolated to full-time equivalents.

## 9. Requirements pursuant to Section 162, Subsection 1, Sentence 2, No. 6 of the German Stock Corporation Act (AktG)

The Annual General Meeting approved the Remuneration Report for fiscal 2021 at the Annual General Meeting on March 25, 2022 with 99.56% of the votes cast.

# Report of the Independent Auditor

## NOTE ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached Remuneration Report of Sartorius AG, Göttingen, Germany, for the fiscal year from January 1 to December 31, 2022, including the related disclosures, which was prepared to comply with Section 162 of the German Stock Corporation Law (AktG).

### Responsibility of the Legal Representatives and the Supervisory Board

The legal representatives and the Supervisory Board of Sartorius AG, Göttingen, are responsible for the preparation of the Remuneration Report, including the related disclosures, which complies with the requirements of Section 162 of the German Stock Corporation Act (AktG). In addition, the legal representatives and the Supervisory Board are responsible for such internal control as they consider necessary to enable the preparation of a Remuneration Report, including the related disclosures, that is free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on this Remuneration Report, including the related disclosures, based on our audit. We conducted our audit in accordance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Remuneration Report, including the related disclosures, is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Remuneration Report. The selection of audit procedures is at the discretion of the auditor. This includes assessing the risks of material misstatement – whether due to fraud or error – in the Remuneration Report, including in relation to the accompanying disclosures. When evaluating those risks, the auditor considers the internal control system relevant to the preparation of the Remuneration Report, including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system. Such an audit also includes an assessment of the accounting policies used and whether the accounting estimates made by the legal representatives and the Supervisory Board are reasonable, as well as evaluating the overall presentation of the Remuneration Report, including the related disclosures.

In our opinion, we obtained sufficient and appropriate evidence to provide a basis for our audit opinion.

### Opinion

In our opinion, based on the findings of our audit, the Remuneration Report for the fiscal year from January 1 to December 31, 2022, including the related disclosures, complies in all material respects with the accounting provisions of Section 162 of the German Stock Corporation Act (AktG).

### Other Matters – Formal Audit of the Remuneration Report

The substantive review of the Remuneration Report described in this Auditor's Report comprises the formal review of the Remuneration Report required by Section 1623 of the German Stock Corporation Act (AktG), including the issuance of an opinion on such review. As we expressed an unqualified opinion on the content of the Remuneration Report, this opinion includes the conclusion that the required disclosures pursuant to Section 162(1) and (2) of the German Stock Corporation Act (AktG) have, in all material respects, been included in the Remuneration Report.



**Note on Limitation of Liability**

The engagement, in the performance of which we rendered the aforementioned services for Sartorius AG, Göttingen, Germany, was based on the General Terms and Conditions of Engagement for Auditors and Auditing Firms in the version dated January 1, 2017. By acknowledging and using the information contained in this Auditor's Report, each recipient confirms that it has taken note of the provisions contained therein (including the limitation of liability to 4 million euros for negligence in Section 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Hanover, February 10, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Schmidt

German Public Auditor

Hartke

German Public Auditor



# Statement of Profit or Loss | Other Comprehensive Income

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

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

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

# Statement of Comprehensive Income

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

# Statement of Financial Position

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

# Statement of Cash Flows

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

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

# Statement of Changes in Equity

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

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

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



The dividends paid per share are as follows:

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

# Notes to the Financial Statements

## 1. General Information

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

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

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

[https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_en#ifrs-financial-statements](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements)

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

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

## 2. Effects of New or Amended Standards

### Standards to Be Applied for the First Time in 2022

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

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

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

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

### New Standards and Interpretations Not Yet Applied

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

Standard   Interpretation	Title	Applicable for financial years from <sup>1</sup>	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

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

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

## 3. Significant Accounting Policies

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

### Basis of Preparation

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

### Foreign Currency Translation

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

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

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

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

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

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

## 4. Critical Accounting Judgment and Accounting Estimates

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

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

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

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

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

### **Impact of Conflict between Russia and Ukraine**

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

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

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

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

### **Impairment of Assets**

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

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

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

### **Fair Value Measurement**

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

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

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

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

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

### **Climate-related matters**

Sustainability is one of the core values of the Group. Accordingly, the Group has announced long-term plans to reduce its CO<sub>2</sub> emission intensity (for further details, see the Non-Financial Group Statement). The goal is predominantly to reduce actual emissions in relation to the Group's sales revenues. No compensation payments are planned to date. The future costs for the reduction measures are considered in the financial forecasts of the management and are therefore also considered in valuations made for financial reporting purposes. To date, the assets and liabilities of the Group are not affected.

## **5. Operating Segments**

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

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

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

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

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

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

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

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

Extraordinary items are as follows:

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

## Geographical Information

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

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

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

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

## 6. Statement of Cash Flows

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

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

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

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



Financial liabilities resulting from financing activities changed as follows:

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

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

## 7. Scope of Consolidation

### Scope of Consolidated Financial Statements

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

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

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

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

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

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

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

**EMEA**

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

**Americas**

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

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

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

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

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

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

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

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

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

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

## 8. Business Combinations

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

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

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

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

### Acquisition ALS Automated Lab Solutions

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

The purchase price allocation is as follows:

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

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

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

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

#### Acquisition of chromatography business of Novasep

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

The purchase price allocation is as follows:

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

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

### Acquisition of Albumedix

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

The purchase price allocation is as follows:

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

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

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

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

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



# Notes to the Statement of Profit or Loss

## 9. Sales Revenue

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

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

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

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

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

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

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

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

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

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

## 10. Functional Costs

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

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

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

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

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

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

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

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

#### Raw Materials and Supplies

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

Employee benefits can be broken down as follows:

#### Employee Benefits

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

## 11. Other Operating Income and Expenses

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

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

For details about the extraordinary expenses see Note 5.

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

## 12. Financial Result

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

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

## 13. Income Taxes

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

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

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

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

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

## 14. Earnings per Share

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

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

# Notes to the Statement of Financial Position

## 15. Goodwill and Intangible Assets

### Goodwill

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

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

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

Thus, goodwill is allocated to the segments as follows:

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

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

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

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

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

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

### Other Intangible Assets

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

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

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

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

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

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

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

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



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

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

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

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

## 16. Property, Plant and Equipment

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

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

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

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

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

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

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

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

## 17. Leases

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

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

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

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

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

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

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

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

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

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

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

## 18. Deferred Taxes

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

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

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

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

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

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

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

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

#### Deferred Tax Assets

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

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

#### Deferred Tax Liabilities

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

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

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

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

## 19. Inventories

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

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

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

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

## 20. Issued Capital

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

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

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

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

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

## 21. Reserves

### Capital Reserves

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

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

### Cash Flow Hedging Reserves

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

### Pension Reserves

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

## 22. Non-Controlling Interest

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

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

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



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

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

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

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

### Condensed Statement of Financial Position

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

### Condensed Statement of Profit or Loss and Other Comprehensive Income

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

**Condensed Statement of Cash Flows**

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

The following condensed financial information refer to Sartorius CellGenix GmbH:

**Condensed Statement of Financial Position**

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

**Condensed Statement of Profit or Loss and Other Comprehensive Income**

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

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

## 23. Pension and Employee Benefits Provisions

**Defined Contribution Plans**

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

**Defined Benefit Plans**

Pension provisions and similar obligations are recognized in accordance with IAS19, Employee Benefits, applying the projected unit credit method. Under this method, obligations for pensions and other post-employment benefits are determined in accordance with actuarial valuations. In addition to known pensions and entitlements, these valuations rely on certain assumptions including discount rates, future salary and pension increases, and mortality rates.

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

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

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

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

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

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

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

The following parameters were used for the French companies:

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

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

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

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

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

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

### Defined Benefit Obligation

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

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

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

**Plan Assets**

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

**Composition of Plan Assets**

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

**Risks**

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

**Sensitivity Analysis**

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

**Demographic assumptions**

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

**Financial assumptions**

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

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

#### Demographic assumptions

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

#### Financial assumptions

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

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

#### Maturity Analysis

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

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

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

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

## 24. Other Provisions

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

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

**Non-Current Provisions**

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

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

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

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

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

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

**Current Provisions**

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

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

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

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

## 25. Other Liabilities

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

## 26. Employee Benefits

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

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



## Financial Instruments | Financial Risks

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

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

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

### 27. Financial Instruments: Significant Accounting Policies

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

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

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

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

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

## Financial Assets

### 28. Cash and Cash Equivalents

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

### 29. Current Trade and Other Receivables

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

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

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

### 30. Other Financial Assets

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

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

# Financial Liabilities

## 31. Loans and Borrowings and Lease Liabilities

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

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

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

## 32. Other Non-Current Liabilities

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

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

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

### 33. Trade Payables

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

<sup>1</sup> Contract liabilities according to IFRS 15 (see Note 9).

### 34. Other Current Financial Liabilities

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

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

## 35. Carrying Amounts and Fair Values

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 36. Net Result for Financial Instruments

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

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

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

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

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

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

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

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

## Capital and Financial Risk Management

### Capital Management

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

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

### Goals of Financial Risk Management

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

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



## 37. Management of Exchange Rate Risks and Hedge Accounting

### Management of Exchange Rate Risks

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

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

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

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

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

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

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

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

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

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

### Hedge Accounting

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

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

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

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

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

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

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

## 38. Interest Risk Management

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

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

## 39. Liquidity Risk Management

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

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

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

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

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

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

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

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

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

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

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

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

## 40. Credit Risk Management

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

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

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

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

### Impairment of Financial Assets

#### Trade Receivables and Contract Assets

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

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

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

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

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

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

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

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

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

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

## Cash and Cash Equivalents

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

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

### Other Financial Assets

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

## 41. Other Risks Associated with Financial Instruments

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

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

## 42. Share-based Payments

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

In fiscal 2022, the Group introduced a new long-term remuneration component for selected employees on the higher management levels, the so-called LTI Program. At the beginning of a calendar year, each participant of this program is granted virtual preference shares of Sartorius AG that will be paid out in cash after four years. Accordingly, the payment for the tranche of virtual shares granted in 2022 is planned for the first quarter of 2026. The number of virtual shares varies with the performance achieved over the four years preceding the payout period. Goals are defined for the dimensions organic sales growth, underlying EBITDA margin, and CO<sub>2</sub> emission intensity, which are equally weighted. The measurement of the share-based payment obligations is based on the performance achieved to date, assumptions about future performance in the remaining years until payment, and the current share price. The personnel expenses related to the LTI Program, including effects from fair value measurement, and the fair value of the obligation on the reporting date of December 31, 2022, amounted to €0.6 million. This obligation is reported under "Other non-current provisions" (see Note 24).

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

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

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

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



## Other Disclosures

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

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

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

## Material Events after the Reporting Date

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

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

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

## Members of the Supervisory Board and the Executive Board

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

## Number of Employees

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

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

## Auditors' Fee

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

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

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

## Related Companies and Persons

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

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

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

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

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

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

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

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

## Proposal for Appropriation of Profit

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

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

# Independent Auditors' Report

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

### Opinions

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

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

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

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

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

### Basis for the Opinions

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

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

## Key Audit Matters in the Audit of the Consolidated Financial Statements

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

### Recoverability of the Carrying Amount of Goodwill

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

### The Financial Statement Risk

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

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

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

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

### Our Audit Approach

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

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

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

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

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

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

### Our Conclusion

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

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

The related disclosures in the notes are appropriate.

## Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

## Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

## Further Information pursuant to Article 10 of the EU Audit Regulation

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

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

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

## Other Matters – Use of the Auditor's Report

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

## German Public Auditor Responsible for the Engagement

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

Hanover, February 8, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Schmidt **Error! Reference  
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(German Public Auditor)

Hartke  
(German Public Auditor)

# Executive Board and Supervisory Board

During Fiscal 2022

## Executive Board

### **Dr. Joachim Kreuzburg**

Dipl.-Ingenieur (Graduate Engineer)

CEO and Chairman

Executive for Labor Relations

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

Born April 22, 1965

Resident of Göttingen, Germany

Member since November 11, 2002

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

Chairman since November 11, 2005

Appointed until November 10, 2025

### **Dr. René Fáber**

Dipl.-Chemiker (Graduate Chemical Engineer)

Bioprocess Solutions Division

Born July 18, 1975

Resident of Göttingen, Germany

Member since January 1, 2019

Appointed until December 31, 2026

### **Rainer Lehmann**

Dipl.-Kaufmann (Graduate in Business Administration)

Finance, IT and Business Processes

Born March 2, 1975

Resident of Brightwaters, New York, USA

Member since March 1, 2017

Appointed until February 28, 2025

### **John Gerard Mackay**

B.Sc. Honors Degree in Biochemistry

Master of Education

Lab Products & Services Division

Born May 11, 1962

Resident of Glasgow, Scotland, UK

Member since January 1, 2019

Appointed until December 31, 2023

## Supervisory Board

**Dr. Lothar Kappich**

Dipl.-Ökonom (Graduate Economist)

Chairman

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

Resident of Hamburg, Germany

**Manfred Zaffke**

Dipl.-Volkswirt (Graduate Political Economist)

Vice Chairman

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

Resident of Osterode am Harz, Germany

**Annette Becker**

Personalfachkauffrau (HR Specialist)

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

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

Resident of Göttingen, Germany

**Professor David Raymond Ebsworth, Ph.D.**

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

Consultant, especially in the Healthcare and Financial Investment Industry

Resident of Overath, Germany

**Dr. Daniela Favoccia**

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

Resident of Frankfurt am Main, Germany

**Petra Kirchhoff**

Dipl.-Volkswirtin (Graduate Political Economist)

Head of Corporate Communications and Investor Relations

Sartorius Corporate Administration GmbH in Göttingen, Germany

Resident of Göttingen, Germany

**Dietmar Müller**

Betriebswirt (VWA Göttingen) (Business Economist)

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

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

Resident of Gleichen, Germany

**Ilke Hildegard Panzer**

M.Sc. in Engineering, Computer and Systems Engineering

Freelance Consultant in the Healthcare Innovation Industry

Resident of Fredonia, Wisconsin, USA

**Frank Riemensperger**

Dipl.-Informatiker (Graduate Degree in Computer Science)

Founder and Managing Director of 440.digital GmbH in Dietzenbach, Germany

Consultant and Investor in Digital Companies

Member since March 25, 2022

Resident of Dietzenbach, Germany

**Hermann Jens Ritzau**

Chairman of the Employees' Council of Sartorius Lab Instruments GmbH & Co. KG in Göttingen, Germany

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

Resident of Katlenburg-Lindau, Germany

**Prof. Dr. Klaus Rüdiger Trützschler**

Dipl.-Wirtschaftsmathematiker (Graduate Business Mathematician)

and Dipl.-Mathematiker (Graduate Mathematician)

Freelance Business Consultant

Resident of Essen, Germany

**Sabrina Wirth**

B.A. in Social Science

Political Secretary for Organizational Policy in the District Management of the German Metalworkers' Union (IG Metall) District of Lower Saxony and Saxony-Anhalt in Hanover, Germany

Member since March 25, 2022

Resident of Nienburg/Weser, Germany

Exited during fiscal 2022:

**Karoline Kleinschmidt**

Dipl.-Sozialwirtin (Graduate Social Economist)

Secretary and First Authorized Representative of the

German Metalworkers' Union (IG Metall) in the Alfeld-Hameln-Hildesheim region in Hameln, Germany

Member until March 25, 2022

Resident of Hanover, Germany

**Prof. Dr. Thomas Scheper**

Dipl.-Chemiker (Graduate Chemical Engineer)

University professor and deputy director of the Institute of

Technical Chemistry, Gottfried Wilhelm Leibnitz University in Hanover, Germany

Member until March 25, 2022

Resident of Hanover, Germany

## Committees of the Supervisory Board

### **Executive Task Committee**

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

### **Audit Committee**

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

### **Conciliation Committee**

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

### **Nomination Committee**

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

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

### **Dr. Joachim Kreuzburg**

Positions held within the Group:

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

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

On the Beirat (Advisory Board) of:

- LabTwin GmbH, Germany, Chairman

On the Board of Directors of:

- Sartorius North America, Inc., USA, Chairman

External positions:

On the Supervisory Board of:

- Carl Zeiss AG, Germany

On the Verwaltungsrat (Administrative Board) of:

- Ottobock Management SE, Germany

On the Wirtschaftsbeirat (Economic Advisory Board) of:

- Norddeutsche Landesbank, Germany

### **Dr. René Fáber**

Positions held within the Group:

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

- Sartorius Stedim Biotech S.A.<sup>1</sup>, France (Directeur Général Délégué)

On the Supervisory Board of:

- Sartorius Stedim Biotech GmbH, Germany, Chairman

On the Beirat (Advisory Board) of:

Sartorius CellGenix GmbH, Germany, Chairman

<sup>1</sup> public listed



On the Board of Directors of:

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

On the Comité Exécutif (Executive Committee) of:

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

On the Advisory Board of:

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

External positions:

On the Beirat (Advisory Board) of:

- Curexsys GmbH, Germany

### **Rainer Lehmann**

Positions held within the Group:

On the Board of Directors of:

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

External positions:

On the Unternehmerbeirat (Employers' Advisory Board) of:

- Gothaer Versicherungsbank VVaG, Germany

On the Regionalbeirat (Regional Advisory Board) of:

- Commerzbank AG<sup>1</sup>, Germany

<sup>1</sup> public listed

**John Gerard Mackay**

Positions held within the Group:

On the Board of Directors of:

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

External positions:

None

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

### **Dr. Lothar Kappich**

Positions held within the Group:

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

- Sartorius Stedim Biotech S.A.<sup>1</sup>, France

External positions:

None

### **Manfred Zaffke**

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

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

### **Annette Becker**

None

### **Professor David Raymond Ebsworth, Ph.D.**

Positions held within the Group:

None

External positions:

On the Board of Directors of:

- Verona Pharma plc<sup>1</sup>, UK, Chairman
- Actimed Therapeutics Ltd., UK, Chairman
- Kyowa Kirin International plc, UK
- Interpharma Investments Ltd., British Virgin Islands

On the Supervisory Board of:

- Synlab AG<sup>1</sup>, Germany, Chairman

On the Verwaltungsrat (Administrative Board) of:

- Opterion Health AG, Switzerland, Chairman

### **Dr. Daniela Favoccia**

None

<sup>1</sup> public listed

**Petra Kirchhoff**

Positions held within the Group:

None

External positions:

On the Stock Exchange Council (Börsenrat) of:

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

**Dietmar Müller**

Positions held within the Group:

None

External positions:

Deputy member of the General Assembly of:

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

**Ilke Hildegard Panzer**

None

**Frank Riemensperger**

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

- DRM Datenraum Mobilität GmbH, Germany

**Hermann Jens Ritzau**

None

**Prof. Dr. Klaus Rüdiger Trützscher**

Positions held within the Group:

None

External positions:

On the Supervisory Board of:

- Zwiesel Kristallglas AG, Germany, Chairman

On the Beirat (Advisory Board) of:

- Odenwald Faserplatten GmbH, Germany

**Sabrina Wirth**

None

# Declaration of the Executive Board

We declare to the best of our knowledge that the consolidated financial statements for fiscal 2022 present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards used in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group Management Report in all material respects and present the most important opportunities and risks of the Group's future development during the fiscal year.

Göttingen, February 7, 2023

Sartorius Aktiengesellschaft

The Executive Board

Dr. Joachim Kreuzburg

Rainer Lehmann

Dr. René Fáber

John Gerard Mackay





# 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

**Bioanalytics, also bioanalysis**

Covers analytical methods for investigating biological macromolecules and their changes. In pharmaceutical research, bioanalytical methods are used particularly for identification, quantification and characterization of biomolecules

**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 a vessel used for cultivating animal or human cells in a culture medium. In non-English-speaking countries, the term bioreactor is also used synonymously with the term fermenter to denote a system used to multiply microorganisms. In either case, the vessel is 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 analysis**

Covers powerful methods for the analysis of cells and permits deeper insights into cell biological processes for medical and biotechnological applications

**Cell clone**

A population of genetically identical cells obtained by cellular division of one specific cell

**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 (upstream processing) in the production of biopharmaceuticals; for example, separation, purification and concentration

**EMA – European Medicines Agency**

Agency of the European Union for evaluating and monitoring pharmaceuticals

**FDA – Food and Drug Administration**

U.S. regulatory agency responsible for ensuring the safety and efficacy of human and veterinary pharmaceuticals, biological products, medical devices and foods

**Fermentation**

Technical process used to produce or transform intra- or extra-cellular substances with the help of microorganisms

**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.

**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 the porous structure, this film is suitable for filtration applications.

**Monoclonal antibodies**

Synthetic antibodies used, in particular, in the treatment of cancer, HIV and autoimmune diseases

**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**

In the manufacture of biopharmaceuticals, designates the various steps that take place for seeding and propagating cells that produce an active pharmaceutical ingredient

**Validation**

Documented verification that systems, devices and processes reproducibly deliver the desired result



# 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 according to IFRS 3

**CAPEX ratio**

Investment payments in relation to sales revenue for the same period

**Cash flow**

The amount of cash earned after paying all expenses and taxes; i.e., the cash balance of inflows and outflows of funds

**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.

**Compliance**

Observance of applicable laws, codes and other relevant rules and regulations

**Constant currencies; currency-adjusted**

In the presentation of figures, identical exchange rates are used for each of the comparative periods.

**Covenants**

Collective term for additional contractual clauses or collateral contracts in loan agreements or bond agreements with companies. Such agreements on covenants impose certain obligations on borrowing parties or debtors

**D&O insurance**

Directors' and Officers' liability insurance that covers Supervisory and Executive Board members and managerial employees

**EBITDA**

Earnings before interest, taxes, depreciation and amortization; in this context, amortization refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3

**EBITDA margin**

The ratio of EBITDA (earnings before interest, taxes, depreciation and amortization) to sales

**Equity ratio**

The ratio of equity to the balance sheet total

**Extraordinary items**

Exceptional or one-time expenses and income, such as acquisition costs, restructuring costs and other non-operating expenses

**Factoring program**

Sale of trade receivables to a bank or a financial service institute

**Fixed assets**

The sum of intangible assets, property, plant and equipment and financial assets

**Goodwill**

The difference between the price paid for a company or business and its net assets; a form of intangible asset

**Holding company**

A parent company that exists for the purpose of owning a controlling interest or shares in several legally independent subsidiaries that are subordinate within the organizational hierarchy; this holding company conducts its business exclusively through these subsidiaries

**Market capitalization**

The total number of shares outstanding of both classes issued by the company, multiplied by the corresponding share price

**Net debt**

Liabilities to banks, including note loans ("Schuldscheindarlehen"), as well as lease liabilities less cash and cash equivalents

**Normalized financial result**

Financial result excluding fair value adjustments of hedging instruments, as well as excluding non-periodic expenses and income

**Normalized income tax**

Underlying income tax, based on underlying profit before tax and on non-cash amortization.

**Order intake**

All customer orders contractually concluded and booked during the respective reporting period

**Prime Standard**

Market segment of the Frankfurt Stock Exchange with high, internationally accepted transparency requirements to meet the needs of companies seeking to attract international investors

**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 coordination of integrated flows of materials, information and finances (supply chains) over the entire value-added process

**Treasury**

Short- and medium-term liquidity management

**Underlying**

Adjusted to eliminate extraordinary items (see definition extraordinary item)

**Working capital**

Inventories, including trade receivables, minus trade payables

## Other Terms

### **CSR (Corporate responsibility)**

CSR refers to the social responsibility of companies. Their operations can affect economic, social and environmental conditions all over the world

### **CSR Directive Implementation Act (German abbreviation CSR-RUG)**

A German law that became effective in April 2017 to change the German Commercial Code with the aim of strengthening non-financial reporting by certain major capital market companies in their (group) management report in order to comply with the European Corporate Social Responsibility Directive

### **Designated sponsor**

Banks, brokerage firms, security trading organizations or other financial service providers who furnish binding quotes in electronic trading for the purchase or sale of stocks to increase their liquidity

### **EcoVadis**

A provider of business sustainability ratings, EcoVadis analyzes companies with regard to the fulfillment of their corporate social responsibility (CSR) and makes these results available to other companies. The EcoVadis Rating covers a broad range of non-financial management systems including environmental, labor and human rights, ethics and sustainable procurement impacts.

### **EMEA**

The region comprising Europe, the Middle East and Africa; one of the three reporting regions in the geographical allocation of the Sartorius Group besides the Americas and Asia|Pacific

### **ERP**

Stands for "Enterprise Resource Planning"; IT-based resource planning system

### **ESG**

Abbreviation for "Environment, Social and Governance"; refers to the three major factors of sustainable corporate management

### **GHG**

The Greenhouse Gas Protocol, used by many companies in different sectors as well as non-governmental organizations (NGOs) and governments, is a globally recognized standard to quantify and manage greenhouse gas emissions. The reporting standards and recommendations for implementing projects to reduce emissions are jointly developed by companies, NGOs and governments under the guidance of the World Resources Institute and the World Business Council for Sustainable Development

### **GRI (Global Reporting Initiative)**

The GRI has defined guidelines for sustainability reporting. Companies as well as governments and non-governmental organizations worldwide report on their economic, environmental and social strategy based on these data and indicators

### **ISIN (International Securities Identification Number)**

This is a code consisting of a 12 character combination of letters and numbers and uniquely identifies a security traded on the stock exchange

### **ISO**

International Organization for Standardization

**IFRS (International Financial Reporting Standards)**

These are the accounting standards issued by the International Accounting Standards Board (IASB)

**Materiality analysis**

A materiality analysis is used to identify and assess sustainability topics. This takes into account the expectations and demands of external stakeholders, as well as the expertise of members of management and the assessments of employees. An analysis of various data sources expands on and verifies these findings

**OHSAS (Occupational Health and Safety Assessment Series 18001)**

The OHSAS includes the standard OHSAS 18001, which contains a framework for an occupational safety management system. This system can be integrated into an existing quality and environmental protection management system and certified accordingly.

# Financial Schedule

Annual General Meeting	March 29, 2023
Payment of dividends <sup>1</sup>	April 3, 2023
Publication of first-quarter figures January - March 2023	April 20, 2023
Publication of first-half figures for January - June 2023	July 21, 2023
Publication of nine-month figures for January - September 2023	October 19, 2023
Publication of preliminary figures for fiscal 2023	January 2024
Annual press conference	February 2024
Annual General Meeting	March 2024
Publication of first-quarter figures for 2024	April 2024

<sup>1</sup> Subject to approval by the Annual General Meeting

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