

Sartorius Stedim Biotech

Annual Financial Statements and Notes

Extract from the Universal Registration Document 2023

5.1 Annual Financial Statements

Parent Company Balance Sheet: Assets

€ in M	Gross at Dec. 31, 2023	Depreciation, amortization and provisions Dec. 31, 2023	Net at Dec. 31, 2023	Net at Dec. 31, 2022
Intangible assets	0.6	-0.3	0.3	0.3
Property, plant and equipment	23.9	-16.6	7.3	8.2
Financial investments	187.0	-0.1	186.9	186.0
Total non-current assets	211.5	-17.0	194.5	194.5
Inventories and work in progress	0.0	0.0	0.0	0.0
Trade receivables to third parties	5.1	0.0	5.1	2.2
Other receivables	987.6	0.0	987.6	158.6
Deposits and cash equivalents	0.0		0.0	0.4
Total current assets	992.7	0.0	992.7	161.2
Prepaid expenses	0.1	0.0	0.1	0.1
Premium for redemption of bonds	0.4	0.0	0.4	0.0
Currency translation adjustment	0.6	0.0	0.6	0.0
Total assets	1,205.3	-17.0	1,188.4	355.9

Parent Company Balance Sheet: Liabilities

€ in M	At Dec. 31, 2023	At Dec. 31, 2022
Share capital	18.4	18.4
Share premium	12.6	12.6
Reserves	2.4	2.4
Retained earnings carried forward	96.7	74.8
Profit for the period	100.6	154.7
Regulated provisions	4.6	4.1
Total equity	235.4	267.1
Provisions for liabilities and charges	0.6	0.0
Total provisions for liabilities and charges	0.6	0.0
Loans and borrowings	0.0	0.0
Trade payables	1.1	0.8
Tax and social charges payable	0.1	0.1
Liabilities for non-current assets	0.0	0.0
Other liabilities	950.1	87.9
Total liabilities	951.3	88.9
Currency translation adjustment	1.1	0.0
Total equity and liabilities	1,188.4	355.9

Parent Company: Income Statement

€ in M	At Dec. 31, 2023	At Dec. 31, 2022
Sales revenue	2.3	2.6
Inventory movements	0.0	0.0
Capitalized production costs	0.0	0.0
Depreciation or amortization reversals	0.0	0.0
Other operating income and expense reallocation	0.0	0.0
Purchases consumed	0.0	0.0
External charges for services	-4.5	-5.8
Tax and duties	-0.3	-0.3
Personnel costs	0.0	0.0
Additions to amortization, depreciation and provision	-1.1	-1.0
Other operating expenses	-0.5	-0.4
Operating profit (EBIT)	-4.1	-4.9
Net financing income (expense)	102.7	158.9
Profit (loss) from ordinary activities	98.6	154.0
Exceptional income (expense)	-0.5	0.0
Income tax	2.5	0.8
Net profit (loss)	100.6	154.7

1. Materiel Events During the Year

None

2. Materiel Events after the Reporting Date

On 7 February 2024, Sartorius Stedim Biotech S.A. has successfully placed 5,150,215 shares to institutional investors in an international private placement by way of an accelerated bookbuilding. The new shares will be issued in a capital increase without preferential subscription rights of the shareholder at a price of €233.00 per share resulting in gross proceeds of approximately €1.2 billion.

The Group intends to use the net proceeds of the capital increase to accelerate its debt deleveraging beyond strong internal cash generation, and to strengthen its overall strategic flexibility. It is expected that at least two thirds of the net proceeds of the equity offering will be used to partially repay the shareholder loans granted by the Group's major shareholder, Sartorius AG, and its subsidiary, Sartorius Finance B.V. Any remaining portion would be allocated to general corporate purposes.

In accordance with the intention it has indicated, Sartorius AG subscribed for an amount of approximately €400 million, representing approximately one-third of the capital increase and will hold approximately 71.5% of the company's share capital following completion of the capital increase. Sartorius AG has also concurrently carried out the placement of approximately €200 million of Sartorius AG treasury preference shares through a private placement.

No other material events occurred after the reporting date.

3. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2023, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of going concern.

The annual financial statements have been prepared in accordance with the clauses of the CRC Regulation 2014-03 of September 8, 2014 on the French chart of accounts.

Sartorius Stedim Biotech S.A. is listed in Compartment A of the Euronext Paris Stock Exchange (ISIN FR code 0000053266) and also prepares consolidated financial statements in accordance with IFRS standards, as adopted by the European Union on December 31, 2023. Sartorius Stedim Biotech S.A. is consolidated by Sartorius A.G.

3.1. Non-current Assets

Non-current intangible and tangible assets are valued at their acquisition costs, excluding costs incurred for their acquisition.

For intangible assets and property, plant and equipment, the Company applied the French Regulation CRC No. 2002-10, recodified by Article 2-4 of Regulation CRC No. 2004-06 relative to the amortization, depreciation and impairment of assets according to the "Component approach."

3.1.1. Intangible Assets

The following is thus valued under this heading: incorporation costs, patents and software.

All these assets are amortized on a straight-line basis using the following indicative useful lives:

Incorporation costs:	One to five years
Software:	One to three years
Patents:	Twenty years
Leasehold:	Eighteen years (Based on the period of use).

As part of the implementation of integrated software, the direct labor costs concerned are included in the amount capitalized as cost, as a function of the time elapsed.

Intangible assets are valued at acquisition cost less amortization and impairments reported, on an ongoing basis.

3.1.2. Property, Plant and Equipment

Property, plant and equipment (PPE) are recognized at their acquisition value, including the installation cost of these assets.

Depreciation is calculated over the standard and economic life of the assets using the straight-line method.

All these non-current assets are depreciated on a straight-line basis using the following indicative periods of use:

- Buildings: Twenty to forty years

- Improvements, fixtures and fittings: Ten to fifteen years
- Plant and equipment: Four to ten years
- Office and IT equipment: Three to five years
- Motor vehicles: Four to five years

Property, plant and equipment are valued at acquisition cost less depreciation and impairments reported, on an ongoing basis.

3.1.3. Financial Investments

Investments relate mainly to shareholdings in subsidiaries and other treasury shares held within the scope of the share buyback program; they are recorded at their acquisition cost, including fees linked to their acquisition.

An impairment provision may be recorded to consider, in particular, either the stock exchange price or the underlying assets of these subsidiaries, their financial position and their prospects.

Shareholdings in subsidiaries are subject to impairment tests.

3.2. Receivables and Payables

Receivables and payables are recorded at their nominal value.

Receivables whose collection is doubtful are subject to a provision for doubtful debts.

4. Non-Current Assets

4.1. Intangible Assets

Gross values in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Incorporation costs	0.0	0.0	0.0	0.0
Patents	0.0	0.0	0.0	0.0
Software, licenses	0.0	0.0	0.0	0.0
Business goodwill	0.5	0.0	0.0	0.5
Intangible assets in progress	0.0	0.0	0.0	0.0
Total	0.6	0.0	0.0	0.5
Amortization and depreciation in millions of €	0.2	0.1	0.0	0.2
Net amount	0.4	-0.1	0.0	0.3

4.2. Property, Plant and Equipment

Gross values in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Land	0.5	0.0	0.0	0.5
Buildings	15.8	0.0	0.0	15.8
Plant and equipment	0.0	0.0	0.0	0.0
Other	5.9	1.6	0.0	7.5
Property, plant and equipment in progress	1.7	0.0	-1.6	0.0
Total	23.8	1.7	-1.6	23.9

Amortization and depreciation in millions of €	At Dec. 31, 2022	Addition	Release	At Dec. 31, 2023
Buildings	12.7	0.4	0.0	13.1
Plant and equipment	0.0	0.0	0.0	0.0
Other	2.8	0.6	0.0	3.5
Total	15.5	1.1	0.0	16.6

Property, plant and equipment, net	8.2	0.6	-1.6	7.3
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The increase in tangible assets includes fixtures and fittings for a net amount of €1,6 M from assets under construction.

4.3. Financial Investments

Investments in millions of €	At Dec. 31, 2022	Increase in 2023	Decrease in 2023	At Dec. 31, 2023
Shareholdings	175.2	0.0	0.0	175.2
Write-down of shareholdings	0.0	0.0	0.0	0.0
Deposits and guarantees	0.0	0.0	0.0	0.0
Treasury shares	10.7	1.1	0.0	11.8
Write-down of treasury shares	0.0	-0.1	0.0	-0.1
Other non-current assets	0.0	0.0	0.0	0.0
Total	186.0	1.0	0.0	187.0

The following is included under "Financial investments":

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company;
- 100% of the share capital of Sartorius Stedim Biotech GmbH, a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007;
- 100% of the share capital of Sartorius Stedim Aseptics S.A.S., a French company acquired in 2004;
- 100% of the share capital of Sartorius Stedim FMT S.A.S., a French company created in connection with the Contribution Assets transfer in 2013;
- 100% of the share capital of Sartorius Stedim Chromatography Resins S.A.S., a French company acquired the 1st of June 2020;

- 100% of the share capital of Sartorius Chromatography Equipment S.A.S., a French company acquired the 7th of February 2022 ;
- Other investments: €0.001 M.

The amount now corresponds to the share of Sartorius Stedim Biotech in the Russian company Sartorius Stedim RUS.

The liquidity contract between the entity Sartorius Stedim Biotech S.A. and the brokerage company Kepler Chevreux was in place in April 2021¹. Therefore, Sartorius Stedim Biotech holds 15,191 shares of SSB S.A. in portfolio at the closing.

5. Trade Receivables

Maturity of Receivables at Year-end

Type of receivable € in M	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	11.9	3.4	8.4
Non-current assets	11.9	3.4	8.4
Advance payments on account	0.0	0.0	0.0
Trade receivables	5.1	5.1	0.0
Personnel	0.0	0.0	0.0
Social security	0.0	0.0	0.0
Taxes and duties	11.4	11.4	0.0
Group	976.3	0.0	976.3
Other receivables	0.0	0.0	0.0
Current assets	992.7	16.5	976.3
Prepaid expenses	0.1	0.1	0.0
Total receivables	1,004.7	20.0	984.7

The "Group" item for receivables from Group subsidiaries (€976,3 M) relates to receivables of subsidiaries and corresponds in particular, continued the establishment of a new financial organization, cash advances via current accounts carried out with the companies Sartorius Stedim Biotech GmbH, Sartorius Stedim FMT S.A.S., Sartorius Stedim Chromatography Resins S.A.S., Sartorius Stedim Chromatography Systems Ltd, Sartorius Stedim Bioprocess Tunisia and two companies from the Polyplus group.

The "Taxes and duties" (€11,4 M) captions primarily includes the net tax receivable relating to the tax grouping system.

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

6. Maturity of Liabilities at Year-end

Type of liability € in M	Net amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years	0.0	0.0	0.0	0.0
Originally more than 2 years	0.0	0.0	0.0	0.0
Current bank overdrafts and accrued interest	0.0	0.0	0.0	0.0
Trade payables	1.1	1.1	0.0	0.0
- including bills of exchange	0.0	0.0	0.0	0.0
Advances and payments on account for orders	0.0	0.0	0.0	0.0
Tax and social security payable	0.1	0.1	0.0	0.0
Liabilities for non-current assets	0.0	0.0	0.0	0.0
Group and associates	949.7	11.7	938.0	0.0
Other	0.4	0.4	0.0	0.0
Total liabilities	951.3	13.2	938.0	0.0

The "Group" item for liabilities from Group subsidiaries (€949,7 M) includes debts to subsidiaries and corresponds in particular to cash advances linked to the cash-pooling activity via current accounts with companies Sartorius AG, Sartorius Finance BV.

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

Type of expense € in M	At Dec. 31, 2023
Accrued banking charges	0.0
Suppliers' invoices to be received	0.4
Paid vacation including social charges	0.0
Bonuses, including social charges and profit sharing	0.0
Social security payable	0.0
Taxes payable	0.0
Employee profit sharing	0.0
Total charges payable	0.4

7. Parent Company Statement of Changes in Equity (in thousands of €)

7.1. Equity

At December 31, 2022, the share capital was €18,4 M, comprising 92,180,190 shares of a €0.20 par value.

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The Annual General Shareholders' Meeting on March 2023, the 29th, approved the appropriation of the net profit for the year of €154,7 M, as follows:

- Use from the retained earnings carried forward: None
- Paid into the legal reserves: None

A dividend total of €132,7 M, or a net dividend per share of €1.44, was paid.

	Appropriation of profit in 2022			Movements 2023		Equity before appropriation of profit in 2022
	Before	Changes	After	Increases	Decreases	Total
Number of shares:	92,180,190		92,180,190			92,180,190
Share capital	18.4		18.4			18.4
Share premium	0.0		0.0			0.0
Merger premium	12.6		12.6			12.6
Legal reserve	1.8		1.8			1.8
Other reserves	0.6		0.6			0.6
Balance carried forward	74.8	22.0	96.7			96.7
Dividends paid	0.0	132.7	132.7		-132.7	0.0
Net profit to be appropriated	0.0	0.0	0.0			0.0
Profit for the reporting year	154.7	-154.7	0.0	100.6		100.6
Regulated provisions	4.1		4.1	0.6		4.6
Total	267.0	0.0	267.0	101.1	-132.7	235.4

7.2. Stock Options

None

8. Risks and Provisions

8.1. Provisions

Type of provision € in Millions	Provisions at Dec. 31, 2022	Additions 2023	Releases 2023	Provisions at Dec. 31, 2023
Regulated provisions				
Accelerated amortization and depreciation	4.1	0.6	0.0	4.6
Subtotal (1)	4.1	0.6	0.0	4.6
Provisions for liabilities and charges				
Exchange risk	0.0	0.6	0.0	0.6
Other costs	0.0	0.0	0.0	0.0
Taxation	0.0	0.0	0.0	0.0
Subtotal (2)	0.0	0.6	0.0	0.6
Grand Total = (1) + (2)	4.1	1.2	0.0	5.2

8.2. Market Risk Exposure

8.2.1 Operating Cash Flow risks

At December 31, 2023, an amount was recognized for translation differences of net amounts denominated in foreign currencies within the receivables and payables items.

8.2.2 Current and Future Tax Position

As of January 1, 2008, the company chose to adopt the French tax integration regime within the framework of a tax group. The lead company of this group is Sartorius Stedim Biotech S.A. The other member companies of this tax integration group for tax relief are Sartorius Stedim Aseptics S.A.S., Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and two companies joined the Group in 2023: Sartorius Stedim Chromatography Resins S.A.S. and Sartorius Chromatography Equipement S.A.S.

The member companies report income tax as if there were no integration tax regime. The parent corporation benefits from tax relief related to consolidating the gains and losses of the other members companies.

For 2022, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €2,5 M. Taking into account the tax credits not yet compensated, the company SSB holds a receivable from the State of €11,9 M.

For your information, at the beginning of 2024, Sartorius Stedim Biotech received a notification from the tax authorities to verify all its tax returns for the fiscal years 2021 and 2022.

9. Operating Income (in millions of €)

9.1. Sales Revenue by Operating Segment

Operating segment	At Dec. 31, 2023	%	At Dec. 31, 2022	%
Services	2.3	100%	2.6	100%
Total	2.3	100%	2.6	100%

9.2. Sales Revenue by Geographical Region

Geographical region	At Dec. 31, 2023	%	At Dec. 31, 2022	%
France	2.3	100%	2.6	100%
Export	0.0		0.0	0%
EU and other countries	0.0		0.0	
North American continent	0.0		0.0	
Total	2.3	100%	2.6	100%

The Sale revenue corresponds to the rent invoiced to the entity Sartorius Stedim FMT S.A.S. for the use of premises located in Aubagne within its operational activity.

10. Breakdown of Income Tax

€ in M	At Dec. 31, 2023			At Dec. 31, 2022		
	Profit before tax	Income tax charge	Profit after tax	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	98.6	0.0	98.6	154.0	0.0	154.0
Exceptional income (expense)	-0.5	0.1	-0.4	0.0	0.0	0.0
French tax integration relief	0.0	2.4	2.4	0.0	0.8	0.8
Net taxable income	98.1	2.5	100.6	154.0	0.8	154.7

11. Information on Directors' Remuneration

Remuneration allocated and paid to members of the Board of Directors as directors' meeting fees amounted to €0.3 M. These fees related to the 2022 fiscal year and were paid in 2023.

No meeting fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2023. A Part of the Executive Board's remuneration has been recharged by Sartorius AG to Sartorius Stedim Biotech S.A. for an amount of €0,8 M (2021: €1,5 M).

12. Off-Balance Sheet Commitments

Type of commitment € in K	Comment	At Dec. 31, 2023	At Dec. 31, 2022
Commitments given			
Guarantees for bilateral credit lines		0.0	0.0
Guarantees for currency hedging contracts		0.0	0.0
Commitments from renting / leasing		0.0	0.0
Commitments received			
Contractual loan capacity from credit institutions		0.0	0.0

The commitments in connection with the lease are summarized in the following table:

Leasing	< 1 year € in K	1-5 years € in K	> 5 years € in K	Total	Buy-back value
Tangible Assets					
Buildings and Improvments	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	
Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvments	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0

The building has been operational from the 1st of January 2015. The company exercised the repurchase of the finance lease on the 9th December 2022.

13. Information on Related Parties

Affiliates are its parent company, Sartorius AG, and the companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim FMT S.A.S., Sartorius Stedim Bioprocess SARL, Sartorius Stedim Aseptics S.A.S., Sartorius Stedim Biotech GmbH, Sartorius Stedim Chromatography Resins S.A.S. et Sartorius Chromatography Equipement S.A.S.

The company Sartorius Stedim Biotech S.A. is consolidated in the financial statements of Sartorius AG, Otto-Brenner-Strasse 20, 37079 Goettingen (Germany).

In the following, you will find the table of the main amounts with the related parties:

Items € in M	At Dec. 31, 2023	At Dec. 31, 2022
Investments	175.2	175.2
Trade receivables	5.1	0.0
Other receivables	976.2	158.5
Trade payables	0.6	0.0
Other liabilities	949.7	87.5
Income from investments	104.0	160.0
Other financial income	17.4	2.2
Finance expense	19.0	2.1

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

At Dec. 31, 2023 € in M	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net Dividends profit received	
				Gross	Net					
Sartorius Stedim Biotech GmbH										
			100.00%							
(Euros)	6.0	1,442.1		79.9	79.9	12.1	0.0	1,167.8	291.6	80.0
Sartorius Stedim FMT S.A.S.										
			100.00%							
(Euros)	42.9	55.2		42.9	42.9	31.1	0.0	626.4	49.8	15.0
Sartorius Stedim Bioprocess SARL										
			99.99%							
(Dinars)	6.0	35.3				190.0		352.7	11.9	0.0
(Euros)				3.1	3.1	56.6	0.0	105.1	3.5	0.0
Sartorius Stedim RUS										
			100.00%							
(Rubles)	8.0	1.2						1,349.2	152.0	0.0
(Euros)	0.1	0.0		0.1	0.1	0.0	0.0	14.6	1.6	0.0
Sartorius Stedim Aseptics S.A.S.										
			100.00%							
(Euros)	0.4	9.7		1.8	1.8	0.0	0.0	18.2	3.7	9.0
Sartorius Stedim Chromatography Resins S.A.S.										
			100.00%							
(Euros)	0.0	5.9		0.0	0.0	45.0	0.0	13.0	1.1	0.0
Sartorius Chromatography Equipment S.A.S.										
			100.00%							
(Euros)	3.7	33.7		47.2	47.2	0.0	0.0	30.3	-2.1	0.0

At Dec. 31, 2022	Share capital	Reserves, share premium and retained earnings	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales in (ex-VAT) - for the financial year	Net profit	Dividends received
		before appropriation		Gross	Net					
€ in M										
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6.0	1,263.3		79.9	79.9	12.1	0.0	1,619.2	428.6	120.0
Sartorius Stedim FMT S.A.S.			100.00%							
(Euros)	42.9	99.1		42.9	42.9	61.1	0.0	707.8	66.0	30.0
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	6.0	62.7				325.5		426.9	19.4	0.0
(Euros)				3.1	3.1	99.9	0.0	131.0	6.0	0.0
Sartorius Stedim RUS			100.00%							
(Rubles)	8.0	826.7						4,756.4	263.6	0.0
(Euros)	0.1	11.2		0.1	0.1	0.0	0.0	64.5	3.6	0.0
Sartorius Stedim Aseptics S.A.S.			100.00%							
(Euros)	0.4	14.8		1.8	1.8	0.0	0.0	26.7	9.4	10.0
Sartorius Stedim Chromatography Resins S.A.S.			100.00%							
(Euros)	0.0	5.9		0.0	0.0	0.0	0.0	17.9	3.7	0.0
Sartorius Chromatography Equipment S.A.S.			100.00%							
(Euros)	3.7	35.8		47.2	47.2	0.0	0.0	19.9	-1.3	0.0

The previous list contains only information on transactions in Company shares received in accordance with the Article 19 MAR (Operations realized by Executive Directors). Therefore, we are not aware of all transactions whose cumulative trade volumes have reminded below the notification threshold of €20,000 per calendar year.