

SARTORIUS STEDIM BIOTECH

French *Société anonyme*

with a share capital of € 19,466,081

Registered office: Z.I. Les Paluds, Avenue de Jouques, 13400 Aubagne

314 093 352 RCS Marseille

(the Company)

**SUPPLEMENTARY REPORT OF THE BOARD OF DIRECTORS
CAPITAL INCREASE IN THE COMPANY WITHOUT SHAREHOLDERS'
PREFERENTIAL SUBSCRIPTION RIGHTS**

Dear Shareholders,

In accordance with the provisions of Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, we have the honour of informing you that the board of directors has made use of the delegation of authority granted by the nineteenth resolution of the combined general meeting of the Company's shareholders of 29 March 2022 (the **General Meeting**), in order to carry out a capital increase by issuing new shares without preferential subscription rights by means of an accelerated bookbuilding process.

The course of the Company's business during the year ended 31 December 2023 and since 1 January 2024 is described in the press release published by the Company on 26 January 2024 and in the Company's universal registration document filed with the French *Autorité des Marchés Financiers*.

1. LEGAL FRAMEWORK FOR THE CAPITAL INCREASE

a. General Meeting of the shareholders on 29 March 2022

The General Meeting, in its nineteenth resolution, for a period of twenty-six months from the date of the said General Meeting, delegated to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, the authority to proceed, under public offerings addressed exclusively to a restricted circle of investors acting on their own behalf and/or to qualified investors as referred to in Article L. 411-2 of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it consider appropriate, under the conditions and maximum limits determined by laws and regulations, to issue (i) shares of the Company, other than preference shares, and/or (ii) securities, other than securities giving the right to the issuance of preference shares, giving access to existing shares or shares to be issued by the Company and/or (iii) securities giving access, for valuable consideration or free of consideration, to the allotment of debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code.

The nominal value of the share capital increase(s) that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed, within the maximum limits provided for by law and regulations, a maximum amount of six million euros (EUR6,000,000.00), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made, in accordance with applicable law and regulatory and any applicable contractual stipulations, to protect the rights of holders of securities giving or that may give access to the Company's share capital, it being specified that the nominal amount stipulated above constitutes an autonomous threshold.

b. Decision of the board of directors of 3 February 2024

By decision dated 3 February 2024, the board of directors (the **Board**), making use of the delegation of authority granted by the General Meeting in its nineteenth resolution, has in particular:

- authorised the principle of a capital increase, without shareholders' preferential subscription rights, carried out by way of a public offering reserved exclusively to a restricted circle of investors acting on their own behalf or to qualified investors, as defined in Article 2(e) of Regulation (EU) no. 2017/1129, under the conditions set forth by Article L. 411-2, 1° of the French Monetary and Financial Code, by issuing new ordinary shares in the Company, to be subscribed for in cash, for a maximum total amount (including premium) of EUR1.5 billion (the **Capital Increase**);
- decided that the new ordinary shares of the Company will be fully assimilated to the existing ordinary shares and will bear current dividend rights, which means that they will give right to all distributions that will be decided or effected after their issuance;
- decided to sub-delegate in accordance with legal and regulatory provisions, to the Chief Executive Officer (*Directeur Général*) all powers, within the limits set by the General Meeting, and the Board's deliberation of 3 February 2024, for the purpose of carrying out the Capital Increase under the conditions it has set or, as the case may be, postpone it, it being specified that this sub-delegation has been granted to the Chief Executive Officer (*Directeur Général*) until 30 June 2024 inclusive.

c. Decision of the Chief Executive Officer (*Directeur Général*) dated 6 February 2024

The Chief Executive Officer (*Directeur Général*), using the powers sub-delegated to him by the Board on 6 February 2024, decided in particular to carry out a capital increase in the Company, without shareholders' preferential subscription rights, as part of a public offering reserved exclusively for a restricted circle of investors acting on their own behalf or for qualified investors as referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, by issuing new ordinary shares of the Company, to be subscribed for in cash, for a total maximum amount (including premium) of EUR 1.2 billion (subject to rounding), by issuing a maximum number of 5.500.000 new ordinary shares of the Company with a nominal value of EUR 0.20 each (the **New Shares**).

d. Decisions of the Chief Executive Officer (*Directeur Général*) dated 6 February 2024

The Chief Executive Officer (*Directeur Général*), using the powers sub-delegated to him by the Board on 3 February 2024, has in particular determined the definitive characteristics of the New Shares issued as follows:

Subscription price: EUR233, of which EUR0.20 for the nominal value and EUR232.80 for the premium, representing a discount of 5.42% to the volume-weighted average price of the Company's shares over the last three trading days preceding the opening date of the subscription period;

Amount: increase of the share capital of a total amount (including premium) of EUR1,200,000,095, i.e. a nominal amount of EUR1,030,043 and an issue premium of EUR1,198,970,052;

Number of New Shares to be issued: 5,150,215 shares, representing 5.6% of the share capital of the Company before issuance;

e. Decisions of the Chief Executive Officer (*Directeur Général*) of the 9 February 2024

The Chief Executive Officer (*Directeur Général*), using the powers sub-delegated to him by the Board on 3 February 2024, has acknowledged, in particular, in light of the certificate drawn up by Uptevia in its capacity as custodian of the funds, dated 9 February 2024, which specifies that the subscriptions for the Capital Increase to be subscribed for in cash have been paid up in full to the amount of 1,200,000,095 euros and that the corresponding 5,150,215 New Shares have been fully subscribed and paid up in accordance with terms and conditions of the issue, that the Capital Increase has been definitively completed.

2. MAIN TERMS AND CONDITIONS OF THE CAPITAL INCREASE

The main terms and conditions of the Capital Increase are as follows:

Nature and categories of the issued securities

The New Shares to be issued in relation to the Capital Increase and for which admission to trading on the regulated market of Euronext Paris (**Euronext Paris**) is requested are ordinary shares of the same class as the existing shares of the Company (the **Existing Shares**).

The New Shares will be admitted to trading on Euronext Paris as soon as they are issued. They will be immediately assimilated to the Company's Existing Shares, which are already traded on Euronext Paris, and will be tradable, from that date, on the same quotation line as those shares under the same ISIN code FR0013154002.

Currency, name and number of issued securities

Currency: Euro

Denomination of the shares: SARTORIUS STED BIO

As at 31 December 2023, the Company's share capital amounted to EUR 18,436,038. It is divided into 92,180,190 shares with a par value of EUR 0.20 each, all of the same class and fully paid up.

The issuance concerns a number of 5,150,215 New Shares at a unit price of EUR233, of which EUR0.20 par value and EUR232.80 premium each, to be fully paid up at the time of the subscription.

Rights attached to the shares

Upon issuance, the New Shares will be subject to all the provisions of the Company's articles of association and to the laws and regulations in force.

As French law and the Company's articles of association currently stand, the main rights attached to the New Shares are as follows: (i) the right to dividends and the right to a share in the Company's profits, (ii) simple voting rights, (iii) preferential subscription rights for securities of the same class, (iv) shareholder information rights, and (v) the right to share in any surplus in the event of liquidation.

Relative ranking of securities in the issuer's capital structure in the event of insolvency

Not applicable.

Restrictions on the free transferability of shares

There is no clause in the Company's articles of association restricting the free negotiability of the shares comprising the Company's share capital.

Admission to trading

Application will be made for the New Shares to be admitted to trading on Euronext Paris, upon their issuance scheduled for 9 February 2024, in accordance with the indicative timetable, on the same quotation line as the Company's Existing Shares (ISIN code FR0013154002).

No other application for admission to trading on a regulated market has been made by the Company.

Structure of the issuance

The New Shares will be issued by way of a capital increase without preferential subscription rights via an accelerated bookbuilding process (*construction accélérée d'un livre d'ordres*) pursuant to the nineteenth resolution adopted by the General Meeting.

Number of New Shares to be issued: 5,150,215 New Shares.

Subscription price of the New Shares: EUR233 per New Share (i.e. EUR0.20 for the nominal value and EUR232.80 for the premium), to be fully paid up at the time of subscription, by payment in cash.

Rights attached to the New Shares: the New Shares will carry current dividend rights and will be entitled to all distributions made by the Company as from their issue date.

Restrictions applicable to the offer

The offer to subscribe for the New Shares will be open (i) in France, and (ii) outside France, only to institutional investors (including in the United States of America pursuant to applicable exemptions) and outside certain other countries, in accordance with applicable regulations.

Financial intermediaries

Centralising institution responsible for drawing up the certificate of deposit of funds recording the completion of the Capital Increase: Uptevia

Global Coordinators:

BNP Paribas

J.P Morgan SE

Bookrunners:

Deutsche Bank Aktiengesellschaft

HSBC Continental Europe S.A., Germany

UniCredit Bank GmbH

Settlement and delivery of the New Shares

According to the indicative timetable, it is expected that the New Shares will be registered in a securities account and will be tradable as from 9 February 2024. Application will be made for the New Shares to be admitted to trading with Euroclear France, which will be responsible for the settlement and delivery of the shares between account-holders and custodians.

Use and estimated net amount of proceeds

The Company 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. As of the reporting date December 31, 2023, the outstanding shareholder loans within the Sartorius Stedim Biotech group amounted to around EUR3.56bn, with initial maturities between 2026 to 2035 and interest rates ranging between approximately 3.5% and 4.9%. The Company intends to allocate at least two thirds of the net proceeds of the Equity Offering to partially repay the shareholder loans granted by its major shareholder, Sartorius Aktiengesellschaft (“**Sartorius AG**”), and its subsidiary, Sartorius Finance B.V., to the Company and its subsidiary, Sartorius Stedim Biotech GmbH. Any remaining portion, if any, would be allocated to general corporate purposes of the Company. The net proceeds are expected to reduce net debt and therefore resulting in a net leverage decrease by around 1.5x in relation to the most recent reporting date.

Guarantee and placement

The issuance of the New Shares was the subject of a placement agreement entered into on 6 February 2024 between the Company, BNP Paribas and J.P. Morgan SE as global coordinators, lead managers and joint bookrunners, and Deutsche Bank Aktiengesellschaft, HSBC Continental Europe S.A., Germany and UniCredit Bank GmbH as joint bookrunners. This agreement may be terminated under certain conditions and in certain circumstances, in particular in the event of inaccuracy of the representations and warranties, failure by the Company to comply with one of its undertakings, non-fulfilment of the usual conditions precedent, a significant unfavourable change in the situation of the Company and its subsidiaries or the occurrence of significant national or international events.

Undertaking by the Company of abstention

Until 90 calendar days following the said date of settlement-delivery of the New Shares, subject to certain customary exceptions.

Undertaking by Sartorius AG to retain shares

Up to 90 calendar days following the settlement-delivery date of the New Shares, subject to certain customary exceptions.

3. IMPACT ON HOLDERS OF EQUITY SECURITIES AND SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

a. Impact of the Capital Increase on the portion of shareholders' equity

i. On a consolidated basis

For information purposes, the theoretical impact of the issuance of the New Shares on the proportion of consolidated shareholders' equity (calculated on the basis of consolidated shareholders' equity as shown in the consolidated financial statements at 31 December 2023 and the number of shares comprising the Company's share capital at 31 December 2023, after deduction of treasury shares) would be as follows:

	Equity per ordinary share (in Euros) Non-diluted basis
Before issuance of the New Shares	28,62
After issuance of the New Shares (100% of subscriptions)	39,43

ii. On a social basis

For information purposes, the theoretical impact of the issuance of the New Shares on the proportion of the Company's shareholders' equity per share (calculated on the basis of the Company's shareholders' equity as shown in the Company's financial statements at 31 December 2023 and the number of shares comprising the Company's share capital at 31 December 2023, after deduction of treasury shares) would be as follows:

	Equity per ordinary share (in Euros) Non-diluted basis
Before issuance of the New Shares	2,55
After issuance of the New Shares (100% of subscriptions)	14,75

b. Amount and percentage of dilution resulting immediately from the Capital Increase

For information purposes, the theoretical impact of the issuance of the New Shares on the shareholding of a shareholder holding 1% of the Company's share capital prior to the issuance and not subscribing for it (calculated on the basis of the number of shares making up the Company's share capital at 31 December 2023) would be as follows:

	Equity per ordinary share (in Euros) Non-diluted basis
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Before issuance of the New Shares	1%
After issuance of the New Shares (100% of subscriptions)	0,95%

c. Theoretical impact of the issuance on the market value of the SSB share

The theoretical impact of the issuance of the New Shares on the market value of the SSB share is - 0.04% on a non-diluted basis.

It has been calculated on the basis of:

- a price of 234.74 EUR per SSB share equal to the average of the twenty volume-weighted prices preceding 6 February 2024 (inclusive), for the calculation of the Company's market capitalisation before issuance of the New Shares;
- the issuance of 5,125,215 New Shares with a nominal value of EUR 0.20 each;
- gross proceeds from the issuance of 1,200,000,095 EUR.

Aubagne, 21 February 2024



The Chief Executive Officer,
René Fáber

English translation for information purpose only