

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2017

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent company of the Group. The company is a mixt holding Company. The company from now on is managing investments of the Group and reals estates for the French Companies.

In 2017, sales revenue generated at Sartorius Stedim Biotech S.A. was €K 2,198 relative to €K 1,843 in 2016. The operating profit is €K -3,197 versus €K -3,613K in 2016. The net financing income totalled €K 47,108 versus €K 53,394 in 2016.

The net profit for 2017 is €K 49,463 compared to €K 54,324 in 2016.

Appropriation of the Net Profit

The ASM will suggest to appropriate the net profit of €49,463,148 for the reporting year of 2016. as follows:

- The following amount is to be added to this balance:
Year-earlier profit carried forward: €27,285,623
- This would yield a distributable profit of €76,748,771
- Total amount of dividends to be disbursed to shareholders: €42,407,887
- Balance resulting from disbursement: €34,345,884

The remaining amount of €34,345,884 is to be carried out to the next year.

Dividends of the last three financial years (information updated as of 1st January 2018)

The table below makes the list of the amount of the dividend per share distributed, since 2014, as well as the tax provisions applicable.

Exercise	Dividend ¹⁾	Amount eligible for the 40% abatement	Amount not eligible for the 40% abatement	Dividend per shares ¹⁾
2016	38,713,209	0	0	0
2015	30,734,476	0	0	0
2014	19,967,009	0	0	0

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

Proposition of dividend for the 2017 financial year

The Board of Directors has decided to propose to the 3 April 2018 Annual Shareholders' Meeting a net dividend of 0,46 euros, per share for the 2017 financial year in comparison with €0.42 for 2016.

The dividends are distributed to the shareholders in ratio with the proportion of the capital held by each shareholder.

The dividend will be paid on 11 April 2018.

Dividend distribution policy

The company follows a policy of dividend distribution linked on one part to the Group's profit over the financial year concerned and on another one to the Group's predictable evolution and profitability.

The 5 April 2017 Shareholders' Meeting voted a net dividend of 0.42 euro per share. The payment of the dividend was paid on 11 April 2017.

Dividends and interim dividends paid and unclaimed are prescribed after five years in favor of the State, from their date of payment (article 2277 of the Civil Code).

Elements likely to have an impact in the event of a public offer

Pursuant to article L. 225-100-3 of the French Commercial Code, an element is likely to have an impact in the event of a public offer: the first shareholder of Sartorius Stedim Biotech S.A. holds a significant percentage of its capital and voting rights.

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2017

As of 31 December 2017, the share capital amounts to eighteen million four hundred and thirty-six thousand thirty-eight euros (€18,436,038). It is divided into twenty two million one hundred and eighty thousand one hundred and ninety (92,180,190) shares worth twenty cents euros (€0,20) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws), all of which are entitled to the dividend for the financial year 2017, with the exception of shares held by the Company.

Date	Nature of the transaction	Share par value	Share capital increase	Share premium	Number of new shares	Number of shares after the transaction	Share capital after the transaction
1 st half of 2012	Exercise of share subscription options	0.61	5,098.0	173,446.0	8,358.0	17,034,306	10,390,926.6
2 nd half of 2012	Exercise of share subscription options	0.61	4,270.0	202,300.0	7,000.0	17,041,306	10,395,196.6
Year 2013	Exercise of share subscription options	0.61	610.0	8,620.0	1,000.0	17,042,306	10,395,806.6
Year 2014	Exercise of share subscription options	0.61	9,541.6	134,834.0	15,642.0	17,057,948	10,405,348.2
Year 2014	Reduction of Capital: Cancellation of Treasury Shares	0.61	-1,036,213.1		-1,698,710.0	15,359,238	9,369,135.1
Year 2014	Increase of Capital: nominal value change	1.00	5,990,102.8			15,359,238	15,359,238.0
Year 2015	Exercise of share subscription options	1.00	8,000.0	174,880.0	8,000.0	15,367,238	15,367,238.0
Year 2016	Reduction of Capital: Cancellation of Treasury Shares	1.00	-1,642,095.0		-1,642,095.0	13,725,143	13,725,143.0
Year 2016	Increase of Capital: new actions created	1.00	1,638,222.0		1,638,222.0	15,363,365	15,363,365.0
Year 2016	Increase of Capital: nominal value change	0.20	3,072,673.0		3,072,673.0	92,180,190	18,436,038.0
Year 2017						92,180,190	18,436,038.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2017

Situation of Sartorius Stedim Biotech S.A. Shareholdings

Shareholders	Shares	Voting rights
More than 50%	Sartorius AG	Sartorius AG
More than 10% but less than 50%	None	None
More than 5% but less than 10%	None	None

Over the past three years, the ownership of Sartorius Stedim Biotech share capital has been distributed as follows:

Shareholders	Number of shares	December 31, 2015		Number of shares	December 31, 2016		Number of shares	December 31, 2017	
		% of share capital	% of voting rights		% of share capital	% of voting rights		% of share capital	% of voting rights
Sartorius AG	9,770,178	63.6%	72.4%	68,450,400	74.3%	84.5%	68,450,400	74.3%	84.5%
Single voting rights									
Double voting rights	9,770,178	63.6%	72.4%	68,450,400	74.3%	84.5%	68,450,400	74.3%	84.5%
VL Finance ^(a)	1,642,095	10.7%	12.2%						
Single voting rights									
Double voting rights	1,642,095	10.7%	12.2%						
Total Sartorius Group	11,412,273	74.3%	84.6%	68,450,400	74.3%	84.5%	68,450,400	74.3%	84.5%
Treasury shares									
Personnel and other shareholders									
General public	3,954,965	25.7%	15.4%	23,729,790	25.7%	15.5%	23,729,790	25.7%	15.5%
Single voting rights	3,744,229	24.4%	13.9%	22,439,112	24.3%	13.9%	22,439,112	24.3%	13.9%
Double voting rights	212,925	1.4%	1.6%	1,290,678	1.4%	1.6%	1,290,678	1.4%	1.6%
Total shares	15,367,238	100.0%	100.0%	92,180,190	100.0%	100.0%	92,180,190	100.0%	100.0%

(a) Belonging to Sartorius AG after the reverse merger between Sartorius and Stedim

Legal Disclosure of Thresholds Crossed

No legal disclosure of thresholds crossed has been registered during the fiscal year under study.

	Shares	% Issued Capital	Voting rights	% Voting rights
Sartorius AG	68,450,400	74.30	68,450,400	84.56
Total Sartorius AG	68,450,400	74.30	68,450,400	84.56

Control of the Company as of December 31, 2017

Sartorius AG holds, directly or indirectly, 74.3% of the share capital and 84.5% of the outstanding voting rights. Treasury shares are without voting rights.

Staff Shareholdings

None

Treasury Shares Held by Sartorius Stedim Biotech S.A.

None

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority granted by the Annual Shareholders' Meeting to the Board of Directors still valid.

DELEGATION GRANTED FOR INCREASE IN CAPITAL BY THE SHAREHOLDER'S MEETING TO THE BOARD OF DIRECTORS

Delegation of competence

Object - Duration	Limit	Use in 2017
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders.	The limit is €2,400,000 corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments and €2,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments.	None
Granted for a period of 26 months as from 05 April 2016		
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offerings.	The limit is deducted on the overall limit of €2,400,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments).	None
Granted for a period of 26 months as from 05 April 2016		
Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through private placements as set forth in article L411-2 II of the French Monetary and Financial Code.	The limit is deducted on the overall limit of €2,400,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments).	None
Granted for a period of 26 months as from 05 April 2016		
Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders.	The limit amount 15% of initial issue of shares. It is deducted on the overall limit of €2,400,000 (increase of the share capital)	None
Granted for a period of 26 months as from 05 April 2016		
Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders.	The limit is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,400,000 (debt instruments).	None
Granted for a period of 26 months as from 05 April 2016		
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted.	The limit is €2,400,000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit.	None
Granted for a period of 26 months as from 05 April 2016		
Ability to issue shares and/or securities giving access to the share capital giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders and reserved for members of saving plans.	The limit is €2,400,000 corresponding to the maximum nominal amount of the increase of the share capital; it is an independent limit.	None
Granted for a period of 26 months as from 05 April 2016		

Other Securities Giving Access to the Share Capital

None

Stock Options

None

Share Capital Dilution

None

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2017

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2017 Fiscal Year

None

Options Exercised During the Fiscal Year

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

in €	2016	2015	2014	2013	2012
Dividend per share for the fiscal year	0.42	2.00	1.30	1.20	1.10
Number of shares	92,180,190	15,367,238	15,359,238	15,343,596	15,342,596
Dividend corrected per share¹⁾	0.42	2.00	1.30	1.20	1.10

¹⁾ Compared to the number of shares as of December 31, 2016

Share Subscription Plan

The stock option plans are detailed in the tables below. The authority delegated to the Board of Directors for setting up a new plan has recently expired. The Board of Directors no longer has any such delegated authority to set up any new plan.

Share Subscription Warrants

Sartorius Stedim Biotech S.A. has not issued any share subscription warrants.

Pledging of Shares

No Sartorius Stedim Biotech S.A. shares were pledged.

Pledging of Assets

None

Senior Executives

Information on Sartorius Stedim Biotech S.A. senior executives and a list of the positions they hold or have held over the past five years are included in the Corporate Governance report.

Directors' Meeting Attendance Fees

Directors' meeting attendance fees are calculated on an annual basis. The method of calculating these fees remains the same. It is as follows.

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

- Each Director receives a fixed remuneration of €25,000 per year, to be paid after the annual financial statements have been adopted by the Annual Shareholders' Meeting and which falls due for payment after the Annual Shareholders' Meeting. The chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €1,200 per meeting and reimbursement of its expenses in addition to the annual remuneration.
- For their membership of any committee each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair, instead of this, they receive a lump-sum amount of €8,000 per full year that they hold the chairperson in addition to the attendance fee. The remuneration for the activities on any committee is

due together with the remuneration under the terms of previous Subsection hereof.

- Any value-added tax is reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.
- All these resolutions will not be applied for the Directors that got an executive top management activity at the group level. In this context, the executive corporate officers will not receive any remuneration for their membership.

A total of €313,000 is paid in directors' meeting attendance fees for 2017.

Compensation of the Executive Management Team

		Base fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other € in K	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
Total 2016	5,765.0	2,020.0	1,260.0	2,432.0	53.0	0.0	0.0	0.0
Total 2017	3,056.0	832.0	363.0	1,846.0	15.0	0.0	0.0	0.0
Joachim Kreuzburg ¹⁾ 2016	3,196.3	800.0	418.0	1,963.3	15.0	0.0	0.0	0.0
Joachim Kreuzburg ¹⁾ 2017	3,056.0	832.0	363.0	1,846.0	15.0	0.0	0.0	0.0
Volker Niebel ¹⁾ 2016	732.0	360.0	290.0	71.0	11.0	0.0	0.0	0.0
Volker Niebel ¹⁾ 2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif ¹⁾ 2016	729.0	360.0	290.0	71.0	8.0	0.0	0.0	0.0
Oscar-Werner Reif ¹⁾ 2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reinhard Vogt ¹⁾ 2016	1,107.7	500.0	262.0	326.7	19.0	0.0	0.0	0.0
Reinhard Vogt ¹⁾ 2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

¹⁾ For more details please refer to the Chapter Corporate Governance on pages 79 to 112.

Independent Auditors

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

- KPMG S.A., represented by John Evans.
Alternate auditor: Salustro Reydel..
- Deloitte & Associés, represented by Christophe Perrau.
Alternate auditor: BEAS.

Payment Terms for Trade Payables

	Article D. 441 - 1 st : Invoices received but not paid at the date of the end of the exercise whose term has expired						Article D. 441 - 2 nd : Invoices sent but not paid at the date of the end of the exercise whose term has expired					
	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total
(A) Repartition of late payment												
Number of concerned invoices	28					28	2					2
Total Amount of concerned invoices (Including all taxes)	294,026					294,026	197,366	221,855				419,221
Percentage of Total amount of purchases including taxes for the exercise	9%					9%						
Percentage of sales including taxes for the exercise							7%	9%				16%
(B) Invoices excluded from (A) relating to disputed and contentious Receivables non recorded												
Number of invoices excluded	0					0						
Total amount of excluded invoices including taxes	0					0						
(C) Reference payment terms used (Contractual or statutory period - article L. 441 - 6 or article L. 441 - 3 of Commerce Code)												
Payment terms used for the payment term calculation		Contractual time limit:	30 days				Contractual time limit:	30 days				
		Legal time limit:					Legal time limit:					

Five-Year Financial Results of the Parent Company Sartorius Stedim Biotech S.A.

€ in K	2013	2014	2015	2016	2017
Share capital at end of period					
Share capital (capital stock)	10,396	15,359	15,367	18,436	18,436
Number of shares outstanding	17,042,306	15,359,238	15,367,238	92,180,190	92,180,190
Transactions and financial performance					
Sales revenue (excl. VAT)	1,501	1,465	1,593	1,843	2,198
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	21,180	25,967	29,343	59,635	55,840
Income tax	292	468	-653	4,543	5,552
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	20,875	24,845	29,312	54,324	49,463
Dividends paid or proposal of dividend	16,878	18,412	19,967	30,734	38,713
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	1.26	1.66	1.95	0.60	0.55
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	1.22	1.62	1.91	0.59	0.54
Dividend per share	1.10	1.20	1.30	0.33	0.42
Personnel					
Workforce size	0	0	0	0	0
Personnel costs	0	0	0	0	0
Social security costs	0	0	0	0	0