Sartorius Group

2023 Annual Report

Simplifying Progress

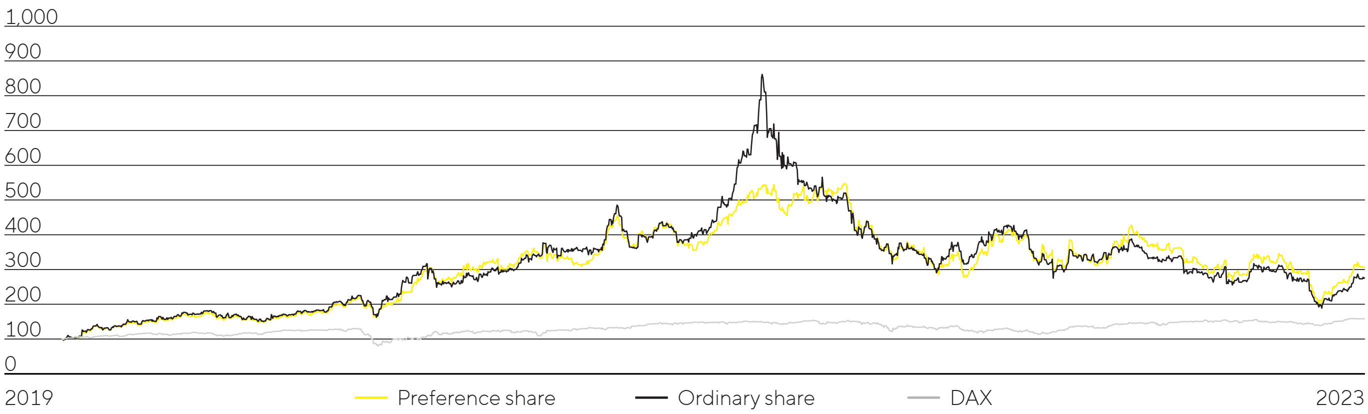
SARTORIUS

Key Figures

All figures are stated in millions of € according to IFRS, unless otherwise specified	**2023**	Δ in %	2022	2021	2020	2019
Order intake, sales revenue and earnings						
Order intake[1]	3,066.9	-23.5	4,007.3	4,267.9	2,836.3	1,939.5
Sales revenue	3,395.7	-18.7	4,174.7	3,449.2	2,335.7	1,827.0
Underlying EBITDA[2]	962.7	-31.7	1,410.4	1,175.0	692.2	495.8
Underlying EBITDA[2] as a % of sales revenue	28.3	-5.5pp	33.8	34.1	29.6	27.1
Relevant net profit[3]	338.5	-48.3	655.4	553.4	299.3	209.4
Earnings per ordinary share[3] (in €)	4.94	-48.4	9.57	8.08	4.37	3.06
Earnings per preference share[3] (in €)	4.95	-48.3	9.58	8.09	4.38	3.07
Dividend per ordinary share (in €)	0.73[4]	-49.0	1.43	1.25	0.70	0.35
Dividend per preference share (in €)	0.74[4]	-48.6	1.44	1.26	0.71	0.36
Net worth and financial position						
Cash flow from operating activities[5]	853.6	16.3	734.2	873.2	511.5	377.2
Capital expenditures as a % of sales revenue	16.5	4.0pp	12.5	11.8	10.3	12.3
Net debt	4,932.1	107.6	2,375.3	1,732.7	1,883.9	1,014.0
Ratio of net debt to underlying EBITDA[6]	5.0		1.7	1.5	2.6	2.0
Equity ratio[7] (in %)	28.3	-9.8pp	38.1	30.2	30.8	38.1
Total number of employees as of Dec. 31	14,614	-8.3	15,942	13,832	10,637	9,036
Bioprocess Solutions Division						
Order intake[1]	2,404.1	-23.0	3,122.7	3,483.5	2,238.1	1,457.6
Sales revenue	2,678.2	-19.5	3,326.5	2,727.0	1,782.6	1,350.5
Underlying EBITDA[2]	782.3	-34.2	1,188.4	986.3	575.9	393.1
Underlying EBITDA[2] as a % of sales revenue	29.2	-6.5pp	35.7	36.2	32.3	29.1
Lab Products & Services Division						
Order intake[1]	662.8	-25.1	884.6	784.4	598.2	481.9
Sales revenue	717.5	-15.4	848.2	722.2	553.0	476.5
Underlying EBITDA[2]	180.3	-18.8	222.0	188.8	116.3	102.7
Underlying EBITDA[2] as a % of sales revenue	25.1	-1.1pp	26.2	26.1	21.0	21.6

1 All customer orders contractually concluded and booked during the respective reporting period.
2 Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.
3 Profit for the period after non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.
4 Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG.
5 Interest received has been reported under cash flows from operating activities since fiscal 2022. The prior-year figure was restated accordingly.
6 Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.
7 Equity in relation to the balance sheet total.

Sartorius Shares in Comparison to the DAX (Indexed)



1870	Founded by Florenz Sartorius, headquartered in Göttingen, Germany
60+	Production and sales sites worldwide
>14,600	Employees
~16%	Sales CAGR 2013–2023
+7.8pp	Change in underlying EBITDA margin 2013–2023
~€20.5bn	Sartorius AG market capitalization; listed on the DAX and TecDAX

Sales growth for continued operations, 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 25, 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

79%
Bioprocess Solutions Division

21%
Lab Products & Services Division

~85%
with life science customers

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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To Our Shareholders

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Report of the Executive Board

Dear Shareholders and Business Partners,

Following three exceptional years from 2020 to 2022 that were impacted by the coronavirus pandemic and marked by very dynamic, but in some cases unsustainable growth, 2023 was also an extremely challenging fiscal year. The entire biopharmaceutical market was characterized by an overall expected normalization of demand, in addition to geopolitical tensions, which also affected Sartorius' business performance.

In 2023, for the first time in more than a decade, the Group's sales revenue fell to around 3.4 billion euros. That was mainly due to the after-effects of the pandemic, in particular the expected, but longer than initially anticipated, reduction in customer inventories throughout the life science sector. Sales revenue declined year over year by 16.6 percent in constant currencies, but increased by around 87 percent compared to 2019, the last year before the pandemic. In 2023, the Group's underlying EBITDA margin of just over 28 percent was below the high prior-year figure but still at a very respectable level and higher than before the pandemic.

In the Lab Products & Services division, pronounced market weakness in China and a strong reluctance to invest in the USA, impacted the business, while in the Bioprocess Solutions division the longer than expected reduction in inventories by customers and the discontinued business with Russian customers, as well as muted investment activity overall, were particularly noticeable. However, the order situation started picking up at the end of the third quarter, and we expect that this trend will gain traction, in particular in the second half of 2024.

After creating many new jobs at our sites around the world in recent years, we adjusted our headcount to around 14,600 by the end of December 2023, in line with our business development. The reduction resulted primarily from the expiry of fixed-term employment contracts and regular attrition. We have also systematically reduced costs in other areas and postponed some investments.

The demand normalization in the biopharmaceutical industry has had an impact on capital market valuations in the life science tools sector and therefore on the Sartorius shares price. After years of strong increases, the Sartorius preference share ended 2023 at a price of 333 euros, which corresponds to a decline of about 10 percent year over year. The Sartorius ordinary share closed 21 percent lower at 265 euros. To put this into perspective: Despite the decline, the market capitalization of Sartorius has increased more than 13-fold over the past ten years.

With regard to the dividend, the Supervisory Board followed the recommendation of the Executive Board to submit a proposal to the Annual General Meeting on March 28, 2024, to distribute a dividend of 0.73 euros per ordinary share and 0.74 euros per preference share, thus maintaining the payout ratio at the level of previous years.

After four years that were dominated by of significant extraordinary effects, we expect to now enter a phase that will be more strongly characterized by fundamental, very positive growth drivers. By 2050, the world's population will grow to more than 9.5 billion people, about 1.6 billion of whom will be over the age of 65 and have increased need for medical care. Novel medications, including above all new approaches in cell and gene therapy, have the ability to improve people's lives and fight diseases that are not yet curable or treatable. Innovative technologies are vital in increasing efficiency in the development and production of biopharmaceuticals and in making these promising approaches ready to use more swiftly. Given these robust and positive market trends, our investments in innovative technologies and our strong global footprint, we are very well positioned to continue playing a key role in this market in the long term while growing profitably.

Our broad product portfolio, ranging from bioanalytical instruments and bioreactors to cell culture media and reagents, helps our customers manufacture new therapeutics faster and more cost-effectively. With key technologies for the particularly dynamic segment of cell and gene therapy, we have established a comprehensive platform so to bring such highly innovative therapies to the market and thus to patients faster. Last year, we added the most important building block to this platform with the acquisition of Polyplus. Its transfection reagents are key to the efficient production of viral vectors and are used in many of these new innovative therapies. The first-time issue of bonds with a volume of 3 billion euros to finance the acquisition was oversubscribed multiple times and confirms the confidence of the capital markets in the company and its strategic course.

Furthermore, we continued our long-term investment program, for example by expanding our capacities at sites in Europe and the United States and starting construction of a new facility in South Korea. We have not only equipped the production and research infrastructure for further organic growth but have also invested in resilience in the face of geopolitical uncertainties, with the aim of continuing to fulfill the highest standards for customer delivery and product quality in all regions.

Based on the recovery in demand and the positive market outlook forecast by industry observers, we anticipate that sales revenue will increase by a mid to high single-digit percentage range in 2024. The profit margin is expected to be a little over 30 percent and the Capex ratio around 13 percent. We are working intensively on achieving further efficiency gains and ensuring a strong cash flow from operating activities in order to rapidly run down the elevated debt leverage following the Polyplus acquisition. At the beginning of February, we accelerated this deleveraging and created additional strategic flexibility through an equity raise totaling 1 billion euros at our French-listed subgroup Sartorius Stedim Biotech S.A. and, to a lesser extent, at Sartorius AG.

We want to continue our profitable expansion beyond 2024 and plan to keep on growing faster than the market. For the five-year period to 2028, we aim to achieve an average annual growth rate in the low teens range. The underlying EBITDA margin is expected to rise further, reaching around 34 percent in 2028.

In addition to our growth targets, we have set ourselves ambitious ecological targets that go far beyond our medium-term planning. By 2030, we intend to reduce our CO_2 emissions intensity by an average of around 10 percent per year, cut all avoidable direct and indirect emissions from purchased energy to zero, and obtain 100 percent of our electricity from renewable sources. Also, we aim to be climate-neutral by 2045 at the latest.

Last year's challenges were different from those during the pandemic, but no less demanding. Our employees once again did an extraordinary job and went many the extra mile. On behalf of the entire Executive Board, I would like to thank each and every one of them for their outstanding efforts over the past year. Special thanks go to the teams who kept up our production and deliveries to our customers in exceptional situations – for example at the Beit Haemek site in Israel.

And we want to particularly thank you, our valued customers, business partners, and shareholders, for the trust you have placed in us for many years. We are confident that we can continue our long-term, successful path together and would be delighted if you accompanied us in 2024 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. The following changes were made to the Executive Board in the reporting year: Alexandra Gatzemeyer succeeded Gerry Mackay as Board Member and Head of the Lab Products & Services division. Rainer Lehmann stepped down as Chief Financial Officer on October 31, 2023. Florian Funck was appointed as his successor with effect from April 1, 2024. Until he takes office, Joachim Kreuzburg will assume these responsibilities on an on an interim basis.

Joachim Kreuzburg
CEO
Group Strategy, Human Resources, Corp Research, Legal & Compliance, Communications, Sustainability

Interim | November 1, 2023 till April 30, 2024
Finance, Information Technology, Corp Sourcing

Board member since 2002

René Fáber
Member of the Board

Head of Bioprocess Solutions

Board member since 2019

Alexandra Gatzemeyer
Member of the Board

Head of Lab Products & Services

Board member since 2023

Rainer Lehmann
Board member till October 31, 2023

Finance, Information Technology, Corp Sourcing

Gerry Mackay
Board member till Juni 15, 2023

Head of Lab Products & Services

Report of the Supervisory Board

Dear Shareholders and Business Partners,

2023 was an unusual year for Sartorius. It marked the transition from a period dominated by the pandemic (the years 2020 to 2022) to an increasing return to normality, which we expect to continue in the current year 2024. For the first time in over a decade, we saw a decline in sales revenue in both divisions in the reporting year and took adjustment measures in response. This made the company's achievements all the more encouraging: Despite the operational challenges, Sartorius completed a strategically important acquisition in the form of Polyplus and successfully appointed two successor candidates to the Executive Board.

The Supervisory Board dealt in detail with the situation and prospects of the company on an ongoing basis throughout the year. 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, internal control systems and compliance. The targets, measures and new reporting requirements in relation to sustainability were also regularly on the agenda, along with capital market perceptions of Sartorius and the life science sector as a whole. 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 Meetings

The Supervisory Board held eight meetings in the reporting year, which with a few exceptions were attended by all of its members. A list of the participants who attended meetings of the Supervisory Board and committees can be found on page 15 of this annual report and on the company's website (LINK). Six of the meetings took place face to face and two as videoconferences. The Executive Board attended the majority of our deliberations. Where matters relating to the Executive Board, internal Supervisory Board issues or selected special topics were discussed, we met to discuss the relevant agenda items without the participation of the Executive Board. If required, separate preliminary discussions by shareholder and employee representatives took place prior to the deliberations of the whole Board.

At our meeting on February 10, 2023, we comprehensively discussed the annual and consolidated financial statements for fiscal 2022 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 2023 Annual General Meeting, including the proposal for appropriation of the annual profit, as well as the remuneration system for the Executive Board members. After considering the advantages and disadvantages of the different Annual General Meeting formats, we also decided together with the Executive Board to hold the Sartorius AG Annual General Meeting virtually again. In addition to this, our agenda included addressing various acquisition opportunities. The Supervisory Board approved the Executive Board's plan to further increase Sartorius' majority stake in the Korean subsidiary Sartorius Korea Biotech. Without the participation of the Executive Board, the Supervisory Board discussed the target achievement of Executive Board members in fiscal 2022 and reached a corresponding decision.

As part of an extraordinary meeting on March 1, 2023, which was held virtually by videoconference, we looked at various strategic projects in depth. The discussion centered on a possible acquisition of the French transfection specialist Polyplus. We considered its portfolio, market prospects and potential synergies with the two Sartorius divisions in detail. We also looked at options for financing this potential transaction.

The acquisition of Polyplus was again among the items on the agenda at our meeting on March 29, 2023. After a detailed examination, we gave our approval to this transaction and to the arrangement of corresponding bridge financing. Another important focus of the meeting, this part of which was held without the Executive Board, was the appointment of Dr. Alexandra Gatzemeyer as an Executive Board member effective May 1, 2023 and the details of her Executive Board contract, which had already been prepared by the Executive Task Committee. Following a personal introduction and a discussion with Dr. Gatzemeyer, the Supervisory Board passed the required resolutions for this purpose. Alexandra Gatzemeyer succeeded Executive Board member Gerry Mackay as the head of the Lab Products & Services Division. For personal reasons, he had already announced his intention in 2021 not to stand for a further term of office.

An extraordinary Executive Board meeting on April 28, 2023, which took place in a virtual format, was held to discuss Executive Board matters. The Supervisory Board decided here to meet the wishes of the Chief Financial Officer, Rainer Lehmann, who wanted to step down at the end of October 2023 to take on a new role outside the company. To fill this position and ensure a seamless transition, we resolved to begin looking for a successor. We also approved the stepping down of Gerry Mackay effective June 15, 2023, of which we had already been notified.

At our meeting on July 13, 2023, which included presentations from several managers, we received a comprehensive overview of various digitalization initiatives at the company and an update on IT security at Sartorius. Beyond this, we obtained information on the progress being made with respect to our sustainability strategy and programs and upcoming regulatory changes. Financing matters were another focus of the discussion. In this context, following thorough deliberation, we approved the issue of corporate bonds, mainly to repay the bridge financing for the Polyplus transaction. The first results of the search for a new Chief Financial Officer were also presented, and we discussed various aspects of the Executive Board remuneration and approved ideas for succession planning on the Executive Board based on a report by the Executive Task Committee. The Supervisory Board also passed a resolution on the independence of its member Professor Dr. Trützschler and on conducting the Supervisory Board self-evaluation by means of a newly designed, questionnaire-based online process.

In an extraordinary meeting on August 3, 2023, we appointed Dr. Florian Funck as Chief Financial Officer effective April 1, 2024. Prior to the appointment, Dr. Funck introduced himself and discussed various financial topics with us. We also passed the corresponding resolutions concerning the Executive Board contract and remuneration as prepared by the Executive Task Committee.

At our Supervisory Board meeting on September 14, 2023, we looked in detail at topics relating to the corporate strategy, the continued development of the portfolio in both divisions and selected aspects of Sartorius' presence and activities in the various regions of the world.

Corporate governance topics were on the agenda for the Supervisory Board meeting on December 7, 2023 and were discussed in detail. We adopted the Declaration of Compliance for 2023 and passed a resolution on the independence of Dr. Lothar Kappich. We also looked at the results of the Supervisory Board self-evaluation and discussed topics of Executive Board remuneration. We concurred with the recommendations of the Executive Task Committee concerning the target agreements for the members of the Executive Board and approved the related recommendations for resolution. In addition, we were given information on employee development and retention and received a report on the status of the sustainability strategy and programs and on upcoming regulatory changes. Another topic was the results of the invitation to tender for the auditing of the financial statements starting from fiscal year 2024, which were explained in detail by the Chairman of the Audit Committee. Following detailed deliberation and on the recommendation of the Audit Committee, the Supervisory Board decided to propose PricewaterhouseCoopers to the Annual General Meeting as the auditors for the Sartorius Group in fiscal year 2024. We also approved the budget prepared by the Executive Board for 2024, 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 twelve meetings in the reporting year, of which five took place in person and seven virtually. The number of meetings was higher than average. due to the extensive need for consultation in connection with appointments to two Executive Board positions, the preparation of Executive Board contracts, and remuneration. The committee also dealt in depth with succession planning for selected functions, corporate governance topics and various strategic measures by the company.

The Audit Committee held four meetings in the reporting year, all of which were held in person. The committee prepared for the full Supervisory Board's resolutions on endorsement and approval of the consolidated annual financial statements for fiscal 2022 and discussed the quarterly results and the first-half financial report of 2023. Another focal point was 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 2023, the committee confirmed the independence of the auditors and deliberated in detail on the selection of auditors to recommend for election at the Annual General Meeting, on the issuing of the audit engagement, and on the definition and monitoring of the audit procedure and focal points of the audit. Another emphasis of the committee’s work in the reporting year was the invitation to tender for the auditing of the financial statements starting from fiscal year 2024. The Audit Committee was responsible for supporting this process on behalf of the Supervisory Board. The committee’s chairman in particular was in regular contact with the auditors on various issues during, and if necessary outside, the meetings.

The Nomination Committee and Conciliation Committee did not meet in 2023.

Individual Meeting Attendance of the Supervisory Board Members 2023

Supervisory Board Member	Meetings	Executive Task Committee	Audit Committee
Lothar Kappich	8/8	12/12	4/4
Manfred Zaffke	7/8	10/12	4/4
Annette Becker	8/8	12/12	--
David Raymond Ebsworth	8/8	--	--
Daniela Favoccia	8/8	--	--
Petra Kirchhoff	8/8	--	--
Dietmar Müller	8/8	--	4/4
Ilke Hildegard Panzer	8/8	--	--
Hermann-Jens Ritzau	8/8	--	--
Klaus Rüdiger Trützschler	8/8	12/12	4/4
Frank Riemensperger	7/8	--	--
Sabrina Wirth	7/8	--	--

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.

Further training measures in the reporting year included participation in specialist events for supervisory board members organized by leading auditors and law firms. Among other topics, these covered regulatory changes, financial and non-financial reporting, takeover law, due-diligence processes and applications for generative artificial intelligence. Supervisory Board members also actively participated in commissions and networks such as the German Supervisory Boards Working Group (AdAR), the Government Commission on the German Corporate Governance Code and the foundation Hans-Böckler-Stiftung.

Self-evaluation of Supervisory Board Work

The Supervisory Board regularly evaluates how effectively the board as a whole and its committees are fulfilling their responsibilities. Each meeting is followed by a brief assessment of the quality and efficiency of the deliberations and of the documents presented. A detailed self-evaluation also takes place annually via a written survey, which is supported from time to time by external consultants. The survey comprises some 30 questions on the frequency, organization and structure of the full board and committee meetings, on the extent and nature of the information provided, on the communication within the Supervisory Board and with the committees, and on how well the Executive and Supervisory Boards work together. A detailed analysis of the efficiency audit is provided to all board members and discussed each year, usually at the December meeting. Where necessary, appropriate measures are identified.

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 2023 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 29, 2023. The independent auditors issued an unqualified audit certificate.

The auditors attended the Audit Committee meeting on February 8, 2024, and the Supervisory Board meeting on February 9, 2024, 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 9, 2024, 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 28, 2024 to pay dividends of €0.74 per preference share and €0.73 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 9, 2024, 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

The composition of the Supervisory Board did not change in 2023.

On the Executive Board, Gerry Mackay stepped down effective June 15, 2023, and the Chief Financial Officer, Rainer Lehmann, effective October 31, 2023. The Supervisory Board thanks them both for their many years of very successful work at the company. Alexandra Gatzemeyer was recruited to replace Gerry Mackay as head of the Lab Products & Services Division effective May 1, 2023. Dr. Florian Funck will become the new Chief Financial Officer effective April 1, 2024. Until then, the Chairman of the Executive Board, Dr. Joachim Kreuzburg, will head this board division on an interim basis.

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 2024

On Behalf of the Supervisory Board

Dr. Lothar Kappich

Chairman

Sartorius Shares

Global Stock Markets with Positive Performance

In 2023, international stock markets recorded price increases despite declining economic momentum and rising bond yields. Falling inflation rates and the associated expectations by market players of a reverse in interest rates had a positive impact on stock market sentiment. In addition, the U.S. economy in particular was more robust than originally expected, meaning that a recession was regarded as increasingly unlikely. Given this backdrop, the Dow Jones ended the reporting year at 37,690 points and up 13.7%. The MSCI Europe ended the year approximately 11.2% higher at 1,917 points. Germany's benchmark index DAX and the technology index TecDAX, which both include Sartorius preference shares, also posted gains of 20.3% to 16,752 points and 14.3% to 3,337 points, respectively.

Price of Sartorius Shares Declines

The performance of Sartorius shares was affected in 2023 by the temporarily dampened growth prospects. In view of post-pandemic inventory reductions by customers taking longer than expected, a delayed recovery in the Bioprocess Solutions division, and weaker development in lab business, the financial forecast had to be lowered twice. The general market weakness also dampened business development for the other leading manufacturers of bioprocess technology and laboratory instruments, meaning that share price development for companies in the life science sector was below average compared with the market as a whole. Against this backdrop, the Sartorius preference share closed the 2023 stock market year at €333.20 – down 9.8% year over year. The ordinary share closed around 20.8% lower at €265.00.

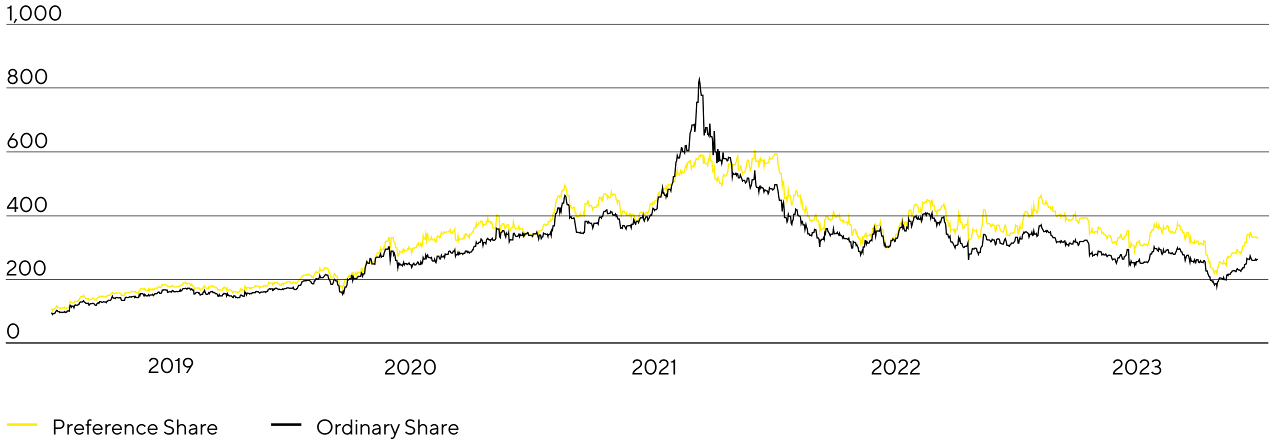
Sartorius AG preference shares have been listed in the German DAX share index since 2021, and they are also included in the TecDAX. The preference shares ranked 38th in the DAX and 6th in the TecDAX at year-end based on the free-float market capitalization criterion.

Facts about the Shares[1]

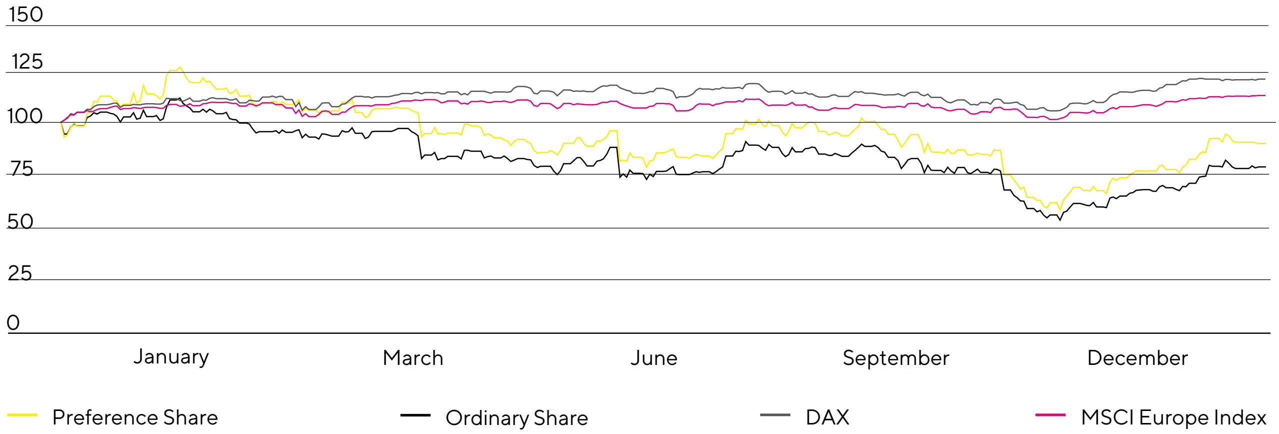
ISIN	DE0007165607 (ordinary shares)
	DE0007165631 (preference shares)
Designated sponsor	Oddo Seydler Bank AG | M.M. Warburg & Co. (AG & Co.) KGaA
Market segment	Prime Standard
Indexes	DAX | TecDAX | MSCI Germany Index | CDAX | Prime All Share-Index | Technology All Share-Index | NISAX20 | STOXX Europe 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

1 As of December 31, 2023

Sartorius Shares in €
January 1, 2019 to December 31, 2023



Sartorius Shares in Comparison to DAX and MSCI Europe Index (indexed)
January 1, 2023 to December 31, 2023



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 15% to €20.5 billion as of December 31, 2023, compared with €24.1 billion a year earlier.

The average number of preference shares traded daily on the Frankfurt Stock Exchange (Xetra and trading floor) was 96,553 during the reporting period, compared with 89,710 in the previous year. The trading volume was €8.3 billion (2022: €8.9 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 5,521 compared with 5,070 in the previous year. The corresponding trading volume was around €396.7 million (2022: €433.5 million).

Investor Relations

Sartorius' investor relations (IR) 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 road shows. Two virtual capital market tutorials were also held during the reporting year, in which the Group provided participants with in-depth information on specific product areas and the topic of sustainability.

Further information and publications about the Sartorius Group and its shares are available online at 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
Jan. 25, 2024	UBS	346.00	Neutral
Jan. 23, 2024	Bank of America Merrill Lynch	380.00	Buy
Jan. 22, 2024	Morgan Stanley	330.00	Hold
Jan. 19, 2024	Citigroup	350.00	Buy
Jan. 18, 2024	Berenberg	310.00	Buy
Jan. 10, 2024	HSBC	370.00	Buy
Jan. 9, 2024	Société Générale	255.00	Sell
Jan. 4, 2024	Deutsche Bank	315.00	Hold
Jan. 2, 2024	JP Morgan	315.00	Buy
Dec. 22, 2023	AlphaValue	351.00	Sell
Dec. 20, 2023	Barclays	290.00	Hold
Dec. 20, 2023	KeyBanc	415.00	Buy
Dec. 20, 2023	SRH AlsterResearch	235.00	Sell
Dec. 12, 2023	Jefferies	264.00	Hold
Nov. 16, 2023	Morningstar	295.00	--
Nov. 13, 2023	Kepler Cheuvreux	255.00	Hold
Nov. 3, 2023	Metzler	370.00	Buy
Oct. 20, 2023	M.M. Warburg	278.00	Hold
Oct. 20, 2023	Exane BNP Paribas	255.00	Hold
Oct. 19, 2023	LBBW	400.00	Buy
Oct. 16, 2023	DZ Bank	200.00	Sell
Oct. 16, 2023	EQUI.TS	330.00	Hold
Oct. 13, 2023	ODDO BHF	266.00	Hold

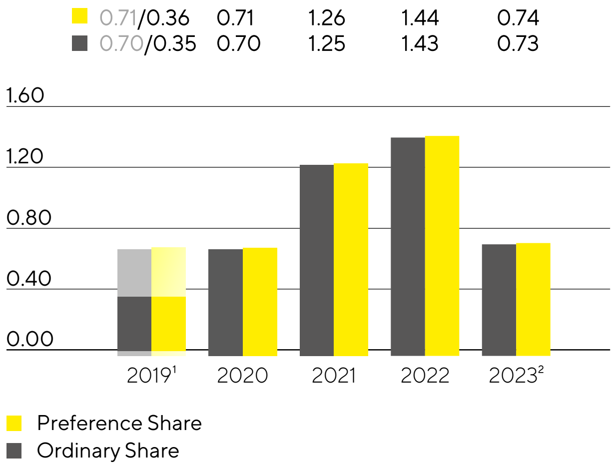
Dividends

In line with the rapid and highly innovation-driven development of the industry, the main focus of the company's management is on successfully continuing on our dynamic profitable growth track and on making 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 28, 2024, to pay dividends of €0.74 per preference share and €0.73 per ordinary share for fiscal 2023. If this proposal is approved, the total profit distributed would be €50.7[1] million (previous year: €98.2 million). The corresponding payout ratio lies within the general dividend policy, at 14.9% (previous year: 15.0%).

1 Calculation based on the number of shares entitled to dividends after placement of preference shares held by the company on February 7, 2024; outstanding ordinary shares: 34,229,428, outstanding preference shares: 34,806,061

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

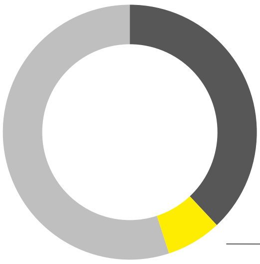
Total shareholder return (TSR) considers both the dividends paid out and any share price development over a certain period, and thus reflects the entire performance of an investment. In 2023, Sartorius preference shares delivered a TSR of -9.6% (previous year: -37.7%), and its ordinary shares a TSR of -20.6% (previous year: 32.7%).

Shareholder Structure

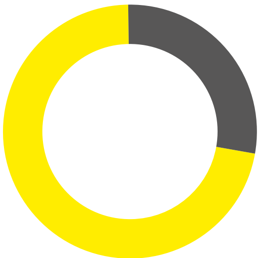
Sartorius AG's issued capital comprises 37,440,000 million ordinary shares and the same number of preference shares, each with a calculated par value of €1 per share. Some of both classes of share are held by the company itself. Minus these treasury shares, the number of ordinary shares outstanding is 34,229,428 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

		2023	2022	2021	2020	2019
Ordinary shares[1] in €	Reporting date[6]	265.00	334.50	499.00	345.00	175.00
	High	373.00	499.00	827.00	362.00	176.00
	Low	181.40	264.00	329.00	156.50	92.60
Preference share[1] in €	Reporting date[6]	333.20	369.40	595.20	343.60	190.80
	High	465.90	595.20	607.00	404.20	195.00
	Low	217.80	302.40	343.60	174.20	104.00
Market capitalization[2] in millions of €		20,463.8	24,078.3	37,428.6	23,555.6	12,507.9
Average daily trading volume of ordinary shares		5,521	5,070	4,244	2,774	1,238
Average daily trading volume of preference shares		96,553	89,710	65,581	80,572	65,810
Trading volume of ordinary shares in millions of €		396.7	433.5	577.7	179.6	45.7
Trading volume of preference shares in millions of €		8,275.3	8,932.3	7,949.1	5,937.9	2,682.6
Total trading volume in millions of €		8,672.1	9,365.8	8,526.8	6,117.6	2,728.3
Dividend per ordinary share[3] in €		0.73	1.43	1.25	0.70	0.35
Dividend per preference share[3] in €		0.74	1.44	1.26	0.71	0.36
Total dividends[3, 4] in millions of €		50.7	98.2	85.9	48.2	24.3
Dividend yield per ordinary share[5] in %		0.3	0.4	0.3	0.2	0.2
Dividend yield per preference share[5] in %		0.2	0.4	0.2	0.2	0.2

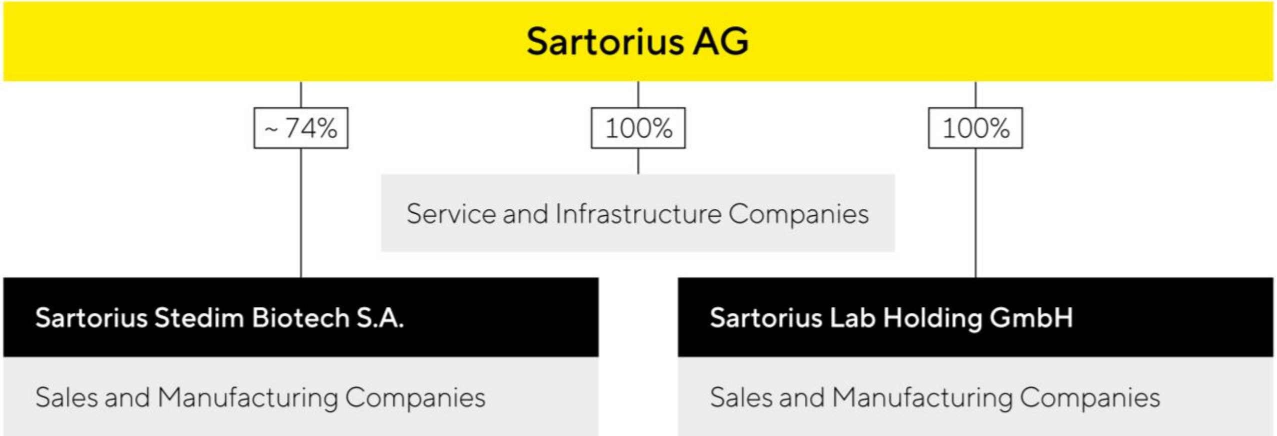
1 Xetra daily closing price.
2 Without treasury shares.
3 For 2023, amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG.
4 Calculated on the basis of the number of shares entitled to dividends.
5 In relation to the closing price in the year concerned.
6 As of December 31 of the respective year.

Sources: NASDAQ, Bloomberg

Combined Group Management Report

02

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, 2023, 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 the product portfolio of the Bioprocess Solutions Division in the reporting year by acquiring the French company Polyplus through its Sartorius Stedim Biotech S.A. subgroup, which is listed in France. The transaction was completed in July 2023 once the required approvals by the authorities had been granted.

Polyplus is a provider of innovative cell and gene therapy technologies. Established in 2001, the company is based in Strasbourg, France, with sites in France, Belgium, the United States, and China, employing around 270 people. The transfection reagents developed and produced by Polyplus are success-critical components in the manufacture of viral vectors used in cell and gene therapies as well as other new medical therapy methods. The company has recently enlarged its focus beyond this field and, through acquisitions in adjacent technologies, such as plasmid development and protein and plasmid manufacture, expanded its offering for gene therapies and genetically modified cell therapies.

Moreover, in June 2023, Sartorius – through the Sartorius Stedim Biotech subgroup – acquired Sartonet Seperasyon Teknolojileri Anonim Şirketi, which is based in Istanbul, Türkiye. The company imports and distributes the products of the Sartorius Group in Türkiye and in addition, offers its pharmaceutical customers a wide range of services, such as process development, technical support, calibration, and training. Sartonet had around 40 employees at the acquisition date.

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_2 emission intensity

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 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.

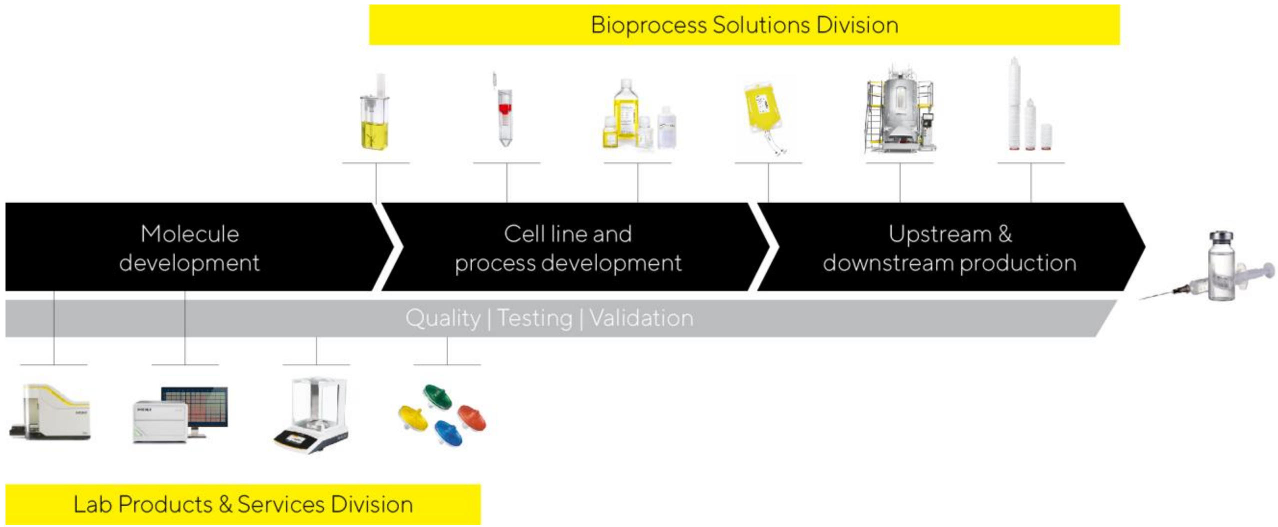
Biopharmaceuticals are integral components of advanced medicine and are used to treat many illnesses, mostly of a serious nature. However, long development times and complex production make these medications very expensive. This leads to high healthcare costs in industrialized countries and to the situation 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 that it offers 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, are 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, and other components for the development and manufacture of advanced therapies, 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.

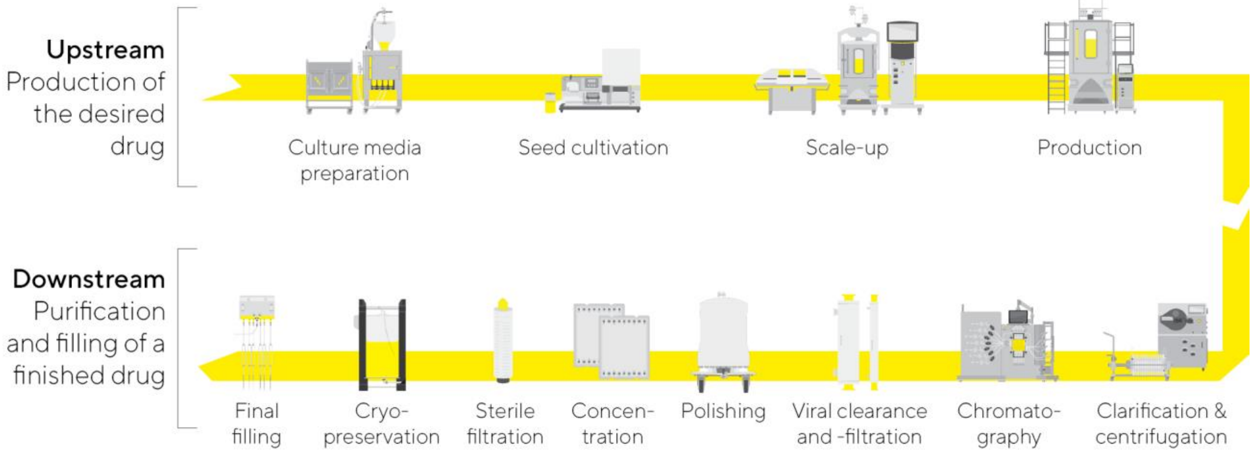
The breadth of the company's product portfolio is one of the key factors that differentiates it from many of its competitors. Sartorius can provide customers with complete process solutions from a single source, as well as assist with preceding project planning, process integration, and subsequent validation. The company's products are used in the manufacture of 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

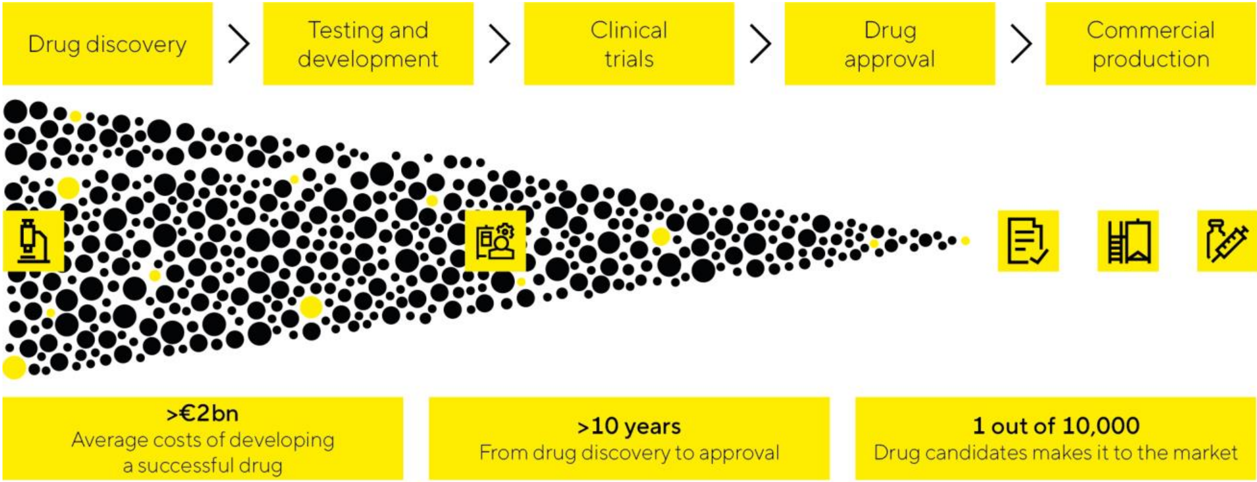
Over the past years, the Lab Products & Services Division has increasingly concentrated on the high-growth biopharmaceutical industry. With its products, the division addresses pharmaceutical and biotech research laboratories as well as academic research institutes. Sartorius supplies scientists and 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 2023 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.

Global Presence

Americas

Puerto Rico – Yauco
USA – Albuquerque (NM), Ann Arbor (MI), Arvada (CO), Fremont (CA), Hopkinton (MA), Marlborough (MA), New Oxford (PA)

Asia | Pacific

China – Beijing, Shanghai
India – Bangalore

Europe | Middle East | Africa

Finland – Helsinki, Kajaani
France – Aubagne, Cergy, Lourdes, Pompey, Strasbourg
Germany – Bielefeld, Freiburg, Göttingen, Guxhagen, Jena, Ulm
Israel – Beit Haemek
Russia – St. Petersburg
Slovenia - Ajdovščina
Switzerland – Tagelswangen
Tunisia – Mohamdia
United Kingdom – Havant, Nottingham, Royston, Stonehouse

Medium-term Planning until 2025 and 2028

In 2018, Sartorius presented its medium-term planning up to 2025, according to which sales revenue was projected at €4 billion with an underlying EBITDA margin of 28%. These targets were raised twice in the following years and most recently envisaged sales revenue of around €5.5 billion with an underlying EBITDA margin of around 34%. Against the backdrop of the weaker than expected market situation in the entire life science sector following the pandemic and the resulting temporary decline in sales and earnings, a review of the medium-term targets was announced in October 2023. The new medium-term ambition until 2028 communicated at the end of January 2024 replaces the previous planning until 2025.

Sartorius intends to continue its profitable growth path in the long term and expects to grow faster than the market. According to the new medium-term targets, the Group plans to achieve average annual sales revenue growth in the low-teens percentage range over the five-year period to 2028 of which acquisitions are anticipated to contribute around a fifth. The underlying EBITDA margin is also expected to increase and reach around 34% in 2028. The margin targets include expenses of around 1 percent of Group sales revenue for measures to reduce the company's CO_2 emission intensity.

In terms of its two segments, Sartorius expects the Bioprocess Solutions division to grow on average in the low- to mid-teens percentage range per year between now and 2028 with an underlying profit margin of around 36%. The Lab Products & Services division is projected to expand at an average annual rate by a mid to high single-digit percentage with a margin of 28% in 2028.

All forecasts are based on constant currencies, as in the past years. Management points out that the industry has become increasingly dynamic and volatile in recent years. In addition, uncertainties due to the shifting geopolitical situation, such as various countries' nascent decoupling tendencies, are playing an increasing role. This results in increased uncertainty when forecasting business figures.

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 that 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 continued to expand its production capacity in the reporting year. Capital expenditures totaled approximately €559.7 million in 2023 and were used to expand sites in Germany, France, Puerto Rico, the USA, and South Korea, 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 company's 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 the construction of a new production facility in South Korea, which offers excellent growth prospects with its dynamically expanding biopharma market.

A detailed presentation of all investments can be found in the corresponding section starting on page 49.

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 61 and 66. Further related information, for example, on the amount of expenditure for research and development in the reporting year, can be found on page 48.

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 start-ups, Corporate Research pursues its own research activities in selected fields. This includes, for example, innovative technologies and methods for the development and production of new therapeutic approaches, new functionalities, and improved material properties – including with a view to their sustainability – or the use of artificial intelligence in biopharmaceutical research and production.

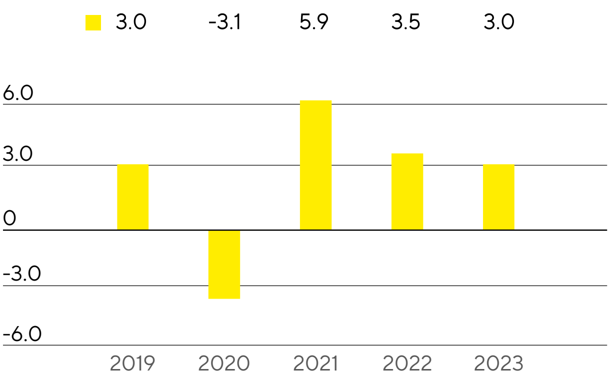
Macroeconomic Environment and Conditions in the Sectors

The 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.

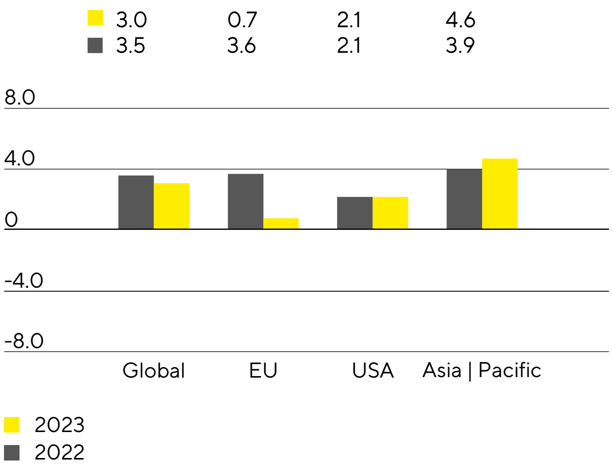
Muted Growth Momentum in the Global Economy

The growth momentum of the global economy continued to slow further in 2023, although there were regional differences in performance. The slowdown was more pronounced in industrialized countries, particularly the eurozone, than in emerging and developing countries. According to estimates by the IMF, global gross domestic product rose by 3.0% (2022: +3.5%) in the reporting period, with industrialized nations recording growth of 1.5% (2022: +2.6%), while the increase in emerging and developing countries was 4.0% (2022: +4.1%). Factors with a dampening effect included cyclical drivers, such as tighter monetary policy, a decline in investment activity, and fewer fiscal policy measures to support the economy. Structural causes, such as increasing geo-economic fragmentation, also had a negative impact on business sentiment and trading activity. Despite the deteriorating conditions, the labor markets proved generally resilient in 2023, and inflationary pressures abated in the course of the year.

Global Development GDP (2019 to 2023)
in %



Gross Domestic Product by Region
in %



Source: International Monetary Fund

According to the IMF, the European Union's economy contracted by 0.7% (2022: +3.6%). Germany recorded a decline of 0.5% (2022: +1.8%), while France's economic output was up 1.0% (2022: +2.5%), and the UK, another core European market, expanded by 0.5% (2022: +4.1%).

The United States, the world's largest economy, posted a 2.1% year-on-year increase in GDP in 2023.

In the Asia|Pacific economic region, GDP grew by 4.6% (2022: +3.9%). India again recorded the sharpest increase in this region in the reporting year, with growth of 6.3% (2022: +7.2%). China's economy added 5.0% (2022: +3.0%), although this fell short of original expectations. South Korean economic output rose by 1.4% (2022: +2.6%), and economic activity in Japan increased by 2.0% (2022: +1.0%).

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	
	2023	2022	2023	2022
U.S. dollar	1.10650	1.06695	1.08152	1.05351
British pound	0.86910	0.88584	0.86989	0.85265
Singapore dollar	1.46070	1.43060	1.45250	1.45160
South Korean won	1,428.67000	1,344.77000	1,412.18659	1,357.87961
Japanese yen	156.81000	140.73000	152.01230	138.04150
Chinese renminbi	7.86730	7.36960	7.66229	7.08120
Swiss franc	0.92662	0.98370	0.97178	1.00486

The European Central Bank raised its key interest rate several times in the reporting year to 4.50% by the end of 2023. The three-month EURIBOR – i.e., the rate of interest on fixed-term deposits denominated in euros in interbank business – stood at 3.9% as of December 31, 2023 (December 31, 2022: 2.1%).

Sources: International Monetary Fund: World Economic Outlook, October 2023; Bloomberg; www.euribor-rates.eu.

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.

Subdued Development of the Biopharmaceutical Market

After continuous – and in some cases significant – expansion in the global pharmaceutical market in prior years, growth stagnated in 2023 according to EvaluatePharma. Even revenue generated with biopharmaceuticals, which commonly increases faster than that generated by the pharmaceutical market as a whole, remained constant at around $436 billion. This was primarily due to lower sales of coronavirus vaccines and therapeutics, which fell by more than half in the reporting year from the previous level of $100 billion. Biopharma's share of the total pharmaceutical market was unchanged at around 39%.

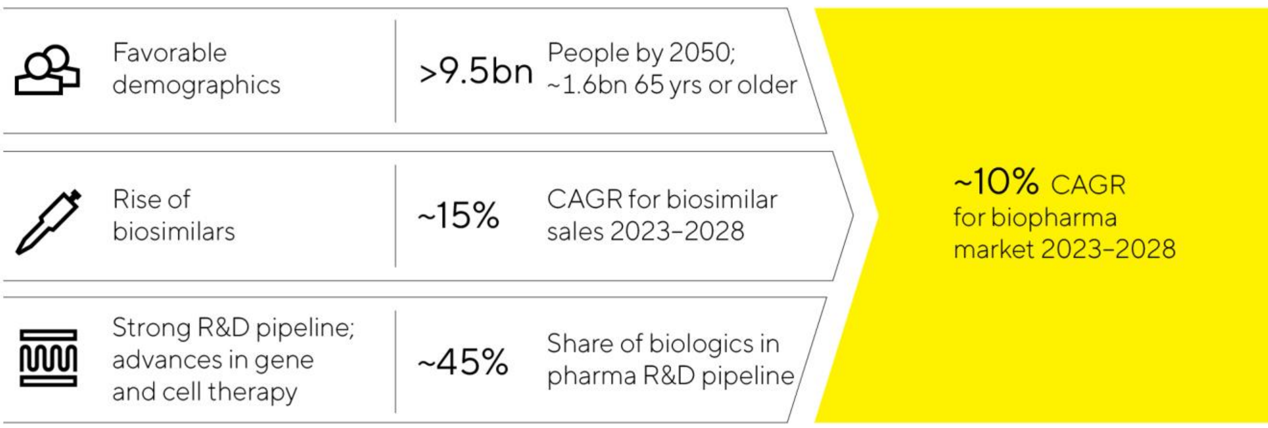
The leading manufacturers of bioprocess technology recorded declining sales in 2023 and repeatedly lowered their growth forecast communicated at the start of the year. The influencing factors were of a temporary nature and included in particular the sharp decline in Covid-19-related business and the reduction of elevated inventory levels. In addition, production levels at some biopharma companies were relatively low, and investment activity was generally subdued after several years of intensive capacity expansion. Towards the end of the third quarter, the order situation recovered for some companies, and a gradual improvement in the business situation is expected for 2024.

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. Significant impetus here is provided by the globally increasing demand for drugs and the approval and market launch of innovative biopharmaceuticals. Other growth factors are the extension of the range of indications for already approved medications and their further market penetration. The number of new biopharmaceutical approvals by the U.S. Food and Drug Administration (FDA) remained high in the year under review, at 42 (2022: 31).

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 around 45% 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 2023, more than 1,600 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 2023 remained modest at an estimated $29 billion, but is expanding at faster rates than the biopharma market as a whole. The market is expected to continue 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 15% is expected globally through 2028.

Attractive Market Environment with Good Growth Prospects



Laboratory Market Continues to Grow

The global laboratory market had a total value of around $84 billion in the reporting year and, according to estimates by various market observers, is growing at an average annual rate of around 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.

However, this applies to a lesser extent to labs in the pharmaceutical and biopharma industries, the leading customer groups for laboratory instruments and consumables: In this industry, demand is more strongly influenced by fundamental growth drivers, such as continuous research to find new active pharmaceutical ingredients. According to EvaluatePharma, sector-specific research spending increased by 7% to $262 billion in 2023. The investment 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. In view of the above-average growth in previous years, this customer segment trended weaker in the reporting year, and the majority of leading suppliers of laboratory instruments and consumables recorded declines in sales revenue. In addition to the high basis for comparison, the reasons cited include restrained investment activity in the current interest rate environment, the persistently muted funding environment, especially for small and medium-sized biotech companies, and severe market weakness in China. Declining demand for Covid-19 test components also had a dampening effect.

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. Despite a weaker macroeconomic environment, demand from industrial end markets was generally robust in 2023 according to several leading laboratory product manufacturers.

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 USA, 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 ten years, rising again by about 6.5% in the reporting year. The proposed budget for 2024 includes another slight increase. 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. 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 Danaher Corporation, Merck KGaA, and Thermo Fisher Scientific Inc.

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 of Danaher Corporation, Merck KGaA, and Thermo Fisher Inc. 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: 20th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2023; Evaluate Pharma: World Preview 2023, August 2023; Alliance for Regenerative Medicine: Sector Snapshot, August 2023; citeline: Pharma R&D Annual Review 2023, May 2023; Markets and Markets: Biosimilars Market – Forecast to 2028, 2023; SDi: Global Assessment Report 2023, June 2023; www.fda.gov

Group Business Development

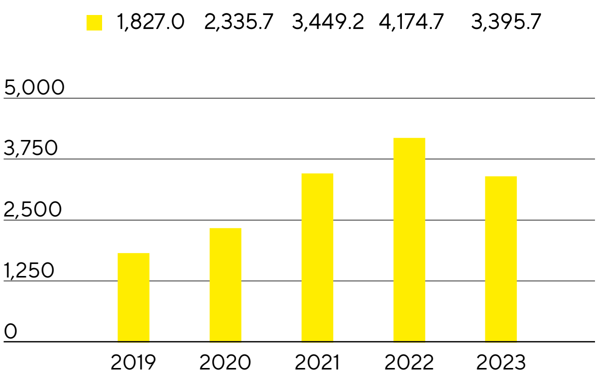
Sales Revenue and Order Intake

Following the strong additional growth momentum in the years 2020 to 2022 due to the pandemic-related extraordinary business and inventory buildup by customers, particularly in the Bioprocess Solutions division and to a lesser extent in the laboratory business, the temporary normalization of demand expected by the company management set in during the reporting year. This was more pronounced than anticipated at the beginning of the year, and the reduction in customer inventories also lasted longer than expected, which led to numerous forecast revisions across the entire life science sector. Business development was also impacted by a pronounced market weakness in China and the discontinuation of business with Russian customers. Against this backdrop, Group sales revenue fell by 16.6% in constant currencies[1] to €3,395.7 million; reported by -18.7%. This includes a growth contribution from acquisitions of around 1.5 percentage points[2]. Excluding the pandemic-related business, the decline in constant currencies was around 12%.

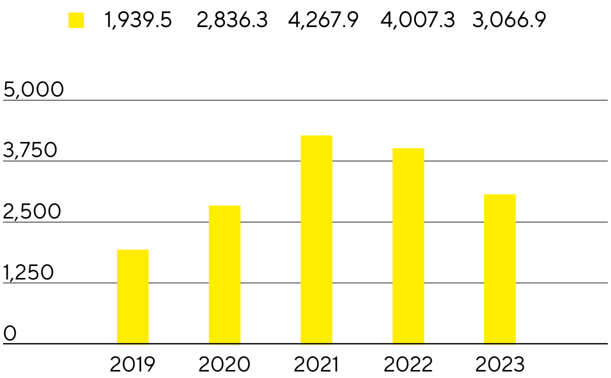
The temporarily weaker market environment was also reflected in order intake[3], which decreased by 21.5% in constant currencies to €3,066.9 million (reported: -23.5%). In line with progress made by customers in reducing their inventories, business began to recover at the end of the third quarter, resulting in order intake being slightly higher than sales revenue in both divisions and the Group in the fourth quarter.

For a full comparison of the Group's business development with its forecast, see page 68.

Sales Revenue 2019 to 2023
€ in millions



Order Intake 2019 to 2023
€ in millions



Sales Revenue and Order Intake

€ in millions	2023	2022	in % reported	in % cc[2]
Sales revenue	3,395.7	4,174.7	-18.7	-16.6
Order intake	3,066.9	4,007.3	-23.5	-21.5

1 Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
2 Organic: Organic growth figures exclude the impact from changes in exchange rates and changes in the scope of consolidation.
3 Order intake: All customer orders contractually concluded and booked during the respective reporting period.

Temporarily Muted Development in Both Divisions

Both divisions recorded a decline in sales revenue in fiscal 2023 due to the temporarily weaker market environment. In the Bioprocess Solutions division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals and vaccines, sales revenue decreased by 17.6% in constant currencies to €2,678.2 million (reported: -19.5%). This includes about 2 percentage points of non-organic growth from acquisitions. Excluding the pandemic-related business, the decline was slightly above 12% in constant currencies.

Sales revenue in the Lab Products & Services division, which specializes in life science research and pharmaceutical laboratories, stood at €717.5 million, a decline of 12.7% in constant currencies (reported: -15.4%) compared to the high level of the prior-year period. Excluding the Covid-19-related business, sales revenue would have declined by slightly below 11% in constant currencies.

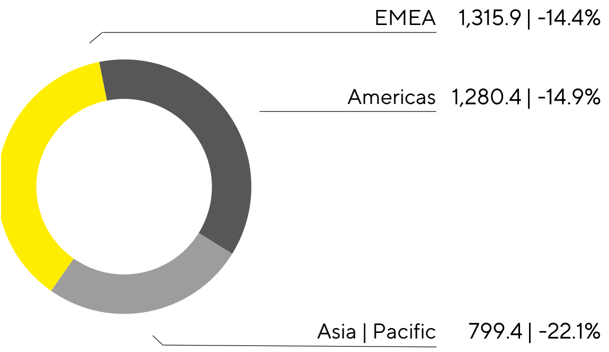
Sales by Division

€ in millions	2023	2022	in % reported	in % cc
Bioprocess Solutions	2,678.2	3,326.5	-19.5	-17.6
Lab Products & Services	717.5	848.2	-15.4	-12.7

Further information on the business development of the Group divisions is given on pages 57 et seq. for the Bioprocess Solutions Division and on pages 62 et seq. for the Lab Products & Services Division.

General Market Weakness Affects All Business Regions

Sales Revenue and Growth[1] by Region[2]
€ in millions, unless otherwise specified



1 Constant currencies: Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
2 Acc. to customer location.

In terms of regional development, sales revenue declined in all regions due to the normalization of demand and the pandemic-related high prior-year base. The EMEA region recorded a decline of 14.4% to €1,315.9 million, to which the discontinuation of business with Russian customers contributed around 3 percentage points. This region accounted for 39% of total Group sales at the end of the year. From a divisional perspective, sales in the Bioprocess Solutions division fell more sharply (-16.8%) than in the Lab Products & Services division (-4.1%) due to the extraordinary situation following the pandemic described above.

In the Americas region, sales amounted to €1,280.4 million (-14.9%), which corresponds to around 38% of total Group revenue. While the bioprocess division recorded a decline of 13.3%, primarily due to the reduction in inventories and lower investment activity by customers in the USA, the business volume in the laboratory division fell by 21.1% impacted by the reluctance to invest, particularly among pharmaceutical customers in the bioanalytical instruments product area.

The reduction in inventories by customers and the reluctance to invest and purchase were even more noticeable in China and led to a significant decline in sales. This development also had a significant impact on business in the Asia | Pacific region as a whole, which amounted to €799.4 million (-22.1%) and thus accounted for a good 23% of total Group revenue. Sales in the Bioprocess Solutions division fell by 25.1% and in the Lab Products & Services division by 12.4%.

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

Sales by Region

€ in millions	2023	2022	in % reported	in % cc[2]
EMEA	1,315.9	1,550.6	–15.1	–14.4
Americas	1,280.4	1,543.8	–17.1	–14.9
Asia | Pacific	799.4	1,080.3	–26.0	–22.1

Costs and Earnings

The cost of sales fell by 8.4% to €1,828.6 million in the reporting year. The respective cost of sales ratio was 53.8%, compared to 47.8% in the previous year. The decline was mainly due to the lower business volume and negative product mix effects.

At €634.4 million, selling and distribution costs were slightly higher than in the previous year (€632.5 million), while the ratio of these costs to sales revenue increased year on year to 18.7% (previous year: 15.1%) in connection with the decline in sales. Research and development expenses fell by 4.7% to €170.8 million in the reporting year; the corresponding R&D ratio was 5.0% (previous year: 4.3%). Administrative expenses amounted to €214.3 million (previous year: €213.6 million), and the administrative expense ratio was 6.3% in 2023 (previous year: 5.1%). Extraordinary items explicitly attributable to the functional areas are reported in the respective functional area since the 2023 reporting year. The previous year's figures were restated accordingly.

Expenses and income that could not be allocated to a functional area were recognized in the balance of other operating income and expenses which amounted to -€43.7 million in 2023 after -€88.1 million in the previous year and included net expenses of -€16.4 million (previous year: -€51.0 million) from valuation effects and the realization of currency hedges, in particular due to the development of the U.S. dollar exchange rate.

EBIT fell by 52.7% year on year to €503.9 million; the corresponding margin was 14.8% (previous year: 25.5%). This development was mainly due to the decline in gross profit, which was only partially offset by a reduction in operating costs.

The financial result amounted to -€118.0 million in 2023, compared to €116.9 million in the previous year. This includes non-cash-effective income of €71.5 million, predominantly from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations (previous year: €148.9 million). After adjustment for this effect, the increase in remaining net financing expenses resulted, among other things, from the increased debt in connection with the most recent acquisitions.

In the reporting year, tax expenses amounted to €95.9 million (previous year: €268.6 million). In relation to the reported earnings before taxes, the tax rate was 24.8% (previous year: 22.7%).

Net profit for the period fell by 68.2% to €290.0 million (previous year: €913.1 million).

Net profit attributable to shareholders of Sartorius AG was €205.2 million (-69.7%; previous year: €678.1 million). Non-controlling interest stood at €84.9 million (previous year: €235.0 million), which essentially reflected shares in Sartorius Stedim Biotech S.A. not held by the Sartorius Group.

Statement of Profit or Loss

€ in millions	2023	2022	Δ in %
Sales revenue	3,395.7	4,174.7	–18.7
Cost of sales	–1,828.6	–1,996.6	8.4
Gross profit on sales	1,567.1	2,178.1	–28.1
Selling and distribution costs	–634.4	–632.5	–0.3
Research and development costs	–170.8	–179.2	4.7
General administrative expenses	–214.3	–213.6	–0.4
Other operating income and expenses	–43.7	–88.1	50.4
Earnings before interest and taxes (EBIT)	503.9	1,064.8	–52.7
Financial income	103.9	198.2	–47.6
Financial expenses	–221.8	–81.3	–172.8
Financial result	–118.0	116.9	–200.9
Profit before tax	385.9	1,181.7	–67.3
Income taxes	–95.9	–268.6	64.3
Net profit for the period	290.0	913.1	–68.2
Attributable to:			
Equity holders of Sartorius AG	205.2	678.1	–69.7
Non-controlling interest	84.9	235.0	–63.9

Extraordinary items are reported within functional expenses as of fiscal 2023. Prior-year figures were restated accordingly.

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 190.

Reconciliation from EBIT to Underlying EBITDA

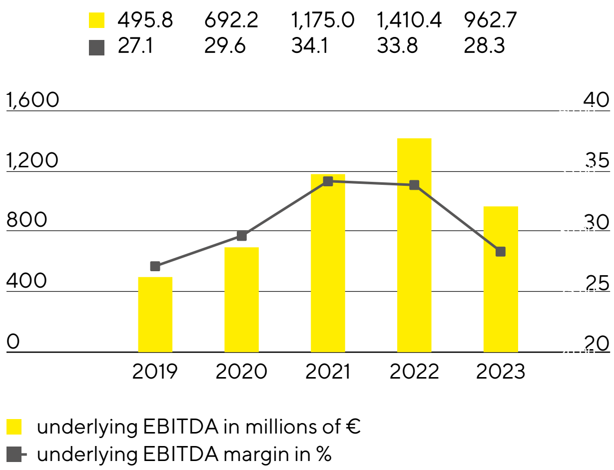
€ in millions	2023	2022
EBIT	503.9	1,064.8
Extraordinary items	116.5	60.4
Amortization | depreciation	342.3	285.3
Underlying EBITDA	962.7	1,410.4

Extraordinary Items

In millions of €	2023	2022
M&A projects | integration costs	-22.9	-16.1
Structuring measures	-80.5	-29.6
Other	-13.1	-14.7
Total	-116.5	-60.4

Mainly as a result of the lower volume development, underlying EBITDA decreased by 31.7% to €962.7 million; the resulting margin was 28.3% (previous year: 33.8%). Negative product mix effects also had a dampening effect, as the reduction in inventories on the customer side particularly affected demand for higher-margin consumables and led to a lower share of such products in total sales. Price effects on the procurement and customer sides largely offset each other.

Underlying EBITDA[1] and Margin



1 Underlying EBITDA: Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.

Underlying EBITDA by Division

	Underlying EBITDA € in millions	Underlying EBITDA margin in %
Group	962.7	28.3
Bioprocess Solutions	782.3	29.2
Lab Products & Services	180.3	25.1

Underlying EBITDA of the Bioprocess Solutions division amounted to €782.3 million (-34.2%) as a result of the volume development and product mix effects, resulting in a margin of 29.2% (previous year: 35.7%).

Underlying EBITDA of the Lab Products & Services division fell by 18.8% to €180.3 million. At 25.1%, the corresponding margin was moderately below the previous year's figure of 26.2%.

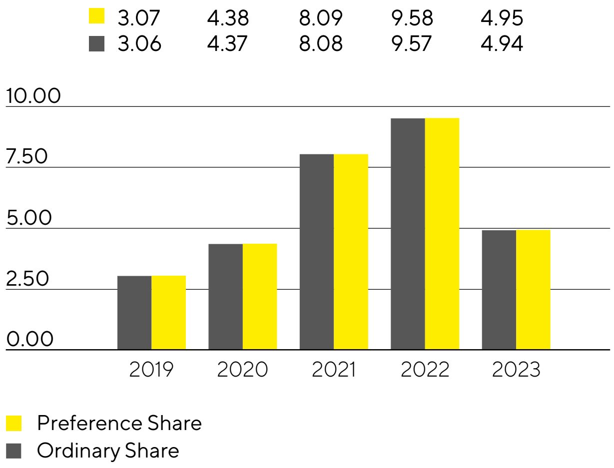
Relevant Net Profit

The relevant net profit attributable to the shareholders of Sartorius AG fell by 48.3% to €338.5 million compared to the previous year. 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 decreased by 48.4% to €4.94 (previous year: €9.57) and per preference share by 48.3% to €4.95 (previous year: €9.58).

€ in millions	2023	2022
EBIT	503.9	1,064.8
Extraordinary items	116.5	60.4
Amortization	133.5	104.5
Normalized financial result[1]	−146.3	−38.7
Normalized income tax (27%)[2]	−164.0	−321.6
Underlying earnings	443.5	869.4
Non-controlling interest	−105.0	−214.0
Underlying earnings after taxes and non-controlling interest	338.5	655.4
Underlying earnings per share		
per ordinary share (in €)	4.94	9.57
per preference share (in €)	4.95	9.58

1 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.
2 Income tax considering the average expected Group tax rate, based on the underlying profit before tax.

Underlying Earnings per Share[1]
in €



1 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 59 et seq. and 64 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 2023, the company recognized €170.8 million for research and development (R&D) as a direct expense compared to €179.2 million in the previous year (-4.7%). The R&D ratio of expenses to sales revenue was 5.0% (previous year: 4.3%).

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, capitalized R&D increased to €100.3 million compared with €81.7 million the year before. This equates to a share of 37.0% (previous year: 31.3%) of the Group’s total R&D expenses. Scheduled amortization related to capitalized development costs totaled €30.0 million in 2023 (previous year: €23.9 million). Total research and development costs, including capitalized development costs, amounted to €271.1 million (previous year: €260.9 million). At 8.0%, the resulting gross R&D ratio[1], which includes all innovation-related expenses, was higher than the previous year's figure of 6.2%.

Sartorius pursues a strategic intellectual and industrial property rights policy across its divisions to protect its 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 2023, Sartorius filed a total of 301 applications for intellectual and industrial property rights (previous year: 261). As a result of these applications, including those of prior years, 435 patents and trademarks during the reporting year (previous year: 353) were issued. As of the reporting date, the company had a total of 7,260 patents and trademarks in its portfolio (previous year: 6,421).

Further information is provided in the sections covering the individual divisions on pages 57 et seq. and 62 et seq.

1 Gross R&D ratio: Sum of research and development expenses recognized in profit or loss and development costs recognized in the balance sheet in relation to sales revenue.

Investments

In the reporting year, Sartorius continued to invest considerably in the expansion of new capacities in all regions. 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 2023. Further projects will be completed in the current year or in subsequent years.

At €559.7 million, capital expenditures in 2023 were slightly higher than the previous year's figure of €522.6 million, as planned. The corresponding Capex ratio[1] rose to 16.5% (previous year: 12.5%) due to the decline in Group sales revenue.

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, a production line for cell culture media was set up and put into operation in 2023.

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

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 considerably in Songdo, South Korea, where construction work began on 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 the USA, the UK, and Slovenia.

1 Capital expenditures in relation to sales revenue.

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 December 31, 2023, Sartorius had a total of 14,614 employees in 37 countries worldwide. This was 1,328 employees or 8.3% less than on December 31, 2022. Sartorius had increased headcount in previous years in connection with the significant growth in sales revenue. However, it adjusted the size of the workforce during the reporting period in response to the changing demand levels and reduced capacity requirement. A considerable portion of the peak headcount involved temporary employment contracts. In the reporting year, 264 employees joined the Group as a result of acquisitions.

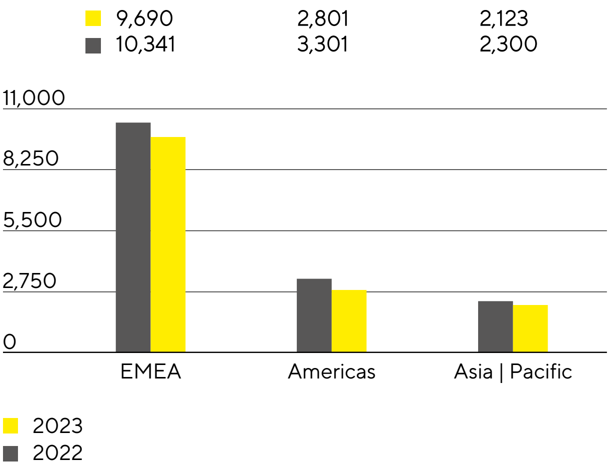
Employees

	2023	2022	Change in %
Group	14,614	15,942	-8.3
Bioprocess Solutions	11,293	12,560	-10.1
Lab Products & Services	3,321	3,382	-1.8

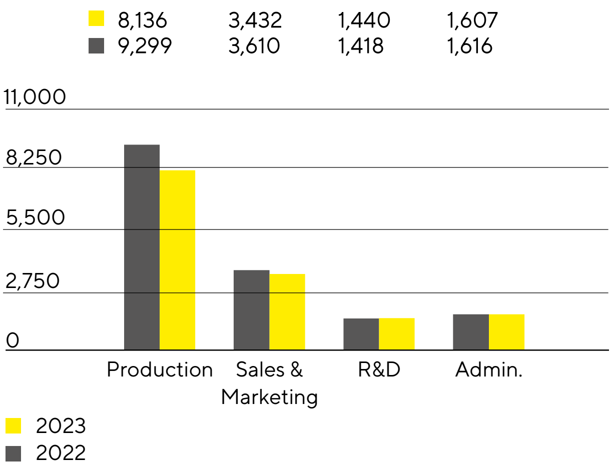
The Bioprocess Solutions division had 11,293 employees at the end of the reporting year (previous year: 12,560). The Lab Products & Services division had 3,321 employees (previous year: 3,382).

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 fell by around 6.3% in 2023 versus December 2022, taking the figure to 9,690. In Germany, Sartorius had 5,004 employees at the end of the reporting year, which corresponds to 34.2% of the total workforce.

In the Americas, Sartorius had 2,801 employees as of December 31, 2023, representing a drop of 15.1%. The number of employees in the Asia | Pacific region fell by 7.7% to 2,123.

At the end of 2023, approximately 56% of all Sartorius employees worked in production. At 8,136, the number of employees in this area decreased by 12.5% year over year.

At the end of the year, 3,432 people were employed in marketing and sales, representing a decrease of 4.9% and a share of around 23% of the total workforce.

Almost 10% of all employees worked in R&D. This corresponded to a year-on-year increase of 22 individuals or 1.6%, bringing the total number of employees to 1,440.

As of the reporting date, 1,607 people worked in administrative positions. This corresponds to a decrease of 0.6% compared with the same date of the previous year and to 11% of all Sartorius employees.

Further information on employees can be found in the Group's Non-Financial Statement starting on page 108.

Net Worth and Financial Position

Cash Flow

Cash flow from operating activities rose by 16.3% to €853.6 million (previous year: €734.2 million) despite the decline in earnings. The increase resulted primarily from the reduction of working capital. While Sartorius had increased inventories as planned in 2022 and previous years to secure supply ability in view of the temporary tensions in supply chains, these were significantly reduced in 2023. In addition, lower tax payments also had a positive effect.

Based on fundamentally intact growth drivers in the end markets and its medium-term growth targets, Sartorius continued its investment program to expand and diversify its production capacities, although the pace of implementation of individual measures was slowed down in view of the temporarily weaker demand. Cash outflows from investing activities decreased slightly by 1.9% to €582.4 million (previous year: -€593.8 million). Due to acquisition-related expenses of €2,240.9 million (previous year: €536.1 million), primarily in connection with the acquisition of Polyplus, a provider of innovative technologies for cell and gene therapies, cash flow from investing activities and acquisitions rose to -€2,823.3 million (previous year: -€1,129.9 million).

Primarily driven by the placement of bonds with a volume of €3 billion, cash flow from financing activities amounted to €2,165.7 million (previous year: €209.9 million). This also included dividend payments for the 2022 financial year in the amount of €134.4 million (previous year: €118.1 million).

Cash Flow Statement

€ in millions	2023	2022
Cash flow from operating activities	853.6	734.2
thereof change in net working capital	171.6	−300.1
Cash flow from investing activities and acquisitions	−2,823.3	−1,129.9
Cash flow from financing activities	2,165.7	209.9
Cash and cash equivalents	379.2	165.9
Gross debt	5,311.4	2,541.2
Net debt	4,932.1	2,375.3

Consolidated Statement of Financial Position

The balance sheet total of the Sartorius Group was €9,755.3 million as of the end of fiscal 2023 and thus €2.777.6 million higher than the prior-year level. This increase is largely due to the rise in non-current assets by €2,843.9 million to €7,798.5 million, mainly due to the increase in goodwill, other intangible assets, and property, plant, and equipment as a result of the acquisition of Polyplus and by the continuation of the investment program. At €1,956.9 million, current assets were slightly below the previous year's figure of €2,023.2 million, mainly driven by the reduction in trade receivables and a reduction in inventories, which were offset by an increase in cash and cash equivalents. Working capital amounted to €1,387.3 million as of December 31, 2023 (previous year: €1,663.5 million).

Key Figures for Working Capital

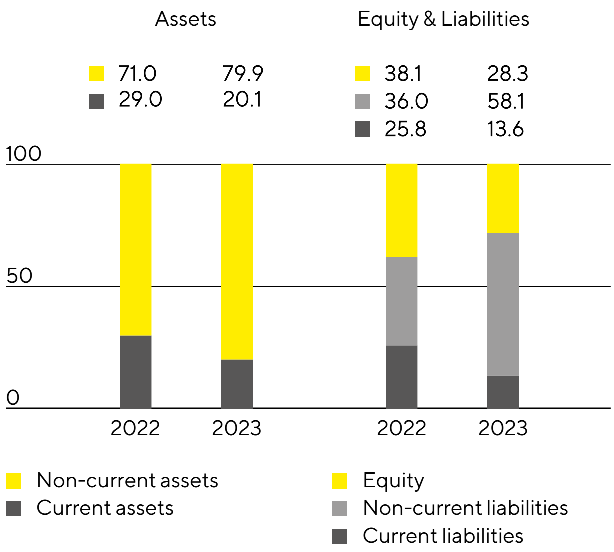
In days		2023	2022
Days inventory outstanding			
Inventories | Sales revenue[1]	x 360	109	101
Days sales outstanding			
Trade receivables | Sales revenue[1]	x 360	37	41
Days payables outstanding			
Trade payables | Sales revenue[1]	x 360	52	47
Net working capital days			
Net working capital[2] | Sales revenue[1]	x 360	93	95

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

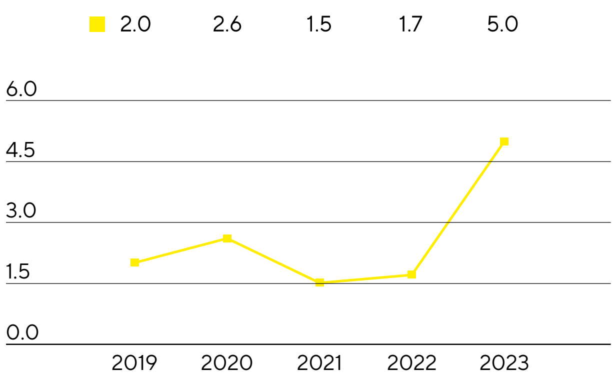
Equity grew by €98.5 million to €2,757.4 million. The equity ratio[1] was 28.3% (previous year: 38.1%).

The Group's non-current liabilities increased from €2,515.5 million to €5,667.9 million in the reporting year due to the issue of bonds with a volume of €3 billion. In addition to financing the Polyplus acquisition, a smaller portion of the funds was used to repay current financial liabilities or was held in cash. As a result, current liabilities fell by €473.3 million to €1,330.0 million. The decrease in trade payables also had a positive effect.

Balance Sheet Structure
in %



Ratio of Net Debt to Underlying EBITDA[2]



1 Equity in relation to the balance sheet total.
2 Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.

Gross debt rose to €5,311.4 million at the end of the 2023 reporting year relative to €2,541.2 million in fiscal 2022 and is comprised of liabilities to banks, including bonds, promissory note loans ("Schuldscheindarlehen"), as well as lease liabilities. The increase is essentially due to the aforementioned bond placements. Net debt, defined as gross debt less cash and cash equivalents, increased from €2,375.3 million in the previous year to €4,932.1 million.

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. Following the completion of the Polyplus acquisition and the investments made in the reporting year, the ratio of net debt to underlying EBITDA as at December 31, 2023, was, as expected, at a higher level of 5.0 (previous year: 1.7). This figure is expected to be significantly reduced in 2024, to which a strong expected cash flow as well as the further reduction of inventories and lower investments in capacity expansions should contribute.

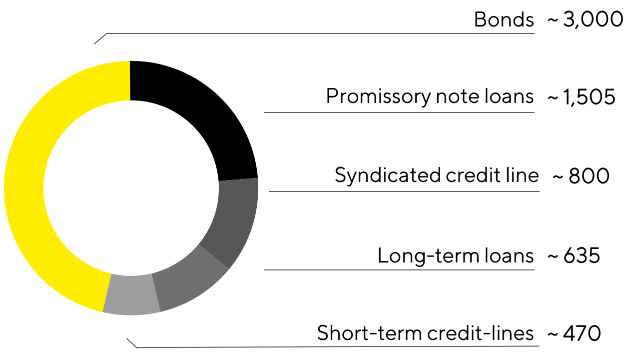
Reconciliation

€ in millions	2023	2022
Gross debt	5,311.4	2,541.2
- Cash & cash equivalents	379.2	165.9
Net debt	4,932.1	2,375.3
Underlying EBITDA (12 months)	962.7	1,410.4
+ Pro forma EBITDA from acquisitions (12 months)	14.7	11.7
Pro forma underlying EBITDA	977.4	1,422.1
Ratio of net debt to underlying EBITDA	5.0	1.7

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



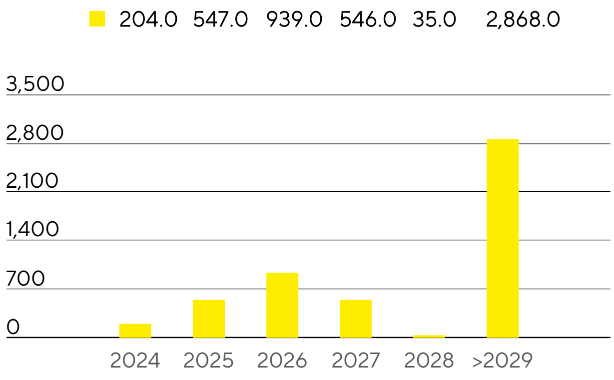
A major pillar in the financing mix is a syndicated credit line of €800 million with a remaining term until May 2028 and an extension option. In addition, Sartorius has various short-term credit lines totaling around €470 million. As of December 31, 2023, the total volume of all available and unused credit lines amounted to €1,270 million.

Corporate financing was supplemented in the reporting year by the placement of bonds with a volume of €3 billion. The issue comprised four tranches with terms of 3 to 12 years and coupons of between 4.25% and 4.875%. The net proceeds from the bond issue were used to repay the bridge financing for the acquisition of Polyplus and for general corporate purposes. In this context, Sartorius received a credit rating from a rating agency for the first time in the reporting year. The S&P Global Rating gave Sartorius an investment grade rating (BBB).

In addition, Sartorius has issued several promissory note loans ("Schuldscheindarlehen") with a total outstanding volume of €1,505 million. There are also several short- and long-term loans in place that total around €635 million and are being used in part for the expansion of production capacities.

At around 85%, the majority of the aforementioned financing instruments was concluded at fixed interest rates. The maturity profile of the Group’s financing instruments is broadly diversified.

Maturity Profile of the Financing Facilities[1]
€ in millions



1 As of December 31, 2023, 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 2023, foreign exchange contracts amounted to a volume of approximately €625 million, with a market value of €4.9 million.

Business Development of Bioprocess Solutions

Business performance reflects temporarily weaker market environment after the pandemic

Temporary decline in sales and earnings

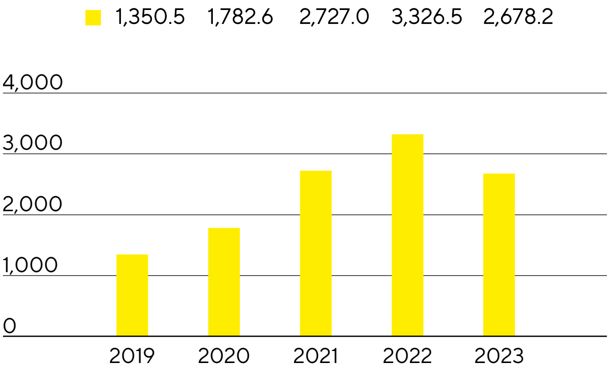
Moderate recovery in order intake since the end of the third quarter

Division sales	Order intake	Underlying EBITDA margin
€2,678.2m	€2,404.1m	29.2%
In constant FX: -17.6%	In constant FX: -21.1%	-6.5 percentage points

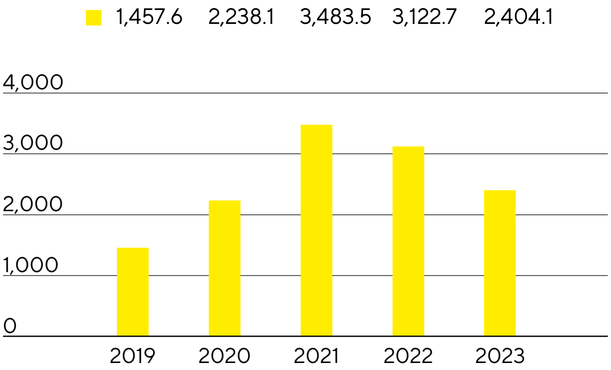
Sales Revenue and Order Intake

Following the exceptionally high growth in 2020 to 2022 due to the pandemic, the Bioprocess Solutions division recorded softer customer demand in the reporting year, as anticipated. In particular, the longer and more pronounced than originally expected reduction in customer inventories following the end of the pandemic impacted business development and led to lower demand for consumables, such as sterile single-use bags and filters. Other industry-wide factors also had a dampening effect, such as relatively low production levels, the largely discontinued business with Russian customers, and an overall muted investment activity on the part of customers, primarily in China and the USA. Sales revenue fell by 17.6% to €2,678.2 million (reported: -19.5%). This includes around 2 percentage points of non-organic growth from acquisitions. Excluding the Covid-19-related business, the decline stood slightly above 12% in constant currencies.

Sales Revenue 2019 to 2023
€ in millions



Order Intake 2019 to 2023
€ in millions



Sales Revenue and Order Intake

€ in millions	2023	2022	in % reported	in % cc[1]
Sales revenue	2,678.2	3,326.5	-19.5	-17.6
Order intake	2,404.1	3,122.7	-23.0	-21.1

1 In constant currencies.

In view of the normalization of demand and a high prior-year base due to the pandemic, sales revenue declined in all regions. In the EMEA region, which accounted for around 39% of the division's sales, revenues fell by 16.8% to €1,042.2 million compared to the previous year, which was significantly influenced by business with vaccine manufacturers. In the Americas region, sales amounted to €1,047.8 million (-13.3%) against the backdrop of low investment activity by customers in the USA. The region's share of divisional sales was 39%. The Asia-Pacific region, which accounted for 22% of the division's sales, performed significantly weaker due to a marked reluctance to invest on the part of pharmaceutical customers, mainly in China. At €588.2 million, sales were down 25.1% on the previous year. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

The temporarily weaker market environment was even more clearly reflected in order intake, which decreased by 21.1% to €2,404.1 million (reported: -23.0%). In line with progress made by customers in reducing their inventories, business began to recover at the end of the third quarter, so that order intake was slightly above sales revenue in the fourth quarter.

Sales by Region

€ in millions	2023	2022	in % reported	in % cc[2]
EMEA	1,042.2	1,260.5	−17.3	−16.8
Americas	1,047.8	1,240.8	−15.6	−13.3
Asia | Pacific	588.2	825.2	−28.7	−25.1

Earnings

Mainly as a result of the lower volume development, underlying EBITDA decreased by 34.2% to €782.3 million, resulting in a margin of 29.2% (previous year: 35.7%). Negative product mix effects also had a dampening effect, as the reduction in inventories on the customer side particularly affected demand for higher-margin consumables and led to a lower share of such products in total sales. Price effects on the procurement and customer sides largely offset each other.

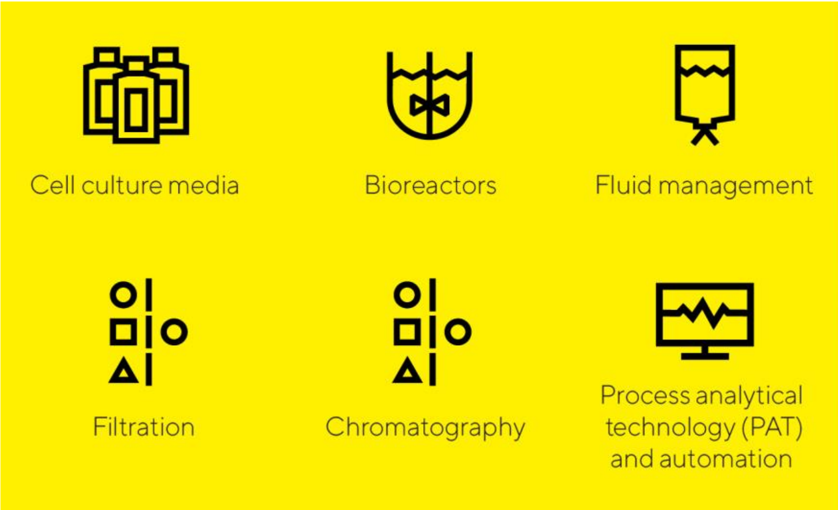
Underlying EBITDA and EBITDA Margin

	2023	2022
Underlying EBITDA in millions of €	782.3	1,188.4
Underlying EBITDA margin in %	29.2	35.7

In the year under review, the Bioprocess Solutions division recorded extraordinary items of -€103.5 million compared to -€46.5 million in the previous year. These items predominantly consisted of expenses in connection with the most recent acquisitions as well as expenses for various corporate projects and structuring measures.

Products and Sales

The Bioprocess Solutions Division markets products and services for the entire 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.



As a result of the acquisition of the French company Polyplus, Sartorius has significantly expanded the product portfolio of its Bioprocess Solutions Division in the area of cell and gene therapies. Polyplus develops and produces high-quality, GMP-compliant transfection as well as DNA and RNA delivery reagents and plasmid DNA. These components are success-critical in the manufacture of viral vectors used in cell and gene therapies as well as other new medical therapy methods. The solutions from Polyplus are highly complementary to the portfolio created by Sartorius in recent years, which now comprises various cell culture media, other critical raw materials, and purification technologies for the development and manufacture of advanced therapies.

In the area of filtration, the Bioprocess Solutions Division introduced a new platform for the large-scale manufacture of biopharmaceuticals, which can be preconfigured with a wide range of filter types. The platform is suitable for a large number of separation steps, from cell culture media to virus depletion to subsequent sterile filtration; it is particularly user-friendly in its handling and achieves significant cuts in production times. In addition, a high-throughput tool for clarifying and purifying monoclonal antibodies was launched; it helps customers speed up the preparation of small cell culture samples for downstream analysis in cell line development. Moreover, a system was introduced that allows single-use bags to be filled evenly at the same time, for example, with cell culture media for the manufacture of cell therapies, thus accelerating the filling process significantly.

Sales Activities

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

Communication with customers via on-site visits is now supplemented by digital channels: Many contacts with customers are made through digital communication tools. Videoconferencing and augmented reality are used for such direct interactions, for example, when demonstrating products, conducting training sessions, and bringing systems into service. Another focus aimed at strengthening the sales force is on expanding the company's international presence and on continually enhancing sales efficiency, for example, with product and application training or further 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; diverse technology platforms, such as sterile containers for fluid management in biopharmaceutical processes and sensors; and control technologies for processes such as fermentation. Additional focal areas comprise developments in materials and components that include plastics, elastomers, and intelligent polymers; expanded data analysis; cell line development; and critical media components for protein-based, viral, and so-called advanced therapies.

Product development is aimed at expanding the existing portfolio on a complementary basis and further enhancing the range of integrated complete solutions for the manufacture of biopharmaceuticals – from the early phase of development to commercial production.

The largest product development site is located in Göttingen, Germany, where a new product development building began its operations in the reporting year. Further important activities take place in France, India, the United States, and the UK, as well as in Sweden, Israel, Slovenia, and other locations in Germany.

Production and Supply Chain Management

The Bioprocess Solutions Division has a very well developed global production network that was expanded at several sites in the reporting year. 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 Slovenia. The most recent acquisition has added sites in France, Belgium, the United States, and China.

In the reporting year, Sartorius expanded its plant in Puerto Rico by adding a production facility for cell culture media. The new facility allows the company to supply, from its plant in Yauco, high-quality cell culture media in powder form, which are used in the manufacture of therapeutic proteins and other modalities. Production in Yauco is focused on customers in the Americas region.

Moreover, construction started in Freiburg im Breisgau, Germany, on a center of excellence for the development and production of quality-critical reagents for the cell and gene therapy market. The new building will increase the existing production of cytokines and growth factors and significantly expand research and development. The building is scheduled for completion in 2025, and production is expected to start in 2026.

The supply chain situation continued to ease in 2023 compared with previous years. 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.

Business Development of Lab Products & Services

Development reflects temporarily weaker market environment

Profitability at a robust level despite decline in sales revenue

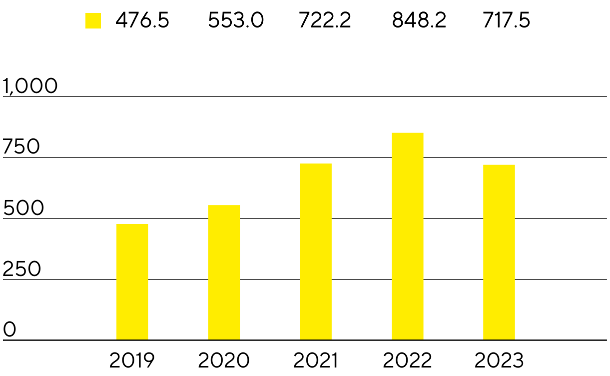
Order intake picks up again slightly over the course of the fourth quarter

Division sales	Order intake	Underlying EBITDA margin
€717.5m	€662.8m	25.1%
In constant FX: -12.7%	In constant FX: -22.7%	-1.1 percentage points

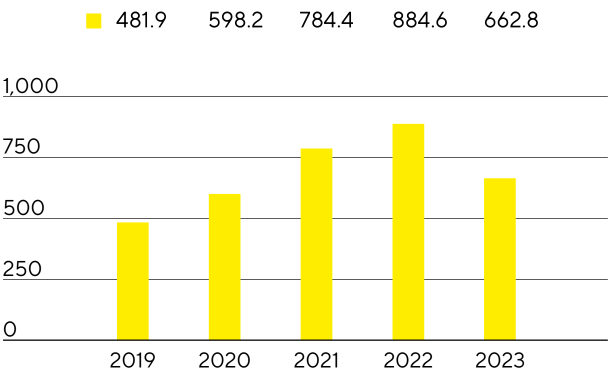
Sales Revenue and Order Intake

The Lab Products & Services division recorded sales revenue of €717.5 million, a decline of 12.7% in constant currencies (reported: -15.4%) compared to the high level of the prior year. Excluding the pandemic-related business, which in the laboratory division primarily comprised membranes for Covid-19 test kits and pipette consumables, sales revenue would have declined by slightly below 11% in constant currencies. After business with bioanalytical instruments for pharmaceutical applications in particular had expanded significantly in previous years, a marked reluctance to invest on the part of this customer group led to a drop in sales in the reporting year. This affected both larger customers and smaller biotech companies, for whom the funding environment had deteriorated significantly compared to the pandemic years.

Sales Revenue 2019 to 2023
€ in millions



Order Intake 2019 to 2023
€ in millions



Sales Revenue and Order Intake

€ in millions	2023	2022	in % reported	in % cc[1]
Sales revenue	717.5	848.2	-15.4	-12.7
Order intake	662.8	884.6	-25.1	-22.7

1 In constant currencies.

Following the strong development in the previous year, sales in the Americas region fell by 21.1% to €232.6 million, so that this region accounted for 32% of the division's sales. In particular, demand for bioanalytical instruments was weaker following the high growth rates of previous years. Sales in the EMEA region, which accounted for around 38% of the division's sales, declined moderately by 4.1% to €273.7 million. The Asia | Pacific region, which contributed 30% to the Lab Products & Services division's business, decreased by 12.4% to €211.2 million, primarily due to a significant drop in sales in China. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

The dampening impact of these factors was even more pronounced on order intake, which stood at €662.8 million (in constant currencies: -22.7%; reported: -25.1%), while business picked up slightly over the course of the fourth quarter, resulting in order intake being moderately higher than sales revenue.

Sales by Region

€ in millions	2023	2022	in % reported	in % cc[2]
EMEA	273.7	290.1	–5.7	–4.1
Americas	232.6	303.0	–23.2	–21.1
Asia | Pacific	211.2	255.1	–17.2	–12.4

Earnings

The underlying EBITDA of the Lab Products & Services Division declined by 18.8% to €180.3 million. At 25.1%, the corresponding margin stood only slightly below the level of the prior-year period (26.2%). Price effects on the procurement and customer sides largely offset each other.

Underlying EBITDA and EBITDA Margin

	2023	2022
Underlying EBITDA in millions of €	180.3	222.0
Underlying EBITDA margin in %	25.1	26.2

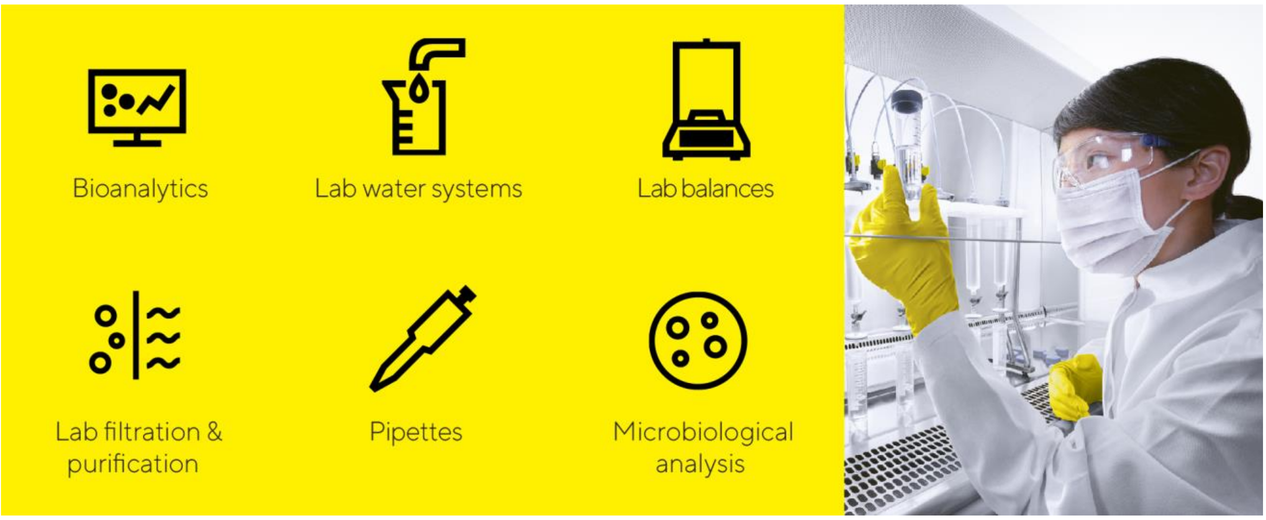
The Lab Products & Services Division recorded extraordinary items of –€13.0 million in the reporting year relative to –€13.9 million a year ago. These items resulted primarily from expenses for various corporate projects and structuring measures.

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. Automated analysis, selection, and isolation of cells enable customers, moreover, to significantly reduce time to result as well as cost in cell line development and antibody discovery.

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 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 areas such as the chemical and food industries.



In the area of bioanalytics, the division launched a new software module for a live cell imaging system in the reporting year, which allows customers to process data in accordance with the FDA's rules for electronic records and signatures. By cooperating with an industry partner in the area of proteins, the division in July expanded its fast-growing portfolio for stem cell and organoid research by adding animal-free growth factors and cytokines, with the aim of enabling rapid progress in the discovery of new cell models.

Another product brought to market was a new version of an electronic pipette, which allows data to be recorded in real time and enables integration with other equipment, thereby improving productivity and data quality. A new premium laboratory balance was also introduced, which offers customers improved adaptability to ambient factors, such as temperature, humidity, and atmospheric pressure; intuitive cleaning processes; and flexible hardware upgrades.

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.

Sales Activities

The division mostly distributes its bioanalytics offering directly, while standard instruments and consumables are also offered through laboratory distributors. The focus is on further expanding the direct channels, including online business with customers in the life science industry. In aligning its activities, the division is increasingly 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. 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 opened in the reporting year. Sartorius also carries out R&D activities at its sites in the USA, Finland, the UK, India, and China.

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 2023, 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.

Capacity expansions at the site in Ann Arbor, Michigan, USA, progressed as scheduled in 2023. Measuring 12,000 square meters, this ultra-modern facility is intended to meet growing demand for the division's products and services and combine different functions, such as the operational area for bioanalytical devices, customer and repair service, and product development. Completion is scheduled for 2024.

The supply chain situation continued to ease in 2023 compared with previous years. The availability of electronic components continued to pose a challenge, but improved over the course of the year.

Assessment of Economic Position

After the pandemic-related extraordinary business and inventory buildup by customers led to strong additional growth momentum in the years 2020 to 2022, particularly in the Bioprocess Solutions division and to a lesser extent in the laboratory business, the temporary normalization of demand expected by the company management set in during the reporting year. This was more pronounced than anticipated at the beginning of the year, and the reduction in customer inventories also lasted longer than expected, which led to numerous forecast revisions across the entire life science sector. Business development was also impacted by a pronounced market weakness in China and the discontinuation of business with Russian customers. Against this backdrop, the company management lowered its growth and earnings forecast for both divisions and the Group in June and October 2023. In line with progress made by customers in reducing their inventories, business began to recover at the end of the third quarter, so that order intake was slightly above sales revenue in the fourth quarter. The company management therefore expects profitable growth for 2024.

Group sales revenue decreased by 16.6% in constant currencies to €3,395.7 million in 2023. The Group's earnings margin, measured on the basis of underlying EBITDA, stood at 28.3%. The forecast given in October for a decline in sales revenue of around 17% with profitability of just over 28% was therefore achieved.

In the Bioprocess Solutions division, sales revenue fell by 17.6% in constant currencies to €2,678.2 million and achieved an underlying EBITDA margin of 29.2%. The results were therefore in line with the October guidance, which forecasted a decline in sales of around 18% with an earnings margin of just over 29%.

With a decline in sales revenue of 12.7% in constant currencies to €717.5 million and an earnings margin of 25.1%, business development in the laboratory division was also in line with the latest forecast. Accordingly, a drop in sales of around 13% and an underlying EBITDA margin of just over 25% had been expected.

The ratio of net debt to underlying EBITDA rose to 5.0 in the reporting year, mainly due to the financing of the Polyplus acquisition, and corresponded to the forecast value of slightly above 5.

In line with its ambitious medium-term growth targets, Sartorius further expanded its production capacities in the reporting year, with the ratio of capital expenditures (Capex) to sales revenue reaching 16.5%; the forecast was for a figure of slightly above 17%.

Projected | Actual Comparison for the Year 2023

	Actual 2022	Guidance January 2023	Guidance June 2023	Guidance October 2023	Actual 2023
Sartorius Group					
Sales growth[1]	15.0%	Low single-digit percentage range	Decline in the low to mid-teens percentage range	~-17%	- 16.6%
Underlying EBITDA margin in %	33.8%	Around prior-year level	~30%	Slightly above 28%	28.3%
Net debt to underlying EBITDA	1.7	~1.5[2]	Slightly above 4[2]	Slightly above 5[2]	5.0
Capex ratio	12.5%	~12.5%	~15%	Slightly above 17%	16.5%
Sartorius Divisions					
Bioprocess Solutions					
Sales growth[1]	15.9%	Low single-digit percentage range	Decline in the low to mid-teens percentage range	~-18%	- 17.6%
Underlying EBITDA margin in %	35.7%	Around prior-year level	~31%	Slightly above 29%	29.2%
Lab Products & Services					
Sales growth[1]	11.5%	Mid single-digit percentage range	Decline in the low single-digit percentage range to stable	~-13%	- 12.7%
Underlying EBITDA margin in %	26.2%	Around prior-year level	~26%	Slightly above 25%	25.1%

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 2023 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

Since the beginning of fiscal 2011, Sartorius AG has exercised only the functions of the strategic, group-leading management holding entity for the Sartorius Group, 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 24 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 previous year included book profits from asset disposals totaling €67.3 million. 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 €97.7 million relative to €85.5 million 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 €15.8 million from Sartorius Corporate Administration GmbH (previous year: €11.9 million). In addition, Sartorius Lab Holding GmbH transferred a profit of €45.0 million (previous year: €7.6 million).

The increase in interest expenses of Sartorius AG in comparison with the previous year is partly explained by a note loan ("Schuldscheindarlehen") in the amount of €650 million taken out in November 2022. Since parts of this note loan were not disbursed until 2023, it was only fully reflected in interest expenses for 2023. Interest expenses were also driven by the bridge financing taken out during 2023 to fund the Polyplus acquisition in the amount of €2.45 billion, which has been replaced by the bonds issued by Sartorius Finance B.V.

Given that some loans are taken out at variable interest rates, a year-on-year increase in interest rate levels also led to an increase in interest expenses at Sartorius AG.

Net Worth and Financial Position

The balance sheet total of Sartorius AG fell by €235.2 million in the reporting year to €2,638.9 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 €2,234.2 million (previous year: €2,748.4 million). Accordingly, fixed assets accounted for 84.7% of the balance sheet total (previous year: 95.6%). The equity ratio stood at 16.0%, compared with 14.1% in the previous year.

Sartorius AG uses internal Group loans to ensure the financing of the majority of Group companies. Long-term loans are reported under financial assets as loans to affiliated companies, which totaled €1,653.5 million in the fiscal year (previous year: €2,158.9 million).

Statement of Profit and Loss of Sartorius AG
Based on the total cost accounting method according to Section 275, Subsection 2, of HGB[1]

In millions of €	2023	2022
1. Sales revenue	17.5	20.0
2. Other operating income	7.3	67.7
3. Employee benefits expense	−6.7	−7.2
4. Depreciation and amortization	−10.4	−9.9
5. Other operating expenses	−27.8	−18.9
6. Income from investments	97.7	85.5
7. Income from long-term loans	47.1	21.7
8. Profit received under a profit and loss transfer agreement	60.8	19.5
9. Interest and similar income	31.8	2.7
10. Write downs on financial assets and short term investments	−20.0	0.0
11. Interest and similar expenses	−80.3	−26.4
12. Income tax expense	−2.0	−0.1
13. Profit after tax	115.0	154.6
14. Other taxes	−0.9	−0.1
15. Net profit for the period	114.1	154.5
16. Profit brought forward	168.9	112.6
17. Retained profits incl. net profit for the period	283.0	267.1

1 HGB = German Commercial Code

Balance Sheet of Sartorius AG
According to HGB [1], in millions of €

Assets	Dec. 31, 2023	Dec. 31, 2022
A. Fixed Assets		
I. Intangible assets	7.4	12.9
II. Property, plant, and equipment	129.0	133.0
III. Financial assets	2,097.8	2,602.5
	2,234.2	2,748.4
B. Current Assets		
I. Trade and other receivables	179.4	117.8
II. Cash on hand, deposits in banks	222.5	4.4
	401.9	122.2
C. Prepaid Expenses	2.8	3.5
	2,638.9	2,874.1

Equity and Liabilities	Dec. 31, 2023	Dec. 31, 2022
A. Equity		
I. Subscribed capital	74.9	74.9
Nominal value of treasury shares	–6.5	–6.5
Issued capital	68.4	68.4
II. Capital reserves	59.6	59.0
III. Earnings reserves	10.9	10.9
IV. Retained profits incl. net profit for the period	283.0	267.1
	421.9	405.4
B. Provisions	34.2	37.0
C. Liabilities	2,182.8	2,431.7
	2,638.9	2,874.1

1 HGB = German Commercial Code.

Proposal for Appropriation of Profit

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, 2023, in the amount of €283.012.753,53 be appropriated as follows:

in €	
Payment of a dividend of €0.73 per ordinary share	24,987,482.44
Payment of a dividend of €0.74 per preference share	25,756,485.14
Unappropriated profit carried forward	232,268,785.95
	283,012,753.53

Research and Development

Detailed information on the research and development activities of the Sartorius Group and its divisions is provided on pages 35, 61 and 66.

Employees

As a holding company, Sartorius AG does not employ any staff to be disclosed pursuant to Section 285, No. 7, 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 73 to 85 and a description of the internal control and risk management system on page 91.

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, the significantly lower dividends expected from Sartorius Stedim Biotech S.A. are reflected in a significantly lower expected annual profit.

The Sartorius Group's business performance is discussed in the Forecast Report on pages 86 to 89.

Material Events after the Reporting Date

On February 7, 2024, Sartorius AG completed the placement of 613,497 preference shares held by the company excluding the subscription rights of existing shareholders. The preference shares were placed at a price of €326.00 per share. Gross proceeds amount to approximately €200 million. The placement preference shares were issued exclusively to institutional investors in the course of a private placement through an accelerated bookbuilding process and will be fully entitled to dividends from January 1, 2023.

The net proceeds from the placement of treasury shares will accelerate the deleveraging of Sartorius Group beyond a strong operating cash flow as well as strengthen the strategic flexibility of the company as a whole.

Independent of the above, Sartorius' French listed subgroup Sartorius Stedim Biotech S.A. also carried out a capital increase on February 7, 2024, where 5,150,215 new shares with a volume of approximately €1.2 billion were placed in the course of an accelerated bookbuilding process. The Sartorius AG has participated in this capital increase by acquiring 1,716,739 new SSB shares with a total volume of approximately €400 million at a placement price of €233.00. After completion of the capital increase Sartorius AG's stake in Sartorius Stedim Biotech S.A. will amount to approximately 71.5 % of the share capital.

Taking these measures into account, the Group anticipates a reduction of net debt by around €1 billion.

No other material events occurred up to the end of the preparation of these consolidated financial statements.

Opportunity and Risk Report

Principles

Every business activity entails opportunities and risks that 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' 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, which is responsible for 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 "Conditions in the Sectors" and "Outlook for the Sectors" on pages 35 and 87, 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 these strategies, are outlined in the sections "Strategy of the Bioprocess Solutions Division" on page 29 and "Strategy of the Lab Products & Services Division" on page 30.

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. Among other risks, these insurance policies include coverage against risks relating to product liability, property damage, business interruption, cybersecurity, transport, and material and pecuniary damages, 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 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 dynamic performance over the past few years as well as increasing regulatory and customer requirements necessitate the ongoing refinement of these guidelines and specifications.

The reporting process in the risk categories described below establishes the rules for the ongoing review and 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 for the individual risks, 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.

Sartorius has created a risk matrix that categorizes the probability of occurrence and potential impact on net profit into specific classes as follows:

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

Significance

In millions of €	Impact on Earnings
Insignificant	< 10
Moderate	10 – 50
Significant	50 – 100
Critical	> 100

These two elements are combined to form the following matrix that indicates the importance of the individual risks for the Group:

> 75%	Low	Medium	High	High
50% – 75%	Low	Medium	Medium	High
10% – 50%	Low	Medium	Medium	Medium
< 10%	Low	Low	Medium	Medium
Probability of occurrence | impact	< €10 million	€10 – €50 million	€50 – €100 million	> €100 million

External Risks

The effects of the coronavirus pandemic temporarily had a significant impact on Sartorius' business performance. 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 test components and achieved significant growth in sales revenue in 2021 and 2022. In 2023, the running down of stocks by many customers combined with the significant reduction in coronavirus-related business led to a double-digit decline in orders and sales revenue.

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. Sales generated in Russia have subsequently fallen significantly with moderate impacts on the Group. The Group has taken a wide range of measures to tackle the war's indirect effects, such as inflation, disrupted supply chains, and potential gas and energy shortages. Price increases were agreed on the customer side to compensate for the rise in procurement costs. The Group's German sites have largely succeeded in making themselves independent of Russian gas supplies, for instance by creating the technical conditions necessary in order to switch to oil. Safety stocks from suppliers with energy-intensive production processes were increased.

Overall, the direct and indirect effects of the war in Ukraine on the Group's future business performance are not considered material. 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 remains subject to a high degree of uncertainty.

Sartorius operates a production facility for cell culture media in Beit Haemek in northern Israel. While most of the hostilities since the attack by Hamas have been concentrated on the Gaza Strip, southern Israel, and the Tel Aviv area, the situation in the northern border region also remains tense. Production at the site, transport, and logistics have so far been maintained. A further escalation of the conflict in Israel or the wider region could lead to temporary production stoppages. To strengthen resilience and safeguard the reliability of deliveries, the Group is working to build backup capacity for products that are currently only manufactured at this location. The overall business volume of products manufactured in Israel is noncritical for the Group (<1% of the Group's total sales revenue).

Alongside the conflicts mentioned above, other events such as natural disasters may impact the Group's business activities. The largest sites in Germany and France do not face any major risks in this regard, 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. A wide range of products for the U.S. market are produced particularly at the Puerto Rico production plant, meaning that large-scale damage here could have considerable impact on consolidated earnings. 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.

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. The political developments in some countries, such as China, could in future lead to decoupling tendencies or restrictions on the business activities of foreign enterprises.

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.

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

Operating Risks and Opportunities

At Sartorius, value creation extends from procurement through production to distribution. Problems within this workflow can have consequential effects, including canceled or delayed 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, for example, 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. The global economic environment resulted in price increases in virtually every area in 2022 and 2023. Price effects on the procurement and customer sides largely offset each other, meaning that inflation had no material negative impact on profitability.

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. From the Group perspective, there is no material dependency on individual 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 a possible shortage of raw materials or components on the market. By concluding binding purchase agreements with suppliers and/or seeking alternatives within the supplier network, Sartorius can reduce their impact and largely secure continuous supply. In 2023, the Group saw a normalization of global supply chains in many areas following the supply shortages for raw materials and components that had resulted from the coronavirus pandemic and the war in Ukraine.

In addition, Sartorius evaluates its supplier base in accordance with legal requirements – for example under Germany's Supply Chain Due Diligence Act – and with regard to compliance with internal and external sustainability standards. In the event of deviations, the process provides for a variety of measures that are coordinated with the suppliers in question.

Production Risks and Opportunities

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 bioreactors, 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.

Careful planning of production capacities using versatile machines and semi-automated individual workstations, in conjunction with flextime work schedules and continuous monitoring of production processes, can 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. High volatility in demand, such as that seen since the beginning of the coronavirus pandemic, may nevertheless lead to over- or underuse of production capacity with corresponding positive or negative impacts on productivity.

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 global 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. The funding environment for small biotech companies has deteriorated since the end of the pandemic, resulting in lower demand from this customer group in both divisions. Should this trend continue, it could affect the Group's growth forecasts. The fall in demand with the decline in Covid-19-related additional business and the reductions in inventory levels previously raised by customers are likely to affect the industry's performance only temporarily. The Group regards the fundamental growth drivers as intact and expects profitable growth again in the coming years (see the sections entitled "Conditions in the Sectors" and "Outlook for the Sectors" on pages 37 and 87 and the Forecast Report in the next section, p. 86).

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.

Geopolitical crises often lead to trade restrictions or sanctions for certain products in individual countries or regions. A tightening of sanctions in the current conflicts or the adoption of further restrictions, for example due to new crises, may therefore more extensively limit the Group's sales opportunities.

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, the product range is being continuously expanded through acquisitions, which has recently resulted in an increased portfolio for customers particularly in the cell and gene therapeutics segment, which is seeing above-average growth. The market for new modalities such as cell and gene therapeutics, which is being addressed by many of the recently acquired technologies (cell culture media, growth factors, albumin, transfection reagents), is expected to see growth rates well into double digits in percentage terms, offering opportunities for the future development of the Group.

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 and correspondingly low credit risks. 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 vaccines, 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 leading to losses on the part of customers, for which Sartorius may be held liable in the form of damages. Particularly where the manufacture of vaccines or medications is concerned, the resulting damage on the customer side can be significant even where the loss of production volumes is small.

Through extensive quality controls and the use of modern manufacturing techniques, including in classified clean room environments where required, Sartorius ensures that all of its products meet the highest standards of quality and the stringent regulatory requirements. These manufacturing methods and processes are subject to constant review as part of improvement processes and are constantly 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.

Sartorius is continuously expanding its product portfolio with new technologies and applications, not only through its own developments but also through alliances with partners. To ensure that the partners meet the high quality standards, a strict qualification process has been put in place. Where necessary, the Group also helps its partners improve their quality systems.

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 extensive 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-concept and product designs are always reviewed promptly with regard to how well they meet customers' needs so products can be adapted accordingly as required. 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. At the same time, the purchase and sale of companies or parts of companies entail a number of typical risks, such as incorrect valuation assumptions, insufficient usage of anticipated synergy effects, or unsuccessful integration.

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.

Sartorius has made major acquisitions in recent years, particularly in cell and gene therapy. In 2023, the Group acquired Polyplus, a leading developer and producer of high-quality transfection and other DNA/RNA vector reagents and plasmid DNA. The purchase price of this transaction was around €2.4 billion (including liabilities assumed). This, combined with further acquisitions of companies working on crucial components for the development and production of advanced therapies (e.g., Biological Industries Israel, CellGenix, Xell, Albumedix) and downstream solutions for the manufacture of gene therapeutics (BIA Separations), means that the Group sees itself as well positioned in the dynamically growing field of cell and gene therapies.

At the same time, net debt and interest expenses have risen significantly. If the business areas addressed by the acquisitions (e.g., cell and gene therapeutics) do not develop as expected or the acquisitions cannot be adequately integrated, this may significantly affect the Group's credit rating and therefore its development.

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 appropriate employees in the future or may lose high performers currently working for the company. The increasing volatility of the business in recent years poses big challenges for the integration and familiarization of new employees (growth scenario). It also demands major flexibility and the ability to efficiently and effectively implement organizational changes.

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 IT systems and software applications. The technical IT infrastructure and global integration of Sartorius sites play a decisive role in the operation and optimization of business processes.

However, the growing dependency on these systems also entails risks. Among other threats, cyberattacks pose a major hazard that can lead to considerable disruption and interruption to business processes. In the worst case, such attacks could result in uncontrolled loss of data, data manipulation, and downtime or failure of applications, systems, and equipment.

To minimize these risks, the Group invests continuously in new and reliable technologies and ensures the secure operation of applications, systems, and equipment. In the past fiscal year, certification to ISO 27001 and the associated creation of a management system for information security marked another important step in ensuring the secure operation of the global IT infrastructure and application landscape.

Sartorius works with certified IT security partners to develop strategic solutions for IT security and efficiency and regularly tests the security of systems and equipment.

In response to dynamic risks and threats, additions and amendments to the security strategy are constantly integrated and implemented in the system and application landscape. These measures offer reliable protection and enable us to identify potential threats at an early stage and respond quickly and appropriately.

Sartorius involves employees in the security strategy both by offering basic training and by regularly providing easy-to-implement but effective strategies for staying safe when using information technology. Employees are encouraged to report suspicious activities directly to the IT Department for further investigation.

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. Further details on currency hedging can be found in the notes to the consolidated financial statements in section 37.

Interest Rate Risks and Opportunities

Sartorius has concluded fixed interest agreements for almost 85% of its loans outstanding so that any changes in the interest rate will have only a limited effect 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, 2023 (see also section 38 in the notes to the consolidated financial statements).

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.

In September 2023, the Sartorius Group issued long-term, unsecured fixed-interest bonds with a total volume of €3 billion. The bonds had maturities of between three and 12 years and interest rates ranging from 4.375% to 4.875%. The proceeds were used particularly to repay the bridge financing for the Polyplus acquisition and additionally for general corporate purposes.

A syndicated credit line of €800 million, 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.

There are currently no financing agreements that require the Group to comply with financial key ratios, so-called financial covenants.

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.

In 2021, the OECD published detailed rules on implementing the reform of the international tax system, which is designed to ensure that multinationals are subject to a minimum tax rate of 15%. The minimum tax rate will apply to multinational enterprises with revenues of over €750 million and will therefore have implications for the Group. Based on the information currently available about the implementation of these rules in the principal countries where the Group operates, the impacts are expected to be small. . According to current analyses, the Group companies in Ireland (nominal tax rate 12.5%) could be affected.

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. Given the breadth of the Group's product portfolio, there are a growing number of relevant regulations to comply with. These include official requirements, such as from the Environmental Protection Agency or Department of Agriculture in the USA or the equivalents of these authorities in other countries. Global initiatives to reduce or even ban the use of certain chemicals (e.g., PFAS) can have considerable impacts on numerous of the Group's products, their applications, and the availability of crucial raw materials.

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.

In recent years, regulations on environmental, social, and governance aspects have been stepped up. These areas play an important role in companies' reputation. As the manufacturer of numerous plastic products with production sites around the globe, Sartorius faces a variety of challenges. Environmental and sustainability aspects are therefore playing an increasingly important role in many business processes at Sartorius. For more information on these topics, please see the non-financial Group statement.

Environmental Risks from the Production Process

Sartorius uses a wide range of raw materials and supplies in its manufacturing process, including chemicals, plastics, metals, electronic components, and packaging. Some production processes create solvent waste, which must be recycled and disposed of in line with certain rules and regulations. In this context, there is a risk of the Group not complying with the legal requirements in this area. Environmental damage may harm Sartorius' reputation and have legal or financial repercussions. To further increase the Group's agility in fulfilling the legal regulations and industry expectations, platforms for managing environmental, health, and safety data need continuous improvement.

Responsibility for compliance with all applicable regulations lies with the sites and business units. The Environment, Health, and Safety Department offers them support and conducts audits. In order to manage environmental issues and mitigate risks, Sartorius has established environmental management systems (according to ISO 14001:2015) for both divisions. Most of the Group's large production sites, including several in Germany, France, India, Puerto Rico, and China, are certified to ISO 14001:2015. These locations have suitable measures in place to ensure compliance with legal and internal requirements and to implement sustainable technical innovations so as to improve environmental aspects in production processes.

Risks from Legal Disputes

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 whose occurrence is deemed at least possible that lack any cost coverage allowances in the statement of financial position and 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, 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.

Risk Category	Probability of Occurrence	Significance	Total Impact	Total Impact (Previous Year)
External risks	Probable	Significant	Medium	Medium
Operating risks				
Procurement risks	Possible	Significant	Medium	Medium
Production risks	Possible	Significant	Medium	Medium
Sales and distribution risks	Possible	Significant	Medium	Medium
Competitive risks	Possible	Moderate	Medium	Medium
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	Medium
Liquidity risks	Remote	Moderate	Low	Low
Tax risks	Possible	Moderate	Medium	Medium
Compliance risks				
Regulatory risks	Possible	Significant	Medium	Medium
Environmental risks from the production process	Remote	Moderate	Low	Low
Litigation risks	Possible	Moderate	Medium	Medium

Following a detailed analysis of the overall risk situation, there are no risks discernible or foreseeable in the future from today's perspective that could jeopardize the Group's continued existence as a going concern. The overall risk situation remained largely stable in the past fiscal year. However, the direct and indirect risks from ongoing or potentially newly emerging geopolitical crises have increased further.

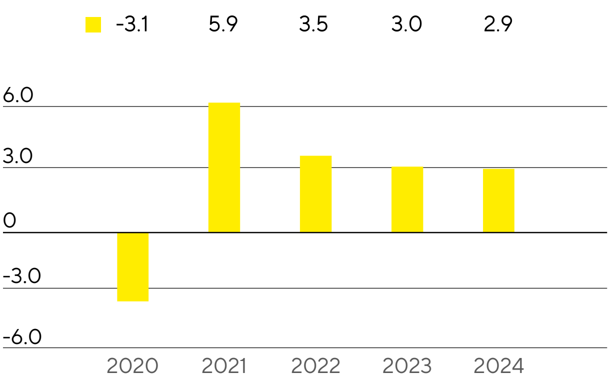
Forecast Report

Future Macroeconomic Environment

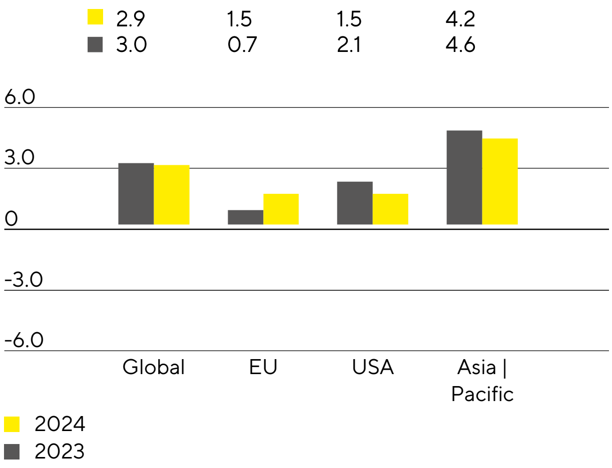
The International Monetary Fund (IMF) expects the global economy to expand by 2.9% in the current year and therefore at a rate below the historical average (2023: +3.0%). Growth in industrialized countries is expected at 1.4% (2023: +1.5%), while the forecast for emerging and developing countries is unchanged at 4.0%. The economic environment continues to be characterized by numerous risk factors, including a possible increase in raw material and food prices as a result of geopolitical tensions, persistently high inflation rates, which could necessitate central banks to further tighten monetary policy, as well as limited options for economic stimulus measures given high sovereign debt levels. The potential spread of China's real estate crisis also poses risks to global economic growth.

The IMF expects growth of 1.5% for the EU in 2024, compared with 0.7% in 2023. In Germany, Europe's largest economy, economic output is expected to increase by 0.9% (2023: -0.5%), while other European economies that are important for Sartorius, such as France and the United Kingdom, are also likely to expand, with growth rates of 1.3% (2023: +1.0%) and 0.6% (2023: +0.5%), respectively.

Global Development GDP
in %



Gross Domestic Product by Region
in %



Source: International Monetary Fund

Based on current estimates, the U.S. economy is expected to expand by 1.5% in 2024 (2023: +2.1%).

The Asia | Pacific economic region is forecast to grow by around 4.2% (2023: +4.6%), with GDP in China expected to increase by 4.2% (2023: +5.0%) and in India by 6.3% (2023: +6.3%). Other countries in this region that are important for Sartorius are also expected to grow. South Korea's GDP is forecast to go up by 2.2% (2023: +1.4%) and Japan's by 1.0% (2023: +2.0%).

Exchange and Interest Rate Trends

The sharp rise in inflation has led to a more restrictive monetary policy and central banks raising key interest rates almost everywhere in the world since 2022. Based on expert estimates, key interest rates are not expected to rise further in 2024 and are likely to be cut moderately in the second half of the year. Key interest rates in the European Monetary Union are expected to decrease from 4.50% at the end of 2023 to up to 3.8% in 2024. The U.S. Federal Reserve is forecast to cut the key interest rate to an estimated 4.45% by the end of 2024.

Inflation expectations for both the eurozone and the United States are 2.7% for 2024.

The market consensus on the exchange rate of the euro to the U.S. dollar for the course of 2024 is that it will range between 1.07 euros to the U.S. dollar and 1.11 euros to the U.S. dollar.

Sources: International Monetary Fund, World Economic Outlook, October 2023; Bloomberg, 2023.

Outlook for the Sectors

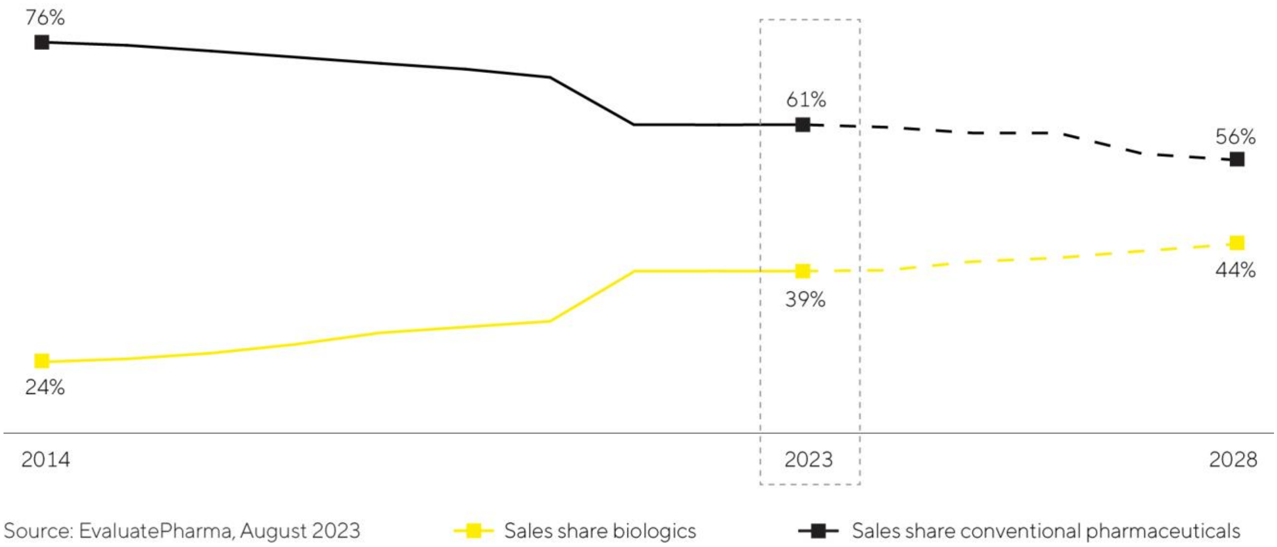
Biopharmaceutical Industry Expected to Grow

Strong, long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. A number of different studies estimate that the global pharmaceutical market will grow by between 3% and 6% annually in the period up to 2027. 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 be around 10% in the coming years. The market is anticipated to have a total value of around $695 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 39% to 44%.

Growth is driven in particular by the increasing demand for medications from the growing and aging global population as well as the great catch-up potential and improved access to biopharmaceuticals in emerging markets. In addition, the number of approved biopharmaceutical medications is steadily increasing. Of the estimated 20,000+ medications in R&D pipelines, almost 45% 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 2023, more than 1,600 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 2028, the market could grow by an annual average of around 15% and reach a total value of approximately $67 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 trend toward increased 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 toward 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 around 5% annually in the next few years and to reach a total value of around $103 billion in 2027.

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 increase annually by 3.6% during the period from 2023 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. According to leading providers of laboratory instruments, demand for laboratory products in the pharmaceutical and biopharmaceutical industries is expected to expand moderately in 2024, despite the encouraging medium-term outlook. The reasons cited include restrained investment activity in the current interest rate environment, the persistently muted funding environment, especially for small and medium-sized biotech companies, and severe market weakness in China.

Budget increases for academic and public-sector research institutions should continue to act as a growth driver in some countries, while the projected slowdown in global economic growth poses risks to demand from industrial end markets. Market observers continue to expect China and India to generate the highest growth rates in the medium term. 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. In previous years, this had entailed a rise in the share of global R&D spending attributable to China.

Sources: BioPlan: 20th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2023; Evaluate Pharma: World Preview 2023, August 2023; Alliance for Regenerative Medicine: Sector Snapshot, August 2023; citeline: Pharma R&D Annual Review 2023, May 2023; Markets and Markets: Biosimilars Market – Forecast to 2028, 2023; SDi: Global Assessment Report 2023, April 2023; www.fda.gov

Outlook for 2024

Based on the slight recovery in demand since the end of the third quarter of 2023 and the market outlook forecast by industry observers, Sartorius expects to grow profitably in 2024 and beyond. Due to inventory optimization measures at customers that have not yet been fully completed, the company projects business momentum to increase gradually in the course of the year, resulting in a rather moderate first half of 2024. In addition, business performance could also be affected by increasing geopolitical tensions and economic slowdowns in some regions.

Against this backdrop of still somewhat unstable market trends and therefore limited visibility, management forecasts an increase in Group sales revenue in the mid to high single-digit percentage range, with a non-organic contribution accounting for around 1.5 percentage points. In terms of profitability, management anticipates the underlying EBITDA margin to rise to slightly more than 30%, compared with the prior-year figure of 28.3%. At around 13%, the ratio of capital expenditures to sales revenue is expected to be below the 2023 figure of 16.5%. Excluding possible capital measures and/or acquisitions, the ratio of net debt to underlying EBITDA is projected to be at around 4.

For the Bioprocess Solutions division, management expects a gradual continuation of the demand recovery and an increase in sales revenue in the mid to high single-digit percentage range, including a contribution of acquired businesses of around 2 percentage points. The underlying EBITDA margin is projected to be over 31%, compared with the prior-year figure of 29.2%. The above-average profitability of the Polyplus business will have a slightly positive effect on the margin development.

Business in the Lab Products & Services division depends to an extent on economic conditions and a series of indicators currently pointing to a subdued development in key economic regions. Against this backdrop and despite the observed recovery trends, management predicts a subdued sales revenue increase in the low single-digit percentage range and an underlying EBITDA margin at around the previous year's level of 25.1%.

All forecasts are based on constant currencies, as in the past years. Management points out that the industry has become increasingly dynamic and volatile in recent years. In addition, uncertainties due to the shifting geopolitical situation, such as various countries' nascent decoupling tendencies, are playing an increasing role. This results in increased uncertainty when forecasting business figures.

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, 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.

As of the reporting date of December 31, 2023, the company holds 3,213,991 ordinary shares and 3,250,147 preference shares; as a result of the allocation of treasury shares to Executive Board members as part of their remuneration, the number of treasury shares was reduced in January to 3,210,572 ordinary shares and 3,247,436 preference shares. The company is not entitled to any rights from its treasury shares.

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, Subsection 1, sentence 1, no. 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 September 30, 2023, the number of Sartorius AG shares held by 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. 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 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 company, 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 financing agreements contain customary market clauses regulating the possible event of a change of control and giving participating investors the option of demanding complete repayment.

These primarily consist of the outstanding bonds, note loans ("Schuldscheindarlehen"), a number of bilateral credit agreements, and the syndicated credit line. The repayment sum outstanding for these agreements stands at €5,111 million as of December 31,2023.

Corporate Governance Report

The following content was not included in 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 company's corporate governance pursuant to Section 289f of the German Commercial Code ("HGB").

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 in the period since last year's Declaration of Compliance was issued on December 8, 2022, and will continue to comply in the future, with the recommendations made by the Government Commission on the German Corporate Governance Code (GCGC) as of April 28, 2022, as published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022, with the following exception:

In divergence from the Recommendation pursuant to G.10, sentence 1 of the GCGC, the variable remuneration of the members of the Executive Board – except for that of the Executive Board Chairman – consists only to a non-predominant extent of share-based remuneration components. The Supervisory Board believes that the existing structure of the variable remuneration, which corresponds to the remuneration system approved by the Annual General Meeting, also achieves an incentive structure geared to the sustainable and long-term development of the Company.

Göttingen, December 7, 2023

For the Supervisory Board	For the Executive Board
Dr. Lothar Kappich	Dr. Joachim Kreuzburg

Start

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 ("Aktiengesetz", 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 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 254 to 256.

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 Trützschler

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 Trützschler, 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 Trützschler actively follows current developments in the field of sustainability regulation and 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 Trützschler
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 Trützschler

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 12 to 17. 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 (efficiency audit) was completed with external support on the basis of an extensive questionnaire. In addition to answering the questions, the respondents had options to give further comments and suggestions regarding Supervisory Board work. The results of this survey were presented in anonymized form in December 2023 and discussed within the Supervisory Board. Further information on the results of the self-assessment in 2023 are contained in the Report of 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, his mandate as executor and as the representative of the majority of the voting rights does not imply a lack of independence from the company or its Executive Board, The shareholder representatives on the Supervisory Board regard Dr. Kappich as independent despite the fact that he has been a Supervisory Board member since April 2007 and therefore more than 12 years. In their view, his long-standing membership in itself does not give rise to any substantial and not merely temporary conflict of interests. In his duties, Mr. Kappich has demonstrated the necessary critical distance in order to properly advise and monitor the company and its Executive Board in every respect. The Supervisory Board also considers Prof. Dr. Klaus Rüdiger Trützschler, who has been a Supervisory Board member for more than 12 years, to be independent within the meaning of C. 6 and C. 7 of the GCGC. Prof. Dr. Trützschler has no personal or business relationship with Sartorius AG or its Executive Board that could give rise to substantial and not merely temporary conflicts of interest. For the purpose of assessing the independence of board members, the Supervisory Board is of the view that all relevant circumstances should be examined as a whole. In the case of Prof. Dr. Trützschler, the sole factor of his long tenure is weighed up against his long-standing experience and expertise in the fields of accounting, auditing, risk management and sustainability. His record shows that he exercises his office as a member of the Supervisory Board and as Chairman of the Audit Committee in an exemplary manner, at all times fulfilling his role as a critical observer and experienced counsel for the 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 with 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.

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

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

Competency profile

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 shareholders 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.

Provision of Information to the Supervisory Board

The Executive Board provides the Supervisory Board with all the information needed for the Supervisory Bord to effectively monitor the Executive Board's management of the company. To ensure appropriate information provision, the Supervisory Board receives monthly reports that show the course of business at the level of the Group, divisions and regions along with developments in the key performance indicators for Sartorius. In addition, an overview of the past quarter is shown before every meeting, and any deviations from the previous year and from the planning are explained. The reporting package also regularly includes a capital market report, which sets out the performance of Sartorius shares including prices and company valuations relative to competitors as well as an overview of analyst assessment and recommendations. Once a year as a rule, the Executive Board reports verbally and in writing on the budget for the next fiscal year, including operational planning, financial planning, investment planning and HR planning, and on the medium-term planning for the company's development. Also at least once a year, the Executive Board explains the status and development of any legal risks and comments on the risk situation, on risk management, on significant compliance cases and on compliance management. The relevant Supervisory Board committees also discuss these risk management- and compliance-related topics on a quarterly basis and are provided for this purpose with relevant written and verbal information. Furthermore, the Executive Board reports to the Supervisory Board on all transactions requiring the latter's approval under the rules of procedure. These particularly include acquisition and divestment projects, capital measures, major investments and restructuring projects. The reports and proposed resolutions are prepared such that the Supervisory Board has the opportunity, before the relevant transactions are carried out, to thoroughly consider the proposed measure and its implications, give its view and take an informed decision. The Supervisory Board is also promptly informed as necessary of other important events and developments that could have a noticeable effect on Sartorius' position. If it is not possible to report directly in a Supervisory Board meeting, corresponding special reports are provided to the Chairman of the Supervisory Board. The Chairman then decides on how to involve the Supervisory Board in this matter. The committee chairpersons also independently set further reporting requirements for the Executive Board within their areas of responsibility. The Executive Board decides on the form and presentation of the reports to the Supervisory Board.

Details on the content of these reports in the relevant fiscal year and their discussion in the Supervisory Board can be found in the Report of the Supervisory Board Chairman on page 12.

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 effected. 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.

As of the editorial deadline for this report, the Executive Board of Sartorius AG consisted of two men and one woman. Before the Chief Financial Officer Rainer Lehmann left the Board at the end of October 2023, it consisted of three men and one woman.

Name	Position	Year of birth	First appointed	End of current appointment period
Dr. Joachim Kreuzburg (Chairman)	Chairman of the Board Chief Financial Officer (interim basis until March 31, 2024)	1965	2002	November 10, 2025
Dr. René Fáber	Full member, responsible for the Bioprocess Solutions division	1975	2019	December 31, 2026
Dr. Alexandra Gatzemeyer	Full member, responsible for the Lab Products & Services division	1979	2023	April 30, 2026

At its meeting on August 3, 2023, the Supervisory Board elected Dr. Florian Funck as an Executive Board member effective April 1, 2024. In the period from November 2023 to the end of March 2024, the Finance board division is being managed on an interim basis by the Chairman of the Executive Board.

Further information, including information on memberships of supervisory boards and other comparable domestic and foreign supervisory bodies of business enterprises, is published on page 260 et seq. of this annual 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. With the appointment of Dr. Alexandra Gatzemeyer to the Executive Board, the statutory participation requirement has been implemented.

Regarding the future 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

In March 2022, the Executive Board set a target of one-third women to be achieved at both the first and second management levels by the deadline of December 31, 2025. As of the December 31, 2023 reporting date, the proportion of women at both levels was around 31% (first management level: 5 women | 11 men; second management level: 30 women | 66 men), putting it within range of the targets set by the Executive Board.

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. 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 2023 and the auditor’s notice in accordance with Section 162 AktG, the compensation policy currently in place as approved by the Annual General Meeting on March 29, 2023, pursuant to Section 87a, Subsections 1 and 2, sentence 1, AktG, and the resolution approved by the Annual General Meeting on March 29, 2023, on the remuneration pursuant to Section 113, Subsection 3, AktG are publicly accessible at 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. The Sartorius Group's compliance management system is designed to ensure the adherence to statutory and regulatory requirements in order to protect the company from sanctions, financial losses and reputational damage. It also contributes to the quality of Sartorius products and the long-term success of the company. To ensure compliance at the Sartorius Group, Sartorius has implemented a Group-wide standard, which is documented in a Compliance Management Manual. This manual summarizes the responsibilities and authority of the individual functions and defines processes for efficient cooperation between these functions.

In this context, Sartorius has introduced various preventive guidelines. The Sartorius Code of Conduct defines the responsible conduct expected from all employees of the Sartorius Group and provides guidance for employees, for example in relation to human rights, international social and environmental standards, conflicts of interest and other general standards, and helps them act law-abidingly and ethically in their day-to-day work. Sartorius has also implemented an Anti-Corruption Code. This is intended to serve as a basis for raising awareness among all employees of the dangers posed by corruption and also to act as an aid and guide to combating corruption. It includes rules on the handling of gifts, for example. The company ensures that employees are familiar with the content of both codes by offering them mandatory online training every year.

Sartorius also expects its business partners to comply with internationally recognized social and environmental standards, to follow the law, adhere to the principles of fair competition and respect human rights. These requirements are set out in the Code of Conduct for Business Partners.

A complaint system ensures that everyone, whether inside or outside Sartorius, can report identified or reasonably suspected breaches of applicable laws, standards, regulations and internal guidelines. For this purpose, Sartorius provides various reporting channels, which are available around the clock in various languages and can also be used anonymously if preferred. The compliance team can be contacted in person, via the hotline, by e-mail or via the whistleblower system. The reporting channels can be found on Daily (intranet) and on the public website.

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 91 et seq. and on the company's website at 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 capital market participants 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

A statement of transactions conducted in 2023 by Executive and Supervisory Board members on their own account in accordance with Article 19 of Regulation (EU) 596/2014 (Market Abuse Regulation) is published on the Sartorius website.

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

Non-financial Group Statement

The following section is the Non-financial Group Statement prepared for the Sartorius Group by Sartorius AG for fiscal year 2023 and hereinafter referred to as the "Non-financial Statement." The submission of this statement exempts the Sartorius Stedim Biotech S.A. subgroup from the obligation to prepare its own non-financial statement.

The information presented in the Non-financial Statement did not form part of the audit of the Group Management Report and was subject to a separate limited assurance engagement performed by KPMG AG Wirtschaftsprüfungsgesellschaft. The auditor's report can be found on page 142 et seq.

Notes on Reporting

This statement was prepared in accordance with sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). The indicators were calculated based on international frameworks such as the GRI and Greenhouse Gas Protocol.

The material topics subject to reporting requirements are derived from the results of a materiality analysis, which the Executive Board has verified for fiscal year 2023. This analysis is based on the strategic sustainability topics defined in fiscal 2022, which have been assessed with regard to their relevance for the sustainability matters addressed in the German Commercial Code (HGB).

The policies requiring presentation under Section 289c(3) of the German Commercial Code (HGB) for the material topics, including due diligence processes and the outcomes of the policies, relate to the Group as defined by the scope of consolidation for financial reporting (see page 192 et seq.), except where otherwise indicated.

The data provided 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).

Prior-year data was taken from the 2022 Non-financial Statement where available. Adjustments to prior-year data were made on the basis of materiality assessment and are indicated where applicable. These relate to the proportion of water from water stress areas (see the "Water and Wastewater" section).

Detailed explanations on greenhouse gas accounting can be found on page 139 et seq.

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. The Sustainability Report for the past fiscal year will be published in the first quarter of 2024.

Sustainability Management

Business Model

Information on the Group's business model can be found in the section "Business Model, Strategy and Goals" on page 28 et seq. of this Annual Report.

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 to prevent and treat diseases, some of which were previously incurable. 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 earlier, at lower prices and to a larger number of patients. The company's purpose therefore involves contributing to people's health and well-being and thus to the achievement of global sustainability goals.

Sustainability Ambition and Strategy

As a signatory to the United Nations Global Compact, Sartorius is committed to complying with certain social and environmental standards when conducting its business activities. The aim is to identify and assess adverse impacts that are arising or may arise throughout the upstream and downstream value chain as a result of business operations and, based on this, to prevent or mitigate significant adverse impacts and provide remediation where they occur. The addition of sustainability aspects as a new element of corporate management is a long-term transformation and requires ongoing dialogue, coordination and close collaboration with relevant stakeholders along the value chain.

The company's key stakeholders principally include customers and business partners, employees, investors and local residents near Sartorius sites. Particularly in the case of customers, Sartorius uses a range of formats to remain in constant dialogue regarding sustainability aspects of products, decarbonization and climate neutrality, and other environmental and social standards. Employees, investors and suppliers are regularly informed about relevant sustainability targets, measures and results. Sartorius was in constant discussion with analysts and investors in the reporting year as part of its regular capital market communication and SRI conferences. A virtual capital market tutorial also took place, focused on the company's decarbonization strategies and measures. The sustainability strategy was discussed with selected suppliers at a supplier day. In addition, Sartorius is involved in industry associations such as BioPhorum, NIMBL and PSCI on sustainability-related topics and actively shapes industry initiatives.

Sartorius defined the following strategic sustainability topics for the Group back in fiscal 2022, taking its key stakeholders' concerns into account:

- Climate
- Materials and circularity
- Water and wastewater
- Social responsibility
- Corporate governance

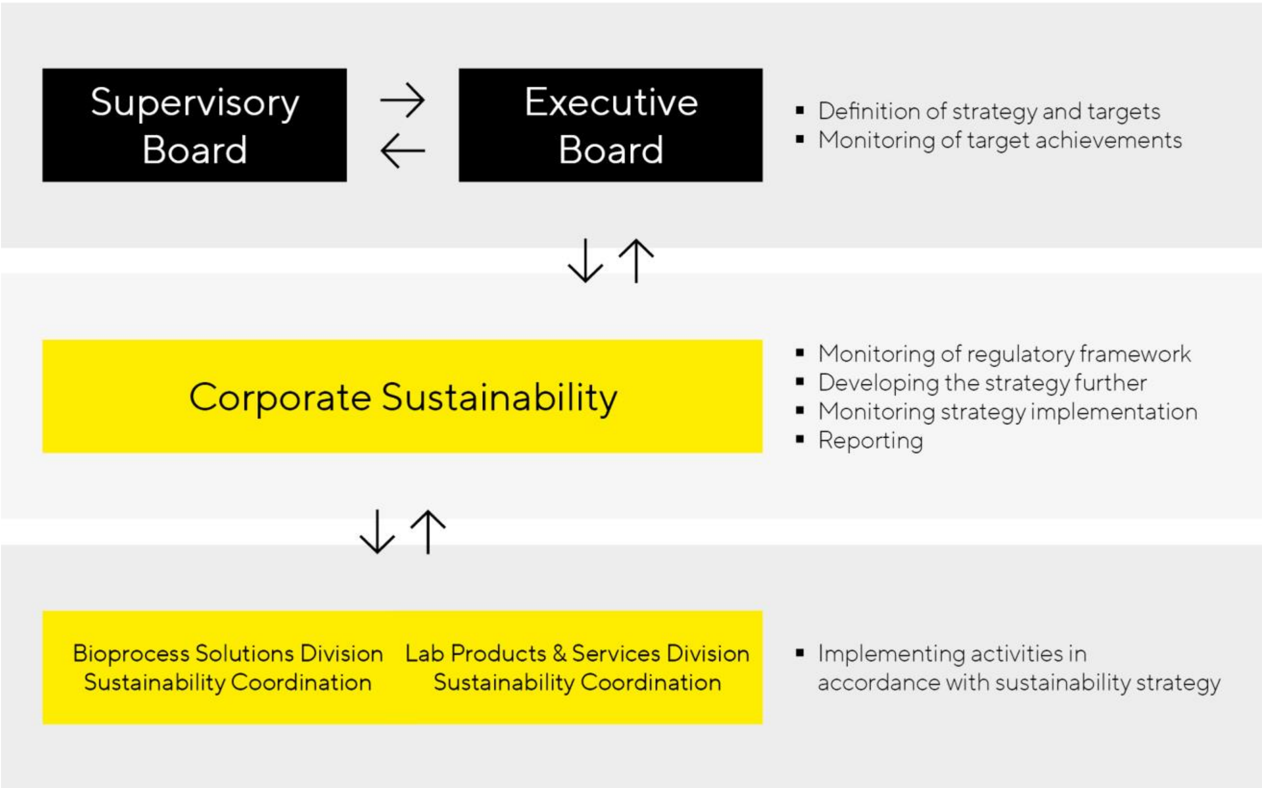
- Sustainability in the supply chains

Organization, Management and Reporting

Sustainability at Sartorius is a topic in the responsibility of the Executive Board Chairman. The Executive Board adopts the sustainability strategy and, together with the Supervisory Board, monitors its implementation, the achievement of targets, and the effectiveness of the company's sustainability-related due diligence system. The Group function Corporate Sustainability, whose management reports directly to the Executive Board Chairman, is responsible for developing the sustainability strategy and for operational implementation of measures to fulfill sustainability guidelines and standards in the Group. Other tasks include monitoring regulation, overseeing adherence to corporate due diligence requirements and sustainability reporting.

Responsibility for implementing the strategy and the measures it contains lies with the divisions. Committees to coordinate and implement sustainability measures were established in both divisions during the reporting year.

Sustainability organization



1 Performed by the "BPS Sustainability" function
2 Performed by various individual sustainability roles

In fiscal 2023, Sartorius began building a global reporting system, through which the required sustainability data of the Group companies will be collected, monitored and reported via a centralized IT application. In view of the introduction of European sustainability reporting standards, Sartorius is enhancing its reporting and internal control system to further increase data quality.

Risks are identified through the central risk management system. Information on risks can be found in the Opportunity and Risk Report on page 73 et seq. No risks within the meaning of Section 289c(3) were identified in fiscal year 2023.

External Sustainability Performance Ratings and Capital Market Indices

Sartorius AG and the subgroup Sartorius Stedim Biotech S.A. are regularly analyzed and evaluated with regard to their sustainability performance. The results of these analyses feed into the development of policies for managing material sustainability topics.

Latest Company Ratings

Company	Rating	Publication	Results
Sartorius AG	CDP	14.12.2022	B
Sartorius AG	EcoVadis	31.05.2023	60/100 (77th percentile) – silver
Sartorius AG	ISS ESG	01.09.2023	C
Sartorius Stedim Biotech S.A.	ISS ESG	01.09.2023	C+ (Prime)
Sartorius AG	Morningstar | Sustainalytics	07.03.2023	17,7 (Low risk)
Sartorius Stedim Biotech S.A.	Morningstar | Sustainalytics	14.07.2023	14,9 (Low risk)
Sartorius AG	MSCI ESG	17.08.2023	AA
Sartorius Stedim Biotech S.A.	MSCI ESG	25.08.2023	BBB

Concepts and Results for the Strategic Sustainability Topics

Climate

Ambition

Sartorius' business activities do not belong to the greenhouse gas-intensive economic sectors. However, Sartorius regards climate change mitigation as a task for the whole of society and therefore as a material topic for sustainability management. This also involves reducing or avoiding the potential risks of climate change for the company itself. The company is aiming to make its business activities net climate neutral by 2045. This is to be achieved through continuous decarbonization along the value chain and the removing of unavoidable residual emissions in line with the Paris Agreement.

Concept and Due Diligence Processes

In fiscal 2021, the Group set itself the target of reducing CO_2eq emission intensity by an average of 10% per year by 2030 in comparison with the base year 2019. Sartorius defines this indicator as adjusted greenhouse gas (GHG) emissions by market-based calculation per net turnover in g CO_2eq/€ based on the Accounting and Reporting Standards of the GHG Protocol. It includes Scope 1, 2 and 3 under the GHG Protocol. The adjustment means that in the "Purchased goods and services" GHG category it accounts only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. This indicator forms part of the long-term variable remuneration components for the Executive Board and management.

The Group has also set a target of cutting its avoidable, energy consumption-related gross Scope 1 and 2 emissions to zero by 2030. Process emissions generated during membrane production are currently deemed unavoidable based on the technology available at present

Overview of climate targets at Sartorius

2030
Mid-term targets

- Gross zero greenhouse gas emissions in scope 1 and 2
- On average -10% CO_2eq emission intensity per year in scope 1-3 compared with base year 2019
- 100% electricity from renewable sources

2045
Long-term targets

- Climate neutrality: net zero greenhouse gas emissions in scope 1-3

In the reporting year, the company also committed to preparing medium-term, science-based climate targets, which will be validated by the independent Science Based Targets Initiative (SBTi). The targets are due to be submitted to the SBTi by October 2025.

Sartorius already identified a range of decarbonization levers along the value chain back in 2021. These particularly include product design, the associated energy efficiency and selection of materials, and the Group's transport activities. The company is currently working on a concrete transition plan. As a first step, it was decided in the reporting year to switch all electricity consumption to renewable sources by 2030.

Results of the Concept

GHG balance sheet

Total gross GHG emissions (Scope 1, 2 and 3) according to a market-based calculation amounted to 898,898 t CO_2eq in fiscal 2023 (previous year: 1,137,703 t CO_2eq; base year: 573,539 t CO_2eq). This represents a reduction of 21.2% compared with the prior year and an increase of 56.4% compared with the 2019 base year. The bulk of the emissions (currently around 96%) result from activities associated with the upstream and downstream value chain (Scope 3). Approximately 68% are attributable to the upstream value chain and approximately 27% to the downstream value chain. The year-on-year reduction in gross GHG emissions was due in particular to purchasing- and transport-related GHG emissions (purchased goods and services, upstream transportation and distribution and downstream transportation and distribution), which fell by 38.9% and 42.8% respectively. This is explained by a decline in operating expenditures for production-related goods and services as well as a more precise reporting system in fiscal year 2023.

Capital goods are one of the largest drivers of total GHG emissions. The GHG emissions resulting from investment in capital goods increased sharply in comparison with the prior year (approximately 76.4%) and base year (approximately 356.7%). This was related particularly to the Group's increased construction activities. The increase versus the prior year is also attributable to a more precise reporting system. Emissions from investment in capital goods have therefore developed since 2019 from the fourth-largest into the third-largest contributor to total emissions.

Gross Scope 1 GHG emissions amounted to 13,103 t CO_2eq (previous year: 17,939 t CO_2eq, base year: 13,529 t CO_2eq), equal to a fall of 27.0% compared with the previous year and 3.1% compared with the base year. Gross Scope 2 GHG emissions by market-based calculation amounted to 26,823 t CO_2eq (previous year: 28,714 t CO_2eq, base year: 25,777 t CO_2eq), equal to a decrease of 6.6% compared with the previous year and an increase of 4.1% compared with the base year. The year-on-year changes were attributable in particular to the slightly reduced total energy consumption and the associated reduction in fossil fuels (see the "Energy Consumption" section).

Total gross GHG emissions were equal to total net GHG emissions in the 2023 reporting year, as no negative GHG emissions (carbon removal) could be offset. Carbon removal is an important GHG neutralization measure under the Paris Agreement. It involves permanently removing GHG emissions from the atmosphere using biological, chemical and physical methods.

GHG intensity by market-based calculation, defined as gross GHG emissions per net turnover, amounted to 0.000264 t CO_2eq/€ (previous year: 0.000273 t CO_2eq/€, base year: 0.000314 t CO_2eq/€). This represents a reduction of 3.3% compared with the prior year and 15.7% compared with the 2019 base year. Various factors affected the change in intensity. Both GHG emissions and turnover were lower than in the previous year.

GHG Balance Sheet [1,2]

	2023	2022	Base year: 2019
Gross GHG emissions - scope 1 in t CO_2eq[5, 6]	**13,103** [3]	**17,939** [4]	**13,529** [4]
Share of Scope 1 GHG emissions under regulated emission trading schemes in %	0	0	0
Gross GHG emissions - scope 2 - location-based calculation in t CO_2eq	**48,388** [3]	**53,886** [4]	**30,689** [4]
Gross GHG emissions - scope 2 - market-based calculation in t CO_2eq[7]	**26,823** [3]	**28,714** [4]	**25,777** [4]
Gross GHG emissions - scope 3 in t CO_2eq	**856,972**	**1,091,050**	**534,233**
Category 1: Purchased goods and services in t CO_2eq	318,901	521,912	238,446
Category 2: Capital goods in t CO_2eq	168,488 [8]	95,492	36,892
Category 3: Fuel- and energy-related activities (not included in scope 1 and 2) in t CO_2eq	7,297 [3]	11,323 [4]	6,553 [4]
Category 4: Upstream transportation and distribution in t CO_2eq	73,625	128,734	57,426
Category 5: Waste generated in operations in t CO_2eq	5,699 [3]	9,235 [4]	4,021 [4]
Category 6: Business travel in t CO_2eq	21,065	21,067	26,093
Category 7: Employee commuting in t CO_2eq [9]	18,027	22,053	15,019
Category 8: Upstream leased assets in t CO_2eq	0	0	0
Category 9: Downstream transportation and distribution in t CO_2eq	6,258	10,942	4,881
Category 10: Processing of sold products in t CO_2eq [10]	0	0	0
Category 11: Use of sold products in t CO_2eq [11]	185,564	222,138	108,626
Category 12: End-of-life treatment of sold products in t CO_2eq	52,049	48,153	36,276
Category 13: Downstream leased assets in t CO_2eq	0	0	0
Category 14: Franchises in t CO_2eq	0	0	0
Category 15: Investments in t CO_2eq [12]	0	0	0
Total gross GHG emissions (scope 1, 2 and 3) - location-based calculation in t CO_2eq	**918,463**	**1,162,875**	**578,451**
Total gross GHG emissions (scope 1, 2 and 3) - market-based calculation in t CO_2eq[7]	**896,898**	**1,137,703**	**573,539**
Total GHG removals in t CO_2eq	0	0	0
Total net GHG emissions (scope 1, 2 and 3) - location-based calculation in t CO_2eq	**918,463**	**1,162,875**	**578,451**
Total net GHG emissions (scope 1, 2 and 3) - market-based calculation in t CO_2eq[7]	**896,898**	**1,137,703**	**573,539**
Gross GHG intensity - location-based calculation per net turnover in t CO_2eq / €	**0.000270**	**0.000279**	**0.000317**
Gross GHG intensity - market-based calculation per net turnover in t CO_2eq / €[7]	**0.000264**	**0.000273**	**0.000314**

1 The data presented contain uncertainties. The data, and particularly the figures for individual categories, should currently be seen merely 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 139 et seq. of the Non-financial Statement.
2 Preparation based on GHG Protocol (Corporate Accounting and Reporting Standard 2004 and Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2011).
3 Excluding the Polyplus companies newly acquired in the reporting year.
4 Based on data reported by production sites and some administrative sites; excluding companies newly acquired in the reporting year.
5 Excluding GHG emissions from fleet fuel consumption.
6 Fugitive emissions data currently only collected in Göttingen and Yauco.
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 The figure for 2023 is not fully comparable with the prior-year figures, since the basis for calculation was expanded for 2023 and now extends to total capital expenditures. As a result of materiality analyses for total GHG emissions, the prior-year figures have not been adjusted.
9 Excluding GHG emissions from commuting by trainees, interns and contingent workers.
10 In accordance with the GHG Protocol, this category is reported with 0 t CO_2eq because Sartorius cannot currently account for it appropriately given the wide range of potential options available for further processing the Group's products, each of which has its own specific GHG profile, and because, according to an estimate, it is also not material to the Group's overall GHG accounting.
11 GHG accounting currently covers only products that require electricity to use.
12 This category is reported with 0 t CO_2eq, as the most relevant shareholding from a GHG perspective has been classified as not material in the financial reporting for fiscal 2023, 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_2 Emission Intensity

In fiscal year 2023, CO_2 emission intensity, defined as adjusted GHG intensity (i.e. gross GHG emissions per net turnover – market-based calculation), amounted to 272 g CO_2eq/€ (previous year: 256 g CO_2eq/€; base year: 308 g CO_2eq/€). This represents a 6.3% increase over the prior year and an 11.4% reduction from the base year. The changes were due to stock movements. The average annual reduction in CO_2eq emission intensity from the base year therefore amounted to 3.1% in the reporting year.

CO_2-Emission Intensity

	2023	2022	Base year: 2019
Adjusted gross GHG intensity - market-based calculation per net turnover in g CO_2eq / €[1]	272	256	308
Average annual reduction compared to the base year 2019 in % (strategic consideration)	3.1	6.0	n. r.

1 For "adjusted GHG intensity: gross GHG emissions per net turnover – market-based calculation," the GHG category "Purchased goods and services" accounts only for the goods and services actually consumed for the manufacture of Sartorius' products and services sold during the fiscal year. The data are therefore adjusted for inventories.

Energy Consumption

Total energy consumption fell by 2.2% to 196,403 MWh in fiscal 2023 (previous year: 200,715 MWh) and was therefore on a level with the prior year. The share of renewable energy increased by just under four percentage points to 35.5% (previous year: 31.7%). This is explained particularly by the lower total energy consumption and associated reduction in fossil fuels. Two locations switched to renewable energy. The Bangalore site now draws electricity from renewable sources, and the Göttingen site uses geothermal heating. 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 27.0% (previous year: 27.1%), putting it on a level with the prior year. 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 the reduction of Scope 1 and Scope 2 GHG emissions and to measure their success.

Indicators Energy [1,2]

	2023[3]	2022[4]
Total energy consumption in MWh	**196,403**	**200,715**
Renewable energy consumption in MWh	**69,712**	**63,546**
Purchased certified renewable electricity in MWh	65,594	62,256
Self-generated solar energy in MWh	2,089	697
Purchased geothermal energy in MWh	441	594
Self-generated geothermal energy in MWh	1,589	n. a.
Other renewable energy in MWh	0	0
Non-renewable energy consumption in MWh	**126,691**	**137,169**
Purchased natural gas in MWh	53,884	60,774
Purchased non-renewable electricity in MWh	57,599	53,422
Purchased district heating in MWh	8,925	10,653
Purchased diesel in MWh	4,459	8,797
Purchased heating oil in MWh	1,199	2,490
Purchased district cooling in MWh	625	815
Purchased LPG in MWh	0	218
Total share of renewable energy in %	**35.5**	**31.7**
Certified management systems according to ISO 50001- Employee coverage as of 31.12. in %	**27.0**	**27.1**

1 Preparation of the indicators was based on the GRI Standards.
2 Excluding fleet fuel consumption
3 Excluding the Polyplus companies newly acquired in the reporting year.
4 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.

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 chemicals. The aim of a circular economy is to decouple economic growth from environmental impacts 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. The company's aspiration formulated in 2023 is to minimize the disposal of recyclable waste and optimize resource use along the value chain.

Concept and Due Diligence Processes

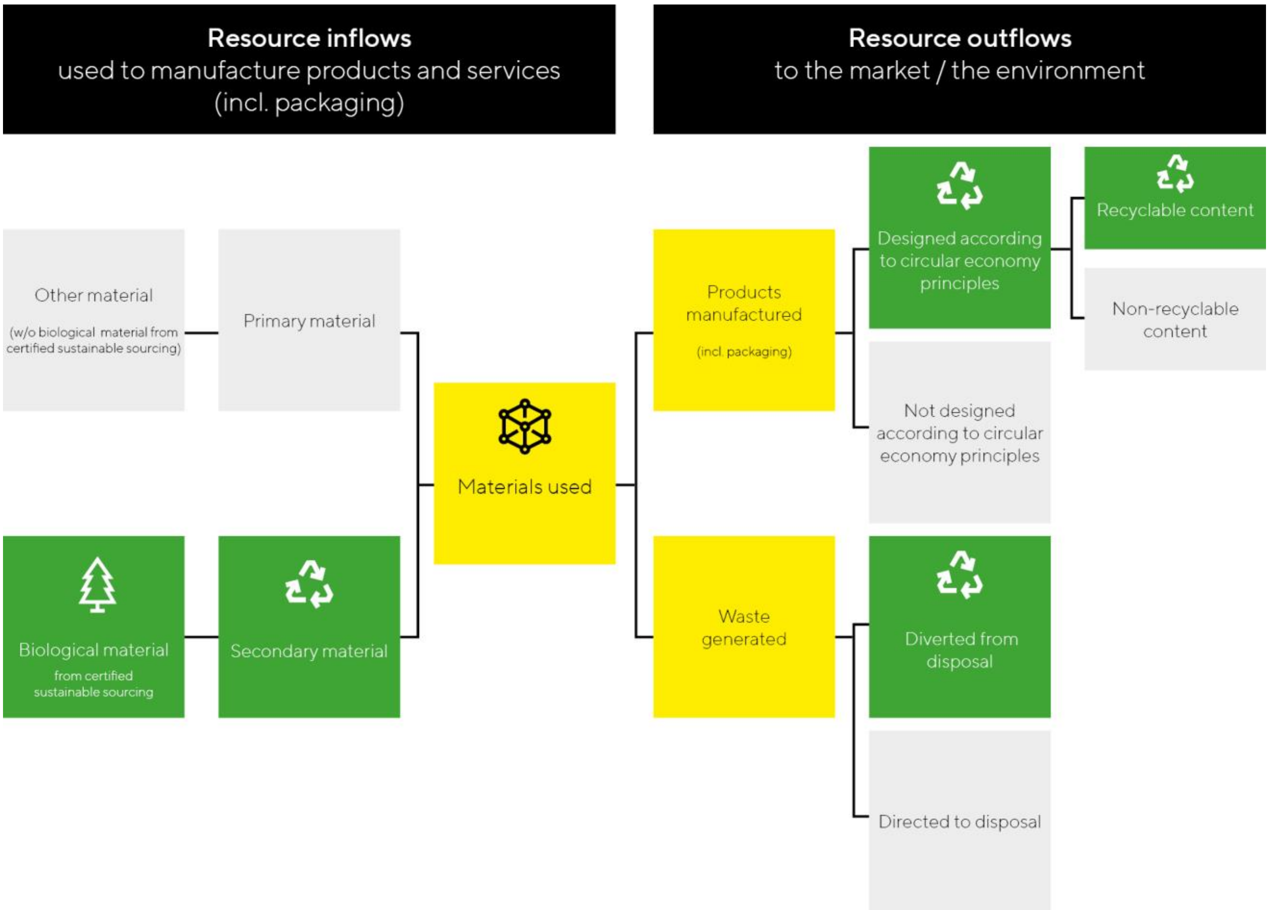
Given their advantages for efficiency, flexibility and patient safety, single-use products made from plastic based primarily on fossil resources have become established in the biopharmaceutical industry. Examples include sterile filters, bags and tubes. Single-use products currently contribute around 60 -70% of Group sales revenue and are the focus of the current business strategy. By law, these products normally have to be incinerated as contaminated waste at the end of their life. For this reason, and given the high quality standards for medical products, closed-loop operations pose significant challenges to the industry and to Sartorius.

To achieve the best-possible market acceptance for a circular portfolio, Sartorius is in dialogue with its customers and is involved in industry associations such as BioPhorum and BPSA. Compared with other industries, the plastic waste generated by biopharmaceutical products has a lower volume, meaning that the economic and environmental aspects of a disposal infrastructure need to be balanced.

Despite the challenges that exist, Sartorius sees potential to improve resource use along the value chain. In the reporting year, the Executive Board therefore set the Group target for 2030 of generating at least 75% of the Group's sales revenue with products designed according to principles of circularity. This includes product and transport packaging. The principles of circular design include promoting longer durability, reusability, repairability, disassembly, (re)processing, recycling, the return of materials to the biological cycle, and other ways of improving the use of the product or material based on the circular economy.

A detailed implementation plan is currently being worked out. The company will start by driving the creation of Group-wide data transparency around resource flows. A multi-year master data program was launched in the reporting year to initiate the first steps toward accounting for the inflow and outflow of resources at the company.

Creating Data Transparency – Accounting for the Inflow and Outflow of Resources in the Group



Conducting life cycle assessments is another key measure for quantifying the environmental impacts of products, packaging and processes and identifying potential for improvement. Sustainability experts in the operating divisions began these analyses in the reporting year, focusing on particularly relevant products and product groups.

Operational waste is to be avoided right from the production process by reducing or reusing scraps. This primarily applies to bag, membrane and filter cartridge production. The relevant sites have established an operational waste management system for this purpose. The Executive Board adopted a target in the reporting year of sending zero operational waste to landfill by 2030.

Overview of Circularity Targets at Sartorius

2030	
	▪ At least 75% of Group sales revenue with products designed according to circularity criteria (including product and transport packaging) ▪ Zero operational waste to landfill

Results of the Concept

The total volume of waste generated fell by 46.2% to 10,003 t (previous year: 18,581 t). This was due to a particular effect at the Yauco site in Puerto Rico. In the previous year, the site arranged for the disposal of large volumes of stored wastewater, which therefore no longer counted toward the reporting year figure. The volume of waste classified as hazardous under local legislation fell by 40.9% to 2,121 t (previous year: 3,593 t). Hazardous waste is primarily generated in membrane production due to the use of solvents. The change in this figure was primarily attributable to a production-related decrease in Yauco and in Göttingen, Germany. In Yauco, hazardous waste was also reduced by expanding the operation of the distillation plant. The proportion of non-recycled waste was 53.8% (previous year: n.a.). The total waste recycling rate therefore came to 46.2% (previous year: 28.8%), representing a year-on-year increase. This development was also related to the particular effect in Yauco mentioned above, which resulted in an increased total waste volume and therefore a lower recycling rate in the previous year.

Plastic waste represents 12% of the total waste volume. It declined by 43.8% to 1,188 t (previous year: 2,113 t). The plastic recycling rate fell by 6.5 percentage points to 68.9% (previous year: 75.4%). This trend resulted from lower production and therefore a reduced volume of plastic waste. The Aubagne site in France accounted for the largest share of the reduction.

Indicators Waste Generated [1]

	2023[2]	2022[3]
Total waste generated in t	10,003	18,581
Waste diverted from disposal	4,625	n. a.
Hazardous waste	409	3,593
Preparation for reuse	0	n. a.
Recycling[4]	409	456
Other recovery processes	0	n. a.
Non-hazardous waste	4,216	14,988
Preparation for reuse	0	n. a.
Recycling[4]	4,216	4,894
Other recovery processes	0	n. a.
Waste for disposal	5,377	n. a.
Hazardous waste [5]	1,712	n. a.
Incineration	1,363	n. a.
Landfill	0	n. a.
Other recovery processes	350	n. a.
Non-hazardous waste	3,665	n. a.
Incineration	741	n. a.
Landfill	1,465	n. a.
Other recovery processes	1,459	n. a.
Proportion of non-recycled waste in %	53.8%	n. a.

1 Preparation of the indicators was based on the GRI Standards.
2 Excluding the Polyplus companies newly acquired in the reporting year.
3 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.
4 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.

Group Sales Revenue from Circular Products

Group Sales Revenue from Circular Products

	2023	2022
Group sales with products designed for circularity, € in millions	n. a.	n. a.

A data concept to determine Group sales revenue from products whose design is based on circularity is currently being worked on. Sartorius introduced this new indicator in fiscal year 2023 to measure the achievement of the 2030 Group targets described above. Therefore, no figure is yet available for the reporting year.

Landfill Rate

Landfill Rate[1]

	2023	2022
Operational waste for landfill in %	14.6	n. a.

1 Excluding the Polyplus companies newly acquired in the reporting year.

The landfill rate in fiscal year 2023 was 14.6% (previous year: n.a.). Sartorius introduced this indicator in fiscal year 2023 to measure the achievement of the 2030 Group targets described above.

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 and to continuously improve recycling rates and the management of solvent residues in wastewater. The company aims to avoid the use of critical substances when developing new products.

Concept and Due Diligence Processes

At the membrane-production sites in Göttingen, Germany, and Yauco, Puerto Rico, distillation plants are operated that enable almost full recycling of solvents from the production process for own reuse. For solvents not recycled in this process, the disposal by external service providers is arranged. Production wastewater is pre-treated in line with legal thresholds and discharged into the sewage system or processed further by external service providers.

EHS managers at the sites are responsible for local environmental management. Within the framework of the local environmental management systems, the company regularly identifies and analyzes environmental aspects in order to draw up improvement measures.

Results of the Concept

Water withdrawals for fiscal 2023 totaled 699,562 m^3 (previous year: 701,568 m^3) and therefore remained steady with the prior year. There were multiple contributory effects, resulting for example from new acquisitions, declines in production and increased reporting, which canceled each other out. The bulk of total water withdrawal (96.0%) came from public water supplies (previous year: 95.9%). A steady share of 12.9% of total water withdrawal came from water stress areas (previous year: 12.7%). The prior-year figure has been adjusted from 67.6% down to 12.7% due to new classifications by the World Resources Institute.

As of December 31, the degree of coverage with certified environmental management systems in accordance with ISO 14001, measured against the number of employees, stood at 50.6% (previous year: 53.6%). The reduction was due to the lower total number of employees.

Indicators Water [1]

	2023[2]	2022[3]
Total water withdrawal in m^3	699,562	701,568
Third-party water in m^3	671,825	672,630
Ground water in m^3	15,973	19,119
Surface water in m^3	11,764	9,820
Total water withdrawal from water stress areas in %[4]	12.9	12.7[5]
Certified management systems according to ISO 14001 - Employee coverage as of 31.12. in %	50.6	53.6

1 Preparation of the indicators was based on the GRI Standards.
2 Excluding the Polyplus companies newly acquired in the reporting year.
3 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.
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).
5 The prior-year figure was adjusted from 67.7% to 12.7% due to the use of the updated World Resources Institute (WRI) "Aqueduct Water Risk Atlas" (Version 4.0).

Social Responsibility

Ambition

In light of the Group's intended development and in the context of demographic change, Sartorius needs to recruit and retain talented employees. To this end, creating an attractive, fair and safe working environment is key. As a signatory to the UN Global Compact, the Group is 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 Group-wide labor standards.

Implementation of these labor standards is 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 internal audits by the Group Auditing Department. Once a year, a report is submitted to the responsible Supervisory Board committee. Further information on the compliance management system can be found in the corporate governance statement on page 96 et seq. of this annual report.

Compliance with the human rights requirements set out in the Sartorius Code of Conduct is also verified by external audits performed by an accredited organization in accordance with the standards of the Pharmaceutical Supply Chain Initiative (PSCI). The PSCI has established itself as an initiative in the pharmaceutical industry to promote sustainability throughout the value chain. In a rolling process, five sites selected on the basis of risk are chosen for audit 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 as well as anonymously via the whistleblower portal.

Diversity

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

Employability

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. The company offers a wide range of training opportunities across the Group, such as management development and mentoring programs, self-learning opportunities, 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.

The employee net promoter score, which measures the extent to which employees would recommend Sartorius as an employer, forms part of the short-term variable remuneration components for the Executive Board and management. Sartorius has set itself the goal of achieving an average annual score of 35.

Results of the Concept

In fiscal 2023, Sartorius had a total of 14,614 employees, 8.3% fewer than in the previous year (15,942). Sartorius had increased headcount in previous years in connection with the significant growth in sales revenue. However, it adjusted the size of the workforce during the reporting period in response to the changing demand levels and reduced capacity requirement. Similarly to the prior year, 38.7% of the workforce were women (previous year: 38.9%) and the majority of employees were between the ages of 30 and 49, accounting for 61.7% of the workforce (previous year: 58.8%). The average age and length of employment were almost unchanged from the previous year, at 40.2 years (previous year: 39.2) and 7.5 years (previous year: 6.6), respectively. A total of 4.7% of employees worked part-time, a similar figure to the previous year (5.6%).

In fiscal 2023, five external sustainability-related site audits were carried out in accordance with PSCI standards. The percentage of employees covered by these site audits stood at 17.1% (previous year: 38.5%). Four of the audits assessed compliance with human rights aspects. This corresponded to a coverage of 10.4%. In both cases, the lower percentage of total employees covered was due to the fact that three sites belonging to a single company were audited. In the previous year, the audits took place at different companies.

Certified occupational safety management systems covered 6.6% of employees (previous year: 6.9%). Across the Group, 4.5 work-related injuries occurred per million hours worked (previous year: 5.8). This means that 1.3 fewer injuries occurred per million hours worked than in the previous year. The number of work-related injuries is subject to normal variation and partly outside of Sartorius' control. Three work-related injuries with serious consequences were documented in fiscal 2023 (previous year: 3). These are defined as work-related injuries that cause, or are likely to cause, more than six months of lost time. As in the prior year, none of the work-related injuries were fatal (previous year: 0).

Training hours totaled 276,758 hours (previous year: 232,699), an increase of 18.9%. This equated to an average of 19.4 training hours per employee, which was also higher than the previous year's figure (14.8 hours). Increased use of digital training opportunities contributed to this.

The fluctuation rate increased to 14.0% (previous year: 9.2%), and the new hires rate decreased to 5.9% (previous year: 22.9%). The higher fluctuation rate was due to targeted programs to adjust the personnel requirements to changing demand. The reduced capacity requirement resulted in a lower rate of new hires.

The employee net promoter score for the year stood at 3.1 on average, a significant drop from the previous year (29.2). The annual target of 35, which is relevant for remuneration purposes, was therefore not achieved. Various human resources measures had to be taken in 2023 (see also the explanations below regarding the fluctuation rate and rate of new hires) in response to the changed market dynamics. Designed to ensure the company's long-term profitability, these measures are having a short-term impact on the main drivers of the employee net promoter score.

Indicators Social Responsibility

	2023	2022[1]
Total employees as of 31.12.[2]	14,614	15,942
Women in %	38.7	38.9
Age group ≤ 29 years in %	16.4	20.8
Age group 30 -49 years in %	61.7	58.8
Age group ≥ 50 years in %	21.9	20.4
Part-time in %	4.7	5.6
Average age	40.2	39.2
Women in management positions in %	32.3	32.9
Average years of tenure as of 31.12.[2]	7.5	6.6
Women	7.1	6.1
Men	7.8	6.8
< 5 years in %	55.1	61.1
5 -15 years in %	30.3	25.5
> 15 years in %	14.7	13.4
External sustainability-related site audits (PSCI audits)	5	5
Employee coverage in %	17.1	38.5
Certified management systems according to ISO 45001 - Employee coverage as of 31.12. in %	6.6	6.9
Work-related injuries [3, 4, 5]	122	159
Work-related injuries per million hours worked [3, 4, 5, 6]	4.5	5.8
Work-related injuries with a serious outcome [3, 4, 5, 7]	3	3
Fatal work-related injuries [3, 4, 5]	0	0
Total training hours [8]	27,758	232,699
Total average training hours per employee [8]	19.4	14.8
Women	18.8	15.2
Men	19.7	14.5
Total fluctuation rate in %[9]	14.0	9.2
Women	15.3	10.1
Men	13.2	8.5
Age group ≤ 29 years in %	23.9	13.3
Age group 30 -49 years in %	11.9	7.8
Age group ≥ 50 years in %	12.4	8.9
Total new hires rate in %[10]	5.9	22.9
Women	6.4	24.2
Men	5.6	22.1
Age group ≤ 29 years in %	14.1	44.2
Age group 30 - 49 years in %	4.7	20.1
Age group ≥ 50 years in %	3.0	9.4
Employee Net Promoter Score	3.1	29.2

1 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.

2 Refers to all active employees excluding vocational trainees, interns, contingent workers and inactive employees.
3 Preparation of the indicators was based on the GRI Standards.
4 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. The figure relates to all employees who have an employment contract with Sartorius.
5 Excluding the Polyplus companies newly acquired in the reporting year
6 Hours worked relate to all active employees excluding vocational trainees, interns and contingent workers
7 Serious work-related injuries are those that have caused or will cause more than 6 months of lost time.
8 Relates only to companies that were fully consolidated for the full year.
9 The fluctuation includes voluntary, neutral and involuntary departures from the Group. It does not include exits due to temporary contracts or moves to other parts of the Group.
10 The figures for new hires solely include the hiring of employees who did not previously have a contract with a Sartorius company as well as the conversion of contracts of trainees and contingent workers to permanent employment.

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 Stock Corporation Act ("Aktiengesetz") and the recommendations of the Corporate Governance Code. The corporate governance statement and declaration of compliance can be found on page 96 et seq. of this Annual Report.

Through its Group-wide compliance management system, Sartorius aims to ensure that board members, executives and employees comply with all legal regulations and codes and perform their activities in accordance with the company's internal guidelines. A Compliance Management Manual was introduced in the reporting year, summarizing the responsibilities and authority of individual functions and setting out the processes for efficient collaboration between them. The basic principles of the compliance management system are explained in the corporate governance statement on page 96 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 Code's contents.

Results of the Concept

In fiscal 2023, 11,570 employees (previous year: 11,883 employees) completed the Code of Conduct training and 11,490 employees (previous year: 12,154 employees) completed the Anti-Corruption Code training. This represents 81.1% and 80.5% of the total employees, respectively (previous year: 75.6% and 77.4%). The higher percentage is due to the lower total number of employees.

Indicators corporate governance

	2023[1]	2022[2]
Employees who completed training on Code of Conduct	11,570	11,883
Employee coverage in %	81.1	75.6
Employees who completed training on anti-corruption code	11,490	12,154
Employee coverage in %	80.5	77.4

1 Excluding the companies newly acquired or founded in the reporting year.
2 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.

Sustainability in the Supply Chain

Ambition
Sartorius expects its suppliers to follow and promote sustainability standards and to require the same of their own suppliers.

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 2022 and should also be signed by existing suppliers.

A standardized, multi-stage process is in place 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 the Bioprocess Solutions Division, a risk committee has been set up, which receives regular reports on the results and decides on the action to be taken.

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

The purchasing departments are responsible for ensuring that the Code of Conduct for Suppliers is binding 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 2023, the Bioprocess Solutions Division held a workshop with almost 20 selected international suppliers at its main site in Göttingen. Among other issues, the participants discussed the topics of climate change mitigation and the implementation of Germany's Supply Chain Due Diligence Act (LkSG) so as to make further progress in these areas.

As of December 31, 2023, 2,675 suppliers had signed the Sartorius Code of Conduct (previous year: 441). This number includes all documents newly signed since October 1, 2022, which largely relate to the updated Code of Conduct from 2022 and in some cases to the previous Code of Conduct from 2019 and mutual recognition of equivalent codes of conduct. This equated to a 45% coverage of the purchasing volume (previous year: 12%). Signing of the Code of Conduct was accelerated in the reporting year. In addition, the company has received a total of 1,779 valid sustainability-related supplier self-assessments (previous year: 654). This equated to 51% coverage of the purchasing volume, a similar figure to the previous year (49%).

Furthermore, the company carried out 62 of its own quality-related supplier audits, which included sustainability aspects (previous year: 125). This was 50% fewer than in the previous year, since the suppliers undergoing an audit were selected for the first time via a risk-based method using the results of the sustainability assessment process described above. In the reporting year, as in the previous year, no external sustainability audits were yet carried out at any suppliers' sites. The initial focus was instead on other aspects of the due diligence system described above.

Indicators Supply Chain

	2023	2022[1]
Suppliers having signed the Code of Conduct for Business Partners 2023[2]	2,675	441
Coverage purchasing volume in %	45	12
Sustainability-related supplier self-assessments as of 31.12.[2,3]	1,779	654
Coverage purchasing volume as of 31.12. in %[3]	51	49
External sustainability-related supplier audits	0	0
Coverage purchasing volume in %	0	0
Own quality-related supplier audits, which include sustainability aspects	62	125

1 The data for fiscal 2022 were taken from the 2022 Non-financial Statement.
2 Figures take account of all suppliers entered in the ERP system on the purchasing side. Subsidiaries are covered by the parent company. This number includes all documents newly signed since October 1, 2022, which largely relate to the updated Code of Conduct from 2022 and in some cases to the previous Code of Conduct from 2019 and mutual recognition of equivalent codes of conduct.
3 Includes available sustainability-related self-assessments via recognized providers that, according to the platform, are valid as of the reporting date or whose validity date is not older than two years, provided a defined minimum score was achieved across all topics

Disclosures Pursuant to the EU Taxonomy Regulation

The following disclosures constitute the disclosures required of the Sartorius Group in accordance with Article 8 of Regulation (EU) 2020/852 ("EU Taxonomy Regulation") for fiscal 2023.

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-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.

For the first time, companies are required for fiscal year 2023 to disclose taxonomy-eligible turnover, capital expenditures and operating expenditures for all environmental objectives. 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. In accordance with the simplified procedure, taxonomy alignment continues to be disclosed only for the environmental objectives of climate change mitigation and climate change adaptation. Economic activities that meet the technical screening criteria and the minimum safeguards criteria are considered to be taxonomy-aligned.

Special Notes on Reporting

Legal Framework

Preparation of the required disclosures was associated with uncertainties for Sartorius, in particular because a number of unanswered questions currently still exist regarding the definition of taxonomy-eligible economic activities and the interpretation of the technical screening criteria and minimum safeguard criteria, which have not yet been conclusively answered by the European Commission. The company has taken information into account that was available through January 31, 2024.

Materiality approach

Capital expenditures and operating expenditures in category c were reported on the basis of materiality thresholds. Economic activities comprising less than 1% of the total taxonomy-eligible capital and operating expenditures were reported as non-taxonomy-eligible and therefore not assessed for taxonomy alignment.

Since Sartorius did not recognize any capital expenditures and only immaterial operating expenditures for the activities in the nuclear energy and fossil gas sectors described in Delegated Regulation (EU) 2022/1214, the reporting pursuant to Annex II of Commission Delegated Regulation (EU) 2021/2178 does not apply. The corresponding template can be found in the "Annex to the Key Performance Indicators under the EU Taxonomy Regulation" section.

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 Generally Taxonomy-Eligible Economic Activities: The process of determining the Group's economic activities that are generally 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.

- 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 refers in particular to the existing Group-wide risk management system, which is described in the "Opportunity and Risk Report" section of this Annual Report starting on page 73 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: 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 96 et seq.

- Fair Competition: 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 96 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 its products and services. Since the taxonomy-aligned capital expenditures and operating expenditures reported below for fiscal 2023 relate to Germany, Sartorius has assessed and determined the effectiveness of the system exclusively within this framework.

Avoiding Double Counting

With legislation having expanded the list of taxonomy-eligible economic activities, Sartorius is required to report on taxonomy-eligible turnover for the first time in fiscal year 2023. Since this relates exclusively to a single environmental objective – transition to a circular economy – rather than to multiple environmental objectives, the possibility of double counting in turnover reporting is ruled out.

In the reporting year, capital and operating expenditures included, for the first time, expenditures related to taxonomy-aligned economic activities (category a capital and operating expenditures). These expenditures at Sartorius are contributing to the transition to a circular economy. Capital and operating expenditures in the reporting year also included spending related to the acquisition of products from taxonomy-eligible economic activities (category c). Data collection was therefore designed to distinguish between the two types of expenditure and avoid double counting in expenditure reporting.

Key Performance Indicators under the EU Taxonomy Regulation

In the following tables, Sartorius summarizes the proportion of its turnover, capital expenditures and operating expenditures attributable to taxonomy-eligible and taxonomy-aligned economic activities in fiscal year 2023.

Turnover, capital expenditures and operating expenditures attributable to EU Taxonomy Regulation in FY 2023

Indicator/ Environmental target	Activity	Taxonomy-eligible and -aligned	Taxonomy-eligible, but not -aligned	Taxonomy non-eligible
Turnover		n. a. [1]	39%	61%
Circular economy	Manufacture of electronic equipment	n. a. [1]	29%	
Circular economy	Repair services	n. a. [1]	7%	
Circular economy	Spare parts sales	n. a. [1]	1%	
Circular economy	Provision of IT data-driven solutions	n. a. [1]	1%	
Capital expenditures		5%	22%	73%
Climate protection	Acquisition and ownership of buildings	5%	12%	
Climate protection	Vehicle leasing	0%	1%	
Circular economy	Manufacture of electronic equipment	n. a. [1]	8%	
Circular economy	Repair services	n. a. [1]	1%	
Circular economy	Provision of IT data-driven solutions	n. a. [1]	1%	
Operating expenditures		2%	40%	58%
Climate protection	Acquisition and ownership of buildings	2%	17%	
Climate protection	Vehicle leasing	0%	2%	
Circular economy	Manufacture of electronic equipment	n. a. [1]	11%	
Circular economy	Provision of IT data-driven solutions	n. a. [1]	11%	

1 As it was not yet mandatory to assess the taxonomy alignment of these activities for fiscal year 2023, no data are yet available.

Detailed information on the individual key performance indicators including the relevant economic activities can be found in the section “Notes of the Key Performance Indicators under the EU Taxonomy Regulation” and the official templates in the section “Annex to the Key Performance Indicators under the EU Taxonomy Regulation.”

Notes of the Key Performance Indicators under the EU Taxonomy Regulation

Turnover from Taxonomy-Eligible and Taxonomy-Aligned Economic Activities

The turnover pursuant to the EU Taxonomy Regulation corresponds to the figure reported in the Statement of Profit or Loss for the fiscal year in question on page 177 of this Annual Report, which was determined on the basis of the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements.

The legislation expanded the list of taxonomy-eligible economic activities in the reporting year. Based on this list, the Sartorius Group generates turnover from the following taxonomy-eligible economic activities set out in the Delegated Act on the transition to a circular economy:

- Activity 1.2: Manufacture of electrical and electronic equipment
- Activity 5.1: Repair, refurbishment and remanufacturing
- Activity 5.2: Sale of spare parts
- Activity 4.1: Provision of IT/OT data-driven solutions and software

In accordance with the applicable simplified procedure, the presentation of taxonomy-aligned turnover in fiscal year 2023 continues to relate only to the environmental objectives of climate change mitigation and climate change adaptation. Accordingly, taxonomy-aligned turnover accounted for 0% of total consolidated turnover in fiscal 2023 (previous year: 0%). The Delegated Acts on climate change mitigation and climate change adaptation applicable to these objectives currently address only particularly climate-relevant economic activities, with which the Group does not generate any sales revenue.

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

Capital expenditures in accordance with 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 investment and additions from acquisitions which are presented in the sections “15. Other intangible assets” on page 206, “16. Property, plant and equipment” on page 209 et seq., and “17. Leases” on page 210 et seq.

In relation to taxonomy-eligible turnover, Sartorius calculated category a capital expenditures in the reporting year for the first time. There are currently no category b capital expenditures – i.e. that are part of a plan to expand taxonomy-aligned economic activities or to transform taxonomy-eligible into taxonomy-aligned economic activities (“CapEx plan”). As in the previous year, the company has also recognized category c capital expenditures for the acquisition of products and services relating to taxonomy-eligible economic activities from the Delegated Act on climate change mitigation and climate change adaptation:

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

In accordance with the applicable simplified procedure, the presentation of taxonomy-aligned capital expenditures in fiscal year 2023 continues to relate only to the environmental objectives of climate change mitigation and climate change adaptation. Accordingly, there was no assessment of compliance with the technical screening criteria for category a capital expenditures in fiscal 2023.

Sartorius' assessment of compliance with the technical screening criteria for acquired taxonomy-eligible economic activities (category c) 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 electric cars. This means that the company has met key EU taxonomy criteria, for example with regard to CO_2 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 5% of all capital expenditures in fiscal 2023 (previous year: 13%) and have therefore fallen year on year. This was attributable in particular to the acquisition of Polyplus (see the Business Combinations section on pages 197), which significantly increased total capital expenditures as the denominator and therefore reduced the relative share of the taxonomy-aligned expenditure. Lower investment in buildings compared with the previous year also played a role.

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

Operating expenditures as defined in the EU Taxonomy Regulation include all direct, non-capitalized costs associated with research and development, renovation measures, short-term leases, and maintenance and repair.

In relation to taxonomy-eligible turnover, Sartorius calculated category a operating expenditures in the reporting year for the first time. There are currently no category b operating expenditures. As in the previous year, the company has also recognized category c operating expenditures for the acquisition of products and services relating to taxonomy-eligible economic activities from the Delegated Act on climate change mitigation and climate change adaptation:

- 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, these only include the costs associated with renovating and maintaining buildings.

As such, taxonomy-aligned operating expenditures accounted for 2% of all operating expenditures in fiscal 2023 (previous year: 1%).

Annex to the Key Performance Indicators under the EU Taxonomy Regulation

Templates in accordance with Annex I to Delegated Regulation (EU) 2021/2178

Proportion of turnover from products or services associated with taxonomy-aligned economic activities

FY 2023					Substantial contribution criteria					
Row number	Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
1	**A. TAXONOMY-ELIGIBLE ACTIVITIES**									
2	A.1. Environmentally sustainable activities (taxonomy-aligned)									
3	Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0 € in mill.	0%	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.
4	of which enabling		0 € in mill.	0%	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.
5	of which transitional		0 € in mill.	0%						
6	A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
7	Manufacture of electrical and electronic equipment	CE 1.2	994,0 € in mill.	29%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
8	Provision of IT/OT data-driven solutions	CE 4.1	44,4 € in mill.	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
9	Repair, refurbishment and remanufacturing	CE 5.1	229,4 € in mill.	7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
10	Sale of spare parts	CE 5.2	50,1 € in mill.	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
11	Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		1.318 € in mill.	39%	0%	39%	0%	0%	0%	0%
12	A. Turnover of taxonomy-eligible activities (A.1 + A.2)		1.318 € in mill.	39%	0%	39%	0%	0%	0%	0%
13	B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
14	Turnover of Taxonomy-non-eligible activities		2.078 € in mill.	61%						
15	Total		3.396 € in mill.	100%						

DNSH-criteria ("Does Not Significantly Harm")										
Row number	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2022 (18)	Category enabling activity (19)	Category transi-tional activity (20)
1										
2										
3	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	0%		
4	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	0%	E	
5								0%		T
6										
7								n.r.		
8								n.r.		
9								n.r.		
10								n.r.		
11								n.r.		
12								n.r.		

Y – Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective
N/EL – 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective
CE – Circular economy

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

FY 2023					Substantial contribution criteria					
Row number	Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
1	**A. TAXONOMY-ELIGIBLE ACTIVITIES**									
2	A.1. Environmentally sustainable activities (taxonomy-aligned)									
3	Acquisition and ownership of buildings	CCM 7.7	77.9 € in mill.	5%	Y	N	N/EL	N/EL	N/EL	N/EL
4	CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		77.9 € in mill.	5%	5%	0%	0%	0%	0%	0%
5	of which enabling		77.9 € in mill.	5%	5%	0%	0%	0%	0%	0%
6	of which transitional		0 € in mill.	0%						
7	A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
8	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	12.4 € in mill.	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
9	Acquisition and ownership of buildings	CCM 7.7	194.5 € in mill.	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
10	Manufacture of electrical and electronic equipment	CE 1.2	119.0 € in mill.	8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
11	Provision of IT/OT data-driven solutions	CE 4.1	16.4 € in mill.	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
12	Repair, refurbishment and remanufacturing	CE 5.1	9.4 € in mill.	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
13	CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		351.6 € in mill.	22%	13%	0%	0%	0%	10%	0%
14	A. CapEx of taxonomy-eligible activities (A.1 + A.2)		429.6 € in mill.	27%	18%	0%	0%	0%	10%	0%
15	B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
16	CapEx of Taxonomy-non-eligible activities		1,133.6 € in mill.	73%						
17	Total		1,563.1 € in mill.	100%						

	DNSH-criteria ("Does Not Significantly Harm")									
Row number	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2022 (18)	Category enabling activity (19)	Category transi-tional activity (20)
1										
2										
3	Y	Y	Y	Y	Y	Y	Y	13%	E	
4	Y	Y	Y	Y	Y	Y	Y	13%		
5	Y	Y	Y	Y	Y	Y	Y	13%	E	
6								0%		T
7										
8								1%		
9								21%		
10								0%		
11								0%		
12								0%		
13								22%		
14								35%		

Y – Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective
N/EL – 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective
CE – Circular economy

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

	FY 2023				Substantial contribution criteria					
Row number	Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
1	**A. TAXONOMY-ELIGIBLE ACTIVITIES**									
2	A.1. Environmentally sustainable activities (taxonomy-aligned)									
3	Acquisition and ownership of buildings	CCM 7.7	2.9 € in mill.	2%	Y	N	N/EL	N/EL	N/EL	N/EL
4	CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		2.9 € in mill.	2%	2%	0%	0%	0%	0%	0%
5	of which enabling		2.9 € in mill.	2%	2%	0%	0%	0%	0%	0%
6	of which transitional		0 € in mill.	0%						
7	A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
8	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3.7 € in mill.	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
9	Acquisition and ownership of buildings	CCM 7.7	26.5 € in mill.	17%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
10	Manufacture of electrical and electronic equipment	CE 1.2	17.3 € in mill.	11%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
11	Provision of IT/OT data-driven solutions	CE 4.1	17.0 € in mill.	11%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
12	OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		64.5 € in mill.	40%	19%	0%	0%	0%	22%	0%
13	A. OpEx of taxonomy-eligible activities (A.1 + A.2)		67.4 € in mill.	42%	21%	0%	0%	0%	22%	0%
14	B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
15	OpEx of Taxonomy-non-eligible activities		92.5 € in mill.	58%						
16	Total		159.9 € in mill.	100%						

	DNSH-criteria ("Does Not Significantly Harm")									
Row number	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year 2022 (18)	Category enabling activity (19)	Category transi-tional activity (20)
1										
2										
3	Y	Y	Y	Y	Y	Y	Y	1%	E	
4	Y	Y	Y	Y	Y	Y	Y	1%		
5	Y	Y	Y	Y	Y	Y	Y	1%	E	
6								0%		T
7										
8								2%		
9								16%		
10								0%		
11								0%		
12								18%		
13								19%		

Y – Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective
N/EL – 'Not eligible', activity not taxonomy-eligible for the relevant environmental objective
CE – Circular economy

Templates in accordance with Annex XII to Delegated Regulation (EU) 2021/2178

Template 1: Activities in the nuclear energy and fossil gas sectors

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	no
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	no
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

Templates 2-5:
not relevant

Notes on the Calculation of GHG Emissions

Applied Standards

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

Data Concepts

The data concepts used in fiscal 2023 are described in more detail below for each GHG category. These concepts were unchanged from the previous year.

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 net turnover – market-based calculation" (also referred to as "CO_2 emission intensity," see "Climate" section) accounts in the "Purchased goods and services" GHG category 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 have 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 (0 t CO_2eq) are reported 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, no GHG emissions (0 t CO_2eq) are reported in the “Processing of sold products” category because Sartorius cannot currently account for these emissions appropriately given the wide range of potential options available for further processing the Group’s products, each of which has its own specific GHG profile, and because, according to an estimate, they are 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 (0 t CO_2eq) are reported 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 (0 t CO_2eq) are reported in the “Franchises” category because Sartorius does not currently distribute its products through franchises.

- Category 15: “Investments”

  No GHG emissions (0 t CO_2eq) are reported in the “Investments” category, as the relevant shareholdings from a GHG perspective have been classified as not material in the financial reporting for fiscal 2023, and the GHG emissions related to this shareholdings have also been assessed as not material to the Group’s overall GHG accounting, according to an estimate.

Emission Factors

Emission factors from various external providers and databases were used for GHG accounting, as were self-calculated average factors. The providers, databases and self-calculated average factors were unchanged from the previous year.

Emission factors applied in FY 2023

	Scope 1	Scope 2	Scope 3
Defra (version 12, 07/2023)	X		X
MLC (version 16.0, 10/2023)	X	X	X
VfU (version 03/2022)	X		
Ecoinvent (version 3,9, 2022)			X
EPA (version 5.0, 05/2023)			X
EPA – spend based (2020)			X
GHG Protocol (version 19.0, 04/2023)			X
IEA (version 6, 2024)			X
Ecometrica (Version 2022)			X
Self-calculated average factors			X

Inflation was not taken into account in calculating expenditure- and turnover-based GHG emissions. This affects the categories “Purchased goods and services,” “Capital goods,” “Upstream transportation and distribution,” “Downstream transportation and distribution,” “Use of sold products” and “End-of-life treatment of sold products.” The aim here is to avoid distorting the reported turnover figure used to calculate GHG intensity.

Additional Remarks

Sartorius currently treats the GHG emissions calculated using the data concepts described above as merely an indication, since they are largely based on modeling that involves various assumptions and estimates. The accuracy of GHG accounting will be gradually improved further in the coming years so as to enable better management of emissions. This will involve switching from the expenditure-based calculation method to a more specific, driver-based calculation method, particularly affecting the largest GHG categories in the upstream value chain: “Purchased goods and services” and “Upstream transportation and distribution.”

Independent Assurance Practitioner´s Report[1]

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 to December 31, 2023.

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.

As presented in the non-financial Group statement, supplier audits of production facilities were carried out in 2023 as part of the quality audits by Sartorius AG to monitor compliance with environmental, social and health standards.

Sartorius AG and the Stedim Biotech S.A. subgroup were assessed in sustainability ratings, as presented in the non-financial statement.

The appropriateness and accuracy of the conclusions drawn from the respective quality audit activities performed and the appropriateness and accuracy of the analyses and assessments underlying the sustainability ratings were not part of our audit.

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 to December 31, 2023 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 (manipulation of the Non-Financial Statement) 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

1 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.

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.

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 QMS 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 to December 31, 2023 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
- the Group's non-financial disclosures for the business year from January 1 to December 31, 2023 have not been prepared, in all material respects, in accordance with the reporting criteria.

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 Sartorius Stedim Bioprocess SARL in M'Hamdia (Tunisia).
- 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 -aligned 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 expenditures for the taxonomy-eligible and -aligned 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 -aligned economic 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, 2023 to December 31, 2023 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 and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 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.

Hamburg, February 8, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Gerd Krause ppa. Katrin Mathias

Remuneration Report

03

Remuneration Report

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

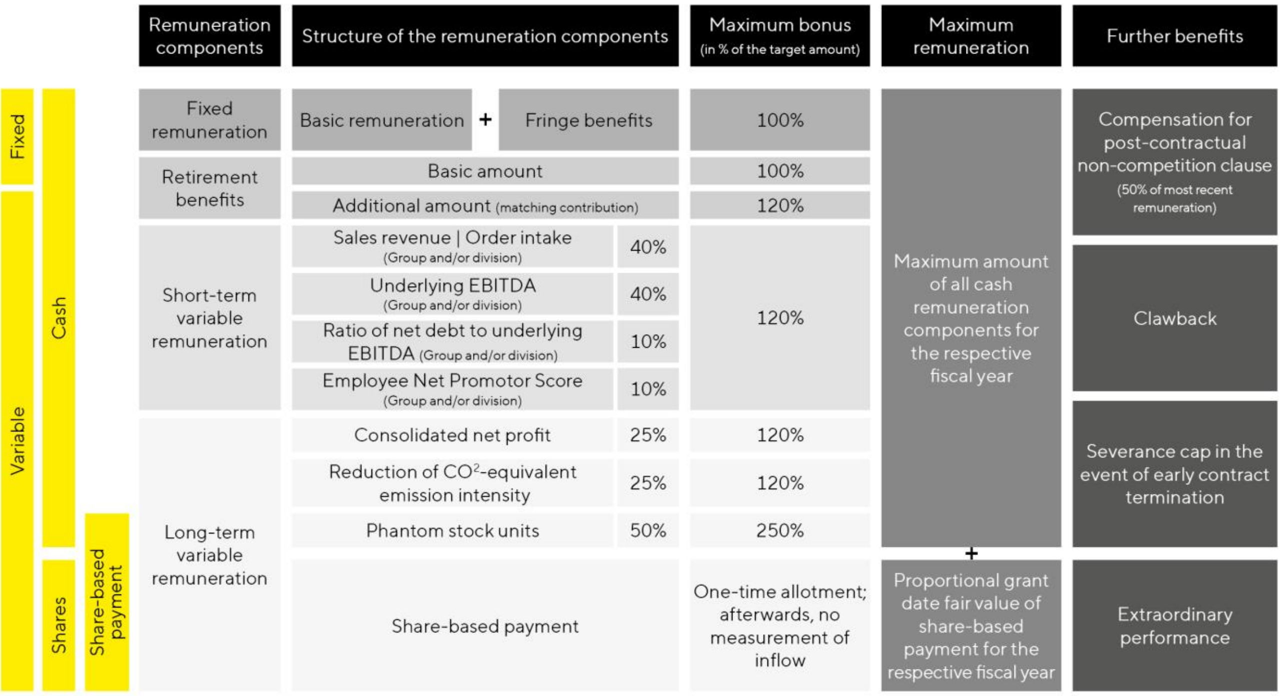
A. Main Features of the Remuneration Policy and Contribution Toward Promoting the Corporate Strategy and Long-Term Development of the Company

The remuneration policy for the Executive Board was revised by the Supervisory Board and approved by the Annual General Meeting on March 29, 2023. 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



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 2023 reporting year – the costs for taking flights home and running two households as well as the costs associated with said activities were also paid by the company as fringe benefits until the respective member left the Executive Board.

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: average of 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 be to 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 ensures the comparability of target and actual figures by taking account of factors that were not included in operational planning. In fiscal year 2023, these related to the acquisition of Polyplus, which was completed in July 2023.

Annual short-term variable remuneration is calculated for a fiscal year ended and paid in the following fiscal year.

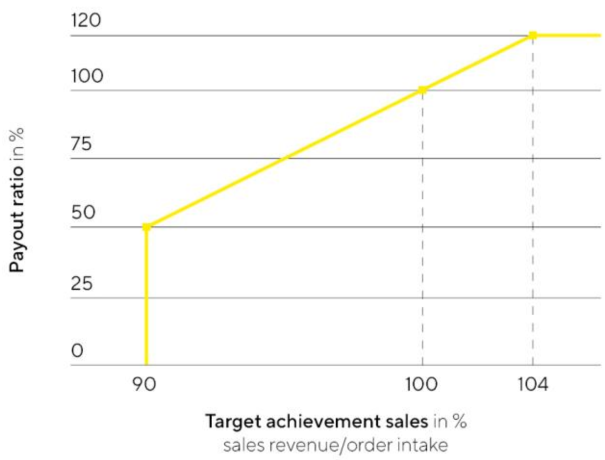
The subordinate targets within the short-term variable remuneration are weighted for the Executive Board members as follows:

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. Target achievement is 100% if the actual figure for the average of sales revenue | order intake equals the target amount. 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 subordinate 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. The figures were adjusted for effects from the acquisition of Polyplus during the reporting year. For fiscal year 2023, the target amount for the Group was €4,106 million. The Bioprocess Solutions Division had a target of €3,216 million and the Lab Products & Services Division a target of €890 million.

Sales revenue | Order intake



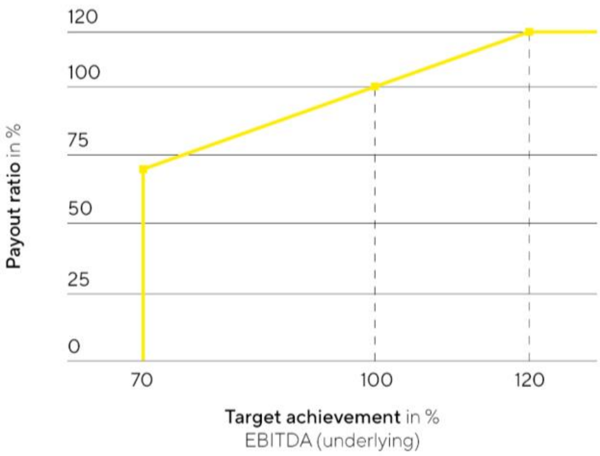
Due to the company's performance in 2023, the amounts achieved for the "Average of Sales Revenue | Order Intake" subordinate target in the Group and in the two divisions – Bioprocess Solutions and Lab Products & Services – were below 90% of the target value. At the Group level, target achievement stood at

79.62% of the target value, resulting in a payout rate of 0% for the Chairman of the Executive Board and the Chief Financial Officer. In the Bioprocess Solutions Division, target achievement stood at 79.60% of the target value, corresponding to a payout rate of 0%, and in the Lab Products & Services Division at 79.71%, corresponding to a payout rate of 0%, resulting in no 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. Target achievement is 100% if the actual figure for underlying EBITDA equals this defined target amount. 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. 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. The target value for the Group in fiscal year 2023 was €1,448 million. The Bioprocess Solutions Division had a target of €1,210 million and the Lab Products & Services Division a target of €238 million.

Underlying EBITDA

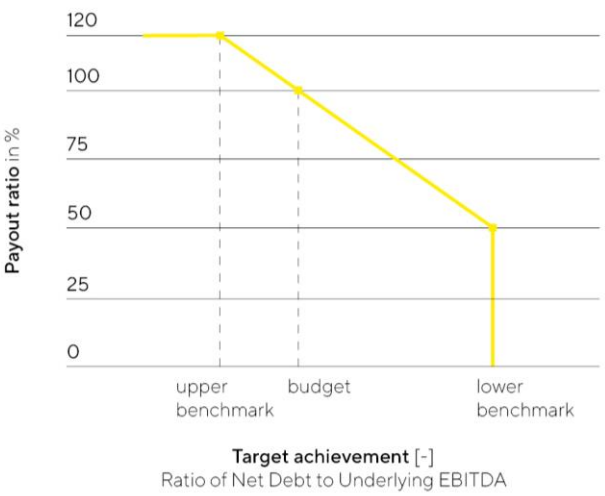


In fiscal 2023, target achievement for the subordinate target "Underlying EBITDA" stood at 64.68% of the respective target value for the Group as a whole, 62.62% for the Bioprocess Solutions Division and 75.18% for the Lab Products & Services Division, which translates into payout rates of 0% for the Group, 0% for the Bioprocess Solutions Division and 75.18% for the Lab Products & Services Division, for payment 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. The target is derived from the budget and is defined by the Supervisory Board for the Group. Target achievement is 100% if the actual figure for the ratio of net debt to underlying EBITDA equals this defined target amount. 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 as reported in the company's consolidated financial statements audited according to the defined audit focal points and approved, taking into account current exchange rates and the inflows and outflows entailed by strategic (capital) measures such as acquisitions, provided that such inflows and outflows are not included in the target ratio. The target in fiscal year 2023 was 1.43.

Ratio of Net debt to Underlying EBITDA

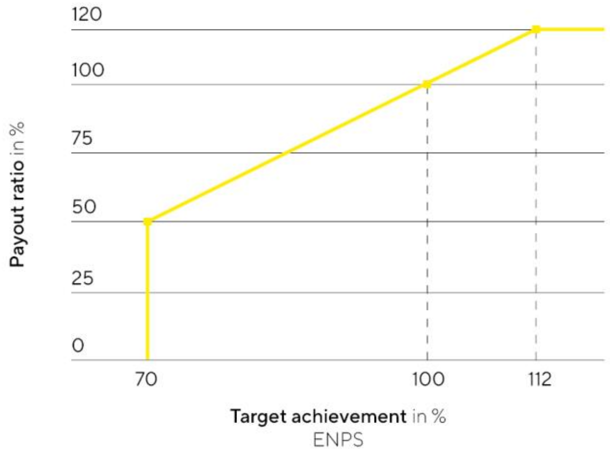


In fiscal 2023, target achievement for the subordinate target "Ratio of Net Debt to Underlying EBITDA" stood at 0%, resulting in no payout for this subordinate target.

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. Target achievement is 100% if the actual average ENPS from the two polls equals the target amount defined by the Supervisory Board. 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. The Supervisory Board set a target of 35 for the Employee Net Promoter Score in fiscal year 2023.

Employee Net Promoter Score (ENPS)



In fiscal 2023, target achievement for the subordinate target "Employee Net Promoter Score (ENPS)" stood at 8.81% of the target value for the Group as a whole, -21.69% for the Bioprocess Solutions Division, and 71.47% for the Lab Products & Services Division, which translates into payout amounts of 0% for the Group, 0% for the Bioprocess Solutions Division and 52.50% for the Lab Products & Services Division, for payment to the members of the Executive Board in accordance with the respective weighting of the subordinate targets.

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 CO2 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 CO2-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 the 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 CO2-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

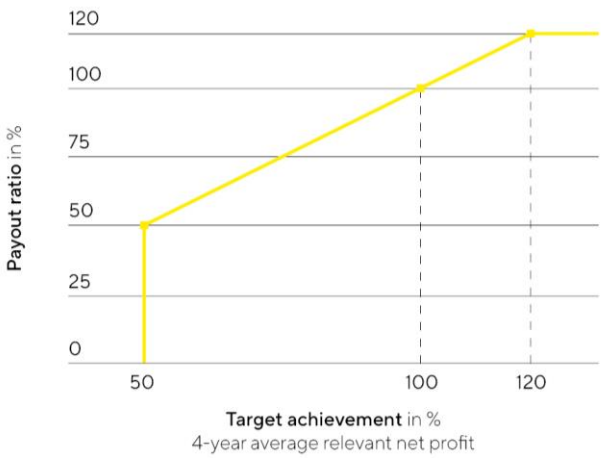
Supervisory Board believes that even with the current weighting, an incentive structure is achieved which is geared to the sustainable and long-term development of the company. In the case of the Chairman of the Executive Board, however, his variable remuneration is predominantly share-based in view of the additional share component granted, in line with this Recommendation. In the reporting year, the Supervisory Board decided in future to make use of the possibility of also providing a share-based component to all members of the Executive Board.

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 that is reported in the company's consolidated financial statements audited according to the defined audit focal points and approved and excluding 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. For this component, which is designed to make the calculation more objective, the Supervisory Board in fiscal year 2023 mainly took into account the acquisition of Polyplus and the funding of this transaction.

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



Up to and including fiscal year 2021, in order to balance out the payout amounts over time, 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 still applied 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.

Target achievement for the "consolidated net profit" component for fiscal 2023 stood at 0% of the target value. For the 2021 to 2023 multi-year assessment period, the target achievement level stands at 90.7%, meaning that a payout of 90.7% less the partial payment granted in 2021 will apply for this three-year period. The complete target achievement for the multi-year assessment period beginning in 2023 cannot be determined until the consolidated financial statements audited and approved for 2026 are available.

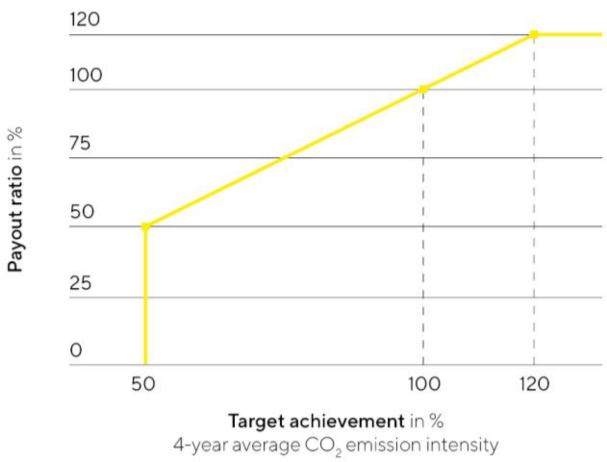
Reduction CO_2-emission intensity

The individual component related to the reduction in CO_2 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. The Supervisory Board sets a target value for each tranche for the reduction in CO_2 emission intensity during the assessment period. This is based on the relevant target value from the company's sustainability strategy (from the previous year's audited Non-financial Group Statement) and is currently 10% per fiscal year. To determine the target achievement of this parameter, the final value used is based on the actual value of the CO_2 emission intensity reached in the last fiscal year of the respective four-year assessment period for the corresponding tranche, as reported in the respective audited Non-financial Group Statement. Corrections are made to base effects and recording inaccuracies to take into account progress in the quality of available data.

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_2 emission intensity



Target achievement for the multi-year assessment period beginning in 2023 cannot be determined until the audited and approved consolidated financial statements for 2026 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 is 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 €356.09 for 2023. Target achievement for this subordinate target is reported in the remuneration report after vesting or exercise by the Executive Board members; i.e., between 2027 and 2031.

Share-Based Payment

In December 2019, Dr. Joachim 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 pro-rated 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. Joachim 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. Joachim 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. Joachim 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. Joachim 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. Joachim Kreuzburg sold a total of 20,000 preference shares on November 14, 2022. This reported transaction was published on the Sartorius AG website.

Dr. Alexandra Gatzemeyer and Dr. René Fáber were granted share-based remuneration in December 2023 in the form of company shares, which were transferred effective January 1, 2024. Dr. Alexandra Gatzemeyer was granted 1,496 ordinary shares at an exercise price of €234.00 and 1,186 preference shares at an exercise price of €295.10 for a contract period of two years and four months. The shares granted are subject to a holding period that will end on December 31, 2027. Should Dr. Alexandra Gatzemeyer leave the company prior to December 31, 2024, at her own request, her entitlements to be granted said shares by transfer shall lapse in their entirety. If Dr. Alexandra Gatzemeyer leaves the company after December 31, 2024, and before April 30, 2025, at her own request, half of her entitlements to be granted said shares shall lapse. Dr. René Fáber was granted 1,923 ordinary shares at an exercise price of €234.00 and 1,525 preference shares at an exercise price of €295.10 for a contract period of three years. The shares granted are subject to a holding period that will end on December 31, 2027. Should Dr. René Fáber leave the company prior to June 30, 2025, at his own request, his entitlements to be granted said shares by transfer shall lapse in their entirety. If Dr. René Fáber leaves the company after June 30, 2025, and before December 31, 2025, at his own request, half of his entitlements to be granted said shares shall lapse.

4. Pension Commitments

The members of the Executive Board generally receive pension commitments as defined-contribution 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. Joachim 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. Joachim 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 (= €1.0 million 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 as a whole roughly 62% of his target total remuneration. The proportion of short-term (target) compensation in his target total remuneration is roughly 17% and that of long-term (target) compensation in his target total remuneration roughly 45%. Pension commitments for the Executive Board Chairman currently account for roughly 9% 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 42% of their respective total target remuneration and the percentage of all variable remuneration components between roughly 51% and 60% of their corresponding target total remuneration. In this context, short-term (target) compensation accounts for between roughly 21% and 25% of total target compensation, while long-term (target) compensation accounts for between roughly 30% and 35% 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 or her 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 AktG shall remain unaffected.

3. Exercise

In fiscal 2023, 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
- Dr. Alexandra Gatzemeyer: April 30, 2026

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 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.

Rainer Lehmann and John Gerard Mackay left the Executive Board during the reporting year.

Rainer Lehmann stepped down from the Executive Board early, effective October 31, 2023. The variable remuneration for fiscal year 2023 is calculated pro rata temporis, and the payout dates for the variable remuneration remain unchanged. Phantom stocks granted from previous fiscal years' tranches will remain and will be paid out after vesting or exercise. No settlement payment was agreed.

John Gerard Mackay stepped down from the Executive Board early, effective June 15, 2023. The calculation and payout dates for the variable remuneration for fiscal year 2023 remain unchanged. Phantom stocks granted from previous fiscal years' tranches will remain and will be paid out after vesting or exercise. No settlement payment was agreed.

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.

V. Procedure for Establishing, Implementing and 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. In 2022, 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 2022. 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 policy 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 €6 million for the Executive Board Chairman and €3 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 2023. 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.

	Dr. Joachim Kreuzburg			Dr. René Fáber		
€ in K	Target remuneration	Maximum remuneration	Receipts	Target remuneration	Maximum remuneration	Receipts
Short-term variable remuneration	640	768	0	375	450	0
Long-term variable remuneration	700	1,295		525	971	
Consolidated net result 2023 (3 years)	175	210		131	158	
Reduction CO^2-emission intensity (3 years)	175	210		131	158	
Phantom stock plan 2023 (exercisable from 2026)	350	875		263	656	
Shares granted	1,000	1,000	1,000	-	-	-

	Dr. Alexandra Gatzemeyer (as of May 1, 2023)		
€ in K	Target remuneration	Maximum remuneration	Receipts
Short-term variable remuneration	300	360	53
Long-term variable remuneration	420	777	
Consolidated net result 2023 (3 years)	105	126	
Reduction CO^2-emission intensity (3 years)	105	126	
Phantom stock plan 2023 (exercisable from 2026)	210	525	
Shares granted	-	-	-

	Rainer Lehmann (until Oct. 31, 2023)			John Gerard Mackay (until June 15, 2023)		
€ in K	Target remuneration	Maximum remuneration	Receipts	Target remuneration	Maximum remuneration	Receipts
Short-term variable remuneration	350	420	0	350	420	92
Long-term variable remuneration	490	907		490	907	
Consolidated net result 2023 (3 years)	123	147		123	147	
Reduction CO^2-emission intensity (3 years)	123	147		123	147	
Phantom stock plan 2023 (exercisable from 2026)	245	613		245	613	
Shares granted	-	-	-	-	-	-

The amount of the fixed remuneration components and the target and/or grant date amounts of the variable remuneration components for fiscal 2023 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 2023 and clearly shows that the maximum achievable compensation falls short of the defined maximum compensation of the Supervisory Board pursuant to Section 87a, Subsection 1, sentence 2, item no. 1 of the German Stock Corporation Law (AktG).

€ in K	Dr. Joachim Kreuzburg	Dr. René Fáber	Dr. Alexandra Gatzemeyer (as of May 1, 2023)	Rainer Lehmann (until Oct. 31, 2023)	John Gerard Mackay (until June 15, 2023)
Fixed remuneration	1,060	600	320	467	257
Fringe benefits	15	13	4	101	18
Total non-performance-based remuneration	1,075	613	324	568	275
Variable performance-based remuneration (1 year)	768	450	360	420	420
Short-term variable remuneration	768	450	360	420	420
Consolidated net result (3 years)	210	158	126	147	147
Reduction CO^2-emission intensity (3 years)	210	158	126	147	147
Phantom stock plan (4-8 years)	875	656	525	613	613
Long-term variable remuneration	1,295	971	777	907	907
Shares granted	1,000	0	0	0	0
Other remuneration component	0	0	0	0	0
Post-employment benefits	312	105	0	108	108
Maximum achievable remuneration	4,450	2,139	1,461	2,003	1,710
Maximum remuneration in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act	6,000	3,000	3,000	3,000	3,000

The final review of compliance with the maximum remuneration for fiscal 2023 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 €4,889 thousand in 2023, compared with €5,901 thousand 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, pursuant to Section 162 of the German Stock Corporation Act (AktG), to current members of the Executive Board and those who left the Board in 2023. 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.

	Dr. Joachim Kreuzburg				Dr. René Fáber			
€ in K	2023	in %	2022	in %	2023	in %	2022	in %
Fixed remuneration	1,060	59%	1,000	44%	600	66%	480	45%
Fringe benefits[1]	15	1%	15	1%	13	1%	13	1%
Fixed remuneration	1,075	60%	1,015	44%	613	68%	493	47%
Variable performance-based remuneration (1 year)[2]	0	0%	442	19%	0	0%	169	16%
Consolidated net profit (3 years)[3]	295	17%	278	12%	100	11%	130	12%
Phantom stock plan (4-8 years)[4]	413	23%	555	24%	193	21%	266	25%
Components with a long-term incentive effect	708	40%	833	36%	293	32%	396	37%
Other remuneration component	0	0%	0	0%	0	0%	0	0%
Defined contribution plans[5]	0	0%	0	0%	0	0%	0	0%
Total remuneration	1,783	100%	2,290	100%	906	100%	1,058	100%

	Dr. Alexandra Gatzemeyer (from 01.05.2023)			
€ in K	2023	in %	2022	in %
Fixed remuneration	320	85%	0	0%
Fringe benefits[1]	4	1%	0	0%
Fixed remuneration	324	86%	0	0%
Variable performance-based remuneration (1 year)[2]	53	14%	0	0%
Consolidated net profit (3 years)[3]	0	0%	0	0%
Phantom stock plan (4-8 years)[4]	0	0%	0	0%
Components with a long-term incentive effect	0	0%	0	0%
Other remuneration component	0	0%	0	0%
Defined contribution plans[5]	0	0%	0	0%
Total remuneration	377	100%	0	0%

	Rainer Lehmann (until Oct. 31, 2023)				John Gerard Mackay (until June 15, 2023)			
€ in K	2023	in %	2022	in %	2023	in %	2022	in %
Fixed remuneration	467	44%	460	36%	257	33%	480	37%
Fringe benefits[1]	101	10%	124	10%	18	2%	50	4%
Fixed remuneration	568	54%	584	46%	275	36%	530	41%
Variable performance-based remuneration (1 year)[2]	0	0%	212	17%	92	12%	288	22%
Consolidated net profit (3 years)[3]	175	17%	210	17%	100	13%	130	10%
Phantom stock plan (4-8 years)[4]	312	30%	266	21%	193	25%	266	21%
Components with a long-term incentive effect	487	46%	476	37%	293	38%	396	31%
Other remuneration component	0	0%	0	0%	0	0%	0	0%
Defined contribution plans[5]	0	0%	0	0%	108	14%	67	5%
Total remuneration	1,055	100%	1,272	100%	768	100%	1,281	100%

1 The amounts contributed to D&O insurance totaling €971K (2022: €871K) are not included, as these refer to the executive bodies of all companies of the Sartorius Group and are not allocated to the individual insurees.
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 2023, consolidated net profits for 2021 – 2023 (2022: consolidated net profits for 2020 - 2022).
4 Fair value at the time granted.
5 Payments for a pension plan.

Until 2021, as part of the remuneration component based on the consolidated net profit of three consecutive fiscal years, each Executive Board member received 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	2023	2022
Balance as of Jan. 1 of a fiscal year	769	607
Partial payments deducted	–442	–280
Partial payments effected	0	442
Balance as of Dec. 31 of a fiscal year	327	769

Remuneration Granted and Owed to Former Executive Board Members

The following table shows the remuneration granted and owed, pursuant to Section 162 of the German Stock Corporation Act (AktG), to former members of the Executive Board. For former Executive Board members who have left the company within the last ten years, information is disclosed by name. For members who left prior to that, only a combined, anonymized figure under “Other” is shown in accordance with Section 162, Subsection 5, sentence 2 AktG.

	Reinhard Vogt (until Dec. 31, 2018)		Other	
€ in K	2023	2022	2023	2022
Phantom stock plan (4-8 years)[1]	0	188	0	0
Annuity	0	0	528	526
Total remuneration	0	188	528	526

1 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, 2022 € in K	Fair value at year-end on Dec. 31, 2023 € in K	Paid in fiscal 2023 € in K	Change in value in fiscal 2023 € in K	Status
Dr. Joachim Kreuzburg								
Tranche for fiscal 2019	1,950	113.78	222	555	0	555	0	Paid out in 2023
Tranche for fiscal 2020	1,240	190.30	236	455	413	0	–42	exercisable
Tranche for fiscal 2021	918	354.13	325	315	280	0	–35	Not exercisable
Tranche for fiscal 2022	566	574.61	325	179	145	0	–34	Not exercisable
Sum of the tranches from the previous years	4,674		1,108	1,504	838	555	–111	
Tranche for fiscal 2023	983	356.09	350	0	284	0	–66	Not exercisable
Total sum of tranches	5,657		1,458	1,504	1,122	555	–177	
Dr. René Fáber								
Tranche for fiscal 2019	934	113.78	106	266	0	266	0	Paid out in 2023
Tranche for fiscal 2020	578	190.30	110	212.184	193	0	–20	exercisable
Tranche for fiscal 2021	311	354.13	110	106	94	0	–12	Not exercisable
Tranche for fiscal 2022	365	574.61	210	116	94	0	–22	Not exercisable
Sum of the tranches from the previous years	2,188		536	700	381	266	–54	
Tranche for fiscal 2023	737	356.09	262	0	213	0	–49	Not exercisable
Total sum of tranches	2,925		798	700	594	266	–103	
Dr. Alexandra Gatzemeyer (as of May 1, 2023)								
Tranche for fiscal 2023	393	356.09	140	0	113	0	–27	Not exercisable
Total sum of tranches	393		140	0	113	0	–27	
Rainer Lehmann (until Oct. 31, 2023)								
Tranche for fiscal 2019	934	113.78	106	266	0	266	0	Paid out in 2023
Tranche for fiscal 2020	936	190.30	178	344	312	0	–32	exercisable
Tranche for fiscal 2021	544	354.13	193	186	166	0	–20	Not exercisable
Tranche for fiscal 2022	350	574.61	201	111	90	0	–21	Not exercisable
Sum of the tranches from the previous years	2,764		678	907	568	266	–73	
Tranche for fiscal 2023	573	356.09	204	0	165	0	–39	Not exercisable
Total sum of tranches	3,337		882	907	733	266	–112	

	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, 2022 € in K	Fair value at year-end on Dec. 31, 2023 € in K	Paid in fiscal 2023 € in K	Change in value in fiscal 2023 € in K	Status
John Gerard Mackay (until June 15, 2023)								
Tranche for fiscal 2019	934	113.78	106	266	0	266	0	Paid out in 2023
Tranche for fiscal 2020	578	190.30	110	212	193	0	–19	exercisable
Tranche for fiscal 2021	311	354.13	110	106	94	0	–12	nicht ausübbar
Tranche for fiscal 2022	365	574.61	210	116	94	0	–22	nicht ausübbar
Sum of the tranches from the previous years	2,188		536	700	381	266	–53	
Tranche for fiscal 2023	688	356.09	245	0	198	0	–47	Not exercisable
Total sum of tranches	2,876		781	700	579	266	–100	
Reinhard Vogt (until Dec. 31, 2018)								
Tranche for fiscal 2019	661	113.78	75	188	0	188	0	Paid out in 2023
Sum of the tranches from the previous years	661		75	188	0	188	0	

4. Pension Commitments

The projected pension payments, the present value of pension obligations and the service cost are shown in the following table:

€ in K	Projected pension payment p.a.	Present value of the obligation (IFRS) Dec. 31, 2023	Dec. 31, 2022	Service cost (IFRS) 2023	2022
Dr. Joachim Kreuzburg	294	4,250	3,959	110	113
Dr. René Fáber	75	354	236	0	0
Rainer Lehmann	17	659	523	0	0
	387	5,263	4,718	110	113

In addition, a pension contribution of €199 thousand (2022: €189 thousand) was recognized in 2023 for Dr. Joachim Kreuzburg, a pension contribution of €105 thousand (2022: €247 thousand) for Dr. René Fáber, and a pension contribution of €108 thousand (2022: €96 thousand) for Rainer Lehmann.

5. Comparative Table

€ in K	2023	Change in %	2022	in %	2021	in %	2020
Managing Board Members							
Dr. Joachim Kreuzburg	1,783	–22%	2,290	–11%	2,585	17%	2,202
Dr. René Fáber	906	–14%	1,058	19%	890	25%	714
Dr. Alexandra Gatzemeyer (as of May 1, 2023)	377		0		0		0
Former Managing Board Members							
Rainer Lehmann (until Oct. 31, 2023)	1,055	–17%	1,272	–1%	1,285	13%	1,138
John Gerard Mackay (until June 15, 2023)	768	–40%	1,281	29%	990	27%	777
Reinhard Vogt	0	–100%	188	–44%	336	–73%	1,246
Other	528	0%	526	2%	517	3%	501
Earnings Development							
Underlying EBITDA in millions of €	963	–32%	1,410	20%	1,175	70%	692
Net profit of Sartorius AG in millions of €	115	–26%	155	278%	41	–64%	113
Average Remuneration of Employees							
Group employees in Germany only	90	6%	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	2023		2022	
Remuneration for the Supervisory Board Members				
Total remuneration	1,562	100%	1,017	100%
Fixed remuneration	994	64%	675	66%
Compensation for committee work	250	16%	120	12%
Meeting attendance fee	234	15%	154	15%
Total remuneration for the Sartorius Stedim Biotech subgroup	84	5%	68	7%
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	84	5%	68	7%

€ in K	2023		2022	
Dr. Lothar Kappich (Chairman)				
Total remuneration	365	100%	256	100%
Fixed remuneration	175	48%	135	53%
Compensation for committee work	70	19%	33	13%
Meeting attendance fee	36	10%	20	8%
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	84	23%	68	27%

€ in K	2023		2022	
Manfred Zaffke (Vice Chairman)[1]				
Total remuneration	201	100%	134	100%
Fixed remuneration	119	59%	90	67%
Compensation for committee work	50	25%	24	18%
Meeting attendance fee	32	16%	20	15%

€ in K	2023		2022	
Annette Becker[1]				
Total remuneration	120	100%	68	100%
Fixed remuneration	70	58%	45	66%
Compensation for committee work	20	17%	9	13%
Meeting attendance fee	30	25%	14	21%

€ in K	2023		2022	
Prof. David Raymond Ebsworth, Ph.D.				
Total remuneration	82	100%	54	100%
Fixed remuneration	70	85%	45	83%
Meeting attendance fee	12	15%	9	17%

€ in K	2023		2022	
Dr. Daniela Favoccia				
Total remuneration	82	100%	54	100%
Fixed remuneration	70	85%	45	83%
Meeting attendance fee	12	15%	9	17%

€ in K	2023		2022	
Petra Kirchhoff				
Total remuneration	82	100%	54	100%
Fixed remuneration	70	85%	45	83%
Meeting attendance fee	12	15%	9	17%

€ in K	2023		2022	
Dietmar Müller[1]				
Total remuneration	118	100%	75	100%
Fixed remuneration	70	59%	45	60%
Compensation for committee work	30	25%	15	20%
Meeting attendance fee	18	15%	15	20%

€ in K	2023		2022	
Ilke Hildegard Panzer				
Total remuneration	82	100%	54	100%
Fixed remuneration	70	85%	45	83%
Meeting attendance fee	12	15%	9	17%

€ in K	2023		2022	
Frank Riemensperger (as of Mar. 25, 2022)				
Total remuneration	81	100%	43	100%
Fixed remuneration	70	86%	35	81%
Meeting attendance fee	11	14%	8	19%

€ in K	2023		2022	
Hermann Jens Ritzau[1]				
Total remuneration	82	100%	54	100%
Fixed remuneration	70	85%	45	83%
Meeting attendance fee	12	15%	9	17%

€ in K	2023		2022	
Prof. Dr. Klaus Rüdiger Trützschler				
Total remuneration	186	100%	104	100%
Fixed remuneration	70	38%	45	43%
Compensation for committee work	80	43%	39	38%
Meeting attendance fee	36	19%	20	19%

€ in K	2023		2022	
Sabrina Wirth (as of Mar. 25, 2022)[1]				
Total remuneration	81	100%	43	100%
Fixed remuneration	70	86%	35	81%
Meeting attendance fee	11	14%	8	19%

Former Supervisory Board Members

€ in K	2023	2022	
Karoline Kleinschmidt (until Mar. 25, 2022)[1]			
Total remuneration	0	12	100%
Fixed remuneration	0	10	83%
Meeting attendance fee	0	2	17%

€ in K	2023	2022	
Prof. Dr. Thomas Scheper (until Mar. 25, 2022)			
Total remuneration	0	12	100%
Fixed remuneration	0	10	83%
Meeting attendance fee	0	2	17%

1 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.

Supervisory Board members who are employees of the Sartorius Group receive compensation that is not related to their service on the Supervisory Board.

8. Comparative Table

€ in K	2023	Change in %	2022	in %	2021	in %	2020
Supervisory Board Members							
Dr. Lothar Kappich (Chairman)	365	43%	256	–2%	261	0%	262
Manfred Zaffke (Vice Chairman)	201	50%	134	–2%	137	–2%	140
Annette Becker	120	76%	68	–3%	70	30%	54
Prof. David Raymond Ebsworth, Ph.D.	82	52%	54	–5%	57	2%	56
Dr. Daniela Favoccia	82	52%	54	–5%	57	2%	56
Petra Kirchhoff	82	52%	54	–5%	57	2%	56
Dietmar Müller	118	57%	75	0%	75	142%	31
Ilke Hildegard Panzer	82	52%	54	–5%	57	2%	56
Frank Riemensperger (as of Mar. 25, 2022)	81	88%	43		0		0
Hermann Jens Ritzau (as of Mar. 1, 2021)	82	52%	54	10%	49		0
Prof. Dr. Klaus Rüdiger Trützschler	186	79%	104	–4%	108	0%	108
Sabrina Wirth (as of Mar. 25, 2022)	81	88%	43		0		0
Former Supervisory Board Members							
Karoline Kleinschmidt (until Mar. 25,2022)	0	–100%	12	–79%	57	2%	56
Prof. Dr. Thomas Scheper (until Mar. 25, 2022)	0	–100%	12	–79%	56	0%	56
Earnings Development							
Underlying EBITDA in millions of €	963	–32%	1,410	20%	1,175	70%	692
Net profit of Sartorius AG in millions of €	115	–26%	155	277%	41	–64%	113
Average Remuneration of Employees							
Group employees in Germany only	90	6%	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 2022 at the Annual General Meeting on March 29, 2023 with 99.30% 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, 2023, 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, 2023, 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 9, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt	Hartke
German Public Auditor	German Public Auditor

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss | Other Comprehensive Income

In millions of €	Notes	2023	2022
Sales revenue	[9]	3,395.7	4,174.7
Cost of sales	[10]	–1,828.6	–1,996.6
Gross profit on sales		1,567.1	2,178.1
Selling and distribution expenses	[10]	–634.4	–632.5
Research and development expenses	[10]	–170.8	–179.2
General administrative expenses	[10]	–214.3	–213.6
Other operating income	[11]	73.8	94.3
Other operating expenses	[11]	–117.5	–182.4
Earnings before interest and taxes (EBIT)		503.9	1,064.8
Financial income	[12]	103.9	198.2
Financial expenses	[12]	–221.8	–81.3
Financial result		–118.0	116.9
Profit before tax		385.9	1,181.7
Income taxes	[13]	–95.9	–268.6
Net profit for the period		290.0	913.1
Attributable to:			
Equity holders of Sartorius AG		205.2	678.1
Non-controlling interest		84.9	235.0
Earnings per share	[14]		
Earnings per ordinary share (€) (basic | diluted)		2.99	9.91
Earnings per preference share (€) (basic | diluted)		3.00	9.92

Extraordinary items are reported within functional expenses as of fiscal 2023. 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 €	2023	2022
Net profit for the period	290.0	913.1
Cash flow hedges	12.0	–5.9
Of which effective portion of the changes in fair value	11.8	–56.2
Of which reclassified to profit or loss	0.2	50.3
Income tax on cash flow hedges	–3.6	1.8
Net investment in a foreign operation	–17.0	29.6
Income tax on net investment in a foreign operation	0.0	2.0
Currency translation differences	–37.2	13.8
Items that may be reclassified to profit or loss, net of tax	–45.9	41.3
Remeasurements of the net defined benefit liability	0.2	19.6
Income tax on remeasurements of the net defined benefit liability	0.6	–3.6
Equity instruments at FVOCI	–30.8	16.3
Items that will not be reclassified to profit or loss, net of tax	–30.1	32.3
Other comprehensive income after tax	–75.9	73.5
Total comprehensive income	214.1	986.6
Attributable to:		
Equity holders of Sartorius AG	135.4	753.1
Non-controlling interest	78.6	233.5

Statement of Financial Position

In millions of €	Notes	Dec. 31, 2023	Dec. 31, 2022
Non-current assets			
Goodwill	[15]	3,417.3	1,718.9
Other intangible assets	[15]	2,097.9	1,283.1
Property, plant and equipment	[16][17]	2,080.9	1,714.8
Financial assets	[35]	114.8	150.9
Other assets		3.7	3.3
Deferred tax assets	[18]	83.9	83.6
		7,798.5	4,954.6
Current assets			
Inventories	[19]	1,036.7	1,179.1
Trade receivables	[29]	350.6	484.5
Other financial assets	[30]	36.7	47.4
Current tax assets		60.5	30.8
Other assets		93.2	115.6
Cash and cash equivalents	[28]	379.2	165.9
		1,956.9	2,023.2
		9,755.3	6,977.7

In millions of €	Notes	Dec. 31, 2023	Dec. 31, 2022
Equity			
Equity attributable to Sartorius AG shareholders		2,067.3	1,989.8
Issued capital	[20]	68.4	68.4
Capital reserves	[21]	45.2	44.6
Other reserves and retained earnings	[21]	1,953.7	1,876.7
Non-controlling interest	[22]	690.1	669.1
		2,757.4	2,658.9
Non-current liabilities			
Pension provisions	[23]	56.5	57.5
Other provisions	[24]	21.6	20.2
Loans and borrowings	[31]	4,909.3	1,873.8
Lease liabilities	[17][31]	114.0	112.4
Other financial liabilities	[32]	113.7	216.3
Deferred tax liabilities	[18]	452.7	235.2
		5,667.9	2,515.5
Current liabilities			
Provisions	[24]	46.9	66.4
Trade payables	[33]	499.5	551.9
Loans and borrowings	[31]	254.8	523.8
Lease liabilities	[17][31]	33.2	31.2
Employee benefits	[26]	92.3	114.3
Other financial liabilities	[34]	55.0	144.2
Current tax liabilities		198.3	222.0
Other liabilities	[25]	149.9	149.5
		1,330.0	1,803.4
		9,755.3	6,977.7

Statement of Cash Flows

In millions of €	Notes	2023	2022
Profit before tax		385.9	1,181.7
Financial result	[12]	118.0	–116.9
Depreciation | amortization of intangible and tangible assets	[15][16][17]	342.3	287.1
Change in provisions	[23][24]	–22.4	16.0
Change in receivables	[29][30]	168.6	–86.6
Change in inventories	[19]	118.1	–261.6
Change in liabilities	[25][33][34]	–120.2	–57.3
Interest received	[12]	14.6	7.2
Income taxes paid	[13]	–154.6	–239.4
Other non-cash transactions		3.5	4.0
Cash flow from operating activities		853.6	734.2
Capital expenditures	[15][16]	–559.7	–522.6
Other payments		–22.7	–71.2
Cash flow from investing activities before acquisitions		–582.4	–593.8
Acquisitions of subsidiaries and other business operations	[8]	–2,240.9	–536.1
Cash flow from investing activities		–2,823.3	–1,129.9
Interest paid and other financial charges	[12]	–107.8	–35.6
Dividends paid to:			
- Shareholders of Sartorius AG		–98.2	–85.9
- Non-controlling interest		–36.2	–32.3
Changes in non-controlling interest	[8][22]	–86.1	–41.3
Loans and borrowings raised	[6][31]	6,058.7	1,648.1
Loans and borrowings repaid	[6][31]	–3,564.6	–1,243.3
Cash flow from financing activities		2,165.7	209.9
Change in cash and cash equivalents		196.1	–185.8
Cash and cash equivalents at the beginning of the period		165.9	342.8
Net effect of currency translation on cash and cash equivalents		17.3	8.9
Cash and cash equivalents at the end of the period	[28]	379.2	165.9

Statement of Changes in Equity

In millions of €	Issued capital	Capital reserves	Cash flow hedging reserves	Pension reserves
Balance at Jan. 1, 2022	68.4	43.3	−5.1	−28.1
Net profit for the period				
Cash flow hedges			−3.4	
Remeasurements of the net defined benefit liability				15.9
Currency translation differences				
Net investment in a foreign operation				
Equity instruments at FVOCI				
Tax effects			1.0	−2.6
Other comprehensive income after tax	0.0	0.0	−2.3	13.3
Total comprehensive income	0.0	0.0	−2.3	13.3
Share-based payments		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				
Balance at Dec. 31, 2022	68.4	44.6	10.7	−14.8
Balance at Jan. 1, 2023	68.4	44.6	10.7	−14.8
Net profit for the period				
Cash flow hedges			10.6	
Remeasurements of the net defined benefit liability				0.1
Currency translation differences				
Net investment in a foreign operation				
Equity instruments at FVOCI				
Tax effects			−3.2	0.6
Other comprehensive income after tax	0.0	0.0	7.4	0.7
Total comprehensive income	0.0	0.0	7.4	0.7
Share-based payments		0.6		
Dividends				
Purchase price liabilities ALS / CellGenix				
Purchase of additional shares in subsidiaries				
Other changes in equity				
Balance at Dec. 31, 2023	68.4	45.2	18.1	−14.1

Retained earnings	Foreign currency translation reserves	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
1,204.9	−23.1	1,260.3	459.9	1,720.2
678.1		678.1	235.0	913.1
		−3.4	−2.5	−5.9
		15.9	3.7	19.6
	14.9	14.9	−1.1	13.8
	29.6	29.6		29.6
16.3		16.3		16.3
	3.3	1.7	−1.5	0.2
16.3	47.8	75.0	−1.5	73.5
694.3	47.8	753.1	233.5	986.6
		1.3		1.3
−85.9		−85.9	−32.3	−118.1
64.5		64.5	3.6	68.1
4.7		4.7	13.0	17.6
		18.1		18.1
		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
1,856.2	24.7	1,989.8	669.1	2,658.9
1,856.2	24.7	1,989.8	669.1	2,658.9
205.2		205.2	84.9	290.0
		10.6	1.4	12.0
		0.1	0.1	0.2
	−30.0	−30.0	−7.3	−37.2
	−17.0	−17.0		−17.0
−30.8		−30.8		−30.8
		−2.6	−0.5	−3.0
−30.8	−47.0	−69.7	−6.2	−75.9
174.4	−47.0	135.4	78.6	214.1
		0.6		0.6
−98.2		−98.2	−36.2	−134.4
80.6		80.6	23.8	104.4
−41.0		−41.0	−45.2	−86.2
0.0		0.0	−0.1	0.0
1,972.0	−22.3	2,067.3	690.1	2,757.4

The dividends paid per share are as follows:

	Per share in €	2023 total in millions of €	Per share in €	2022 total in millions of €
Dividend for ordinary shares	1.43	48.9	1.25	42.8
Dividend for preference shares	1.44	49.2	1.26	43.1
		98.2		85.9

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, fast, 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 Sartorius AG for the year ended December 31, 2023, 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

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in millions of euros (abbreviated as in millions of €). 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 9, 2024.

2. Effects of New or Amended Standards

Standards to Be Applied for the First Time in 2023

The following new accounting rules were applicable for the first time and had no material impact on the consolidated financial statements:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments clarify that entities are required to disclose all material accounting policies (previously: "significant accounting policies"). Furthermore, the standard now explicitly defines when information about accounting policies is material and provides examples of accounting policies that are generally considered material. The IFRS Practice Statement 2 was adjusted respectively to provide guidelines for the application of the concept of materiality on disclosures of accounting policies.

- Amendments to IAS 8 – Definition of Accounting Estimates

The amendments concern clarifications of definitions that are intended to help to distinguish between accounting policies and accounting estimates. This distinction is relevant because changes in accounting estimates are required to be recognized prospectively, while those in accounting policies are generally required to be recognized retrospectively. IAS 8 defines the term "accounting estimate" now as "monetary amounts in financial statements that are subject to measurement uncertainty."

- Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The so-called Initial Recognition Exemption in IAS 12 prohibited recognizing deferred taxes on initial recognition of an asset or a liability arising from a transaction that is neither a business combination nor affects accounting profit or tax results. With the amendment, the scope of this exemption is narrowed so that it does not apply to transactions that give rise to equal amounts of taxable and deductible temporary differences. The application of the amendment follows a modified retrospective approach.

From the perspective of the Group, the amendment especially applies to right-of-use assets and lease liabilities under IFRS 16 and any resulting temporary differences for which deferred taxes have to be recognized mandatorily according to the amendments. However, the amendments do not lead to a material impact on the consolidated financial statements so that no retrospective adjustment is required, as the Group already recognized deferred taxes on differences resulting from leases subsequent to initial recognition of the lease.

- Amendments to IAS 12 – International Tax Reform – Pillar Two

The aim of minimum taxation (so-called Pillar Two) of large Groups is that the companies concerned pay an effective corporate tax rate of at least 15%. Because the regulations had not yet entered into force in the reporting period, they had no effect on the current tax expense for fiscal 2023. Germany adopted a law on implementing the minimum taxation in December 2023. Therefore, the Group will be subject to minimum taxation starting in 2024. Based on current knowledge, under considerations of the safe harbor provisions which would apply in at least 2024 and the following two years, the new regulation will not have a material impact on the Group in the foreseeable future. At the moment, the Group's activities in Ireland (nominal tax rate: 12.5%) could potentially have a small impact.

The amendments to IAS 12 introduced a temporary mandatory exemption from the recognition of deferred taxes that would result from the application of the minimum tax provisions. In addition, the amendments require targeted disclosures for the affected entities. The application of the new regulations had no material impact on the present consolidated financial statements.

- IFRS 17 and Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information

IFRS 17, Insurance Contracts, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

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 2023:

Standard / Interpretation	Title	Applicable for financial years from[1]	Endorsement by the EU Commission
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	Yes
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	Yes
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024	No
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	n/a	No

1 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. Material General Accounting Policies

Material 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. Material 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 the accounting for the high inflation in Argentina and Türkiye in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies, see Note 12.

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	
	2023	2022	2023	2022
USD	1.10650	1.06695	1.08152	1.05351
GBP	0.86910	0.88584	0.86989	0.85265
CHF	0.92662	0.98370	0.97178	1.00486
JPY	156.81000	140.73000	152.01230	138.04150
SGD	1.46070	1.43060	1.45250	1.45160
KRW	1,428.67000	1,344.77000	1,412.18659	1,357.87961
CNY	7.86730	7.36960	7.66229	7.08120

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.

Even after the end of the COVID-19 pandemic, the general uncertainty inherent in accounting estimates and assumptions remains on a higher level than usual, also as a result of uncertainties related to changes in the geopolitical situation. This includes possible decoupling trends of various nations, Russia's ongoing attack on Ukraine, and the developments in the Middle East. Following the exceptionally high growth rates in the recent past resulting from the COVID-19 pandemic, the Group is currently in a normalization phase. In fiscal 2023, this led to a reduction in sales revenues and net result in comparison with the prior year. In the Bioprocess Solutions Division (BPS), especially the almost complete decrease of the demand in connection with the COVID-19 pandemic as well as the reduction in inventories among biopharma customers affected sales revenue negatively in the reporting period. The Lab Products & Services Division (LPS) also recognized a decline in sales revenue, mainly due to an increased reluctance to buy by customers from China and the USA. The Group views the current demand situation after the pandemic as a phase that only temporarily overshadows the fundamental growth drivers of the life science and biopharma markets. Accordingly, robust profitable growth is expected in the years to come. In light of the developments in fiscal 2023, the Group withdrew its expectations for 2025 that were raised twice in former years and set updated mid-term targets for 2028 at the beginning of 2024.

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 for 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

Since the beginning of the war, Sartorius has suspended all business activities in Russia that are not related to humanitarian medical products. This has been done under consideration of the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. The sales revenues in Russia were significantly lower than in the prior year, while the Group's business in Russia was already not of a critical size in relation to the Group before the beginning of the conflict. The Group is 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 on the current level through appropriate countermeasures, such as price increases.

The Group does not own material non-current assets in Russia, Belarus, and Ukraine. The default risks in relation to trade receivables in Russia are limited due to the immaterial volume of trade receivables on the reporting date. Cash held in Russia of a high single-digit to a low double-digit million euro value remains subject to restrictions regarding its use outside Russia. In particular, material distributions of cash are currently impossible.

Impact of the Middle East Conflict

On October 7, 2023, Israel was attacked by the Hamas terrorist group. Since then, battles have continued between the Israeli army and Hamas. The Group's Israeli site for the production of cell culture media products is located in Beit Haemek in the north of the country. Most of the dispute has been in the areas of the Gaza Strip, the southern region and the Tel Aviv area. Nevertheless, the situation was and is still tense in the north of the country. On-site production as well as transport and logistics had previously been maintained. To date, there is no material impact on the consolidated financial statements.

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 publicly committed itself to a long-term oriented reduction of the CO_2 emission intensity (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, but may be decided on at a later date. The future costs for the reduction measures are considered in the financial forecasts of management and are therefore also considered in valuations made for financial reporting purposes.

The Group set a further long-term sustainability goal in fiscal 2023 and wants to be climate-neutral by 2045. In this context, the Group works toward decarbonization in cooperation with suppliers and customers. For example, electricity requirements are planned to be met by 2030 using energy from renewable sources.

To date, no impact on the assets and liabilities of the Group is observed.

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 between 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.

	Sales revenue		Underlying EBITDA	
In millions of €	2023	2022	2023	2022
Bioprocess Solutions	2,678.2	3,326.5	782.3	1,188.4
Lab Products & Services	717.5	848.2	180.3	222.0
Total	3,395.7	4,174.7	962.7	1,410.4
Reconciliation to the profit before tax				
Depreciation and amortization (excl. extraordinary items)			−342.3	−285.3
Extraordinary items			−116.5	−60.4
Earnings before interest and taxes (EBIT)			503.9	1,064.8
Financial result			−118.0	116.9
Profit before tax			385.9	1,181.7

	Depreciation and amortization	
In millions of €	2023	2022
Bioprocess Solutions	−252.1	−191.0
Lab Products & Services	−90.2	−96.1
Total	−342.3	−287.1

Extraordinary items are as follows:

	Extraordinary items	
In millions of €	2023	2022
M&A projects | Integration costs	−22.9	−16.1
Structuring measures	−80.5	−29.6
Other	−13.1	−14.7
Total	−116.5	−60.4

Geographical Information

External revenue and non-current assets are regionally distributed as follows:

	Sales revenue		Non-current assets	
In millions of €	2023	2022	2023	2022
EMEA	1,315.9	1,550.6	6,122.8	3,313.4
Of which Germany	304.1	350.5	1,487.5	1,369.6
Of which France	128.7	144.7	3,128.1	511.5
Americas	1,280.4	1,543.8	1,290.1	1,280.3
Of which USA	1,161.0	1,442.0	1,285.8	1,277.8
Asia | Pacific	799.4	1,080.3	183.2	123.1
Of which China	276.5	470.6	57.1	58.2
Of which South Korea	171.2	197.5	89.4	25.2
Group	3,395.7	4,174.7	7,596.1	4,716.8

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 2023 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 two further members of the Executive Board totaled €0.6 million in 2023 and €1.3 million in 2022.

Financial liabilities resulting from financing activities changed as follows:

	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
Total financial liabilities from financing activities	2,298.1	365.8	0.5	81.4	2,745.7

	Balance at Dec. 31, 2022 in millions of €	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2023 in millions of €
Loans and borrowings	2,397.6	2,572.4	0.0	194.1	5,164.2
Lease liabilities	143.6	−37.0	−2.3	42.9	147.2
Liabilities for the acquisition of non-controlling interests	200.4	−66.7	0.0	−37.7	96.0
Contingent considerations	4.1	0.0	0.0	−4.0	0.1
Total financial liabilities from financing activities	2,745.7	2,468.8	−2.3	195.2	5,407.4

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

EMEA		
Sartorius Stedim Belgium S.A., Woluwe-Saint-Lambert, Belgium	100.0	X
ACCESSIA PHARMA S.A., Herstal, Belgium	100.0	X
XpressBioX SRL, Herstal, Belgium	100.0	X
XPRESS BIOLOGICS S.A., Herstal, 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, Freiburg i. B., Germany	76.0	X
Metreon Bioproducts GmbH, Freiburg 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
PolygenX 2 S.A.S., Illkirch-Graffenstaden, France	100.0	X
PolygenX A S.A.S., Illkirch-Graffenstaden, France	100.0	X
PolygenX D S.A.S., Paris, France	100.0	X
POLYPLUS-TRANSFECTION S.A., Illkirch-Graffenstaden, France	100.0	X
Sartorius Stedim Aseptics S.A.S., Lourdes, France	100.0	X
BIO ELPIDA S.A.S., Saint-Priest, 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
Sartonet Seperasyon Teknolojileri Anonim Şirketi, Istanbul, Türkiye	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

Americas		
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100.0	X
WaterSep BioSeparations LLC, Boston, Massachusetts, USA	100.0	X
Sartorius DC BPS Americas, Inc., Dover, Delaware, USA	100.0	X
Sartorius Stedim North America Inc., Dover, Delaware, USA	100.0	X
CellGenix Inc., Wilmington, Delaware, USA	100.0	
Polyplus Transfection Inc., Wilmington, Delaware, USA	100.0	X
Asia | Pacific		
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	X
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100.0	X
Biowire Shanghai Ltd., Shanghai, China	100.0	
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100.0	X
Kobmast Ltd., Central Hong Kong, Hong Kong	100.0	
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
Polyplus Transfection Pte. Ltd., Singapore, Singapore	100.0	
Sartorius Stedim Singapore Pte. Ltd., Singapore, Singapore	100.0	X
Sartorius Korea Biotech LLC, Seoul, South Korea	79.0	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 S.A., 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, Germany	80.0	
Sartorius Immobilien Jena GmbH & Co. KG, Göttingen, Germany	100.0	
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 Finance B.V., Amsterdam, Netherlands	100.0	X
Sartorius Austria GmbH, Vienna, Austria	100.0	X
Sartorius Poland Sp. z o.o., Kostrzyn, Poland	100.0	X
LLC Sartogosm, 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 DC LPS Americas, Inc., Dover, Delaware, USA	100.0	X
Sartorius North America, Inc., Dover, Delaware, USA	100.0	X
Sartorius Corporation, Dover, Delaware, USA	100.0	X
Asia | Pacific		
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 Lab (Shanghai) Trading Co., Ltd., Shanghai, China	100.0	X
Sartorius (Shanghai) Enterprise Management 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 [1]	32.7	X
Sartorius Vietnam Co. Ltd., Ho Chi Minh City, Vietnam	100.0	X

1 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 2023:

- Sartonet Seperasyon Teknolojileri Anonim Şirketi ("Sartonet"), Istanbul, Türkiye
- ACCESSIA PHARMA S.A., Herstal, Belgium

- XPRESS BIOLOGICS S.A., Herstal, Belgium
- XpressBioX SRL, Herstal, Belgium
- BIO ELPIDA S.A.S., Saint-Priest, France
- POLYPLUS-TRANSFECTION S.A., Illkirch-Graffenstaden, France
- PolygenX 2 S.A.S., Illkirch-Graffenstaden, France
- PolygenX A S.A.S., Illkirch-Graffenstaden, France
- PolygenX B S.A.S., Illkirch-Graffenstaden, France
- PolygenX C S.A.S., Illkirch-Graffenstaden, France
- PolygenX D S.A.S., Paris, France
- Polyplus Transfection Inc., Wilmington, Delaware, United States
- Sartorius (Shanghai) Enterprise Management Co., Ltd., Shanghai, China
- Sartorius Lab (Shanghai) Trading Co., Ltd., Shanghai, China
- Sartorius DC LPS Americas, Inc., Dover, Delaware, United States
- Sartorius DC BPS Americas, Inc., Dover, Delaware, United States
- Sartorius Finance B.V., Amsterdam, Netherlands

Control over Sartonet was acquired on June 1, 2023 as part of a business combination. The control of the following companies was acquired in the course of the acquisition of the Polyplus Group: ACCESSIA PHARMA S.A., XPRESS BIOLOGICS S.A., XpressBioX SRL, BIO ELPIDA S.A.S., POLYPLUS-TRANSFECTION S.A., PolygenX 2 S.A.S., PolygenX A S.A.S., PolygenX B S.A.S., PolygenX C S.A.S., PolygenX D S.A.S., Polyplus Transfection Inc. Following the acquisition, PolygenX C S.A.S. was merged into PolygenX B S.A.S., which in turn was merged into PolygenX A S.A.S. For information on the acquisitions, see Note 8.

The entities Sartorius (Shanghai) Enterprise Management Co., Ltd., Shanghai, China, Sartorius Lab (Shanghai) Trading Co., Ltd., Shanghai, China, Sartorius DC LPS Americas, Inc., Dover, Delaware, Sartorius DC BPS Americas, Inc., Dover, Delaware, Sartorius Finance B.V., Amsterdam, Netherlands were newly founded in 2023.

In fiscal 2023, the Group acquired an additional 10 % of the share capital in Sartorius Korea Biotech LLC, Seoul, South Korea, for a purchase price of approximately €20.8 million. The Group now owns 79 % of the share capital and voting rights of the entity. In addition, the Group's share in Sartorius CellGenix GmbH, Freiburg i. B., Germany, was increased by 25 % from 51 % to 76 % (see Note 22 for details).

In fiscal 2023, the entity Biological Industries Hong Kong Ltd., Kowloon, Hong Kong, was liquidated.

For materiality reasons, the equity method was not applied to the investment in Distribo 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, including churn rates, of intangible assets and property, plant, and equipment acquired. Their measurement is largely based on projected cash flows and on risk equivalent cost of capital for their discounting. Differences between the expected and actual cash flows may have a material impact on future Group results.

For material 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 of Sartonet

On June 1, 2023, the Group acquired 100% of the shares in Sartonet Seperasyon Teknolojileri Anonim Şirketi ("Sartonet") headquartered in Istanbul, Türkiye, via its sub-group Sartorius Stedim Biotech stock-listed in France. The company imports and distributes the products of the Sartorius Group in Türkiye and employed around 40 employees as of the acquisition date. The consideration transferred amounts to approximately €29.1 million and was paid in cash. Expenses directly attributable to the acquisition of €0.2 million were recognized in other expenses. Goodwill is allocated to the segment Bioprocess Solutions (BPS) and reflects, among other things, securing the market presence and business opportunities in the region, the workforce acquired, and other intangible assets not separable. Goodwill is not deductible for tax purposes.

The purchase price allocation is as follows:

In millions of €	Final purchase price allocation
Customer relationship	11.0
Trade receivables	2.5
Inventories	1.3
Other assets	0.4
Cash and cash equivalents	6.4
Deferred taxes - net	−2.2
Other liabilities	−0.7
Net assets acquired	18.5
Purchase price	29.1
Goodwill	10.5

Acquisition of Polyplus

On July 18, 2023, the Group acquired 100 % of the shares and voting rights of PolygenX A, the parent company of the Polyplus Group, via its sub-group Sartorius Stedim Biotech stock-listed in France. Headquartered in Strasbourg, France, Polyplus was founded in 2001 and has locations in France, Belgium, the U.S., and China. With around 270 employees, Polyplus develops and produces transfection as well as other DNA/RNA delivery reagents and plasmid DNA in high, GMP-grade quality. These are key components in the production of viral vectors used in cell and gene therapies and other advanced medicinal therapeutic products.

Due to the size of the transaction and the complexity inherent in the identification and measurement of intangible assets, for the consolidated financial statements 2023, the purchase price allocation was performed on a preliminary basis in accordance with IFRS 3 – based on current knowledge of management – with regard to the intangible assets recognized and the resulting deferred taxes. The following valuations were considered:

In millions of €	Preliminary purchase price allocation
Other intangible assets	888.8
Property, plant and equipment	35.5
Inventories	6.9
Trade receivables	17.3
Other assets	7.5
Cash and cash equivalents	8.2
Deferred taxes - net	–217.4
Trade payables	–5.4
Loans and borrowings	–194.1
Lease liabilities	–9.3
Other liabilities	–14.8
Net assets acquired	523.2
Purchase price	2,226.4
Goodwill	1,703.2

For the acquisition of the Polyplus Group, a purchase price amounting to approximately €2,226.4 million was paid in cash. The directly attributable acquisition-related costs totaled €11.8 million and were recognized in other expenses. The intangible assets recognized separately on a preliminary basis are related to technologies (approx. €790 million) with useful lives of up to 18 years as well as customer relationships (€48 million) and brands (€36 million) with limited useful lives. Goodwill is expected to reflect the expansion of the product offering of the Bioprocess Solutions Division (BPS) and synergies, especially from the combination of the acquired business with the existing product portfolio with a focus on cell and gene therapies. In particular, the products of Polyplus are key components in the manufacture of cell and gene therapies and provide access to a significant share in this growing, early-stage market. In addition, goodwill is expected to reflect other non-separable intangible assets, 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 2023

Since their first-time consolidation, the companies acquired in the course of the acquisition of the Polyplus Group contributed sales revenue of approximately €38.6 million to the sales of the Group. Excluding items from the preliminary purchase price allocation and financing expenses for this acquisition, Polyplus contributed an amount of approximately €13.6 million to the Group's net result since the acquisition date. If the acquisition had taken place as of January 1, 2023, sales revenue of the Group for 2023 would have amounted to around €3,430.7 million and the Group's net result would have amounted to around €234.5 million.

Since the entity is acting as a distributor, there would be no material effect on the Group sales revenues and net result if the acquisition of Sartonet had been completed as of January 1, 2023.

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 well as according to "type of revenue" (recurring/non-recurring) 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. The Group defines recurring revenue as revenue from consumables and services, while non-recurring revenue is primarily defined as instrument revenue.

	2023			2022		
In millions of €	Group	Bioprocess Solutions	Lab Products & Services	Group	Bioprocess Solutions	Lab Products & Services
Sales revenue	3,395.7	2,678.2	717.5	4,174.7	3,326.5	848.2
EMEA	1,315.9	1,042.2	273.7	1,550.6	1,260.5	290.1
Americas	1,280.4	1,047.8	232.6	1,543.8	1,240.8	303.0
Asia | Pacific	799.4	588.2	211.2	1,080.3	825.2	255.1

	2023			2022		
In millions of €	Group	Bioprocess Solutions	Lab Products & Services	Group	Bioprocess Solutions	Lab Products & Services
Sales revenue	3,395.7	2,678.2	717.5	4,174.7	3,326.5	848.2
Recurring sales revenue	2,340.8	2,022.0	318.8	2,921.0	2,535.5	385.5
Non-recurring sales revenue	1,054.9	656.1	398.7	1,253.7	791.0	462.8

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 canceled 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 €1,609.7 million (2022: €1,998.3 million). The Group expects that these unsatisfied performance obligations will, for the most part, be satisfied in 2024.

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 €235.2 million was recognized in the reporting period that was included in the contract liability balance at the beginning of the reporting period (2022: €249.1 million).

The balances of trade receivables and contract assets are presented in Note 29. For details on the impairment losses on trade receivables and contract assets recognized in the reporting period, see Note 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, 2023	Carrying amount Dec. 31, 2022
Deferred revenue	Other liabilities	85.2	76.5
Payments received on account of orders	Trade payables	193.0	247.1
Total contract liabilities		278.2	323.5

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, allowances on trade receivables, and extraordinary income and expenses.

Since fiscal 2023, extraordinary income and expenses are generally allocated to the respective functions. The prior year's figures have been adjusted accordingly. For this purpose, the following reclassifications were made from other operating income and expenses to the functional costs:

In millions of €	2022
Cost of sales	−18.4
Selling and distribution expenses	−3.9
Research and development expenses	−1.3
General administrative expenses	−13.1
Other operating income and expenses	36.7

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 €	2023	2022
Expenses for raw materials and supplies and for purchased goods (incl. changes in inventories)	683.9	774.7
Cost of purchased services	268.5	294.9
	952.5	1,069.7

Employee Benefits

In millions of €	2023	2022
Wages and salaries	953.2	912.3
Social security	206.2	198.2
Expenses for retirement benefits and pensions	22.0	23.4
	1,181.5	1,133.9

11. Other Operating Income and Expenses

In millions of €	2023	2022
Currency translation gains	54.4	74.4
Income from the decrease in allowances for bad debts	5.1	6.2
Income from grants	6.2	3.9
Other income	8.0	9.8
Other operating income	73.8	94.3
Currency translation losses	–70.8	–125.4
Extraordinary expenses	–23.0	–23.7
Allowances for bad debts	–8.1	–7.6
Other expenses	–15.6	–25.8
Other operating expenses	–117.5	–182.4
Other operating income and expenses	–43.7	–88.1

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.

Since fiscal 2023, only those extraordinary income and expenses are reported under other operating income and expenses that cannot be allocated to the functional areas. The prior year's figures have been adjusted accordingly (see Note 10). For details about the types of extraordinary income and expenses, see Note 5.

In 2023, currency translation gains include €0.6 million (2022: €50.3 million) 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 €	2023	2022
Interest and similar income	4.6	1.0
- of which from affiliated companies	0.5	0.1
Income from derivative financial instruments	6.2	5.3
Income from valuation of contingent considerations and similar agreements	74.4	148.9
Other financial income	18.6	42.9
Financial income	103.9	198.2
Interest and similar expenses	–142.6	–34.5
Expenses for derivative financial instruments	–2.9	–12.5
Interest for pensions and other retirement benefits	–2.3	–0.7
Share of profit or loss of associates	–6.5	0.0
Impairment of investments in non-consolidated entities	–20.0	0.0
Expenses from adjustments for hyperinflation (IAS 29)	–4.7	0.0
Other financial charges	–42.8	–33.6
Financial expenses	–221.8	–81.3
Financial result	–118.0	116.9

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 €70.4 million from the remeasurement of the contingent consideration in connection with the acquisition of BIA Separations (prior year: €148.0 million). See Note 35 for details about this liability.

In fiscal 2023, the Group acquired a subsidiary based in Türkiye (see Note 8). Türkiye was assessed as a hyperinflationary economy in the reporting period 2023 and, therefore, IAS 29, Financial Reporting in Hyperinflationary Economies, was applied. The net gains or losses from the inflation of material non-monetary assets and liabilities, as well as equity and all items in the income statement, were recognized in the financial result. The general consumer price index of the Turkish Statistical Institute was applied (index as of May 2023: 1,300.6 and as of end of 2023: 1,859.4). An inflation adjustment was also made for the sales entity in Argentina in the period 2023. The general consumer price index of the "indec" was used (Instituto Nacional de Estadística y Censos; index as of end of 2022: 1,134.6 and as of end of 2023: 2,816.1). The effect in the prior year was not material.

13. Income Taxes

In millions of €	2023	2022
Current income taxes	–101.0	–278.1
Deferred taxes	5.1	9.5
Of which from tax losses	1.6	–9.7
Of which from temporary differences	3.5	19.2
	–95.9	–268.6

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 €	2023	2022
Expected tax rate	23.6%	25.7%
Expected tax expense	–91.1	–304.1
Effects from intragroup dividends and other non-deductible expenses	–28.0	–11.4
Tax-free income and tax credits	32.3	58.6
Deductible temporary differences and tax losses not capitalized	–14.0	–7.0
Current taxes from previous years	–0.5	–7.8
Effects from the use of previously not recognized losses and temporary differences	7.1	6.2
Withholding and other income taxes with different tax base	–2.2	–2.6
Other	0.6	–0.6
Income taxes	–95.9	–268.6
Effective tax rate	24.8%	22.7%

The decrease in the effective tax rate in the prior year 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. In 2023, this effect is overcompensated by opposing items, such as non-tax-deductible expenses in connection with subsidiaries and associated companies.

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.

	2023	2022
Ordinary shares		
Basis for calculating basic earnings per ordinary share (net profit after non-controlling interest), in millions of €	102.5	339.0
Weighted average number of shares outstanding	34,226,009	34,226,009
Basic earnings per ordinary share, in €	2.99	9.91
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 €	2.99	9.91
Preference shares		
Basis for calculating basic earnings per preference share (net profit after non-controlling interest), in millions of €	102.7	339.0
Weighted average number of shares outstanding	34,189,853	34,189,853
Basic earnings per preference share, in €	3.00	9.92
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 €	3.00	9.92

Notes to the Statement of Financial Position

15. Goodwill and Intangible Assets

Goodwill

In millions of €	Goodwill
Gross book values at Jan. 1, 2022	1,362.0
Currency translation	20.7
Acquisitions through business combinations	336.2
Gross book values at Dec. 31, 2022	1,718.9
Impairment losses at Jan. 1, 2022	0.0
Currency translation	0.0
Impairment losses 2022	0.0
Impairment losses at Dec. 31, 2022	0.0
Net book values at Dec. 31, 2022	1,718.9
Gross book values at Jan. 1, 2023	1,718.9
Currency translation	−15.4
Acquisitions through business combinations	1,713.8
Gross book values at Dec. 31, 2023	3,417.3
Impairment losses at Jan. 1, 2023	0.0
Currency translation	0.0
Impairment losses 2023	0.0
Impairment losses at Dec. 31, 2023	0.0
Net book values at Dec. 31, 2023	3,417.3

The additions in fiscal 2023 were attributable to the acquisitions of the Polyplus Group and of Sartonet (see Note 8). The additions in the prior period were attributable to the acquisitions of ALS Automated Lab Solutions GmbH, the Chromatography business of Novasep, and Albumedix Ltd.

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, 2023	Dec. 31, 2022
Bioprocess Solutions	3,048.4	1,339.2
Lab Products & Services	368.9	379.7
	3,417.3	1,718.9

In 2023, the Group's financial targets were not achieved and consequently the outlook for 2025 was suspended in the fourth quarter. As in previous years, the annual impairment tests were conducted on 30 November. 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. The average annual revenue growth rates for the detailed planning period derived from the Group's updated medium-term planning are in the upper single-digit to double-digit (BPS) and mid to high single-digit percentage range (LPS) with moderate increases in the EBITDA margin. For the Bioprocess Solutions Division, calculations were based on an average terminal growth rate of 2.5% for the fiscal years after 2027. This terminal growth rate is derived from long-term inflation and 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. The increasing relevance of new modalities, such as in the area of cell and gene therapies, is considered an additional growth driver for the product portfolio of the bioprocess division. For the Lab Products & Services Division, a terminal growth rate of 1.5% was used for fiscal years after 2027.

The discount rates of the cash-generating units correspond to their weighted average cost of capital (WACC) and were determined as follows:

		2023		2022
	Before tax	After tax	Before tax	After tax
Bioprocess Solutions	10.7%	8.5%	10.6%	8.4%
Lab Products & Services	10.7%	8.2%	10.9%	8.3%

In fiscal 2023, 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, 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
Gross book values at Dec. 31, 2022	1,127.1	64.7	426.7	369.6	0.5	1,988.7
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
Net book values at Dec. 31, 2022	809.9	47.2	213.2	212.2	0.5	1,283.1

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, 2023	1,127.1	64.7	426.7	369.6	0.5	1,988.7
Currency translation	−10.1	−1.3	−6.2	−1.1	0.0	−18.7
Acquisitions through business combinations	791.9	36.3	58.5	13.0	0.0	899.7
Capital expenditures	6.0	0.0	0.0	100.3	0.4	106.7
Disposals	−0.8	0.0	0.0	−0.2	−0.1	−1.2
Transfers	0.1	0.0	0.0	0.0	0.0	0.1
Gross book values at Dec. 31, 2023	1,914.2	99.7	479.1	481.6	0.8	2,975.3
Amortization and impairment losses at Jan. 1, 2023	−317.2	−17.5	−213.5	−157.4	0.0	−705.6
Currency translation	4.2	0.4	2.9	0.1	0.0	7.7
Amortization and impairment losses in 2023	−112.5	−4.1	−31.1	−32.6	0.0	−180.3
Disposals	0.8	0.0	0.0	0.0	0.0	0.8
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Amortization and impairment losses at Dec. 31, 2023	−424.6	−21.1	−241.7	−190.0	0.0	−877.4
Net book values at Dec. 31, 2023	1,489.6	78.6	237.3	291.6	0.8	2,097.9

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: €10.8 million) 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 2023, impairment losses of €4.5 million were recognized on intangible assets. This includes an amount of €2.6 million in relation to capitalized development expenses in the Bioprocess Solutions Division (prior year: €9.9 million, thereof LPS: €6.0 million, BPS: €3.9 million).

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, 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
Gross book values at Dec. 31, 2022	835.9	468.0	277.5	522.9	2,104.2
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	0.5
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
Net book values at Dec. 31, 2022	662.5	261.4	133.0	522.9	1,579.7
Net book values of right-of-use assets at Dec. 31, 2022	121.9	1.9	11.2	0.0	134.9
Total book values property, plant & equipment at Dec. 31, 2022	784.4	263.3	144.2	522.9	1,714.8

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, 2023	835.9	468.0	277.5	522.9	2,104.2
Currency translation	-8.6	-5.9	-3.6	-6.5	-24.6
Acquisitions through business combinations	9.1	6.2	1.3	9.6	26.2
Capital expenditures	38.7	34.9	51.8	356.9	482.4
Disposals	-0.6	-6.1	-5.9	-0.2	-12.8
Transfers	170.2	45.1	8.9	-224.2	-0.1
Gross book values at Dec. 31, 2023	1,044.6	542.1	330.0	658.6	2,575.3
Depreciation and impairment losses at Jan. 1, 2023	-173.3	-206.6	-144.4	0.0	-524.4
Currency translation	1.7	2.2	2.0	0.0	5.9
Amortization and impairment losses in 2023	-38.8	-51.0	-34.5	-0.1	-124.4
Disposals	0.3	4.5	5.4	0.0	10.2
Transfers	0.0	0.0	0.0	0.0	0.0
Depreciation and impairment losses at Dec. 31, 2023	-210.1	-250.9	-171.5	-0.1	-632.6
Net book values at Dec. 31, 2023	834.5	291.2	158.5	658.5	1,942.7
Net book values of right-of-use assets at Dec. 31, 2023	120.1	2.4	15.7	0.0	138.2
Total book values property, plant & equipment at Dec. 31, 2023	954.6	293.6	174.2	658.5	2,080.9

The item “Property, plant and equipment” 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 2023 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, 2023, lease liabilities stood at €147 million (2022: €144 million). The maturities of the future lease payments are presented in Note 39. The undiscounted cash outflows for leases to which the Group is committed but that have not yet commenced as of the reporting date amount to €30.0 million (prior year: immaterial). The composition of the right-of-use assets included in "Property, plant and equipment" as of December 31, 2023, 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, 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
Gross book values at Dec. 31, 2022	189.4	5.5	32.8	227.8
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
Net book values at Dec. 31, 2022	121.9	1.9	11.2	134.7

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, 2023	189.4	5.5	32.8	227.8
Currency translation	-4.0	0.0	-0.1	-4.1
Acquisitions through business combinations	8.1	0.7	0.6	9.4
Additions	24.7	0.7	13.2	38.6
Disposals	-8.5	-0.7	-2.3	-11.6
Transfers	0.0	0.0	-0.1	-0.1
Gross book values at Dec. 31, 2023	209.8	6.1	44.0	260.0
Depreciation and impairment losses at Jan. 1, 2023	-67.6	-3.6	-21.6	-92.8
Currency translation	1.8	0.0	0.1	1.9
Amortization and impairment losses in 2023	-28.9	-0.9	-7.8	-37.6
Disposals	4.9	0.8	0.9	6.6
Transfers	0.0	0.0	0.1	0.1
Depreciation and impairment losses at Dec. 31, 2023	-89.7	-3.7	-28.4	-121.8
Net book values at Dec. 31, 2023	120.1	2.4	15.7	138.2

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 €	2023	2022
Interest expenses for leases	5.3	3.8
Expenses for short-term leases	4.0	4.0
Expenses for leases of low-value assets	5.9	7.8
Repayment of lease liabilities	37.0	29.9
Total cash outflows for leases	52.2	45.5

18. Deferred Taxes

	Deferred tax assets		Deferred tax liabilities		Changes recognized in profit or loss
In millions of €	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	
Other intangible assets	6.6	4.5	429.3	221.8	14.0
Tangible assets	2.0	0.0	38.6	24.0	−10.1
Inventories	49.7	52.6	1.1	0.0	−3.3
Receivables and other current assets	3.3	2.3	2.4	1.7	−0.6
Provisions	15.8	13.6	0.4	0.0	2.3
Liabilities	21.1	23.3	2.8	0.0	−3.3
Taxable losses carried forward	8.6	5.3	0.0	0.0	1.6
Interest carry-forwards	2.8	0.0	0.0	0.0	2.9
Tax on investments in subsidiaries	0.0	0.0	4.0	5.7	1.7
Total	109.9	101.5	478.7	253.1	5.1
Offset	−26.0	−18.0	−26.0	−18.0	
Total (net)	83.9	83.6	452.7	235.2	

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. See Note 2 for the impact on the Group.

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 €146 million to be carried forward (prior year: €141 million), no deferred tax amounts were recognized because of the lack of foreseeability of future taxable profits. Of these unused tax losses, €3.5 million can still be carried forward for a limited time (prior year: €6.0 million), of which €3.0 million will expire in the next five years (prior year: €4.1 million). In addition, the Group had unused interest carry-forwards in the amount of €11.9 million (prior year: €3.0 million) for which deferred tax assets amounting to €2.8 million were recognized (prior year: €0.0 million). Furthermore, no deferred tax assets were recognized for deductible temporary differences amounting to €11 million (prior year: €20 million).

Deferred tax assets of about €5 million (prior year: about €3 million) 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. This is assumed especially in cases where the losses resulted from one-time or special items.

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 €86 million (prior year: €87 million), 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.

19. Inventories

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Raw materials and supplies	373.9	454.8
Work in progress	244.0	239.9
Finished goods and merchandise	409.2	466.1
Payments on account	9.7	18.3
	1,036.7	1,179.1

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Gross amount of inventories	1,169.4	1,278.8
Write-downs	−132.7	−99.7
Net amount of inventories	1,036.7	1,179.1

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 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 Shareholders’ Meeting on June 21, 2000, to repurchase treasury shares in the amount of €16,082 K 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. 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 2023.

In December 2015, 25,000 ordinary shares and 25,000 preference shares were issued to the CEO and Executive Board Charmain 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. In December 2023, Dr. Alexandra Gatzemeyer and Dr. René Fáber were granted additional remuneration in shares that were transferred on January 1, 2024. Dr. Gatzemeyer was granted 1,496 ordinary shares and 1,186 preference shares. Dr. Fáber was granted 1,923 ordinary shares and 1,525 preference shares.

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 €51.3 million was reclassified from capital reserves to issued capital.

In fiscal 2023, capital reserves rose by €0.6 million (prior year: €1.3 million) due to the employee benefits expense to be offset in connection with the share-based remuneration agreements with members of the Executive Board.

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 and interest hedges as well as their respective tax effects. The cumulative amount transferred to other comprehensive income as of the reporting date stands at €–3.2 million (prior year: €–15.2 million).

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 sub-group 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 sub-group. 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, Freiburg i. B., Germany (76%)
- Sartorius Korea Biotech, Seoul, South Korea (79%)
- Sartorius Thailand, Bangkok, Thailand (33%)

In 2023, the Group purchased 25% of the shares in the entity Sartorius CellGenix GmbH for a purchase price of approximately €66.7 million 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 €66.1 million (as of December 31, 2022) was reclassified to retained earnings. The impact on the non-controlling interest and the equity attributable to the owners of the parent company is presented in the statement of changes in equity.

In fiscal 2023, the Group also acquired an additional 10% of the share capital in Sartorius Korea Biotech LLC for a purchase price of approximately €20.8 million. The cash flow is presented within cash flow from financing activities. The Group now owns 79% of the share capital and voting rights of the entity.

Sartorius Thailand is consolidated due to contractual arrangements over the exercise of voting rights that ensure control.

In millions of €	2023	2022
Cumulative non-controlling interest as of Dec. 31		
Sartorius Stedim Biotech	647.1	597.2
Sartorius CellGenix GmbH	26.0	52.0
Other	16.9	19.9
	690.1	669.1
Profit or loss allocated to non-controlling interest		
Sartorius Stedim Biotech	81.8	231.3
Sartorius CellGenix GmbH	0.6	1.3
Other	2.6	2.3
	84.9	235.0
Dividends paid to non-controlling interest		
Sartorius Stedim Biotech	35.0	30.6
Sartorius CellGenix GmbH	0.0	0.0
Other	1.2	1.6
	36.2	32.3

The following condensed financial information refers to the Sartorius Stedim Biotech Group:

Condensed Statement of Financial Position

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	6,324.8	3,394.2
Current assets	1,415.1	1,671.2
	7,739.9	5,065.4
Equity	2,673.2	2,514.2
Non-current liabilities	4,129.4	1,515.3
Current liabilities	937.3	1,035.9
	7,739.9	5,065.4

Condensed Statement of Profit or Loss and Other Comprehensive Income

In millions of €	2023	2022
Sales revenue	2,775.5	3,492.7
Profit before tax	401.1	1,130.4
Income taxes	–89.0	–250.5
Net profit for the period	312.1	879.9
Other comprehensive income after tax	–23.1	–6.2
Total comprehensive income	289.1	873.7

Condensed Statement of Cash Flows

In millions of €	2023	2022
Cash flow from operating activities	746.4	612.3
Cash flow from investing activities	–2,722.7	–957.5
Cash flow from financing activities	1,986.1	220.7
Change in cash and cash equivalents	9.8	–124.5
Cash and cash equivalents at the beginning of the period	107.1	223.6
Net effect of currency translation on cash and cash equivalents	–0.3	8.0
Cash and cash equivalents at the end of the period	116.6	107.1

The following condensed financial information refer to Sartorius CellGenix GmbH:

Condensed Statement of Financial Position

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	94.7	98.4
Current assets	49.7	47.3
	144.4	145.7
Equity	108.5	106.2
Non-current liabilities	26.2	31.1
Current liabilities	9.7	8.5
	144.4	145.7

Condensed Statement of Profit or Loss and Other Comprehensive Income

In millions of €	2023	2022
Sales revenue	32.6	32.0
Net profit for the period	2.3	2.8

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 2023, an amount of €64.5 million was recognized for defined contribution plans (prior year: €60.6 million).

Defined Benefit Plans

Pension provisions and similar obligations are recognized in accordance with IAS 19, 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 returns provided by prime corporate (industrial) bonds with fixed coupons, matching maturities, and denominated in the relevant currencies on the reporting date. 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 €–21.0 million (prior year: €–21.2 million).

An amount of €43.5 million (prior year: €44.1 million) 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:

	2023	2022
Discount rate	3.10%	3.16%
Future salary increases	3.00%	3.00%
Future pension increases	2.10%	2.10%

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:

	2023	2022
Discount rate	3.70%	3.60%
Future salary increases	2.25%	2.25%

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

In millions of €	2023	2022
Service cost	1.4	2.6
Net interest cost	1.6	0.6
Components of defined benefit costs recognized in profit or loss	3.0	3.2
Return on plan assets (excl. interest)	–0.1	–0.2
Actuarial gains|losses	–0.1	–19.4
Components of defined benefit costs recognized in other comprehensive income	–0.2	–19.6
Total defined benefit costs	2.9	–16.4

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, 2023	Dec. 31, 2022
Present value of obligations	80.5	79.3
Fair value of the plan assets	24.0	21.8
Net liability	56.5	57.5

Defined Benefit Obligation

In millions of €	2023	2022
Present value of obligations as of Jan. 1	79.3	97.4
Current service cost	2.2	3.5
Past service cost	−0.8	−0.9
Interest cost	2.3	0.9
Actuarial gains | losses	−0.2	−19.5
Currency translation differences	0.6	0.9
Retirement benefits paid in the reporting year	−4.7	−8.3
Employer contributions	0.5	0.6
Employee contributions	0.7	0.8
Change in the scope of consolidation	0.0	0.0
Contributions by the plan participants	0.3	3.1
Other changes	0.2	0.7
Present value of obligations as of Dec. 31	80.5	79.3

The actuarial gains and losses of the defined benefit obligation are allocated as follows:

In millions of €	2023	2022
Experience adjustments	−0.2	4.0
Changes in demographic assumptions	−0.9	−5.5
Changes in financial assumptions	0.9	−18.0
Total	−0.2	−19.5

Plan Assets

In millions of €	2023	2022
Plan assets at Jan. 1	21.8	22.0
Interest income	0.7	0.3
Return on plan assets (excl. interest)	0.1	0.2
Actuarial gains | losses	−0.2	−0.1
Group contribution & payments	−2.7	−6.9
Employee contributions	0.7	0.8
Currency translation differences	0.6	0.7
Employer contributions	2.6	3.3
Contributions by the plan participants	0.3	3.2
Other changes	0.2	−1.7
Plan assets as of Dec. 31	24.0	21.8

Composition of Plan Assets

Plan assets essentially consist of insurance contracts with insurance companies in Germany and Switzerland. An amount of €7.6 million (prior year: €6.3 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, 2023 (a plus sign before the number indicates an increase in the obligation):

Demographic assumptions

Change in life expectancy	−1 year	+1 year
Effect	−3.6	2.9

Financial assumptions

Change in discount rate	−100 bps	+100 bps
Effect	8.8	−7.1
Change in future salary increase	−50 bps	+50 bps
Effect	−2.3	2.6
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, 2022:

Demographic assumptions

Change in life expectancy	−1 year	+1 year
Effect	−2.9	3.0

Financial assumptions

Change in discount rate	−100 bps	+100 bps
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

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, 2023	Dec. 31, 2022
< 1 year	4.9	4.8
1-5 years	20.8	18.4
6-10 years	30.3	28.9
> 10 years	141.6	145.3

The weighted average duration of the defined benefit obligations is 13.0 years (prior year: 13.8 years).

For fiscal 2024, payments of €6.3 million for defined benefit plan commitments are expected (prior year: €6.2 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, 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
Reversals | Utilization	0.0	-1.2	-1.2
Additions	3.4	2.5	6.0
Balance at Dec. 31, 2022	6.8	13.4	20.2

In millions of €	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2023	6.8	13.4	20.2
Currency translation	0.0	-0.1	-0.1
Consumption	-3.0	-0.4	-3.4
Reclassifications	0.0	-1.1	-1.1
Reversals | Utilization	0.0	-0.5	-0.5
Additions	3.9	2.7	6.6
Balance at Dec. 31, 2023	7.6	14.0	21.6

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 3.8% (prior year: 2.9%) for employees on the early retirement plan and 3.7% (prior year: 3.2%) for provisions recognized for service anniversaries. In fiscal 2022 and 2023, 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, 2022	34.7	23.7	58.4
Currency translation	0.6	−0.1	0.5
Change in the scope of consolidation	0.0	0.1	0.2
Consumption	−1.9	−1.6	−3.5
Reclassifications	2.1	−2.3	−0.2
Reversals	−11.0	−7.2	−18.2
Additions	23.9	5.3	29.2
Balance at Dec. 31, 2022	48.5	17.9	66.4

In millions of €	Warranties	Other	Total
Balance at Jan. 1, 2023	48.5	17.9	66.4
Currency translation	−0.7	−0.1	−0.8
Change in the scope of consolidation	0.0	0.1	0.1
Consumption	−1.9	−6.3	−8.1
Reclassifications	0.0	−0.2	−0.2
Reversals	−12.6	−8.6	−21.2
Additions	7.3	3.3	10.6
Balance at Dec. 31, 2023	40.7	6.2	46.9

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, 2023	Dec. 31, 2022
Tax and social security	53.3	52.2
Other	96.5	97.3
Other liabilities	149.9	149.5

26. Employee Benefits

The liabilities for employee benefits reflect the following accruals for personnel expenses:

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Variable benefits	46.5	67.9
Vacation and overtime	26.6	25.0
Other	19.3	21.5
Employee benefits	92.3	114.3

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 bonds and loans from banks, trade payables, lease liabilities, and derivative financial instruments with a negative fair value. Furthermore, 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: Material 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. At Sartorius 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, 2023. 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, 2023, 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, 2023, cash and cash equivalents stood at around €379.2 million (prior year: €165.9 million).

29. Current Trade and Other Receivables

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Trade receivables from third parties	333.3	470.3
Contract assets (IFRS 15)	16.7	13.8
Receivables from non-consolidated affiliates	0.5	0.4
Trade receivables	350.6	484.5

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, 2023, is reduced by €224.5 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: €240.0 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, 2023	Dec. 31, 2022
Derivative financial instruments	7.1	8.1
Loan receivables from affiliates	14.6	8.4
Miscellaneous other financial assets	15.0	30.9
Other financial assets	36.7	47.4

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, 2023	Of which non-current	Balance at Dec. 31, 2022	Of which non-current
Loans and borrowings	5,164.2	4,909.3	2,397.6	1,873.8
Lease liabilities	147.2	114.0	143.6	112.4
	5,311.4	5,023.3	2,541.2	1,986.2

In September 2023, the Group issued long-term, unsecured bonds with fixed coupons and with a total volume of €3 billion. The maturities are 3 (volume: €650 million; nominal interest rate: 4.250 %), 6 (€650 million; 4.375 %), 9 (€850 million; 4.500 %), and 12 years (€850 million; 4.875 %). In particular, the funds were used for the refinancing of the bridge financing taken out for the Polyplus acquisition and beyond for general corporate financing purposes. The interest rate level was partially hedged in advance, see Note 38.

An additional major pillar of financing for the Sartorius Group is the syndicated credit line of €800 million concluded in May 2022 with a maturity until 2028, which can be extended in spring 2024 for one year upon unanimous agreement of the parties. On the reporting date, this credit line is not utilized (prior year: €80 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 €1,505 million and original maturities of up to 13 years. Furthermore, the company has several current and non-current loans totaling around €635 million (prior year: €665 million).

These predominantly long-term financing instruments are supplemented by various short-term credit lines that are available until further notice totaling around €470 million (prior year: €475 million).

32. Other Non-Current Liabilities

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Liabilities for the acquisition of non-controlling interests	96.0	134.2
Contingent considerations	1.7	76.2
Other liabilities	15.9	5.9
Total	113.7	216.3

For the liabilities resulting from the contingent consideration agreements in connection with the acquisitions of BIA Separations 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 Note 35.

33. Trade Payables

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Payments received on account of orders [1]	193.0	247.1
Trade payables to third parties	304.7	303.1
Payables to affiliated companies	1.8	1.8
Trade payables	499.5	551.9

1 Contract liabilities according to IFRS 15 (see Note 9).

34. Other Current Financial Liabilities

In millions of €	Dec. 31, 2023	Dec. 31, 2022
Derivative financial instruments	2.2	11.3
Liabilities for the acquisition of non-controlling interests	0.0	66.1
Refund liabilities (IFRS 15)	26.1	29.5
Other	26.7	37.3
Other financial liabilities	55.0	144.2

In the prior year, the liabilities for the potential acquisition of non-controlling interests relate to Sartorius CellGenix GmbH (see Notes 22 and 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, 2023, and as of December 31, 2022:

In millions of €	Category acc. to IFRS 9	Carrying amount Dec. 31, 2023	Fair value Dec. 31, 2023	Carrying amount Dec. 31, 2022	Fair value Dec. 31, 2022
Investments in non-consolidated subsidiaries	n/a	30.5	30.5	45.4	45.4
Financial investments	Equity instruments at fair value through profit or loss	8.1	8.1	4.4	4.4
Financial investments	Equity instruments at fair value through other comprehensive income	36.6	36.6	67.7	67.7
Financial investments	Debt instruments at fair value through profit or loss	27.5	27.5	26.4	26.4
Financial assets	Measured at amortized cost	12.0	12.0	7.0	7.0
Financial assets (non-current)		114.8	114.8	150.9	150.9
Contract assets (IFRS 15)	n/a	16.7	16.7	13.8	13.8
Trade receivables	Debt instruments at fair value through other comprehensive income	81.5	81.5	213.9	213.9
Trade receivables	Measured at amortized cost	252.3	252.3	256.7	256.7
Trade receivables		350.6	350.6	484.5	484.5
Receivables and other assets	Measured at amortized cost	29.6	29.6	39.3	39.3
Derivative financial instruments in hedge relationships [1]	n/a	7.1	7.1	8.1	8.1
Other financial assets (current)		36.7	36.7	47.4	47.4
Cash and cash equivalents	Measured at amortized cost	379.2	379.2	165.9	165.9
Loans and borrowings	Financial liabilities at cost	5,164.2	5,252.3	2,397.6	2,241.5
Trade payables	Financial liabilities at cost	306.5	306.5	304.9	304.9
Trade payables | payments received for orders (contract liabilities)	n/a	193.0	193.0	247.1	247.1
Trade payables		499.5	499.5	551.9	551.9
Derivative financial instruments in hedge relationships [1]	n/a	2.2	2.2	11.4	11.4
Other financial liabilities	Financial liabilities at fair value through profit or loss	1.7	1.7	76.2	76.2
Other financial liabilities	Financial liabilities at cost	164.7	157.9	273.0	258.6
Other financial liabilities		168.7	161.9	360.5	346.2

1 The amounts include the non-designated portion of the derivatives with a total amount of -€4.0 million (prior year: -€6.2 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, 2023, relate, among other things, to the contingent considerations in connection with the acquisitions of BIA Separations 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 the acquired entity 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. Besides the expected future sales performance and therefore the assumed number of shares to be transferred, the valuation of this contingent consideration considers also the expected future share price of Sartorius Stedim Biotech S.A. As of the reporting date on December 31, 2023, the fair value of the remaining contingent consideration liability was measured at €1.7 million. The change since December 31, 2022 (value: €72.1 million) mainly reflects adjusted sales and sales expectations, respectively. Furthermore, the share price of Sartorius Stedim Biotech S.A. and the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates on December 31, 2023. The difference between the valuation as of December 31, 2022, and the reporting date amounts to €70.4 million and was recognized in the financial result.

The key input parameters for the valuation are the sales revenue expectations for the 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 €1.7 million (decrease by approximately €1.1 million). If the share price had been 20 % higher (lower) at the reporting date, the liability would have been €0.3 million higher (€0.3 million lower). The actual future outcomes may differ from these sensitivities, which are determined by changing only the respective key input parameter in isolation. The lower end of the bandwidth of possible outcomes of the remaining variable third tranche of this contingent consideration is zero, while the upper limit cannot be quantified due to settlement in shares.

For the contingent consideration agreed in connection with the acquisition of WaterSep BioSeparations, which is due in 2024, no material financial liability was recognized on the reporting date of December 31, 2023. The value change since December 31, 2022 amounting to €3.0 million was recognized in 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 sales revenues in the years 2022 to 2025. On the reporting date of December 31, 2023, the fair value amounts to €0.1 million. The change since December 31, 2022 (value: €1.1 million) was recognized in the financial result. The lower (upper) end of the bandwidth of possible outcomes of the remaining second component of this contingent consideration remains zero (€18.3 million).

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 €36.6 million (prior year: €67.7 million). In fiscal 2023, the Group did not receive any dividends from BICO. The value change recognized in other comprehensive income in 2023 amounts to about -€31.1 million (prior year: €16.5 million).

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).

For the bonds issued in 2023, the respective market prices on the reporting date are used as an indicator of fair value (Level 1). The fair values disclosed for the remaining 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 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. Subsequent to the acquisition of additional 25 % of the shares in the latter entity in fiscal 2023 (see Note 22), the liability for the remaining shares, which depends on sales revenue in the years 2023 to 2025 and is due in 2026, amounts to €78.9 million on the reporting date. 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 €4.2 million (decrease of approximately €3.8 million). The liability for the acquisition of the non-controlling interest in ALS Automated Lab Solutions GmbH, which depends on sales revenue in 2025 and is also due in 2026, amounts to €17.1 million on the reporting date. 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 €1.5 million (decrease of approximately €1.3 million).

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 €	2023	2022
Financial assets at amortized cost	1.3	19.3
Financial assets and liabilities at fair value through profit or loss	70.9	151.3
Debt instruments at fair value through other comprehensive income	−20.1	−2.4
Equity instruments at fair value through other comprehensive income	−31.1	16.5
Financial liabilities at cost	−23.3	−16.2

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 and losses 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 €	2023	2022
Interest income	5.6	2.5
Interest expenses	−125.8	−27.7

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. 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 60% of its sales revenue is generated in foreign currencies and, of this amount, approximately three-quarters 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, the Group secures the right, and simultaneously creates the obligation, to buy or 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, 2022	Currency	Volume in millions	Maturity	Fair value in millions of €
Forward contract	USD	549.1	2023	−3.3
	USD	549.1		−3.3
Forward contract	JPY	6,690.0	2023	0.7
	JPY	450.0	2024	−0.1
	JPY	7,140.0		0.6
Forward contract	CHF	8.0	2023	0.0
	CHF	8.0		0.0
Forward contract	GBP	5.0	2023	−0.1
	GBP	5.0		−0.1
Forward contract	SEK	87.0	2023	−0.5
	SEK	87.0		−0.5

December 31, 2023	Currency	Volume in millions	Maturity	Fair value in millions of €
Forward contract	USD	411.1	2024	2.9
	USD	411.1		2.9
Forward contract	JPY	5,490.0	2024	1.5
	JPY	5,490.0		1.5
Forward contract	CHF	1.1	2024	0.0
	CHF	1.1		0.0
Forward contract	GBP	65.6	2024	0.5
	GBP	65.6		0.5
Forward contract	SEK	168.0	2024	0.3
	SEK	168.0		0.3
Forward contract	SGD	65.6	2024	−0.2
	SGD	65.6		−0.2
Forward contract	AUD	8.5	2024	−0.1
	AUD	8.5		−0.1

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, 2023	Dec. 31, 2022
Foreign currency exposure	1,143.2	1,100.4
Of which short positions	146.3	189.9

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, 2023	Dec. 31, 2022
Cash flow at risk	30.6	32.7

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, 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

Currency	Carrying amount (assets) Dec. 31, 2023 in millions of €	Carrying amount (liabilities) Dec. 31, 2023 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	8.0	-0.3	100%	7.6	7.6	411.1	193.6	217.5	1.10
SGD	0.3	-0.2	100%	0.2	0.2	65.6	33.2	32.4	1.46
CHF	0.0	0.0	100%	0.0	0.0	1.1	1.1	0.0	0.94
JPY	1.1	0.0	100%	1.1	1.1	5,490.0	3,120.0	2,370.0	146.77
GBP	0.2	-0.4	100%	-0.2	-0.2	65.6	32.7	32.9	0.88
SEK	0.4	0.0	100%	0.4	0.4	168.0	88.0	80.0	11.42
AUD	0.0	-0.1	100%	-0.1	-0.1	8.5	8.5	0.0	1.66

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

In September 2023, the Group issued long-term, unsecured, fixed-rate bonds with a total volume of €3 billion and maturities of 3, 6, 9 and 12 years (see Note 31) via Sartorius Finance B.V., which was founded for financing purposes. To hedge interest rate risk for the period until the bond issuance, the Group had entered into interest rate swaps for a bond volume of €1.8 billion. The derivatives were designated as hedging instruments for the interest rate risk in connection with the planned bond issuance in accordance with IFRS 9. The changes in the value of the derivatives were thus initially recognized in other comprehensive income and are reclassified to profit or loss over the life of the bonds. At the time of the bond issuance, an amount of €6.3 million was recognized in other comprehensive income. Ineffectiveness in the amount of €1.7 million was recognized in the financial result. In fiscal 2023, an amount of €0.4 million was reclassified from the hedging reserve to the financial result.

The entire Sartorius Group is generally financed through Sartorius AG and Sartorius Finance B.V., which use internal Group loans to ensure the financing of all Group companies. The Sartorius Group is exposed to interest rate risks, as some funds are taken out at variable interest rates. As of December 31, 2023, the Group predominantly obtained financing at fixed interest rates (approx. 85%), meaning that interest rate risk is currently of minor significance for the Group's net worth, financial position, and earnings. Except for the interest rate hedge described above, as in the prior year, no interest rate hedges are currently being used to hedge against increasing interest rates.

As of December 31, 2023, the volume of variable interest loans was around €601.3 million (prior year: €439 million). 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 -€3.3 million resulting from the variable interest loans (prior year: -€3.3 million). 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 €4.7 million (prior year: €0.9 million).

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, 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
Financial liabilities	3,195.3	3,432.4	1,038.2	1,806.5	587.7

In millions of €	Carrying amount Dec. 31, 2023	Cash flow Dec. 31, 2023	< 1 year	1 to 5 years	> 5 years
Loans and borrowings	5,164.2	6,522.3	449.1	2,692.4	3,380.8
Lease liabilities	147.2	192.4	40.2	85.8	66.4
Trade payables	306.5	306.5	306.5	0.0	0.0
Other liabilities (excluding derivatives)	166.5	168.1	52.8	104.8	10.5
Financial liabilities	5,784.4	7,189.4	848.7	2,883.0	3,457.7

The carrying amounts and cash flows for the derivatives are shown as follows:

In millions of €	Carrying amount Dec. 31, 2022	Cash flow Dec. 31, 2022	< 1 year	1 to 5 years	> 5 years
Gross fulfillment					
Forward contracts	11.4	11.4	11.3	0.1	0.0
Payment obligation			294.5	3.3	0.0
Payment claim			−283.2	−3.2	0.0
Derivatives	11.4	11.4	11.3	0.1	0.0

In millions of €	Carrying amount Dec. 31, 2023	Cash flow Dec. 31, 2023	< 1 year	1 to 5 years	> 5 years
Gross fulfillment					
Forward contracts	2.2	2.2	2.2	0.0	0.0
Payment obligation			247.2	0.0	0.0
Payment claim			–245.0	0.0	0.0
Derivatives	2.2	2.2	2.2	0.0	0.0

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. As of December 31, 2023, derivative financial assets amounted to €7.1 million (prior year: €8.1 million) and derivative financial liabilities amounted to €2.2 million (€11.4 million), which were subject to framework agreements. On a net basis, derivative financial assets would have amounted to €5.3 million (prior year: €1.9 million) and derivative financial liabilities would have amounted to €0.4 million (€5.1 million) on December 31, 2023.

The syndicated credit line amounting to €800 million at variable interest rates was not utilized as of December 31, 2023 (utilization prior year: €80 million). In addition, the Group had further bilateral credit lines at variable interest rates available until further notice amounting to around €470 million as of December 31, 2023 (prior year: €475 million). On the reporting date, no material amounts had been drawn under these credit lines (prior year: €100 million).

As of December 31, 2023, 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. No material collateral exists in relation to financial assets that are considered as credit-impaired on the reporting date.

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 as 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, 2023, and as of the previous reporting date on December 31, 2022:

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

Dec. 31, 2023 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	264.3	25.8	16.1	4.8	40.1	351.1
Gross carrying amount of contract assets	16.7	0.0	0.0	0.0	0.0	16.7
Impairment loss allowance	0.2	0.4	0.1	0.1	16.6	17.3

The impairments in the reporting period include those related to trade receivables measured at fair value through other comprehensive income, which amount to approximately €4.9 million (prior year: €4.1 million).

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 €	2023	2022
Valuation allowances at January 1	–15.6	–15.5
Net remeasurement of loss allowance recognized in profit or loss	–8.1	–7.6
Derecognition and consumption	1.1	1.4
Recoveries of amounts previously impaired	5.1	6.3
Currency effects	0.2	–0.1
Changes in scope of consolidation	–0.1	0.0
Valuation allowances at December 31	–17.3	–15.6

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, 2023, 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, 2023 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 December 31, 2023, 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. Furthermore, risks result from the volatility of the share price of BICO Group AB. The Group's investment in this Swedish stock-listed company is measured at fair value through other comprehensive income on the reporting date in the consolidated financial statements. 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 (see Note 42).

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 at 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 (2023) is planned for the first quarter of 2026 (2027). The number of virtual shares varies with the performance achieved over the four years preceding the payout period. Goals are defined for the dimensions organic sales growth, underlying EBITDA margin, and CO_2 emission intensity, which are equally weighted. The measurement of the share-based payment obligations is based on the performance achieved to date, assumptions about future performance in the remaining years until payment, and the current share price. The income from granting and measuring the virtual shares amounted to €0.2 million in fiscal 2023 (prior year: expense: €0.6 million). The fair value of the obligation on the reporting date of December 31, 2023 amounted to €0.4 million (prior year: €0.6 million) and 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, 2023 in millions of €	Fair value at year-end on Dec. 31, 2022 in millions of €	Paid out in millions of €
Tranche for fiscal 2019	5,413	0.0	1.5	1.5
Tranche for fiscal 2020	3,332	1.1	1.2	0.0
Tranche for fiscal 2021	2,084	0.6	0.7	0.0
Tranche for fiscal 2022	1,646	0.4	0.5	0.3
Tranche for fiscal 2023	3,374	1.0	0.0	0.0
	15,849	3.1	3.9	1.8

In fiscal 2023, income relating to granting and measuring phantom stock units amounted to €0.7 million (prior year: €0.3 million). 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.

The members of the Executive Board were each granted a supplementary compensation component, which provides for transferring shares of the company to them. 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 2023, an amount of €0.6 million (prior year: €1.3 million) was therefore recognized as an employee benefits expense resulting from the granting of shares. For further details on the phantom stocks and the share-based remuneration of the Executive Board members, 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, for the year ended December 31, 2023.

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, for the year ended December 31, 2023.

Material Events after the Reporting Date

On February 7, 2024, Sartorius AG completed the placement of 613,497 preference shares held by the company excluding the subscription rights of existing shareholders. The preference shares were placed at a price of €326.00 per share. Gross proceeds amount to approximately €200 million. The placement preference shares were issued exclusively to institutional investors in the course of a private placement through an accelerated bookbuild and will be fully entitled to dividends from January 1, 2023.

The net proceeds from the placement of treasury shares will accelerate the deleveraging of the Sartorius Group beyond a strong operating cash flow as well as strengthen the strategic flexibility of the company as a whole.

Independent of the above, Sartorius' French listed sub-group Sartorius Stedim Biotech S.A. also carried out a capital increase on February 7, 2024, where 5,150,215 new shares with a volume of approximately €1.2 billion were placed in the course of an accelerated bookbuild. Sartorius AG has participated in this capital increase by acquiring 1,716,739 new SSB shares with a total volume of approximately €400 million at a placement price of €233.00. After completion of the capital increase, Sartorius AG's stake in Sartorius Stedim Biotech S.A. will amount to approximately 71.5 % of the share capital.

Taking these measures into account, the Group anticipates a reduction of net debt by around €1 billion.

No other 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 relating to the German Corporate Governance Code prescribed by Section 161 of the German Stock Corporation Act (AktG) was submitted on December 7, 2023, and made available to the shareholders of Sartorius AG on the company's website at 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 Commerical Code (HGB).

Number of Employees

This table shows the average workforce employed during the fiscal year:

	2023	2022
Bioprocess Solutions	11,669	12,434
Lab Products & Services	3,340	3,272
Total	15,009	15,707

Auditors' Fee

In fiscal 2022 and 2023, the following fees were incurred by the Group for the auditors, KPMG AG:

In millions of €	2023	2022
Audits	1.2	1.0
Tax consultation services	0.0	0.0
Other attestation services	0.3	0.1
Other services	0.0	0.0
	1.4	1.2

The fees for statutory audits include the audit review fee of €0.2 million (prior year: €0.1 million) 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 €15.6 million were incurred and reported in the consolidated financial statements in the reporting year (prior year: €15.7 million). 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, among others, 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. The total remuneration of the Supervisory Board members was €1.6 million (prior year: €1.0 million); that of the Executive Board members amounted to €4.9 million (prior year: €5.9 million). The remuneration of former managing directors and members of the Executive Board and their surviving dependents was €0.5 million (prior year: €0.7 million). The pension obligations to former managing directors and members of the Executive Board and their surviving dependents totaled €9.8 million (prior year: €9.0 million). 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 €	2023	2022
Short-term benefits (excl. share-based remuneration)	3.0	3.7
Post-employment benefits	0.6	0.7
Other long-term benefits	0.7	0.7
Share-based payments	1.3	1.1
Total remuneration	5.6	6.3

Partial payments on multi-year variable remuneration of the Executive Board members:

In millions of €	2023	2022
Balance as of Jan. 1 of a fiscal year	0.8	0.6
Partial payments deducted	-0.4	-0.3
Partial payments effected	0.0	0.4
Balance as of Dec. 31 of a fiscal year	0.3	0.8

The total remuneration of the Supervisory Board members is as follows:

In millions of €	2023	2022
Short-term benefits (excl. share-based remuneration)	1.6	1.0
Post-employment benefits	0.0	0.0
Other long-term benefits	0.0	0.0
Share-based payments	0.0	0.0
Total remuneration	1.6	1.0

Proposal for Appropriation of Profit

The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting to appropriate the retained profit of €283,012,753.53 reported by Sartorius AG for the year ended December 31, 2023 for dividend payments in the amount of €50,743,967.58 (€0.73 per ordinary share, €0.74 per preference share):

	€
Payment of a dividend of €0.73 per ordinary share	24,987,482.44
Payment of a dividend of €0.74 per preference share	25,756,485.14
Unappropriated profit carried forward	232,268,785.95
	283,012,753.53

Göttingen, February 7, 2024

Sartorius Aktiengesellschaft

The Executive Board

Dr. Joachim Kreuzburg

Dr. René Fáber

Dr. Alexandra Gatzemeyer

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, 2023, 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, 2023 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, 2023.

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, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023 as well as of the results of its operations for the fiscal year from January 1 to December 31, 2023 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, 2023. 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.

Acquisition of Polyplus

The accounting policies as well as the assumptions made are disclosed in the notes to the consolidated financial statements in note 8. Information on the acquisition of the Polyplus Group can also be found in the notes to the consolidated financial statements in note 8.

THE FINANCIAL STATEMENT RISK

The Sartorius Group acquired PolygenX A SAS, Illkirch-Graffenstaden, France, for a purchase price of €2,226 million on July 18, 2023. Taking into account the acquired net assets in the amount of €523 million, the provisional purchase price allocation resulted in goodwill of €1,703 million. Among other things, technologies in the amount of €790 million and customer relationships in the amount of €48 million were recognized as separate components of acquired net assets in the provisional purchase price allocation.

In accordance with IFRS 3, the identifiable assets acquired and liabilities assumed are generally measured at their fair value at the time of acquisition. Sartorius consulted an external expert to identify and measure the identifiable assets acquired and liabilities assumed as part of the provisional purchase price allocation.

Identifying and measuring the assets acquired and liabilities assumed is a complex undertaking involving discretionary assumptions on the part of the Executive Board. The significant assumptions, particularly in relation to the intangible assets recognized separately as part of the provisional purchase price allocation, concern sales planning and the development of margins, the useful lives assumed for each asset, value erosion and the cost of capital.

OUR AUDIT APPROACH

With the support of our own valuation specialists, we assessed, among other aspects, the appropriateness of the significant assumptions and of the identification and valuation methods. To this end, we first obtained an understanding of the acquisition by questioning employees in the Finance Department and examining the relevant contracts.

We checked the total purchase price against the purchase agreement and payment records.

We evaluated the expertise, competence and objectivity of the independent expert entrusted by Sartorius with preparing the purchase price allocation. Using our knowledge of Polyplus' business model, we also examined the process used to identify the assets acquired and liabilities assumed to evaluate its consistency with the requirements of IFRS 3. We examined the valuation methods applied for consistency with accounting policies.

We discussed the expected development of sales and margins used in the provisional purchase price allocation with those responsible for planning. We discussed the parameters used in measuring the intangible assets with the independent expert and viewed the documentation on which they were based. We compared the assumptions and data underlying the cost of capital – particularly the risk-free interest rate, market risk premium and beta factor – with our own assumptions and with publicly available data.

To evaluate mathematical accuracy, we reproduced selected calculations using a risk-oriented approach. Finally, we assessed whether the disclosures in the notes with respect to the acquisition of Polyplus are complete and appropriate.

OUR CONCLUSION

The process used to identify and measure the assets acquired and liabilities assumed is appropriate and consistent with the applicable accounting policies. The significant assumptions and data are appropriate in the context of the provisional nature of the purchase price allocation. The presentation in the notes to the consolidated financial statements is complete and 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 non-financial group statement is included in the section of the same name in the group management report

- The corporate governance statement, 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

In accordance with our engagement, we performed a separate audit of the Non-financial Group Statement. With regard to the nature, scope and results of this audit, we refer to our audit report of February 8, 2024.

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 misappropriation 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 of 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 or 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: 04101aae5fd3bad37 dd2fe40561acb173dfd23b8a2a186d3d59f58452adbf1cb) 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, 2023 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 management standard: Requirements for Quality Management in Auditing Practice (IDW QMS 1 (09.2022)).

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 No. 1 of the German Commercial Code (HGB) and for the tagging of the consolidated financial statements in accordance with Section 328(1) sentence 4 No. 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 provided 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 the tagging of 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 29, 2023. We were engaged by the Supervisory Board on October 11, 2023. We have been the group auditor of Sartorius Aktiengesellschaft 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 and the issue of a comfort letter.

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.

Information on the Supplementary Audit

We have issued this audit report for the *consolidated financial statements* and *group management report* and for the electronic reproductions of the *consolidated financial statements* and *group management report*, submitted for audit for the first time in the file "sartoriusag.zip" SHA256-hash value: 04101aae5fd3bad37 dd2fe40561acb173dfd23b8a2a186d3d59f58452adbf1cb) and prepared for disclosure purposes, on the basis of our dutifully performed audit completed on February 8, 2024 and our supplementary audit completed on February 14, 2024, which related to the first-time submission of the ESEF documents.

German Public Auditor Responsible for the Engagement

Haiko Schmidt is the German Public Auditor (Wirtschaftsprüfer) responsible for conducting the audit.

Hanover, February 8, 2024/Limited to the review of the ESEF documents
mentioned in the note on the supplementary audit: February 14, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt	Hartke
(German Public Auditor)	(German Public Auditor)

Executive Board and Supervisory Board

During Fiscal 2023

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, Communications and Sustainability
Interim lead of Finance, Information Technology, Data Management, Corporate Sourcing until March 31, 2024
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

Dr. Alexandra Gatzemeyer
Ph.D. in Chemistry
Lab Products & Services Division
Born July 8, 1979
Resident of Bodenrode-Westhausen, Germany
Member since May 1, 2023
Appointed until April 30, 2026

Exited during Fiscal 2023:

Rainer Lehmann
Dipl.-Kaufmann (Graduate in Business Administration)
Finance, IT and Business Processes
Born March 2, 1975
Resident of Brightwaters, New York, USA
Member from March 1, 2017 until October 31, 2023

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 from January 1, 2019 until June 15, 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 Gleichen, 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
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
Resident of Nienburg/Weser, Germany

Committees of the Supervisory Board

Executive Task Committee

Dr. Lothar Kappich (Chairman)
Annette Becker
Prof. Dr. Klaus Rüdiger Trützschler
Manfred Zaffke

Audit Committee

Prof. Dr. Klaus Rüdiger Trützschler (Chairman)
Dr. Lothar Kappich
Dietmar Müller
Manfred Zaffke

Conciliation Committee

Dr. Lothar Kappich (Chairman)
Annette Becker
Prof. Dr. Klaus Rüdiger Trützschler
Manfred Zaffke

Nomination Committee

Dr. Lothar Kappich (Chairman)
Dr. Daniela Favoccia
Prof. Dr. Klaus Rüdiger Trützschler

Positions Held by the Members of the Executive Board during Fiscal 2023

Dr. Joachim Kreuzburg
Positions held within the Group:
On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.[1], France, Chairman

On the Supervisory Board of:

- Sartorius Corporate Administration GmbH, Germany, Chairman (since November 1, 2023)

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 (until December 31, 2023)

Dr. René Fáber
Positions held within the Group:
On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.[1], France (Directeur Général)

On the Supervisory Board of:

- Sartorius Stedim Biotech GmbH, Germany, Chairman

On the Beirat (Advisory Board) of:

Sartorius CellGenix GmbH, Germany, Chairman

1 publicly listed

On the Board of Directors of:

- Sartorius Stedim (Shanghai) Trading Co., Ltd., China
- Sartorius Stedim Biotech (Beijing) Co., Ltd., China, Vice Chairman (since July 25,2023)
- Albumedix Ltd., UK
- Sartorius Stedim BioOutsource Ltd., Scotland, UK (since December 18, 2023)
- Sartorius Korea Biotech LLC, South Korea
- Sartorius Korea Operations LLC, South Korea
- Sartorius Stedim Japan K.K., Japan (until March 26, 2023)
- Sartorius Stedim North America Inc., USA (since Novermber 1, 2023)

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

Dr. Alexandra Gatzemeyer[1]

Positions held within the Group:
On the Supervisory Board of:

- Sartorius Corporate Administration GmbH, Germany, Vice Chairwoman

On the Board of Directors of:

- Sartorius BioAnalytical Instruments, Inc., USA (since October 1, 2023)
- Sartorius Corporation, USA (since November 1, 2023)
- Sartorius Biohit Liquid Handling Oy, Finland (since October 1, 2023)
- Sartorius Scientific Instruments (Beijing) Co., Ltd., China, Vice Chairwoman (since July 25, 2023)
- Sartorius ForteBio (Shanghai) Co., Ltd., China (since May 10, 2023)
- Sartorius Lab (Shanghai) Trading Co., Ltd., China (since July 4, 2023)
- Sartorius (Shanghai) Trading Co., Ltd., China (since September 8. 2023)
- Sartorius Korea LLC, South Korea (since October 25, 2023)
- Biological Industries Israel Beit Haemek Ltd., Israel (until December 7, 2023)

On the Comité Exécutif (Executive Committee) of:

- Sartorius France S.A.S., France, Chairwoman

External positions:
None

1 The information on mandates relate to the period of membership of the Executive Board during Fiscal 2023.

Exited during Fiscal 2023:

Rainer Lehmann[1]
Positions held within the Group:
On the Supervisory Board of:

- Sartorius Corporate Administration GmbH, Germany, Chairman (since April 1, 2023)

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 DC BPS Americas, Inc., USA (since February 2, 2023)
- Sartorius DC LPS Americas, Inc., USA (since February 2, 2023)
- 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[2], Germany

John Gerard Mackay[1]

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 (until May 16, 2023)
- Sartorius ForteBio (Shanghai) Co., Ltd., China (until May 9, 2023)
- Sartorius (Shanghai) Trading Co., Ltd., China
- Sartorius Japan K.K., Japan (until March 22, 2023)
- Sartorius Korea LLC, South Korea

External positions:
On the Board of Directors of:

- BICO Group AB (publ)[1], Sweden (since May 11, 2023)

1 The information on mandates relate to the period of membership of the Executive Board during Fiscal 2023.
2 publicly listed

Positions Held by the Members of the Supervisory Board during Fiscal 2023

Dr. Lothar Kappich

Positions held within the Group:
On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A.[1], 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

Positions held within the Group:
None

External positions:
On the Verwaltungsrat (Administrative Board) of:

- BKK Technoform, Germany (since September 5, 2023)

Professor David Raymond Ebsworth, Ph.D.

Positions held within the Group:
None

External positions:
On the Board of Directors of:

- Verona Pharma plc[1], UK, Chairman
- Actimed Therapeutics Ltd., UK, Chairman
- Kyowa Kirin International plc, UK, Chairman
- Interpharma Investments Ltd., British Virgin Islands (until March 31, 2023)

On the Supervisory Board of:

- Synlab AG[1], Germany, Chairman

1 publicly listed

On the Verwaltungsrat (Administrative Board) of:

- Opterion Health AG, Switzerland, Chairman

Dr. Daniela Favoccia
None

Petra Kirchhoff
Positions held within the Group:
None

External positions:
On the Stock Exchange Council (Börsenrat) of:

- The Hanover Stock Exchange of Lower Saxony (Niedersächsiche 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
- Drägerwerk Verwaltungs AG, Germany (since May 5, 2023)
- Dräger Safety Verwaltungs AG, Germany (since May 5, 2023)

Hermann Jens Ritzau
None

Prof. Dr. Klaus Rüdiger Trützschler
Positions held within the Group:
None

1 publicly listed

External positions:
On the Supervisory Board of:

- Zwiesel Kristallglas AG, Germany, Chairman (until December 31, 2023)

On the Beirat (Advisory Board) of:

- Odenwald Faserplatten GmbH, Germany (until June 20, 2023)

Sabrina Wirth
Positions held within the Group:
None

External positions:
On the Beirat (Advisory Board) of:

- Investitions- und Förderbank Niedersachsen (NBank), Germany (since April 1, 2023)

Declaration of the Executive Board

We declare to the best of our knowledge that the consolidated financial statements for fiscal 2023 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, 2024

Sartorius Aktiengesellschaft

The Executive Board

Dr. Joachim Kreuzburg   Dr. René Fáber   Dr. Alexandra Gatzemeyer

Supplementary Information

05

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 Shareholders' Meeting	March 28, 2024
Payment of dividends[1]	April 4, 2024
Publication of first-quarter figures January - March 2024	April 18, 2024
Publication of first-half figures for January - June 2024	July 19, 2024
Publication of nine-month figures for January - September 2024	October 17, 2024
Publication of preliminary figures for fiscal 2024	January 2025
Annual press conference	February 2025
Annual Shareholders' Meeting	March 2025
Publication of first-quarter figures for 2025	April 2025

1 Subject to approval by the Annual Shareholders' Meeting

Contacts

Petra Kirchhoff
Head of Corporate Communications & IR
Phone: 0551.308.1686
petra.kirchhoff@sartorius.com

Petra Müller
Head of Investor Relations
Phone: 0551.308.3065
petra.mueller2@sartorius.com

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Sartorius AG
Otto-Brenner-Straße 20
37079 Göttingen Germany

Phone: +49.551.308.0
Fax: +49.551.308.3289

info@sartorius.com
www.sartorius.com

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