

Annual Financial Statements of BioNTech SE, Mainz, December 31, 2023

BIONTECH



Statements of Financial Position	<u>2</u>
Statements of Profit or Loss	<u>4</u>
Notes to the Separate Financial Statements	<u>5</u>
1 General Notes on the Annual Financial Statements	<u>5</u>
2 Notes on Accounting Policies	<u>5</u>
3 Notes to the Statements of Financial Position and the Statements of Profit or Loss	<u>8</u>
3.1 Intangible Assets and Property, Plant and Equipment	<u>8</u>
3.2 Financial Assets	<u>9</u>
3.3 Receivables, Other Assets and Securities	<u>12</u>
3.4 Cash on Hand and at Banks	<u>12</u>
3.5 Prepaid Expenses	<u>12</u>
3.6 Equity	<u>13</u>
3.7 Proposal for the Appropriation of Profit or Loss	<u>14</u>
3.8 Tax Provisions	<u>14</u>
3.9 Other Provisions	<u>14</u>
3.10 Liabilities	<u>14</u>
3.11 Deferred Income	<u>15</u>
3.12 Deferred Tax	<u>15</u>
3.13 Off-Statement of Financial Position Transactions and Other Financial Obligations	<u>15</u>
3.14 Revenues	<u>16</u>
3.15 Cost of Sales	<u>17</u>
3.16 Research and Development Expenses	<u>17</u>
3.17 Sales Expenses	<u>17</u>
3.18 General and Administrative Expenses	<u>17</u>
3.19 Other Operating Income	<u>17</u>
3.20 Other Operating Expenses	<u>18</u>
3.21 Finance Result	<u>18</u>
3.22 Other Notes to the Statements of Profit or Loss	<u>19</u>
3.23 Other Notes / Corporate Bodies	<u>20</u>
Statements of Changes in Fixed Assets	<u>35</u>

BioNTech SE, Mainz

Statements of Financial Position as of December 31, 2023

		December 31, 2023	December 31, 2022
Assets		in millions €	in millions €
A.	Fixed assets		
I.	Intangible assets		
1.	Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	650.8	59.8
2.	Goodwill	2.3	1.7
3.	Advanced payments	21.5	10.4
		674.6	71.9
II.	Property, plant and equipment		
1.	Land, land rights and buildings, including buildings on third-party land	42.0	35.4
2.	Other equipment, furniture and fixtures	52.4	30.2
3.	Advanced payments and construction in progress	42.1	34.3
		136.5	99.9
III.	Financial assets		
1.	Shares in affiliated companies	1,156.5	613.4
2.	Loans to affiliated companies	8.5	597.4
3.	Equity investments	47.0	66.7
4.	Securities classified as fixed assets	1,326.4	—
5.	Other loans	4.4	2.2
		2,542.8	1,279.7
		3,353.9	1,451.5
B.	Current assets		
I.	Inventories		
1.	Raw materials and supplies	1.1	0.7
2.	Advanced payments	0.1	—
		1.2	0.7
II.	Receivables and other assets		
1.	Trade receivables	1,163.6	5,585.4
2.	Receivables from affiliated companies	1,370.5	1,540.5
3.	Other assets	279.8	147.4
		2,813.9	7,273.3
III.	Other securities	4,662.6	—
IV.	Cash on hand and at banks	11,409.5	13,798.0
		18,887.2	21,072.0
C.	Prepaid expenses	216.3	63.5
		19,103.5	21,135.5
		22,457.4	22,587.0

Equity and liabilities		December 31, 2023 in millions €	December 31, 2022 in millions €
A.	Equity		
I.	Share capital	248.6	248.6
	Treasury shares	(10.8)	(5.3)
	Issued (share) capital	237.8	243.3
	Conditional capital: €85.8 million (previous year: €85.8 million)		
II.	Capital reserve	695.6	1,295.4
III.	Retained earnings	9,845.1	9,445.4
IV.	Accumulated profit	9,361.0	8,961.2
		20,139.5	19,945.3
B.	Provisions		
1.	Tax provisions	525.1	606.1
2.	Other provisions	571.7	923.3
		1,096.8	1,529.4
C.	Liabilities		
1.	Trade payables	254.2	57.2
2.	Liabilities to affiliated companies	485.8	389.6
3.	Other liabilities	93.4	651.6
	thereof for taxes: €18.1 million (previous year: €677.9 million)		
	thereof for social security: €1.6 million (previous year: €1.7 million)		
		833.4	1,098.4
D.	Deferred income	387.7	13.9
		22,457.4	22,587.0

		Years ended December 31,	
		2023	2022
	in millions €	in millions €	in millions €
1	Revenues	3,270.1	12,514.5
2	Cost of sales	(250.0)	(1,615.7)
3	Gross profit	3,020.1	10,898.8
4	Research and development expenses	(1,743.6)	(1,519.7)
5	Sales expenses	(29.4)	(29.1)
6	General and administrative expenses	(535.1)	(475.4)
7	Other operating income	299.5	1,041.3
	thereof income from currency translation: nil (previous year: €801.2 million)		
8	Other operating expenses	(315.6)	(717.1)
	thereof expenses from currency translation: €284.6 million (previous year: nil)		
		(2,324.2)	(1,700.0)
9	Income from profit transfer	184.6	2,863.3
	thereof from affiliated companies: expenses of €184.6 million (previous year: €2,856.6 million)		
10	Other interest and similar income	366.7	51.8
	thereof from affiliated companies: €40.0 million (previous year: €7.1 million)		
11	Income from other securities and loans classified as fixed financial assets	29.7	—
12	Expenses from loss transfer	(166.2)	(86.9)
13	Interest and similar expenses	(78.0)	(30.9)
	thereof to affiliated companies: €74.4 million (previous year: €19.1 million)		
		336.8	2,797.3
14	Income taxes	(233.2)	(3,370.1)
15	Profit after tax	799.5	8,626.0
16	Net income	799.5	8,626.0
17	Profit carryforward from the previous year	8,961.2	4,648.2
18	Allocations to retained earnings	(399.7)	(4,313.0)
19	Accumulated profit	9,361.0	8,961.2

Notes to the Separate Financial Statements

1 General Notes on the Annual Financial Statements

The annual financial statements of BioNTech SE, hereinafter also referred to as the “Company,” “BioNTech,” “we” or “us,” for the period from January 1 to December 31, 2023, have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

BioNTech SE is a European limited liability company incorporated and domiciled in Germany and is registered in the commercial register B of the Mainz Local Court under the number HRB 48720. American Depositary Shares (ADSs) representing BioNTech SE’s ordinary shares have been publicly traded on the Nasdaq Global Select Market since October 10, 2019. The registered office is located in Mainz, Germany (An der Goldgrube 12, 55131 Mainz).

The Mainz-based Company is a large corporation as defined by Section 267 para. 3 HGB. Thus the Company is subject to the requirements for large corporations.

The accompanying annual financial statements have been prepared on a going concern basis and in accordance with Section 242 et seq. and Section 264 et seq. HGB as well as in accordance with the relevant provisions of the AktG.

The separate financial statements are published in euros. Unless otherwise stated, the numbers are rounded to millions or thousands of euros. Accordingly, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that preceded them and figures presented in the explanatory notes may not add up to the rounded arithmetic aggregations. Rounding applied may differ from rounding published in different units in the previous years.

The statements of profit or loss have been prepared using the cost of sales method in accordance with Section 275 para. 3 HGB.

2 Notes on Accounting Policies

The following accounting policies were used to prepare the annual financial statements.

Purchased intangible assets with finite useful lives are recognized at cost and amortized on a straight-line basis over their estimated useful lives. If impairment is expected to be permanent, an impairment loss is recognized to reduce the value to the lower net realizable value.

Purchased goodwill is amortized over its estimated useful life of 15 years, reflecting the period over which purchased goodwill will create a benefit.

Depreciable items of property, plant and equipment are valued at acquisition cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected useful life. Advanced payments and construction in progress are valued at acquisition or production cost. Borrowing costs are not included in production cost. If impairment is expected to be permanent, an impairment loss is recognized to reduce the value to the lower net realizable value.

Low-value assets of up to €800 are fully expensed in the year of acquisition.

With regard to financial assets, shares in affiliated companies, equity investments and securities classified as fixed assets are recognized at acquisition cost, while loans are recognized at nominal value or – if permanent impairment is expected – at the lower net realizable value. Contingent consideration is only recognized as an increase in the carrying amount of the investment upon satisfaction of the respective condition.

Raw materials and supplies are recognized at the lower of acquisition cost or net realizable value.

Receivables and other assets are stated at nominal value. Securities classified as current assets are recognized at acquisition cost. Appropriate specific and general bad debt allowances provide for all foreseeable valuation risks.



Cash and cash equivalents are stated at nominal value. Money market funds reported under cash on hand are valued at the lower of nominal value or quoted or market value on the reporting date and may only have a term of less than three months at the acquisition date.

Expenses recorded before the reporting date which relate to a certain period after this date are posted under prepaid expenses.

When accounting for share-based payment awards, we distinguish between cash-settled and equity-settled transactions. For both instruments, the fair value is measured at grant date and then spread evenly as remuneration expense over the period in which the employees earn an unconditional entitlement to the instruments. Cash-settled awards are remeasured at fair value at each reporting date until the award is settled. For equity-settled transactions, the recognition of expenses leads to an increase in the capital reserve, whereas expenses recognized for cash-settled transactions give rise to a liability. If the Company can choose whether to settle the awards either in cash or by providing equity instruments, we account for them as equity-settled transactions, unless there is a present obligation to settle in cash or the transaction is settled in cash. Whenever we decide to settle in cash or there is a present obligation to settle in cash, any positive difference between the amount (to be) paid in cash and the fair value at grant date is recognized as an additional expense. In accordance with international accounting rules for share-based payment transactions between group companies, we do not only account for share-based payments to employees of BioNTech SE but also for commitments to employees of subsidiaries that are fulfilled by BioNTech SE. When these beneficiaries are not employees of BioNTech SE, the expenses are recognized in other operating expenses.

Treasury shares are deducted from share capital on the face of the statements of financial position at their nominal value. The difference between the nominal value and the acquisition cost of the acquired shares is offset against the capital reserve. Expenses from the acquisition of treasury shares are recognized in expenses in the current financial year.

Tax provisions and other provisions account for all identifiable risks, uncertain liabilities and onerous contracts. They are valued at the settlement value deemed necessary according to prudent business judgment. Future price and cost increases are factored in. Other provisions with residual terms of more than one year were discounted at the average interest rates of the last seven years for their respective residual term.

The assets which serve exclusively to fulfill the long-term obligations to employees from long-term accounts and which are protected against claims asserted by all other creditors (covering assets as defined by Section 246 para. 2 sentence 2 HGB) are measured at their fair value and offset against the related liabilities. The related expenses and income from discounting and from the assets to be offset are also offset.

Foreign exchange forward contracts are not recognized as hedges pursuant to Section 254 HGB. The foreign exchange forward contracts are valued using valuation techniques which employ the use of foreign exchange spot and forward rates. Contracts with a negative value as of the reporting date are accounted for under other provisions in the statements of financial position.

Liabilities are recognized at the settlement value.

Advanced payments received in connection with research and development collaborations are recognized as deferred income and released to profit or loss over the term of the contract.

If there are differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax base which are expected to reverse in future financial years, any resulting net tax charge is recognized as a deferred tax liability in the statements of financial position. Any resulting net tax benefit may be recognized as a deferred tax asset. Tax loss carryforwards are taken into account in the calculation of deferred tax assets to the extent that they are expected to be offset within the next five years. The resulting tax charge and benefit amounts are determined using the company-specific tax rates at the time the differences reverse and are not discounted. Deferred tax assets are offset against deferred tax liabilities and the option to recognize net deferred tax assets in excess of deferred tax liabilities was not exercised. Differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income in the statutory accounts and the tax bases of tax group subsidiaries are included to the extent that BioNTech SE expects future tax charges and benefits from the reversal of temporary or quasi-permanent differences.



Assets and liabilities denominated in foreign currencies are translated using the mean spot rate of exchange on the reporting date. If they have residual terms of more than one year, the realization principle (Section 252 para. 1 no. 4 clause 2 HGB) and the historical cost principle (Section 253 para. 1 sentence 1 HGB) are applied.

The “thereof” items presented in the statements of profit or loss include both realized and unrealized currency translation differences.

Revenues from the sale of goods are recognized when the significant opportunities and risks of ownership have been transferred to the buyer and the amount of revenues to be recognized can be measured reliably. Revenues from services are recognized when the service is rendered. No revenue is recognized when there are significant risks involving the receipt of the consideration or the possible return of goods. All other revenues are recognized net of sales deductions such as bonuses, discounts or rebates.

For our COVID-19 collaborations, revenues are recognized on the basis of our collaboration partners’ gross profit from COVID-19 vaccine sales generated in territories allocated to these partners based on marketing and distribution rights. Our territory comprises Germany and Turkey. In determining the revenues pursuant to these collaboration agreements, we are reliant on our collaboration partners for details and, to a certain extent, on estimates. As a result, the revenues pursuant to these collaboration agreements are subject to the risk that the amounts reported might differ from the actual amounts until our collaboration partners’ final results are available.

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs for which the grant is intended to compensate are expensed. Any prepayments are recognized as deferred income. As the costs in the case of grants for research and development projects are not usually incurred over time, prepayments from grants related to an expense item are recognized as other liabilities in the statements of financial position. When the grant relates to an asset, it is recognized as deferred income within the statements of financial position. Other operating income is subsequently recognized in profit or loss over the useful life of the underlying asset subject to funding.

Research and development expenses are expensed as incurred.

Based on the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) project to tackle tax avoidance, the OECD/G20 Inclusive Framework (an association of about 140 countries) decided to introduce a global minimum taxation for large companies and multinational groups (known as Pillar 2). The Global Anti-Base Erosion Rules are intended to ensure that large multinational groups pay a minimum level of tax on the income arising in each jurisdiction where they operate. In December 2021, the OECD published its OECD Model Rules, which serve as a draft bill for implementation into national domestic law, followed by guidelines and commentaries published in March 2022. In December 2022, the EU adopted a corresponding directive (EU 2022/2523) that obliges EU member states to transpose the rules into national domestic law. If the effective tax rate in any jurisdiction is below the minimum rate (15%), the Group may be subject to the top-up tax or a qualified domestic minimum top-up tax.

Several jurisdictions in which the Group operates have transposed the global minimum taxation rules into national domestic law. In addition, the Group is closely following the progress of the legislative process in each country in which the Group operates. As of the reporting date, the BEPS Pillar 2 regulations (MinBestRL UmsG) had already been transposed into German law (MinStG). In accordance with the regulations that have entered into force in Germany, the Group is obliged to file top-up tax information returns for affected entities, beginning in the 2024 financial year. The Group falls within the scope of these regulations. The Group carried out an analysis as of the reporting date to determine the fundamental impact and the jurisdictions in which the Group is exposed to possible effects in connection with a minimum tax.



Based on this analysis, no countries were identified in which the Group would be materially affected by a minimum tax. Consequently, the average effective tax rate would not have changed if the minimum tax legislation had already been in force on the reporting date. BioNTech applies the exception in Section 274 para. 3 HGB, according to which no deferred tax assets and liabilities in connection with the income taxes of the second pillar of the OECD are recognized and no disclosures are made.

3 Notes to the Statements of Financial Position and the Statements of Profit or Loss

3.1 Intangible Assets and Property, Plant and Equipment

The development of the individual fixed asset items, including amortization, depreciation and impairment for the financial year, is shown in the statements of changes in fixed assets. The statements of changes in fixed assets are attached to these notes.

In the 2023 financial year, there were additions of €651.8 million to purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets. They mainly include additions from the acquisition of licenses under license and collaboration agreements in the amount of €443.5 million and from the acquisition of intellectual property from affiliated companies in the amount of €190.4 million.

The additions to intangible assets under license and collaboration agreements resulted from payments made for the acquisition of licenses (of which €203.7 million from Duality Biologics (Suzhou) Co. Ltd., Shanghai, China, €125.2 million from OncoC4 Inc, Rockville, United States, €64.1 million from MediLink Therapeutics (Suzhou) Co. Ltd, Suzhou, China, and €50.6 million from Biotheus Inc, Zhuhai, China).

Fixed assets are amortized/depreciated on a straight-line basis over the following terms:

Amortization/depreciation period by type of	Useful life (years)
Intangible assets	
Patents, industrial rights	8 - 20
Licenses	3 - 10
Goodwill	15
Software	3 - 8
Property, plant and equipment	
Buildings	10 - 33
IT systems	3 - 5
IT hardware	1
Large laboratory equipment	8 - 10
Small laboratory equipment	3 - 5
Office fixtures and fittings	10 - 15

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3.2 Financial Assets

<i>(in millions €)</i>	As of January 1, 2023	Additions	Disposals	As of December 31, 2023
1. Shares in affiliated companies	613.4	543.1	—	1,156.5
2. Loans to affiliated companies	597.4	—	588.9	8.5
3. Equity investments	66.7	—	19.7	47.0
4. Securities classified as fixed assets	—	1,326.4	—	1,326.4
5. Other loans	2.2	2.2	—	4.4
Total	1,279.7	1,871.7	608.6	2,542.8

Additions to shares in affiliated companies of €543.1 million were recognized in the 2023 financial year. They mainly include €490.1 million relating to the shares in InstaDeep Ltd, London, United Kingdom, which resulted from the acquisition during the year. In addition, €44.9 million related to the shares in BioNTech BioNTainer Holding GmbH, Mainz, and New Technologies Re, Luxembourg, Luxembourg, which was attributable to capital increases. The shares in InstaDeep Ltd. and BioNTech USA Holding, LLC, Cambridge, United States (€398.7 million), accounted for the bulk of the total shares in affiliated companies of €1,156.5 million.

In the 2023 financial year, the loans of the subsidiaries were rolled over and newly concluded with a term of less than one year. Disposals of €588.9 million were recorded for legacy contracts for loans to affiliated companies. New contracts are reported as short-term receivables from affiliated companies.

In the 2023 financial year, we made our first long-term investments in various securities. The closing value of the additions in the financial year was €1,326.4 million.

The closing value of other loans amounted to €4.4 million.

In the financial year, the covering assets available to offset the long-term obligations to employees from long-term accounts consisted of fixed-term deposits whose acquisition cost amounted to €6.1 million as of December 31, 2023, which corresponds to the fair value (market value on the reporting date). The assets were offset by a settlement value of the related liabilities of €4.3 million. There was a positive effect of €0.1 million on the finance result.

Name / registered office		Shareholding	Net income/net loss for the year (in millions €) ⁽¹⁾	Equity (in millions €) ⁽¹⁾
BioNTech BioNTainer Holding GmbH, Mainz	(2)	100%	—	42.8
BioNTech Cell & Gene Therapies GmbH, Mainz	(2)	100%	—	9.8
BioNTech Delivery Technologies GmbH, Halle	(2)	100%	0.4	1.0
BioNTech Diagnostics GmbH, Mainz	(2)	100%	—	6.2
BioNTech Europe GmbH, Mainz	(2)	100%	8.3	7.2
BioNTech Idar-Oberstein Services GmbH, Idar-Oberstein	(2)	100%	—	0.9
BioNTech Individualized mRNA Manufacturing GmbH, Mainz	(2)	100%	—	0.1
BioNTech Innovation and Services Marburg GmbH, Marburg	(2)	100%	0.4	3.7
BioNTech Innovation GmbH, Mainz	(2)	100%	(0.3)	—
BioNTech Innovative Manufacturing Services GmbH, Idar-Oberstein	(2)	100%	5.7	17.8
BioNTech Manufacturing GmbH, Mainz	(2)	100%	33.5	33.6
BioNTech Manufacturing Marburg GmbH, Marburg	(2)	100%	(119.7)	(39.9)
BioNTech Real Estate Holding GmbH, Holzkirchen	(2)	100%	14.0	0.1
BioNTech Real Estate Verwaltungs GmbH, Holzkirchen		100%	(0.2)	(0.2)
InstaDeep DE GmbH, Berlin	(4)	100%	—	0.1
JPT Peptide Technologies GmbH, Berlin	(2)	100%	—	16.5
NT Security and Services GmbH, Mainz	(2)	100%	—	—
reSano GmbH, Mainz	(2)	100%	—	(0.8)
BioNTech Australia Pty Ltd, Melbourne, Australia		100%	(1.0)	(1.0)
BioNTech R&D (Austria) GmbH, Vienna, Austria		100%	(8.8)	21.5
BioNTech (Shanghai) Pharmaceuticals Co. Ltd., Shanghai, China		100%	(1.7)	0.4
InstaDeep France SAS, Paris, France	(4)	100%	0.4	2.1
Biopharma BioNTech Israel Ltd., Israel	(3)	100%	(0.2)	(0.2)
New Technologies Re, Luxembourg, Luxembourg	(3)	100%	0.7	15.7
InstaDeep Nigeria Ltd., Lagos, Nigeria	(4)	100%	—	—
BioNTech Rwanda Ltd., Kigali, Rwanda		100%	(1.0)	31.6
BioNTech Sénégal Suarl, Dakar, Senegal	(3)	100%	—	—
BioNTech Pharmaceuticals Asia Pacific Pte. Ltd., Singapore		100%	(5.3)	20.0
BioNTech Pharmaceuticals Spain S.L, Barcelona, Spain	(3)	100%	—	0.4
BioNTech Switzerland GmbH, Basel, Switzerland	(3)	100%	—	0.9
BioNTech Taiwan Co. Ltd, Taipei, Taiwan	(3)	100%	—	0.1
InstaDeep Tunisia SARL, Tunis, Tunisia	(4)	100%	0.1	0.7
BioNTech Turkey Tıbbi Ürünler Ve Klinik Araştırma Ticaret Anonim Şirketi, Istanbul, Turkey		100%	0.4	0.5
BioNTech UK Ltd., London, United Kingdom		100%	0.9	1.0
InstaDeep Ltd., London, United Kingdom	(4)	100%	(4.3)	69.5
BioNTech Research and Development, Inc., Cambridge, United States		100%	95.6	94.7
BioNTech USA Holding LLC, Cambridge, United States		100%	(0.5)	402.9
BioNTech US Inc., Cambridge, United States		100%	110.9	200.4
BioNTech Delivery Technologies (US) LLC, Cambridge, United States	(4)	100%	—	—
InstaDeep LLC, Dover, United States	(4)	100%	0.2	0.2



JPT Peptide Technologies Inc., Cambridge, United States		100%	0.1	1.4
Crescendo Biologics Ltd., Cambridge, United Kingdom	(5)	13.04%	(15.8)	44.9
Ryvü Therapeutics S.A., Krakow, Poland	(5)	8.29%	(17.9)	73.4

- (1) These figures are based on the local IFRS financial statements before consolidation and therefore do not show the company's contribution to the consolidated financial statements. Net income and equity amounts denominated in foreign currencies are translated using the exchange rates published by the German Central Bank (*Deutsche Bundesbank*).
- (2) Companies with which domination and profit and loss transfer agreements are in place.
- (3) Newly founded in the 2023 financial year.
- (4) Acquired in the 2023 financial year.
- (5) Net income for the 2022 financial year and equity as of December 31, 2022.

3.3 Receivables, Other Assets and Securities

(in millions €)	December 31, 2023	December 31, 2022
Trade receivables	1,163.6	5,585.4
Receivables from affiliated companies	1,370.5	1,540.5
Other assets	279.8	147.4
Total	2,813.9	7,273.3

Trade receivables decreased by €4,421.8 million from €5,585.4 million to €1,163.6 million as of December 31, 2023 and mainly related to the collaboration agreement with Pfizer Inc., New York, United States, as well as our revenues from direct COVID-19 vaccine sales to customers in our territories. The contractual settlement with Pfizer has a temporal offset of more than one calendar quarter. As Pfizer's financial quarter for subsidiaries outside the United States differs from ours, it creates an additional time lag between the recognition of revenues and the payment receipt. As of December 31, 2023, our trade receivables included, in addition to the profit share for the fourth quarter of 2023, trade receivables which related to the gross profit share for the third quarter of 2023. As in the previous year, trade receivables and other assets are due in up to one year.

Receivables from affiliated companies consisted of trade receivables of €660.9 million and other receivables of €709.6 million. Total receivables decreased by €170.0 million from €1,540.5 million to €1,370.5 million as of December 31, 2023. The decrease was mainly attributable to lower receivables under profit and loss transfer agreements. Receivables from affiliated companies due in more than one year amounted to €22.9 million (previous year: nil) and resulted from the share-based payment awards in 2021 and 2022.

Miscellaneous other assets mainly relate to advanced payments and tax prepayments. Other assets include accrued interest of €16.0 million not due to be legally accrued until after the reporting date.

In the 2023 financial year, we invested in short-term securities for the first time. The balance of other securities was €4,662.6 million as of the reporting date.

3.4 Cash on Hand and at Banks

As of the reporting date, cash and cash equivalents came to €11,409.5 million (previous year: €13,798.0 million) and comprised money market funds, reverse repurchase agreements and fixed-term deposits. The decrease compared to the previous year is mainly due to investments in securities, which are reported in the items securities classified as fixed assets and other securities.

3.5 Prepaid Expenses

Prepaid expenses increased by €152.8 million from €63.5 million in the previous year to €216.3 million. As of the reporting date, the item mainly comprised compensation payments of €151.1 million (previous year: nil) to our collaboration partner under the amended COVID-19 vaccine purchase agreement with the European Commission for the German market. Prepaid expenses for our collaborations amounted to €22.5 million (previous year: nil) for OncoC4 Inc.,

Rockville, United States, €15.7 million (previous year: €19.7 million) for Ryvu Therapeutics S.A., Krakow, Poland, and €5.1 million (previous year: €9.4 million) for Medigene Immunotherapies GmbH, Planegg/Martinsried.

3.6 Equity

As of December 31, 2023, our share capital comprised 248,552,200 (previous year: 248,552,200) voting bearer shares, of which 10,826,465 (previous year: 5,337,031) were held as treasury shares. The par value of our shares is €1.00 and each confers one voting right at the Annual General Meeting.

In March 2022, our Management Board and Supervisory Board authorized a share repurchase program of ADSs, pursuant to which we may repurchase ADSs in the amount of up to \$1.5 billion over the next two years. On May 2, 2022, the first tranche of our share repurchase program of ADSs, with a value of up to \$1.0 billion, commenced. In November 2022, our Management Board and Supervisory Board authorized the second tranche of our share repurchase program of ADSs, with a value of up to \$0.5 billion, commencing on December 7, 2022. In March 2023, our Management Board and Supervisory Board authorized the 2023 share repurchase program, under which we were permitted to purchase ADSs, each representing one ordinary share, with a value of up to \$0.5 billion, which started June 2, 2023 and concluded on September 18, 2023. During the year ended December 31, 2023, 6,868,136 ADSs were repurchased at an average price of \$116.78 (€107.53), for total consideration of \$802.1 million (€738.5 million).

Treasury shares

Treasury shares developed as follows in the 2023 financial year:

(in units)

As of January 1, 2023	5,337,031
Shares repurchased	6,868,136
Treasury shares used for business combinations	(1,050,569)
Settlement of share-based payment transactions	(328,133)
As of December 31, 2023	10,826,465

Capital reserve

The capital reserve developed as follows in the 2023 financial year:

(in millions €)

As of January 1, 2023	1,295.4
Change due to share repurchases	(731.6)
Change due to business combinations	102.6
Change due to share-based payment transactions	29.2
As of December 31, 2023	695.6

Retained earnings

Retained earnings developed as follows in the 2023 financial year:

(in millions €)

As of January 1, 2023	9,445.4
Allocations to retained earnings in the financial year	399.7
As of December 31, 2023	9,845.1

Accumulated profit

Accumulated profit includes a profit carryforward of €8,961.2 million.

3.7 Proposal for the Appropriation of Profit or Loss 2023

BioNTech SE's net income for the 2023 financial year amounted to €799.5 million. Pursuant to Section 58 para. 2 AktG, 50% of the net income can be allocated to other retained earnings. Allocations to the legal reserve and loss carryforwards are deducted before calculating the share of net income to be transferred to retained earnings pursuant to Section 58 para. 1 sentence 3 AktG. An amount of €399.7 million was allocated to other retained earnings.

3.8 Tax Provisions

As of the reporting date, tax provisions amounted to €525.1 million (previous year: €606.1 million). They mainly include provisions for corporate income tax as well as solidarity surcharge of €286.1 million (previous year: €221.8 million) and trade tax of €239.0 million (previous year: €276.0 million) for the 2021 and 2022 financial years. For the 2023 financial year, there is a receivable of €178.4 million.

Tax prepayments totaling €321.2 million have already been made for the 2023 financial year. They chiefly include prepayments of corporate income tax and the solidarity surcharge on the corporate income tax of €186.2 million as well as prepayments of trade tax of €135.0 million.

Overall, current tax expenses for the 2023 financial year amounted to €233.2 million (previous year: €3,370.1 million).

3.9 Other Provisions

(in millions €)	December 31, 2023	December 31, 2022
Provisions for outstanding invoices	418.3	676.4
Provisions for contractual disputes	118.2	88.9
Inventor remuneration	10.7	35.9
Miscellaneous provisions	24.5	122.1
Total	571.7	923.3

Provisions for outstanding invoices relate to purchased services that were uncertain as of the reporting date, as was their amount. They mainly included obligations derived from license agreements which are being incurred with respect to our COVID-19 vaccine sales in our and the collaboration partners' territories where we and our partners are using third-party intellectual property. Provisions for outstanding invoices also include obligations from cost-sharing agreements with collaboration partners.

The provisions for contractual disputes cover such disputes in connection with potential obligations.

Provisions for inventor remuneration, which represents compensation for service inventions by employees related to our COVID-19 vaccine development, were recognized as of December 31, 2023 based on our revenues.

3.10 Liabilities

	December 31, 2023	December 31, 2022
<i>(in millions €)</i>		
Trade payables	254.2	57.2
Liabilities to affiliated companies	485.8	389.6
Other liabilities	93.4	651.6
Liabilities from wage taxes and social security expenses	18.1	622.9
Other miscellaneous liabilities	75.3	28.7
Total	833.4	1,098.4

Liabilities to affiliated companies comprised trade payables of €375.7 million and other liabilities of €110.1 million and were mainly affected by loss transfers. Liabilities due in more than one year amounted to €5.5 million and resulted from share-based payments for subsidiaries.

Other liabilities primarily related to a purchase price obligation of €50.6 million under a collaboration agreement, liabilities from wage taxes and social security expenses in connection with obligations that became due upon settlement of our share-based payment programs for the respective employees and Management Board members as well as grants related to an expense item of €4.9 million.

3.11 Deferred Income

Deferred income mainly includes the compensation payments in connection with the amended COVID-19 vaccine purchase agreement with the European Commission and the deferred upfront fees from collaborations.

3.12 Deferred Tax

Differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income as well as deferred tax assets in connection with our Employee Stock Ownership Plans in the statutory accounts and their tax bases resulted in net deferred tax assets of €162.8 million (previous year: €274.4 million). The Company made use of the option afforded by Section 274 para. 1 sentence 2 HGB and did not recognize these net deferred tax assets. Other deferred tax assets arose from different carrying amounts of receivables denominated in foreign currency (U.S. dollars) that mainly resulted from our COVID-19 collaboration with Pfizer. They include deferred tax assets of €1.8 million (previous year: €4.4 million) of tax group subsidiaries.

Deferred taxes were calculated using an overall tax rate of 27.1% for corporate income tax, trade tax and the solidarity surcharge.

3.13 Off-Statement of Financial Position Transactions and Other Financial Obligations

Contingent liabilities relate to potential future events whose occurrence would give rise to an obligation. As of the reporting date, contingent liabilities from guarantees amounted to €642.8 million. The risk of claims is considered to be low due to the central management of the subsidiaries, taking into account the Group's good financial position.

Other financial obligations include the following rental and lease obligations:

<i>(in millions €)</i>	Less than 1 year	1 to 5 years	More than 5 years
Rental agreements	8.5	28.1	7.2

Rental and lease agreements offer the benefit of optimizing liquidity. There are no identifiable significant risks. The aforementioned transactions include expenses from rental agreements with ATHOS KG, Holzkirchen, Germany, or with entities controlled by them.



There are also other financial obligations in connection with the purchase of property, plant and equipment and intangible assets:

<i>(in millions €)</i>	Less than 1 year	1 to 5 years	More than 5 years
Commitments under purchase agreements for property, plant and equipment	152.5	1.9	—
Contractual obligation to acquire intangible assets	249.4	954.9	516.8
Total	401.9	956.8	516.8

The financial obligations in connection with the purchase of intangible assets arise from the license and collaboration agreements concluded and the resulting obligations to make milestone payments to the collaboration partner as well as the contractual obligation under purchase agreements for property, plant and equipment. Provided that all of the contractually agreed milestones are achieved, the Company would be obligated to pay up to €1,875.5 million as of December 31, 2023.

3.14 Revenues

(in millions €)	Years ended December 31,	
	2023	2022
Commercial revenues	3,116.5	12,349.9
Revenues from affiliated companies	140.9	105.0
Research and development revenues from collaborations	12.7	59.6
Total	3,270.1	12,514.5

The external revenues include commercial revenues comprising our gross profit share from our collaboration partners as well as research and development revenues from collaborations.

From the year ended December 31, 2022 to the year ended December 31, 2023, commercial revenues decreased by €9,233.4 million from €12,349.9 million to €3,116.5 million and included our share of gross profit from sales by our collaboration partners in territories allocated to them based on marketing and distribution rights. The decrease in commercial revenues was due to lower demand for our COVID-19 vaccine.

Revenues from affiliated companies primarily relate to income from the provision of administrative services for the subsidiaries.

During the 2023 financial year, based on the geographic region in which our customers and collaboration partners are located we mainly recognized revenues in the United States (€2,993.8 million) and other countries (€276.3 million). In the previous year, the most important geographic region was the United States (€12,322.9 million) and other countries (€191.6 million).

3.15 Cost of Sales

From the year ended December 31, 2022 to the year ended December 31, 2023, cost of sales decreased by €1,365.7 million from €1,615.7 million to €250.0 million. Cost of sales primarily includes the share of our gross profit that Pfizer receives as a collaboration partner based on our sales. In addition, sales-related licensing costs for third-party intellectual property contribute to the cost of sales.

3.16 Research and Development Expenses

From the year ended December 31, 2022 to the year ended December 31, 2023, research and development expenses increased by €223.9 million from €1,519.7 million to €1,743.6 million, mainly due to progressing clinical studies for our pipeline candidates as well as our newly acquired product candidates and the development of variant-adapted COVID-19 vaccines. The increase was further driven by an increase in wages, benefits and social security expenses resulting from a significant increase in headcount.

3.17 Sales Expenses

From the year ended December 31, 2022 to the year ended December 31, 2023, sales expenses increased by €0.3 million from €29.1 million to €29.4 million, mainly due to increased expenses for setup and enhancement of the commercial IT platform and an increase in wages, benefits and social security expenses resulting from an increase in headcount.

3.18 General and Administrative Expenses

From the year ended December 31, 2022 to the year ended December 31, 2023, our general and administrative expenses increased by €59.7 million from €475.4 million to €535.1 million, mainly due to increased expenses for IT services as well as wages, benefits and social security expenses resulting from an increase in headcount.

3.19 Other Operating Income

(in millions €)	Years ended December 31,	
	2023	2022
Income from foreign exchange forward contracts	259.2	—
Miscellaneous other operating income	40.3	240.1
Foreign exchange differences, net	—	801.2
Total	299.5	1,041.3

During the year ended December 31, 2023, other operating income decreased compared to the year ended December 31, 2022 by €741.8 million from €1,041.3 million to €299.5 million. In the 2023 financial year, other operating income mainly comprised income from foreign exchange forward contracts of €259.2 million. Out-of-period income amounted to €17.5 million and primarily included reversals of provisions.

3.20 Other Operating Expenses

(in millions €)	Years ended December 31,	
	2023	2022
Foreign exchange differences, net	284.6	—
Miscellaneous other operating expenses	31.0	154.2
Expenses from foreign exchange forward contracts	—	562.9
Total	315.6	717.1

During the year ended December 31, 2023, other operating expenses decreased compared to the year ended December 31, 2022 by €401.5 million from €717.1 million to €315.6 million. In the 2023 financial year, other operating expenses mainly comprised foreign exchange losses of €284.6 million. Out-of-period expenses amounted to €1.2 million and primarily included insurance premiums of the previous year.

3.21 Finance Result

The finance result, comprising the effects of profit transfer and interest income and expenses, developed as follows in the 2023 financial year:

(in millions €)	Years ended December 31,	
	2023	2022
Investment result	18.4	2,776.4
Income from profit transfer	184.6	2,863.3
Expenses from loss transfer	(166.2)	(86.9)
Interest result	318.4	20.9
Other interest and similar income	366.7	51.8
<i>thereof from affiliated companies</i>	40.0	7.1
Other interest and similar expenses	(78.0)	(30.9)
<i>thereof to affiliated companies</i>	(74.4)	(19.1)
Income from securities	29.7	—
Total	336.8	2,797.3

3.22 Other Notes to the Statements of Profit or Loss

3.22.1 Cost of Materials

(in millions €)	Years ended December 31,	
	2023	2022
Cost of purchased services	1,269.6	997.8
Cost of raw materials and supplies and of purchased merchandise	37.7	17.1
Total	1,307.3	1,014.9

Cost of materials increased by €292.4 million from €1,014.9 million during the 2022 financial year to €1,307.3 million during the 2023 financial year, mainly due to an increase in purchased services which we incurred in connection with progressing our COVID-19 vaccine commercial activities.

3.22.2 Personnel Expenses

(in millions €)	Years ended December 31,	
	2023	2022
Wages and salaries	288.3	301.6
Wage taxes, social security, pension and other benefit costs	40.0	591.8
<i>thereof for old-age pensions</i>	0.4	0.4
Total	328.3	893.4

Personnel expenses decreased by €565.1 million from €893.4 million during the 2022 financial year to €328.3 million during the 2023 financial year. The decrease was primarily driven by expenses from the remittance of wage taxes and social security expenses from the exercise of our share-based payments in the previous year, which exceeded the increase in personnel expenses due to the increase in headcount this year.

3.23 Other Notes / Corporate Bodies

3.23.1 Supervisory Board

During the 2023 financial year, the following persons were members of the Supervisory Board:

Name (function)	Age	Term expires	Principal occupation (other relevant mandates)
Helmut Jeggle (Chair of the Supervisory Board)	53	2026	Managing partner and entrepreneurial venture capital investor of Salvia GmbH (Supervisory Board member 4SC AG, AiCuris AG, APK AG and Tonies SE)
Ulrich Wandschneider, Ph.D. (Deputy Chair of the Supervisory Board)	62	2027	Managing director of beebusy capital GmbH and independent consultant to companies in the life science and healthcare sector
Baroness Nicola Blackwood ⁽¹⁾	44	2027	Managing Director and Chair of Oxford University Innovations Limited (Equity Partner, ReCode Health Ventures LLC, Trustee and Director of the Alan Turing Institute, Chair of the Advisory Board of Genomics England Limited)
Prof. Christoph Huber, M.D. ⁽²⁾	79	2023	Professor emeritus at the Johannes Gutenberg University Mainz (Deputy Chair of the Supervisory Board Tirol Kliniken GmbH)
Prof. Anja Morawietz, Ph.D.	46	2026	Certified Public Accountant and Management Consultant, Professor of External Accounting and General Business Administration at the Nuremberg University of Applied Sciences Georg Simon Ohm
Michael Motschmann	66	2027	Member of the Management Board and head of equity investments of MIG Capital AG (Supervisory Board member AFFiRiS AG, APK AG, HMW-Emissionshaus AG and HMW-Innovations AG)
Prof. Rudolf Staudigl, Ph.D.	69	2026	Independent consultant (Member of the Supervisory Board of TÜV Süd Aktiengesellschaft, member of the Supervisory Board of Groz-Beckert KG (Deputy Chair))

⁽¹⁾ Appointed effective as of May 25, 2023.

⁽²⁾ Member of the Supervisory Board until May 25, 2023.

3.23.2 Management Board

During the 2023 financial year, the following persons were members of the Management Board:

Name	Age	Term expires	Position (main responsibilities)
Prof. Ugur Sahin, M.D.	58	2026	Chief Executive Officer (Research and Development, Scientific Collaborations, Patent Filings, Quality Assurance and Project Management)
Jens Holstein	60	2025	Chief Financial Officer (Finance, Human Resources, Risk Management and Purchasing)
Sean Marett ⁽²⁾	59	2024	Chief Business Officer and Chief Commercial Officer (Marketing and Sales)
Sierk Poetting, Ph.D.	51	2026	Chief Operating Officer (Production, IT, Laboratories and Infrastructure, Sustainability and Internal Communications)
Ryan Richardson	44	2026	Chief Strategy Officer (Corporate Strategy, Capital Market Responsibility and Investor Relations)
James Ryan, Ph.D. ⁽¹⁾	48	2027	Chief Legal Officer (Legal, Business Development, Alliance Management and Intellectual Property)
Prof. Özlem Türeci, M.D.	57	2025	Chief Medical Officer (Clinical Development, Regulatory and Medical Affairs)

⁽¹⁾ Appointed effective as of September 1, 2023.

⁽²⁾ Sean Marett will retire as planned on June 30, 2024 and step down from BioNTech's Management Board. He will remain available to the Company as a specialist consultant until at least the end of 2024.

3.23.3 Total Supervisory Board and Management Board Remuneration

In the 2023 financial year, the remuneration paid to the members of the Supervisory Board of BioNTech SE amounted to €0.6 million (previous year: €0.5 million). The remuneration paid to the members of the Management Board of BioNTech SE amounted to €8.3 million in the 2023 financial year (previous year: €15.0 million).

(in millions €)	Years ended December 31,	
	2023	2022
Management Board	8.3	15.0
Fixed compensation	3.9	2.9
Short-term incentive – first installment	0.7	0.6
Short-term incentive – second installment ⁽¹⁾	1.0	0.7
Other performance-related variable compensation ⁽²⁾	0.8	0.1
Share-based payments (incl. long-term incentive) ⁽³⁾	1.9	10.7
Supervisory Board	0.6	0.5
Total compensation paid to key management personnel	8.9	15.5

⁽¹⁾ The fair value of the second installment of the short-term incentive compensation which has been classified as cash-settled share-based payment arrangement was determined pursuant to the regulations of IFRS 2 “Share-based Payments.” This table shows the pro-rata share of personnel expenses for the respective financial year that are recognized over the vesting period beginning as of the service commencement date (date when entering service agreements) until each separate determination date and are remeasured until settlement date.

⁽²⁾ Includes a one-time signing and retention cash payment agreed when renewing the service agreement with Sean Marett.

⁽³⁾ The fair value of the share-based payments was determined pursuant to the regulations of IFRS 2 “Share-based Payments.” This table shows the pro-rata share of personnel expenses resulting from stock-based compensation for the respective financial year. During the years ended December 31, 2023, 2022 and 2021, the amounts included expenses derived from a one-time signing bonus granted to Jens Holstein as of his appointment to the Management Board by awarding 4,246 phantom shares.

The members of the Management Board participated in our Employee Stock Ownership Plan, or ESOP. Of the 5,152,410 options granted to our Management Board under the ESOP 2018, 4,921,630 options were exercised during the year ended



December 31, 2022. The remaining 230,780 option rights were exercised by Sean Marett in May 2023. As of December 31, 2023, no further options issued to members of the Management Board are outstanding.

3.23.4 Share-Based Payments

As of December 31, 2023, we had the following share-based payment arrangements for Management Board members and our own employees as well as for employees of subsidiaries. Accordingly, we not only account for share-based payments to employees of BioNTech SE but also for commitments to employees of subsidiaries that are fulfilled by BioNTech SE. When these beneficiaries are not employees of BioNTech SE, the expenses are recognized in other operating expenses.

Overall, expenses resulting from share-based payment transactions in the 2023 financial year amounted to €43.2 million (previous year: €783.3 million).

BioNTech 2020 Employee Equity Plan for Employees Based Outside North America (Equity-Settled)

Description of Share-Based Payments

In December 2020, we approved the BioNTech 2020 Employee Equity Plan for employees based outside North America, or the European Plan. Under the European Plan, Restricted Stock Units, or RSUs, are offered to our employees.

Award agreements were entered as of the respective grant dates in February 2021 (LTI 2020 and LTI-plus program), January 2022 (LTI 2021 program) and December 2022 (LTI 2022 program). RSUs issued under the LTI 2020, LTI 2021 and LTI 2022 programs vest annually in equal installments over respective waiting periods of four years commencing in December 2020, December 2021 and December 2022, respectively. RSUs issued under the LTI-plus program vested annually in equal installments over the waiting period of two years, which elapsed in December 2022. Hence, during the year ended December 31, 2022, the LTI-plus awards were settled by transferring shares previously held in treasury. All programs were classified as equity-settled as we have the ability to determine the method of settlement.

Measurement of Fair Values

The fair values of the awards issued under the European Plan were based upon the price of our ADSs representing ordinary shares at the grant date.

Reconciliation of Outstanding Share Options

	LTI-plus program	LTI 2020 program	LTI 2021 program	LTI 2022 program
As of January 1, 2022	372,011	242,416	110,036	—
Forfeited / Modified	(7,932)	(7,111)	(5,428)	—
Granted / Allocated	—	—	—	396,110
Exercised ⁽¹⁾	(364,079)	—	—	—
As of December 31, 2022	—	235,305	104,608	396,110
As of January 1, 2023	—	235,305	104,608	396,110
Forfeited / Modified	—	(4,400)	(3,497)	(16,141)
As of December 31, 2023	—	230,905	101,111	379,969
<i>thereof vested</i>	—	175,523	51,905	96,466
<i>thereof unvested</i>	—	55,382	49,206	283,503

- (1) The closing price of an American Depositary Share of BioNTech on Nasdaq on December 15, 2022, the settlement date, converted from U.S. dollars to euros using the exchange rate published by the German Central Bank (*Deutsche Bundesbank*) on the same day was €171.40.

Inputs Used in Measurement of the Fair Values at Grant Dates

	LTI-plus program	LTI 2020 program	LTI 2021 program	LTI 2022 program
Weighted average fair value	87.60	92.21	203.22	165.03
Waiting period (in years)	2.0	4.0	4.0	4.0

Management Board Grant – Short-Term Incentive (Cash-Settled)

Management Board's service agreements also include a short-term incentive compensation component, which is an annual performance-related bonus for the years of their respective service periods.

50% of those yearly awards are paid out one year after the achievement of the performance targets for the respective bonus year has been determined subject to an adjustment relative to the performance of the price of the American Depositary Shares representing our ordinary shares during that year (second installment). The second installments represent cash-settled share-based payment arrangements. The fair values of the liabilities are recognized over the awards' vesting periods beginning when entering or renewing service agreements, i.e., the service commencement date, until each separate determination date and are remeasured until the settlement date. As of December 31, 2023, the liability related to these awards amounted to €2.1 million (€2.3 million as of December 31, 2022).

Management Board Grant – Long-Term Incentive (Partly Equity-Settled, Partly Cash-Settled)
Description of Share-Based Payments

Our Management Board's service agreements provide for long-term incentive compensation (Management Board Grant – LTI) through an annual grant of options to acquire BioNTech shares during their respective service periods. The options granted each year are subject to the terms and conditions of the respective authorizations of the Annual General Meeting creating our Employee Stock Ownership Plan (ESOP) and the applicable option agreements thereunder.

The options vest annually in equal installments over four years commencing on the first anniversary of the allocation date and are exercisable four years after the allocation date. The vested options can only be exercised if each of the following performance criteria has been achieved: (i) at the time of exercise, the current price is equal to or greater than the threshold amount (that is, the exercise price, provided that such amount increases by seven percentage points on each anniversary of the allocation date); (ii) at the time of exercise, the current price is at least equal to the target price (that is, (a) for the twelve-month period starting on the fourth anniversary of the allocation date, \$8.5 billion divided by the total number of the ordinary shares outstanding immediately following the initial public offering (other than ordinary shares owned by BioNTech), and (b) for each twelve-month period starting on the fifth or subsequent anniversary of the allocation date, 107% of the target share price applicable for the prior twelve-month period); and (iii) the closing price for the fifth trading day prior to the start of the relevant exercise window is higher than the exercise price by at least the same percentage by which the Nasdaq Biotechnology Index or a comparable successor index as of such time is higher than such index was as of the last trading day before the allocation date. Following the expiry of the waiting period, option rights may be exercised during the exercise windows as set out in the ESOP agreement. The option rights can be exercised up to ten years after the allocation date. If they have not been exercised by that date, they will be forfeited without compensation.

The right to receive options generally represents an equity-settled share-based payment arrangement. The allocation of the number of issued options in 2020 occurred in February 2020. In May 2021 and May 2022, the Management Board received phantom options equivalent to the number of options the Management Board members would have been entitled to receive for 2021 and 2022 were granted, which led to a modification from equity-settled to cash-settled share-based payment arrangement and a reclassification of €1.1 million and €3.3 million between equity and non-current other liabilities as of the respective allocation dates. During 2023, options were granted in May 2023.

Measurement of Fair Values

A Monte-Carlo simulation model has been used to measure the fair values at the (estimated) allocation dates of the Management Board Grant. This model incorporates the impact of the performance criteria regarding share price and index development described above. The parameters used for measuring the fair values as of the respective (estimated) allocation dates were as follows:

	Allocation date February 2020	Allocation date May 12, 2021⁽¹⁾	Allocation date May 17, 2021⁽¹⁾	Allocation date May 2022⁽¹⁾
Weighted average fair value	€10.83	€29.05	€27.64	€38.88
Weighted average share price	€28.20	€168.44	€179.46	€147.84
Exercise price ⁽²⁾	€28.32	€167.63	€169.08	€137.65
Expected volatility	36.6%	49.7%	49.7%	49.7%
Expected life (years)	4.8	4.6	4.6	5.8
Risk-free interest rate	1.6%	3.9%	3.9%	3.9%

⁽¹⁾ Classified as cash-settled share-based payment arrangement; all other share-based payment arrangements are classified as equity-settled.

⁽²⁾ The share options allocated as of February 2020 and May 2023 as well as the phantom share options allocated as of May 2021 and 2022 are subject to an effective exercise price cap.

	Allocation date May 2023	Estimated allocation date 2024	Estimated allocation date 2025	Estimated allocation date 2026
Weighted average fair value ⁽¹⁾	€46.29	€43.67	€39.97	€32.86
Weighted average share price ⁽¹⁾	€98.93	€95.51	€95.51	€95.51
Exercise price ⁽¹⁾	€105.42	€96.82	€99.74	€105.13
Expected volatility	47.2%	47.7%	43.0%	36.8%
Expected life (years) ⁽¹⁾	5.8	5.8	5.8	5.8
Risk-free interest rate	3.7%	3.9%	3.9%	3.9%

⁽¹⁾ Valuation parameter for estimated allocation dates derived from the Monte-Carlo simulation model.

For the awards with estimated allocation dates, the exercise prices of options expected to be allocated have been derived from the Monte-Carlo simulation model. Those will be adjusted until the actual allocation has occurred and the exercise price has ultimately been determined.

All options are subject to an effective exercise price cap, which means that the exercise price shall be adjusted to ensure that the current price of an ADS as of the exercise date does not exceed 800% of the exercise price. In addition, with respect to the LTI 2020 agreement, a value for the maximum cap mechanism may be determined by the Supervisory Board in the future. With respect to the phantom share options issued under the LTI 2021 and 2022 as well as the options issued under the LTI 2023 program, the maximum compensation that the Management Board members are entitled to receive under the programs, together with other compensation components received by each such board member in the respective grant year, shall not exceed €20.0 million for Ugur Sahin as Chief Executive Officer (CEO) and €10.0 million for all other Management Board members.

Expected volatility was based on an evaluation of the historical volatilities of comparable companies over the historical period commensurate with the expected option term. The expected term was based on general option holder behavior for employee options.

Reconciliation of Outstanding Share Options

The (phantom) share options allocated and expected to be allocated to our Management Board as of December 31, 2023, are presented in the table below.

	Allocation date February 2020	Allocation date May 12, 2021 ⁽¹⁾	Allocation date May 17, 2021 ⁽¹⁾	Allocation date May 2022 ⁽¹⁾
(Phantom) share options outstanding	248,096	45,279	6,463	86,118
<i>thereof allocated and vested but subject to performance and waiting requirements</i>	186,072	22,640	3,232	21,531
<i>thereof allocated and unvested</i>	62,024	22,639	3,231	64,587
Weighted average exercise price (€)	28.32	167.63	169.08	137.65

(1) Classified as cash-settled share-based payment arrangement; all other share-based payment arrangements are classified as equity-settled.

	Allocation date May 2023 ⁽¹⁾	Estimated allocation date 2024 ⁽¹⁾	Estimated allocation date 2025 ⁽¹⁾	Estimated allocation date 2026 ⁽¹⁾
Share options outstanding (expected to be allocated)	130,586	164,148	118,312	93,561
<i>thereof allocated and unvested</i>	130,586	—	—	—
Weighted average exercise price (€)	105.42	96.82	99.74	105.13

(1) Valuation parameter derived from the Monte-Carlo simulation model.

For the awards with estimated allocation dates, the numbers of options expected to be allocated have been derived from a Monte-Carlo simulation model. Those will be adjusted until the actual allocation has occurred and the number of options granted has ultimately been determined.

As of December 31, 2023, the share options allocated and expected to be allocated under our equity-settled share-based payment arrangements had a remaining weighted average expected life of 4.1 years (as of December 31, 2022: 4.0 years).

As of December 31, 2023, the liability related to the phantom option awards amounted to €3.6 million (€5.6 million as of December 31, 2022).

Chief Executive Officer Grant (Equity-Settled)

Description of Share-Based Payments

In September 2019, we granted Ugur Sahin an option to purchase 4.374.963 of our ordinary shares, subject to Ugur Sahin's continuous employment with us. The options' exercise price per share is the euro translation of the public offering price from our initial public offering, €13.60 (\$15.00) which is subject to the effective exercise price cap and the maximum cap mechanism. Under the exercise price cap the exercise price shall be adjusted to ensure that the current price of an ADS as of the exercise date does not exceed 800% of the exercise price. Under the maximum cap mechanism the maximum economic benefit receivable in respect of any exercised option is capped at \$240.00 with the effective exercise price being capped at a euro amount equivalent to \$30.00.

The options vest annually in equal installments after four years commencing on the first anniversary of the initial public offering and have a waiting period of four years after the initial public offering. The vested option rights can only be exercised if and to the extent that each of the following performance criteria has been achieved: (i) at the time of exercise, the current price is equal to or greater than the threshold amount (that is, the exercise price, provided that such amount increases by seven percentage points on each anniversary of the allocation date); (ii) at the time of exercise, the current price is at least equal to the target price (that is, (a) for the twelve-month period starting on the fourth anniversary of the allocation date, \$8.5 billion divided by the total number of the shares outstanding immediately following the initial public offering (other than shares owned by us), and (b) for each twelve-month period starting on the fifth or subsequent



anniversary of the allocation date, 107% of the target share price applicable for the prior twelve-month period); and (iii) the closing price for the fifth trading day prior to the start of the relevant exercise window is higher than the exercise price by at least the same percentage by which the Nasdaq Biotechnology Index or a comparable successor index as of such time is higher than such index was as of the last trading day before the allocation date. Following the expiry of the waiting period, option rights may be exercised during the exercise windows as defined by our ESOP. The option rights can be exercised up to ten years after the allocation date. If they have not been exercised by that date, they will be forfeited without compensation.

Measurement of Fair Values

A Monte-Carlo simulation model has been used to measure the fair value at the grant date of the Chief Executive Officer Grant. This model incorporates the impact of the performance criteria regarding share price and index development described above in the calculation of the award's fair value at the grant date. The inputs used in the measurement of the fair value at the grant date of the Chief Executive Officer Grant were as follows:

	Grant date October 9, 2019
Weighted average fair value	€5.63
Weighted average share price	€13.60
Exercise price	€13.60
Expected volatility	41.4%
Expected life (years)	5.4
Risk-free interest rate	1.5%

Expected volatility was based on an evaluation of the historical volatilities of comparable companies over the historical period commensurate with the expected term. The expected term was based on general option holder behavior for employee options.

Reconciliation of Outstanding Share Options

On October 9, 2023, with the final installment vesting, all 4,374,963 options became exercisable under the rules of the ESOP and the ESOP agreement. During the year ended December 31, 2023, no options were exercised.

As of December 31, 2023, the share options outstanding had a remaining weighted average expected life of 1.1 years (as of December 31, 2022: 2.1 years).

Employee Stock Ownership Plan (Partly Equity-Settled, Partly Cash-Settled)

Description of Share-Based Payments

Based on an authorization of the general meeting on August 18, 2017, we established a share option program under which we granted selected employees options to receive our shares. The program is designed as an Employee Stock Ownership Plan, or ESOP. We offered participants a certain number of option rights by their explicit acceptance of an option rights agreement. The exercise of option rights in accordance with the agreement gives the participants the right to obtain shares against payment of the exercise price. With respect to the Management Board members serving at the time of allocation, the options are subject to the effective exercise price cap and maximum cap mechanisms. Under the exercise price cap the exercise price shall be adjusted to ensure that the current price of an ADS as of the exercise date does not exceed 800% of the exercise price. Under the maximum cap mechanism the maximum economic benefit receivable in respect of any exercised option is capped at \$240 with the effective exercise price being capped at a euro amount equivalent to \$30.00. Under the ESOP, the option rights (other than Özlem Türeci's and Ryan Richardson's options) fully vest after four years and can be exercised if: (i) the waiting period of four years has elapsed; and (ii) at the time of exercise, the average closing price of the shares of the Company or the average closing price of the right or certificate to be converted into an amount per share on the previous ten trading days preceding the exercise of the option right exceeds the strike price by a minimum of 32%, with this percentage increasing by eight percentage points as of the fifth anniversary of the respective issue date and as of each subsequent anniversary date. Following the expiry of the waiting period, option rights may be exercised within a period of four weeks from the date of the Annual General Meeting or the publication of the

annual financial statements, the semi-annual report or our most recent quarterly report or interim report (exercise windows). The option rights can be exercised up to eight years after the allocation date. If they have not been exercised by that date, they will be forfeited without compensation.

By way of a shareholders' resolution of the general meeting on August 19, 2019, the authorization to issue such option rights was amended such that, in order for the options to be exercisable, the average closing price of the Company's shares or the average closing price of the right or certificate to be converted into an amount per share on the ten trading days immediately preceding the exercise must exceed the strike price by a minimum of 28%, with this percentage increasing by seven percentage points as of the fifth anniversary of the issue date and as of each subsequent anniversary date. Furthermore, in addition to the aforementioned requirements, the exercise is only possible if the share price (calculated by reference to the price of the ordinary share underlying the ADSs) has performed similar to or better than the Nasdaq Biotechnology Index. The changes made do not affect option rights already issued.

Measurement of Fair Values

The fair value of the ESOP has been measured using a binomial model. Service conditions attached to the arrangement were not taken into account in measuring the fair value.

The share options can only be exercised by the grantee if the price of the share is equal or greater to the threshold amount as defined in the arrangement. Moreover, the option rights can only be exercised if the IPO has occurred. Both conditions have been incorporated into the fair value at the grant date.

The inputs used in the measurement of the fair values at the grant date of the ESOP were as follows:

	Grant date November 15, 2018	Grant dates between February 21 and April 3, 2019	Grant dates between April 29 and May 31, 2019	Grant date December 1, 2019
Weighted average fair value	€7.41	€6.93	€7.04	€9.49
Weighted average share price	€14.40	€15.72	€16.03	€19.84
Exercise price ⁽¹⁾	€10.14	€15.03	€15.39	€15.82
Expected volatility	46%	46%	46%	46%
Expected life (years)	5.8	6.0	6.0	5.5
Risk-free interest rate	0.1%	0.1%	0.1%	0.1%

⁽¹⁾ With respect to the Management Board members appointed as such at the time the options were granted, the options are subject to the effective exercise price cap as well as the maximum cap mechanism.

Expected volatility has been based on an evaluation of the historical and the implied volatilities of comparable companies over the historical period commensurate with the expected term. The expected term has been based on general option holder behavior for employee options.

Reconciliation of Outstanding Share Options (Equity-Settled)

Set out below is an overview of changes to share options outstanding and number of ordinary shares underlying these options that occurred during the periods indicated:

	Share options outstanding	Number of ordinary shares underlying options	Weighted average exercise price (€) ⁽¹⁾
As of January 1, 2022	642,007	11,556,124	10.23
Modified ⁽²⁾	(1,040)	(18,720)	10.14
Exercised ⁽³⁾	(583,383)	(10,500,890)	10.14
As of December 31, 2022	57,584	1,036,514	11.10
As of January 1, 2023	57,584	1,036,514	11.10
Exercised ⁽³⁾	(39,785)	(716,121)	11.04
As of December 31, 2023	17,799	320,393	11.24
<i>thereof vested</i>	<i>17,799</i>	<i>320,393</i>	<i>11.24</i>
<i>thereof unvested</i>	<i>—</i>	<i>—</i>	<i>—</i>

⁽¹⁾ With respect to the Management Board members appointed as such at the time the options were granted, the options are subject to the effective exercise price cap as well as the maximum cap mechanism.

⁽²⁾ Rights have been modified to cash-settled rights, all other terms remained unchanged.

⁽³⁾ The average closing price of an American Depositary Share of BioNTech on Nasdaq weighted over the various dates immediately preceding the settlement dates, converted from U.S. dollars to euros using the exchange rate published by the German Central Bank (*Deutsche Bundesbank*) on the same days was €96.49 and €160.44 for all settlements during the years ended December 31, 2023 and 2022, respectively.

In September 2022, the Supervisory Board determined the ESOP settlement by the delivery of treasury shares (in the form of ADSs) equal to the net value of the exercised option rights after deduction of (i) the exercise price and (ii) the applicable wage taxes (including solidarity surcharge thereon and church tax, if applicable) and social security contributions resulting from such exercise. The settlement was applied during the exercise windows in 2022 and 2023. The applicable wage taxes (including solidarity surcharge thereon and church tax, if applicable) and social security contributions resulting from and withheld upon the exercise amounted to €724.0 million and were paid in January 2023 in cash directly to the respective authorities. The settlement mechanism decision did not change the rights as such, neither did it change the classification as equity-settled option rights.

As of December 31, 2023, the share options outstanding under our equity-settled share-based payment arrangements had a remaining weighted average expected life of 0.8 years (as of December 31, 2022: 1.8 years).

Development of Share Options (Cash-Settled)

Phantom options which were granted under the ESOP mainly during the year ended December 31, 2022 each give the participants the right to receive a cash payment equal to the difference between an exercise closing price (average closing price of an American Depositary Share of BioNTech on Nasdaq over the last ten trading days preceding the exercise date) and the exercise price. The majority of options have an exercise price of €10.14. During the years ended December 31, 2023, and 2022, 52,100 and 289,168 cash-settled phantom option rights were exercised and resulted in a cash outflow of €4.5 million and €42.2 million, respectively. The average closing prices (10-day averages) of an American Depositary Share of BioNTech on Nasdaq weighted over the various settlement dates converted from U.S. dollars to euros using the exchange rate published by the German Central Bank (*Deutsche Bundesbank*) on the same days was €96.25 and €155.39. As of December 31, 2023, 109,651 cash-settled option rights remained outstanding. As of December 31, 2023, the liability related to cash-settled share-based payment option rights amounted to €8.5 million (€14.5 million as of December 31, 2022), of which €8.3 million (€11.2 million as of December 31, 2022) related to rights already vested (partly subject to performance and waiting requirements). The liability is based on the fair value of the respective rights. The fair value is measured using a binomial model consistent with the grant date fair value measurement of the equity-based option rights described above, which is updated on every reporting date.

3.23.5 Auditor's Fees

The Company does not disclose the auditor's fees (Section 285 no. 17 HGB) as this information is stated in the consolidated financial statements prepared by BioNTech SE in which the Company is included.

3.23.6 Average Headcount in Accordance with Section 267 Para. 5 HGB

	Years ended December 31,	
	2023	2022
Scientific research and development	1,310	829
Support functions	921	583
Clinical research and development	436	229
Operations	220	110
Quality	193	130
Commercial and business development	86	55
Total	3,166	1,936

3.23.7 Related Parties

ATHOS KG, Holzkirchen, Germany is the sole shareholder of AT Impf GmbH, Munich, Germany, and beneficial owner of ordinary shares in BioNTech. ATHOS KG via AT Impf GmbH has de facto control over us based on its substantial shareholding, which practically enabled it to exercise the majority of voting rights to pass resolutions at our Annual General Meeting, or AGM. BioNTech SE prepares the consolidated financial statements for the smallest group of companies.

A number of key management personnel hold positions in other companies that result in them having control or significant influence over BioNTech SE. There were no transactions with key management personnel during the 2023 financial year.

However, there were business relationships with related parties controlled by ATHOS KG in the 2023 financial year. These business relationships mainly include rental and real estate management activities. The total amount of transactions with ATHOS KG or entities controlled by it was as follows for the periods indicated:

	Years ended December 31,	
(in millions €)	2023	2022
ATHOS KG, Holzkirchen	0.3	0.3
Total	0.3	0.3

The outstanding balances of transactions with ATHOS KG or entities controlled by them were as follows as of the periods indicated:

	December 31, 2023	December 31, 2022
(in millions €)		
ATHOS KG, Holzkirchen	0.4	—
Total	0.4	—

3.23.8 Disclosure of Authorized Capital Pursuant to Section 160 Para. 1 No. 4 AktG

By resolution adopted by the Annual General Meeting on June 22, 2021, the Management Board is authorized to increase share capital by a total of up to €122,657,313 by issuing up to 122,657,313 registered shares with no par value in return for cash or contributions in kind (Authorized Capital).

3.23.9 Notification Pursuant to Section 20 AktG

ATHOS KG, Holzkirchen, Germany is the sole shareholder of AT Impf GmbH, Munich, Germany, and beneficial owner of ordinary shares in BioNTech. ATHOS KG via AT Impf GmbH has de facto control over us based on its substantial shareholding, which practically enabled it to exercise the majority of voting rights to pass resolutions at our Annual General Meeting, or AGM. As of December 31, 2023 and December 31, 2022, AT Impf GmbH held 43.8% and 43.4%, respectively, of the shares in BioNTech SE.

3.23.10 Corporate Governance

The Declaration of Conformity pursuant to Section 161 para. 1 AktG, which, in accordance with the Code, is issued in connection with the Corporate Governance Declaration pursuant to Section 315d in conjunction with Section 289f HGB, was issued and included in the combined management report of BioNTech SE.

3.23.11 Events After the Reporting Period

On February 8, 2024, we and Autolus Therapeutics plc, or Autolus, a clinical-stage biopharmaceutical company developing next-generation programmed T cell therapies, announced a strategic collaboration aimed at advancing both companies' autologous CAR-T programs towards commercialization. We have entered into a license and option agreement and a securities purchase agreement under which we purchased \$200.0 million of Autolus' American Depositary Shares in a private placement. Under the terms of the license and option agreement, we made a \$50.0 million upfront payment in exchange for the right to receive royalties on net sales of Autolus' lead product obe-cel, co-commercialization options for Autolus' AUTO1/22 and AUTO6NG programs as well as an exclusive license and exclusive options to certain technologies owned by Autolus.

The Supervisory Board has appointed Annemarie Hanekamp to the Management Board as Chief Commercial Officer (CCO), effective as of July 1, 2024. She will take over the role from Sean Marett, who will retire as planned from the Management Board as of June 30, 2024.

BioNTech SE

Prof. Ugur Sahin, M.D.
Chief Executive Officer

Jens Holstein
Chief Financial Officer

Sean Marett
Chief Business Officer and Chief Commercial
Officer

Sierk Poetting, Ph.D.
Chief Operating Officer

Ryan Richardson
Chief Strategy Officer

James Ryan, Ph.D.
Chief Legal Officer

Prof. Özlem Türeci, M.D.
Chief Medical Officer

		Acquisition costs				
		January 1, 2023	Additions	Disposals	Reclassifications	December 31, 2023
		in millions €	in millions €	in millions €	in millions €	in millions €
I. Intangible assets						
1	Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	84.7	651.8	—	2.9	739.4
2	Goodwill	2.2	0.8	—	—	3.0
3	Advanced payments	10.4	14.6	1.7	(1.8)	21.5
		97.3	667.2	1.7	1.1	763.9
II. Property, plant and equipment						
1	Land, land rights and buildings, including buildings on third-party land	41.4	4.4	—	7.0	52.8
2	Other equipment, furniture and fixtures	52.8	30.2	0.6	8.9	91.3
3	Advanced payments and construction in progress	34.3	24.6	0.9	(15.9)	42.1
		128.5	59.2	1.5	—	186.2
III. Financial assets						
1	Shares in affiliated companies	613.4	543.1	—	—	1,156.5
2	Loans to affiliated companies	610.0	—	588.9	—	21.1
3	Equity investments	66.7	—	19.7	—	47.0
4	Securities classified as fixed assets	—	1,326.4	—	—	1,326.4
5	Other loans	2.2	2.2	—	—	4.4
		1,292.3	1,871.7	608.6	—	2,555.4
		1,518.1	2,598.1	611.8	1.1	3,505.5

		Accumulated amortization, depreciation and impairment				Carrying amounts	
		January 1, 2023 in millions €	Additions in millions €	Disposals in millions €	December 31, 2023 in millions €	December 31, 2023 in millions €	December 31, 2022 in millions €
I. Intangible assets							
1	Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	24.9	63.7	—	88.6	650.8	59.8
2	Goodwill	0.5	0.2	—	0.7	2.3	1.7
3	Advanced payments	—	—	—	—	21.5	10.4
		25.4	63.9	—	89.3	674.6	71.9
II. Property, plant and equipment							
1	Land, land rights and buildings, including buildings on third-party land	6.0	4.8	—	10.8	42.0	35.4
2	Other equipment, furniture and fixtures	22.6	16.6	0.3	38.9	52.4	30.2
3	Advanced payments and construction in progress	—	—	—	—	42.1	34.3
		28.6	21.4	0.3	49.7	136.5	99.9
III. Financial assets							
1	Shares in affiliated companies	—	—	—	—	1,156.5	613.4
2	Loans to affiliated companies	12.6	—	—	12.6	8.5	597.4
3	Equity investments	—	—	—	—	47.0	66.7
4	Securities classified as fixed assets	—	—	—	—	1,326.4	—
5	Other loans	—	—	—	—	4.4	2.2
		12.6	—	—	12.6	2,542.8	1,279.7
		66.6	85.3	0.3	151.6	3,353.9	1,451.5

Independent auditor's report

To BioNTech SE

Opinions

We have audited the annual financial statements of BioNTech SE, Mainz, which comprise the balance sheet as at 31. December 2023, and the income statement for the fiscal year from 1 January to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of BioNTech SE for the fiscal year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance declaration pursuant to Secs. 289f HGB [“Handelsgesetzbuch”: German Commercial Code] included in section 5 of the combined management report. In addition, we have not audited the content of the non-management report disclosures contained in sections 4.2.3 and 4.2.4 based on recommendation A.5 of the German Corporate Governance Code (GCGC 2022), nor the non-financial report contained in section 7 of the combined management report, which contains non-management report disclosures.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the fiscal year from 01 January to 31 December 2023 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the statement on corporate governance or on the sections 4.2.3, 4.2.4 and 7 of the combined management report referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB 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 annual financial statements and of the

management report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Other information

The Supervisory Board is responsible for the report of the Supervisory Board in the “Report of the Supervisory Board” section. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG [“Aktiengesetz”: German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration. In all other respects, the executive directors are responsible for the other information. The other information comprises the aforementioned corporate governance declaration and the sections 4.2.3, 4.2.4 and 7 of the management report. The other information also comprises parts to be included in the annual report, of which we received a version prior to issuing this auditor’s report, in particular:

- Sustainability report,
- Report of the Supervisory Board,
- Remuneration report,

but not the financial statements, not the management report disclosures whose content is audited and not our auditor’s report thereon.

Furthermore, the other information includes other components intended for the annual report which are expected to be made available to us after the audit opinion has been issued, in particular:

- the letter from the Executive Board to the shareholders,
- the multi-year overview of business development.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance 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 annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a 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 management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB 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 the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the 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 of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 Company'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 annual financial statements and in the 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information. 

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.