

- Convenience translation -

Corporate governance declaration of Biofrontera AG pursuant to Sections 289f, 315d HGB for the 2023 financial year

Dear Shareholders,

Corporate governance refers to the legal and factual framework for the management and supervision of a company. As a listed company, the company is obliged to issue a corporate governance statement in accordance with Sections 289f and 315d of the German Commercial Code (HGB), including the Group.

In accordance with Section 289f (1) HGB, the corporate governance statement must be included in the management report, where it forms a separate section. It can also be made publicly available on the company's website. In this case, a reference to the website must be included in the management report.

The company has made use of this option, i.e. this corporate governance statement has not been included in the management report for the 2023 financial year, but only the website where the corporate governance statement is publicly accessible has been included there.

I. Publication of the declaration of compliance in accordance with Sections 289 f (2) No. 1, 315d HGB

In December 2023, the Management Board and Supervisory Board issued the following declaration of compliance in accordance with Section 161 AktG:

Pursuant to Section 161 AktG, the Management Board and Supervisory Board of a listed company must issue an annual declaration on the extent to which the recommendations of the Government Commission on the German Corporate Governance Code have been and are being complied with. The wording of the declaration is published on the company's website at <https://www.biofrontera.com/de/investoren/corporate-governance>.

The following declaration refers to the version of the Code dated April 28, 2022, which was published on June 27, 2022.

The Executive Board and Supervisory Board of Biofrontera AG declare:

"1.) *Biofrontera AG has complied with the recommendations of the German Corporate Governance Code (the "Code") since the last declaration of conformity was issued in December 2022 (with amendment and re-publication in April 2023), with the following exceptions:*

Code recommendations A.5 (description of the main features of the control and risk management system and statement on the appropriateness and effectiveness of these systems in the management report)

The management report of Biofrontera AG complies with the legal requirements and describes the main features of the internal control system and the risk management system. However, it was decided not to comment on the appropriateness and effectiveness of these systems, as the Management Board and Supervisory Board have not identified any objections with regard to their appropriateness and effectiveness. An additional statement would further increase the scope of the management report without, in the opinion of the Management Board and Supervisory Board, providing any significant additional information.

Code recommendation F.2 (Publication of financial information during the year)

Due to organizational circumstances, financial reports, half-year reports and interim reports are published within the statutory deadlines and not earlier.

Code recommendation G.6 (ratio of LTI to STI)

The Supervisory Board is currently revising the existing remuneration system with regard to the long-term variable remuneration component and will submit the adjusted remuneration system to the Annual General Meeting for approval. In this respect, it has been agreed with the new Management Board member, Pilar de la Huerta Martinez, that she will receive a long-term variable remuneration component; however, no specific implementation has yet been agreed, meaning that the recommendation under G.6 has been deviated from in this respect and will continue to be deviated from, at least temporarily.

Code recommendation G.10 (predominantly share-based variable remuneration components)

The new member of the Management Board, Pilar de la Huerta Martinez, was not granted any variable remuneration components in the form of shares or share-based remuneration. There are also no plans to grant variable remuneration components in the form of shares or share-based remuneration under the existing Management Board service contract: In the opinion of the Supervisory Board, remuneration based on the performance of the company's share price is not required in order to encourage the Management

Board to ensure the long-term and sustainable development of the company. Due to the size of the company and the tasks with which the Management Board is currently confronted, the Supervisory Board believes that there are other components that are better suited to promoting the sustainable and long-term development of the company.

Insofar as a share-based remuneration component was granted in the past, the members of the Management Board were able to dispose of a portion of the long-term variable amounts granted before the expiry of four years. The Supervisory Board did not consider a waiting period of four years in relation to the total amount to be necessary in order to promote the sustainable and long-term development of the company.

2) *Biofrontera AG will not comply with the Code as a whole in future, without this meaning that the company's practice necessarily deviates from all of the Code's recommendations.*

In view of the size and market capitalization of the company, the application of the regulations is associated with an unreasonable amount of time and thus costs for the company that are disproportionate to the benefits. When deciding whether to apply or reject the Code, the Management Board and Supervisory Board have therefore decided not to follow the recommendations of the Code as a whole in future, taking into account appropriateness and cost-effectiveness.

Furthermore, the Executive Board and Supervisory Board are of the opinion that proper corporate governance is already ensured by compliance with the provisions of the German Stock Corporation Act on the management and supervision of the company."

Leverkusen, December 2023

For the Executive Board:

For the Supervisory Board:

Pilar de la Huerta Dr.

Jürgen Tielmann

This declaration of compliance in accordance with Section 161 AktG was amended and published again in April 2024.

The content is as follows:

Supplement to the 2023 declaration of compliance

Pursuant to Section 161 AktG, the Management Board and Supervisory Board of a listed company must issue an annual declaration on the extent to which the recommendations of the Government Commission on the German Corporate Governance Code have been and are complied with.

The wording of the most recent declaration issued in December 2023 is published on the company's website at <https://www.biofrontera.com/de/investoren/corporate-governance> ("Declaration of Conformity 2023").

In addition to the Declaration of Conformity 2023, the Management Board and Supervisory Board of Biofrontera AG declare the following

"Biofrontera AG deviated from recommendation A.5 of the German Corporate Governance Code (the "Code"), as amended, in the period from the submission of the 2022 Declaration of Conformity to the submission of the 2023 Declaration of Conformity in addition to the Declaration of Conformity submitted in December 2023 as follows.

Code recommendations A.5 (description of the main features of the control and risk management system and statement on the appropriateness and effectiveness of these systems in the management report)

The management report of Biofrontera AG complies with the statutory requirements and describes the main features of the accounting-related internal control system and the risk management system. However, it was decided not to describe the entire internal control system and to comment on the appropriateness and effectiveness of the internal control system and the risk management system, as the Management Board and Supervisory Board have not identified any objections regarding the appropriateness and effectiveness. An additional statement would further increase the scope of the management report without, in the opinion of the Executive Board and Supervisory Board, providing any significant additional information."

II. Further disclosures in accordance with Sections 289f (2), 315d HGB

General information on the management structure

The company has a two-tier management and supervisory structure with the Executive Board and Supervisory Board. The Management Board and Supervisory Board are committed to the interests of the shareholders and the good of the company. The Annual General Meeting is the third body of the company. Biofrontera AG is subject to the provisions of German stock corporation and capital market law as well as the provisions of the articles of association and the rules of procedure for the Management Board and Supervisory Board. The rules of procedure for the Management Board and Supervisory Board are published on the company's website at <https://www.biofrontera.com/de/investoren/corporate-governance>.

1. Availability of the remuneration report and auditor's report, remuneration system and remuneration resolution

The remuneration report for the last financial year and the auditor's report pursuant to Section 162 AktG, the applicable remuneration system pursuant to Section 87a (1) and (2) sentence 1 AktG and the most recent remuneration resolution pursuant to Section 113 (3) AktG are publicly available on the company's website at <https://www.biofrontera.com/de/investoren/corporate-governance>.

2. Information on corporate governance practices

At the heart of our management culture for the company and its subsidiaries are values that are anchored in statutory regulations as well as internal guidelines and organizational directives. Of particular importance in this regard are certifications and quality requirements in the manufacture and distribution of pharmacological products, compliance with which requires considerable effort. In addition, there is a common understanding among company management and employees to combine sustainable growth with economic success and at the same time to create added value for society through effective and well-tolerated pharmacological products. In order to achieve this goal, every employee should be aware of their contribution to the company's success and value creation and be able and allowed to take responsibility for results. Personal responsibility and initiative require knowledge of the content and strategic direction of the company. The company management therefore regularly informs employees about company goals, current business developments and the market and competitive environment. Clearly defined corporate structures, areas of responsibility and processes are also essential for efficient corporate management and cooperation. In conjunction with defined processes that are also subject to continuous optimization, such a structure enables management to be aligned with the company's objectives and the regular monitoring of target achievement.

The motivation and appreciation of the company's employees is also particularly important. This is because exceptional commitment, high productivity and efficiency can only be achieved in a working environment that is perceived as positive and where there is a high level of identification with the company and its goals. For this reason, the company promotes a balance between the expected, highly qualified and focused work performance in a dynamic market on the one hand and the necessities and needs of private life on the other. Due to its international orientation, it is essential to take appropriate account of the special features of the individual markets with their respective framework conditions, cultural characteristics and expectations, while at the same time maintaining the necessary homogeneity within the Group as a whole.

Compliance

The business activities of the Biofrontera Group must comply with the legal systems of various countries. The Biofrontera Group conducts its business responsibly and in compliance with the legal provisions and official regulations of the countries in which it operates. This applies in particular to sales activities in foreign markets, especially as the sale of medicinal products is subject to special requirements regarding the integrity of the players. Violations in this environment in particular can result in serious disadvantages.

The Biofrontera Group therefore expects its employees to behave in a legally and ethically impeccable manner in their day-to-

day business. Especially as a developer and manufacturer of pharmaceutical products, the highest level of integrity is essential to justify the trust of our partners and, above all, the patients treated with our products.

Employees are familiarized with the relevant codes of conduct and the legal and regulatory provisions in training sessions involving the responsible compliance officers. The core statements of the Biofrontera Group's compliance are adherence to antitrust regulations, integrity in business transactions, a commitment to product responsibility and sustainability, adherence to the quality management system established in the company and the avoidance or proper handling of conflicts of interest. Our employees have the opportunity and are encouraged to report any legal violations in the companies of the Biofrontera AG Group (also anonymously).

Details are set out in a Code of Conduct entitled "Behavior in Business: Integrity, Innovation, Respect and Responsibility", which all employees and executive bodies are required to observe. This Code of Conduct is publicly available on the company's website at <https://www.biofrontera.com/en/investors/corporate-governance>.

Given that Biofrontera AG's shares are listed on the stock exchange, ensuring market integrity is a key component of our compliance structure. This includes processes for the Group-wide identification of insider information and the legally compliant handling of such information, as well as informing our employees about their duties and obligations in this regard.

Sustainability

We strive for sustainable corporate development. We therefore regularly review our positioning with regard to the environment and social issues (environment, social, governance, "ESG"). Our main product, Ameluz®, is contract-manufactured in Switzerland. The most important ingredients, in particular the active ingredient used, are produced in the EU. As a supplier of pharmaceutical products, we and our production partners are subject to a large number of strict regulations and requirements. These also include environmental regulations. We therefore use manufacturers and suppliers who are committed to high ESG standards. The corresponding environmental protection and employment standards apply at all locations. The equal treatment of our employees regardless of origin, gender, religion or ideology, disability, age or sexual orientation is part of our corporate culture.

With the law implementing the Second Shareholder Rights Directive, the legislator has stipulated in Section 87 AktG that the remuneration structure for members of the Management Board must be geared towards the sustainable and long-term development of the company. In order to take account of the concept of sustainability in this respect as well, the remuneration regulations agreed with the members of the Management Board stipulate that assessment factors for variable remuneration components include financial and non-financial performance criteria, including criteria such as integrity, employee satisfaction and diversity as well as sustainability/environmental social governance (ESG) aspects.

3. Description of the working methods of the Management Board and Supervisory Board and the composition and working methods of their committees

Executive Board

The Management Board represents the company externally and manages it in accordance with the law, the articles of association and the rules of procedure for the Management Board.

The Management Board ensures appropriate risk management within the company and risk controlling. This is intended to identify developments that could jeopardize the continued existence of the company at an early stage. It develops the company's strategic direction, coordinates it with the Supervisory Board and ensures its implementation. The Management Board is responsible for ensuring compliance with legal provisions and internal company guidelines and works to ensure that these are observed by the Group companies (compliance).

The Management Board of Biofrontera AG currently consists of one member. If more than one member is appointed, the members of the Management Board are jointly responsible for the entire management of the company. Notwithstanding the overall responsibility of all members of the Management Board, the individual members manage the areas assigned to them on their own responsibility within the framework of Management Board resolutions.

The Supervisory Board has issued rules of procedure for the Management Board. Accordingly, the Executive Board as a whole decides on matters of fundamental importance and in other cases specified therein or by law. Unless unanimity is required by law, the Articles of Association or the rules of procedure, the Management Board passes resolutions by a simple majority of the votes cast. In the event of a tie, the Chairman has the casting vote. Measures and transactions of the Management Board of fundamental importance require the approval of the Supervisory Board in accordance with the rules of procedure of the Management Board.

The Supervisory Board appoints the members of the Management Board for a maximum of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted. This requires a new resolution by the Supervisory Board, which may be passed no earlier than one year before the expiry of the previous term of office.

In its rules of procedure, the Supervisory Board has set an age limit such that only persons who have not yet reached the statutory retirement age (currently 67) may be proposed by the Personnel Committee to the full Supervisory Board for appointment as a member of the Management Board.

The Supervisory Board concludes the service contracts with the members of the Management Board. When determining the total remuneration of the individual members of the Management Board (salary, profit sharing, expense allowances, insurance compensation, commissions, incentive-based remuneration commitments such as share options and fringe benefits of any kind), the Supervisory Board ensures that this is commensurate with the tasks and performance of the Management Board member and the situation of the company and does not exceed the usual remuneration without special reasons. In the case of listed companies, the remuneration structure should be geared towards sustainable and long-term corporate development. Variable remuneration components should therefore have a multi-year assessment basis; the Supervisory Board should agree a cap for extraordinary developments.

In accordance with the statutory provisions, the remuneration system for members of the Management Board adopted pursuant to Section 87a AktG was submitted to the Annual General Meeting in 2021.

In accordance with Section 120a para. 4 AktG, the Annual General Meeting of the listed company also resolves on the approval of the remuneration report for the past financial year prepared and audited in accordance with Section 162 AktG, unless a resolution can be dispensed with in accordance with Section 120a para. 5 AktG. A corresponding resolution was passed by the company's Annual General Meeting in 2023. The remuneration report and the report on the audit of the remuneration report shall be made available free of charge on the company's website for a period of ten years from the date specified in Section 162 para. 4 AktG.

The remuneration report for the past financial year, the auditor's report in accordance with Section 162 AktG and the applicable remuneration system in accordance with Section 87a AktG are available on the company's website at <https://www.biofrontera.com/en/investors/corporate-governance>. The other aforementioned documents relating to remuneration are also published there. The other aforementioned documents on remuneration to be published are also available there.

Further details on the working procedures of the Management Board can be found in the rules of procedure for the Management Board, which are publicly available at <https://www.biofrontera.com/de/investoren/corporate-governance>.

Supervisory Board

The Supervisory Board appoints the members of the Executive Board, advises the Executive Board on the management of the company and monitors its management of the company. In accordance with Sections 95, 96 (1), 101 (1) AktG in conjunction with the Articles of Association, the company's Supervisory Board is made up of six members, all of whom are elected by the Annual General Meeting. The members of the Supervisory Board are elected for the period until the end of the Annual General Meeting that resolves on their discharge for the fourth financial year after the start of their term of office, unless the Annual General Meeting determines a shorter term of office at the time of the election. The financial year in which the term of office begins is not included in this calculation. The Supervisory Board currently consists of six members, none of whom previously belonged to the company's Management Board.

The Supervisory Board elects a Chairman and at least one Deputy Chairman. The Chairman of the Supervisory Board organizes the work of the Board, convenes the meetings and chairs them. He is also the contact person for the Management Board, in particular for reports on important events. The Supervisory Board has adopted rules of procedure. The principles of cooperation within the Supervisory Board are set out in the Supervisory Board's rules of procedure. The Supervisory Board's rules of procedure are available to the public at <https://www.biofrontera.com/en/management>.

The Supervisory Board is involved in all decisions that are of fundamental importance to the company. The Supervisory Board can make certain transactions dependent on its approval. The Supervisory Board's main tasks also include proposing candidates for election to the Supervisory Board and for the appointment of the auditor to the Annual General Meeting. The Management Board has no right of nomination in this respect. According to the Supervisory Board's rules of procedure, only persons who have not yet reached the statutory retirement age (currently 67 years of age) (age limit) may be proposed for election to the Supervisory Board.

In accordance with Section 87a AktG, the Supervisory Board shall adopt a clear and comprehensible system for the remuneration of Management Board members. In accordance with Section 120a AktG, the Annual General Meeting of the listed company resolves to approve the remuneration system for the members of the Management Board presented by the Supervisory Board each time there is a significant change to the remuneration system, but at least every four years. The resolution and the remuneration system should be published immediately on the company's website and kept publicly accessible free of charge for the duration of the effectiveness of the remuneration system, but for at least ten years.

The members of the Supervisory Board may be granted remuneration for their activities. The remuneration may be specified in the Articles of Association or resolved by the Annual General Meeting. It should be commensurate with the duties of the Supervisory Board members and the situation of the company. The remuneration of Supervisory Board members is currently regulated in the Articles of Association. In the case of listed companies, a resolution on the remuneration of Supervisory Board members must be passed at least every four years in accordance with Section 113 (3) AktG. The 2022 Annual General Meeting approved the current remuneration system for Supervisory Board members. By resolution of the 2023 Annual General Meeting, the following new paragraph 3 was added to Section 18 of the Articles of Association: "The Annual General Meeting is authorized to resolve on other or additional remuneration for individual members of the Supervisory Board for the assumption of special tasks or activities."

The applicable remuneration system for the Supervisory Board in accordance with Section 113 AktG is available on the company's website at <https://www.biofrontera.com/de/investoren/corporate-governance>.

Committees of the Supervisory Board

In accordance with the provisions of its rules of procedure, the Supervisory Board currently has a Personnel Committee, an Audit Committee and a Nomination Committee.

In addition, a further committee was set up for all matters relating to the legal challenge by Deutsche Balaton AG in order to avoid conflicts of interest for the Chairman of the Supervisory Board in this matter.

Personnel Committee

The Personnel Committee prepares the Supervisory Board's decisions on the appointment and dismissal of members of the Management Board, including the conclusion, amendment, extension and termination of employment contracts. As the Supervisory Board is also responsible for remuneration decisions, the Personnel Committee also works exclusively in a preparatory capacity here. The Personnel Committee also deals with long-term succession planning for the Management Board. The Personnel Committee held two meetings in the 2023 financial year.

As at 31 December 2023, the Personnel Committee consisted of the following members Dr Helge Lubenow (Chairwoman), Mr Wilhelm K.T. Zours (Deputy Chairman) and Dr Heikki Lanckriet.

Further information on the members of the Supervisory Board and their memberships, which must be disclosed in accordance with Section 285 No. 10 HGB, can be found in the CVs of the Supervisory Board members on the company's website at <https://www.biofrontera.com/de/about-us/management-und-aufsichtsrat>.

Audit Committee

The Audit Committee deals in particular with the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements, in particular the selection and independence of the auditor and the additional services provided by the auditor. The Audit Committee may make recommendations or proposals to ensure the integrity of the accounting process. In the case of companies that are public interest entities within the meaning of Section 316a sentence 2 of the German Commercial Code, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing; the members must be familiar with the sector in which the company operates.

As at 31 December 2023, the Audit Committee consisted of the following members Mr Karlheinz Schmelig (Chairman), Dr Helge Lubenow and Prof Dr Karin Lergenmüller (since 5 July 2023). In the reporting year, Dr Jörgen Tielmann was a member of the Audit Committee from 1 January to 4 July.

The Supervisory Board and its Audit Committee each have at least one member with expertise in the field of accounting, Mr Karlheinz Schmelig, and at least one other member with expertise in the field of auditing, Dr Helge Lubenow. According to the Code, the Chairman of the Audit Committee should have appropriate expertise in at least one of the two areas and be independent. The Chairman of the Audit Committee, Mr Karlheinz Schmelig, fulfils these requirements.

More detailed information on the members of the Supervisory Board and their memberships, which must be disclosed in accordance with Section 285 No. 10 of the German Commercial Code (HGB), can be found in the CVs of the Supervisory Board members on the company's website at <https://www.biofrontera.com/de/about-us/management-und-aufsichtsrat>.

Nomination Committee

The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. In doing so, the Nomination Committee pays attention to the balance and diversity of the knowledge, skills and experience of all Supervisory Board members and prepares candidate profiles. In addition, the Nomination Committee shall make proposals to the Supervisory Board and communicate the results of a regular assessment of the knowledge, skills and experience of both the individual members and the Supervisory Board as a whole. In performing its duties, the Nomination Committee may draw on the company's resources as it deems appropriate and engage external advisors as necessary.

As at 31 December 2023, the Nomination Committee consisted of the following members Dr Helge Lubenow (Chairwoman), Mr Wilhelm K.T. Zours (Deputy Chairman) and Dr Heikki Lanckriet.

Further information on the members of the Supervisory Board and their memberships, which must be disclosed in accordance with Section 285 No. 10 HGB, can be found in the CVs of the Supervisory Board members on the company's website at <https://www.biofrontera.com/de/about-us/management-und-aufsichtsrat>.

Special committee in the matter of Deutsche Balaton AG./ Biofrontera AG

On 13 December 2021, Deutsche Balaton AG, Heidelberg, filed an action for declaratory judgement against Biofrontera AG with the Cologne Regional Court, which was decided in the first instance by the Cologne Regional Court on 9 December 2022. Mr Wilhelm K.T. Zours indirectly holds the majority of shares in Deutsche Balaton AG via VV Beteiligungen AG and is Chairman of the Supervisory Board of Deutsche Balaton AG. There is a de-domination agreement between VV Beteiligungen AG and Deutsche Balaton AG. Since 14 December 2021, Mr Zours has also been a member of the company's Supervisory Board and its Chairman. The essence of the lawsuit is that Deutsche Balaton AG - like the Regional Court of Cologne - is of the opinion that the IPO of Biofrontera Inc. together with capital measures would have required the approval of the Annual General Meeting of Biofrontera AG. The lawsuit is directed against Biofrontera AG, represented by the Management Board and the Supervisory Board. After taking note of the lawsuit, the Supervisory Board decided to form a committee for further decisions in connection with the lawsuit. Mr Zours did not take part in the deliberations and resolutions in connection with the legal dispute. The committee will remain in place for the duration of the ongoing proceedings.

As at 31 December 2023, the Special Committee consisted of the following members Dr Helge Lubenow, Mr Karlheinz Schmelig and Dr Jörgen Tielmann (Chairman).

The Supervisory Board can form further committees as required and assign tasks to them, insofar as this is permitted. Further

details on the committees can be found in the Supervisory Board report for the 2023 financial year (available at: <https://www.biofrontera.com/de/investors>) and in the Supervisory Board's rules of procedure (available at: <https://www.biofrontera.com/de/investors/corporate-governance>).

Implementation of the targets for the composition of the Supervisory Board and the Management Board (diversity)

Objectives for the composition of the Supervisory Board / skills profile

The Supervisory Board should set specific targets for its composition and develop a profile of skills and expertise for the entire Board. In doing so, the Supervisory Board should pay attention to diversity. Proposals by the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time aim to fulfil the competence profile for the entire Board. The status of implementation should be published in the corporate governance statement. This should also provide information on how many independent shareholder representatives are represented on the Supervisory Board, insofar as the shareholder representatives consider this appropriate, and state the names of these members. Diversity covers a range of aspects, including age, gender, origin, educational or professional background.

The Supervisory Board agrees with the contents of the Code that, in addition to balanced professional qualifications, an appropriate level of internationality and an appropriate representation of women on the Supervisory Board should always be achieved while taking diversity into account. In this context, "diversity" is understood to mean international origin (not nationality), education or professional activity as well as gender and age diversity. In principle, however, no one is excluded as a candidate for the Supervisory Board or proposed for the Supervisory Board solely because he or she has or does not have a certain characteristic.

For companies within the meaning of Sections 316a sentence 2 and 264d of the German Commercial Code (HGB), including Biofrontera AG, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing (financial expert), in accordance with the requirements of Section 100 (5) AktG. In April 2022, the Supervisory Board set the following targets for its composition ("diversity targets"):

- Experience and knowledge as a Supervisory Board member in appointing, advising and monitoring members of the Executive Board
- Experience and skills in the business development and strategic orientation of successful companies
- Participation in the implementation of the model of the honourable businessman in the company and its committees
- Knowledge and experience in the areas of financing, research and/or sales of companies in the pharmaceutical industry
- Independence of at least half of the Supervisory Board members as defined by the German Corporate Governance Code
- Presence of at least one member of the Supervisory Board who has expertise in the field of accounting
- Presence of at least one other Supervisory Board member with expertise in the field of auditing
- Availability and commitment
- Consideration of the age limit specified in the Supervisory Board's rules of procedure
- Two women will be members of the Supervisory Board until 31 December 2026

The skills profile therefore includes industry and market knowledge, an understanding of the business model and basic knowledge of the (legal) framework, basic knowledge of compliance, finance and accounting and, of course, the ability to understand and critically scrutinise reports and submissions from the Management Board and draw their own conclusions, including the ability to assess the correctness, economic efficiency, appropriateness and legality of the business decisions to be evaluated and to check their plausibility. Each member of the Supervisory Board must also fulfil certain minimum personal requirements that are essential for the efficient work of the Supervisory Board, such as availability, integrity, discretion, discussion skills, the ability to interact and the ability to work in a team.

Assessment of current target achievement and completion of the competence profile.

		Wilhelm K.T. Zours	Dr. Jürgen Tielmann	Dr. Heikki Lanckriet	Prof. Dr. Karin Lergenmüller	Dr. Helge Lubenow	Karlheinz Schmelig
Duration of membership	Member since	14. December 2021	14. December 2021	14. December 2021	23. August 2022	14. December 2021	14. December 2021
Personal suitability	Independence	✓	✓	✓	✓	✓	✓
	No overboarding	✓	✓	✓	✓	✓	✓
Variety	Year of birth	1961	1969	1977	1959	1968	1965
	Gender	male	male	male	female	female	male
International experience	Nationality	German	German	Belgium	German	German	German
	Europe	✓	✓	✓	✓	✓	✓
	Latein America	—	—	—	—	—	✓
	China	✓	—	✓	—	✓	—
Professional aptitude	Asia/Pacific	✓	—	✓	—	✓	✓
	Experience as a manager	✓	✓	✓	—	✓	✓
	Technology	—	—	✓	—	✓	✓
	Sustainability	✓	✓	✓	✓	✓	✓
	Conversion	✓	✓	✓	✓	✓	✓
	Procurement/ Production/Sales/R &D	—	—	✓	—	✓	✓
	Finance	✓	—	✓	✓	✓	✓
	Financial expert	✓	—	—	✓	—	✓
	Risk management	✓	✓	✓	✓	✓	✓
	Legal/Compliance	✓	✓	✓	✓	✓	✓
	Personal Business field/industry knowledge	—	✓	✓	—	✓	✓

Criterion fulfilled, based on self-assessment by the Supervisory Board. One point means at least "good knowledge" and thus the ability to act on the basis of existing qualifications, the knowledge and experience acquired in the course of their work as Supervisory Board members (e.g. many years of work on the Audit Committee) or the training regularly attended by all Supervisory Board members.

From the Supervisory Board's perspective, the status of implementation with regard to these objectives can be assessed positively overall with regard to the current members of the Supervisory Board.

- Mr Wilhelm K. T. Zours, Chairman of the Supervisory Board, has many years of experience in the financing of companies, including in the pharmaceutical industry. He combines this with a high level of expertise in capital market law. Mr Zours has been a member of the Supervisory Board since December 2021.
- Dr Jürgen Tielmann is a lawyer and partner at Luther Rechtsanwalts-gesellschaft mbH, Cologne. He is Deputy Chairman of the Supervisory Board. His professional activities focus on corporate law. He has been a member of the Supervisory Board since December 2021.
- Dr Heikki Lanckriet is CEO of 4basebio PLC, Cambridge, UK. He holds a Bachelor's and Master's degree in Biochemical Engineering from the University of Ghent (Belgium) and a PhD in Biochemical Engineering from the University of Cambridge (UK). He has been a member of the Supervisory Board since December 2021.
- Prof Dr Karin Lergenmüller is Professor of Business Administration and Marketing at RheinMain University of Applied Sciences, Wiesbaden. Prof. Karin Lergenmüller has been a global equity investor since 2000, specialising in the digital world, technology companies, NFTs and crypto. Prof Lergenmüller has been a member of the Supervisory Board since

August 2022.

- Dr Helge Lubenow is the owner of her consulting firm AGOS Consulting. From 2020 to 2023, she was CEO of Proteomedix AG, Zurich, Switzerland. She studied biology at the Justus Liebig University in Giessen and genetics at the University of Cologne. She has been a member of the Supervisory Board since December 2021.
- Mr Karlheinz Schmelig is Managing Director of Creathor Venture Management GmbH, Bad Homburg. He studied business administration at the Mannheim Cooperative State University and completed an MBA at the Kelley School of Business, Indiana University, USA. He has been a member of the Supervisory Board since December 2021.

With regard to the qualifications of the aforementioned members, please also refer to the CVs provided at <https://www.biofrontera.com/de/about-us/management-und-aufsichtsrat>.

As already described in the notes on the Supervisory Board committees, all of the key expertise required is represented on the Supervisory Board, particularly with regard to industry-related requirements and other professional fields (financial experts). All Supervisory Board members have sufficient time to fulfil their duties.

Independence

According to the Code (recommendation C.6 ff.), the Supervisory Board should include an appropriate number of independent members on the shareholder side, taking into account the ownership structure.

The Code formulates two aspects of independence: Accordingly, a Supervisory Board member is to be considered independent if he or she

- independent of the company and its Management Board and
- is independent of a controlling majority shareholder.

At present, the Supervisory Board considers all members to be independent of the company and the Executive Board. To its knowledge, the company also has no controlling shareholder. The Supervisory Board therefore has what it considers to be an appropriate number of independent members.

Self-evaluation of the Supervisory Board and its committees

The Supervisory Board regularly reviews how efficiently it and its committees fulfil their tasks.

Succession planning

Against the background of the professional and personal requirements for the members of the company's Management Board, the Personnel Committee regularly discusses - also with the current Management Board - which individuals (including the current members of the Management Board) could be considered for future terms of office. The personal and professional development of managers within the Group is also taken into account.

As part of the long-term succession planning for the Executive Board, the Supervisory Board regularly discusses with the Executive Board the need to expand or restructure the Executive Board; particular attention is also paid to the second management level of the company to be created below the existing first management level below the Executive Board. If necessary, the Supervisory Board also consults external advisors in the search for suitable candidates.

The aim of the composition of the Management Board is to entrust the management of the company to persons who fulfil the necessary professional and personal requirements within the framework of collegial cooperation while maintaining the efficiency of human resources. In the present case, it must also be taken into account that Biofrontera AG, as a holding company, has the task of managing its subsidiaries, but does not itself conduct any operational business. Economic expertise and business and industry-specific knowledge, including knowledge of the regulatory framework for the development, authorisation and distribution of medicinal products, are also required at Management Board level. In addition, a high level of international experience is desirable due to the business orientation of the Biofrontera Group.

4. Report on the equal participation of women and men; gender quota

Proportion of women in the two management levels below the Executive Board

According to Section 76 (4) AktG, the Management Board of a listed company must set targets for the proportion of women in the two management levels below the Management Board. At Biofrontera AG, there are currently no two management levels below the Management Board within the meaning of Section 76 (4) AktG, but only one. Due to the lack of two management levels below the Management Board, the targets for the proportion of women in accordance with Section 76 (4) AktG were only set for the one existing management level below the Management Board in April 2022. The proportion of women in this first and only management level below the Executive Board was around 73% as at 31 December 2023. The target for the proportion of women in the existing management level below the Executive Board was set at 30% in April 2022. A higher target was not set, as otherwise even the slight expansion of the existing first management level below the Executive Board could lead to the target not being met. The deadline for achieving the target was set at 31 December 2026. At the time this report was prepared, the target had been reached.

The Executive Board

The target figure for the proportion of women on the Management Board, which applied to the 2023 financial year, was set at 0% in April 2022 if there is only one member. If the Executive Board consists of only one person, no higher quota was set, as otherwise a woman would have to be appointed as the sole member of the Executive Board. However, such an approach would not be in the interests of the company, as it is simply not possible for different genders to participate if there is only one member of the Management Board. The deadline for achieving the target figure was set at 31 December 2026.

The target figure was achieved throughout the past financial year. Ms Pilar de la Huerta has been the only member of the Executive Board since September 2022.

Supervisory Board

In April 2022, the Supervisory Board set the target for the proportion of women on the Supervisory Board at 1/3, i.e. two of the current six seats. The deadline for achieving the target was set at 31 December 2026. This quota was met in the reporting year.