

Statement by the Management Board and Supervisory Board of Biofrontera AG (the Company) concerning the German Corporate Governance Code, pursuant to Section 161 of the German Stock Corporation Act (AktG)

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of a listed company are required to issue an annual declaration on the extent to which the recommendations of the "Government Commission on the German Corporate Governance Code" (the "Code") have been and are being complied with. The wording of the declaration is published on the Company's website under [Biofrontera AG Entsprechenserklärung November 2022 EN](#).

The following declaration refers in the respective period of validity to the Code in its version of December 16, 2019, which was published in the Federal Gazette on March 20, 2020, and in its version of April 28, 2022, which was published on June 27, 2022.

The Management Board and Supervisory Board of Biofrontera AG state:

"Since issuing the last declaration of conformity in November 2021, Biofrontera AG has complied with the recommendations of the German Corporate Governance Code in its respective valid version during its respective period of validity and plans to comply with it in the future, with the following exceptions:

Code recommendations D.2 (Committees and naming of their members)

In the past, the Company has refrained from naming the committee members and the committee chairman in the corporate governance statement, since the information were publicly available elsewhere. In the future, the Company will comply with this recommendation as well.

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

Financial reports, half-yearly reports and interim announcements are published within the statutory deadlines and not earlier due to organizational circumstances.

Code recommendation G.6 (ratio of long-term and short-term targets)

The Supervisory Board is currently revising the existing remuneration system with regard to the long-term variable remuneration and will submit the adjusted remuneration system to the Annual General Meeting for approval. In this respect, it has been agreed with the new member of the Management Board, Pilar de la Huerta Martinez, that she will receive a long-term variable; however, no concrete implementation has yet been agreed on, with the result that Company does not and will not comply with recommendation under G.6 at least temporarily.

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

The new Management Board member, Pilar de la Huerta Martinez, was not granted a variable remuneration amount in the form of shares or share-based remuneration. There are no plans for variable remuneration amounts to be granted in the form of shares or share-based components under the existing management board service agreement: In the opinion of the Supervisory Board, in order to encourage the Management Board to ensure the long-term and sustainable development of the Company, there is no need for a remuneration amount based on the performance of the Company's shares. Due to the size of the Company and the tasks the Company's Management Board is currently facing, the Supervisory Board believes that there are other components that are better suited to promoting the sustainable and long-term development of the Company.

To the extent that a share-based remuneration amount was granted in the past, part of the granted long-term variable amounts were accessible to the Management Board prior to the expiry of a period of four years. The Supervisory Board did not consider a waiting period of four years regarding the total amount to be necessary to promote the sustainable and long-term development of the Company."

Leverkusen, December 2022

For the Management Board:

Pilar de la Huerta

For the Supervisory Board:

Wilhelm K.T. Zours