

**Biofrontera AG**

# **6-Month Half-Year Report 2026**

**MEMORIES FADE.**

**OUR SKIN KEEPS THE RECORD.**



## Highlights for the 1<sup>st</sup> Half 2026

- Sales revenues in Europe increased by 44.5% compared with H1 2025, partly driven by higher inventory levels at German wholesalers following the announced price increase.
- Positive EBITDA from continued operations, compared with a negative result last year
- Total result after taxes (continued and discontinued operations) increased by EUR 9,225 thousand, moving from a loss of EUR 3,692 thousand to a profit of EUR 5,533 thousand. This represents an improvement equivalent to approximately 250% of the previous year's loss.
- Ovixan® continues its successful expansion in the UK market
- Record in-market sales of Ameluz® in Germany, exceeding 32,800 units (+11.3% vs. H1 2025)
- Continued strong unit growth of the Skinoren® franchise in Germany, up 10.6% vs. H1 2025 as well as 1.4% growth of the Advantan® portfolio
- Significant growth of in-market unit sales of Ameluz® in European partnering countries (+21.3% vs. H1 2025)

### Key figures in accordance with IFRS

| unaudited                                             | 01.01.-30.6.2026 |               | 01.01.-30.6.2025 |                 |
|-------------------------------------------------------|------------------|---------------|------------------|-----------------|
|                                                       | in EUR thousand  | % of Revenue  | in EUR thousand  | % of Revenue    |
| Results of operations                                 |                  |               |                  |                 |
| Sales revenue                                         | 9,038            | 100.00%       | 6,262            | 100.00%         |
| - thereof Germany                                     | 6,832            | 75.59%        | 4,424            | 70.65%          |
| - thereof Spain                                       | 926              | 10.25%        | 989              | 15.79%          |
| - thereof UK                                          | 754              | 8.34%         | 515              | 8.22%           |
| - thereof Rest of Europe                              | 517              | 5.72%         | 320              | 5.11%           |
| - thereof Other Regions                               | 9                | 0.10%         | 14               | 0.22%           |
| Gross profit on sales                                 | 7,322            | 81.01%        | 5,290            | 84.48%          |
| Result on operations                                  | 1,440            | 15.93%        | (1,367)          | (21.83)%        |
| EBITDA                                                | 1,741            | 19.26%        | (1,256)          | (20.06)%        |
| EBIT                                                  | 1,513            | 16.74%        | (1,298)          | (20.73)%        |
| Result before income tax from continued operations    | 1,515            | 16.76%        | (1,302)          | (20.79)%        |
| Result before income tax from discontinued operations | 4,027            | 44.56%        | 2,763            | 44.12%          |
| thereof income tax from continued operations          | (4)              | (0.04)%       | (5,120)          | (81.76)%        |
| thereof income tax from discontinued operations       | (5)              | (0.06)%       | (33)             | (0.53)%         |
| Result after income tax from continued operations     | 1,511            | 16.72%        | (6,422)          | (102.56)%       |
| Result after income tax from discontinued operations  | 4,022            | 44.50%        | 2,730            | 43.60%          |
| <b>Total result after income tax</b>                  | <b>5,533</b>     | <b>61.22%</b> | <b>(3,692)</b>   | <b>(58.96)%</b> |

| in EUR thousand                     | June 30, 2026<br>unaudited | December 31, 2025 |
|-------------------------------------|----------------------------|-------------------|
| Balance sheet key figures           |                            |                   |
| <b>Total assets</b>                 | <b>25,999</b>              | <b>20,643</b>     |
| Non-current assets                  | 9,823                      | 6,731             |
| Cash and cash equivalents           | 7,111                      | 3,603             |
| Other current assets                | 9,065                      | 10,309            |
| <b>Total equity and liabilities</b> | <b>25,999</b>              | <b>20,643</b>     |
| Equity                              | 20,411                     | 14,904            |
| Non-current liabilities             | 1,099                      | 10                |
| Current liabilities                 | 4,489                      | 5,730             |

|                                          | June 30, 2026<br>unaudited | December 31, 2025 |
|------------------------------------------|----------------------------|-------------------|
| Number of employees (headcount)          | 69                         | 82                |
| Biofrontera Shares                       |                            |                   |
| Number of shares outstanding             | 6,076,862                  | 6,076,862         |
| Share price (Xetra closing price in EUR) | 2.31                       | 2.44              |

# Interim Group Management Report for the First Half of 2026

## Basis of the Biofrontera Group

### Group structure

As of June 30, 2026, the Biofrontera Group (hereinafter also called "Biofrontera", "Biofrontera Group", "Group" or the "Company") consists of a parent company, Biofrontera AG and four wholly owned subsidiaries in Germany. The parent company's head office is located in Leverkusen, Germany.

Biofrontera Bioscience GmbH, Biofrontera Pharma GmbH, Biofrontera Development GmbH and Biofrontera Neuroscience GmbH are located at the parent company's headquarters in Leverkusen, Germany.

For sales support in Spain and the United Kingdom, two additional entities were founded, firstly Biofrontera Pharma GmbH, sucursal en España in Barcelona (03/2015) which location has been recently transferred to Madrid and Biofrontera UK Ltd. based in Newcastle upon Tyne. Biofrontera UK Ltd. is a wholly owned subsidiary of Biofrontera Pharma GmbH.

### Business model

#### Group structure and responsibilities

Biofrontera AG, the publicly listed parent company, performs the holding function for the Group and is responsible for overall management, strategic planning, internal control, risk management and financing. Biofrontera AG also provides centralized services in the areas of quality management, information technology, and pharmacovigilance to its GmbH subsidiaries.

Biofrontera Bioscience GmbH is responsible for regulatory affairs, medical affairs and development activities and holds the patents and marketing authorizations for Ameluz®. Under a license agreement with Biofrontera Bioscience GmbH, Biofrontera Pharma GmbH is responsible for the production, licensing and commercialization of the Group's approved products.

#### Commercial organization and manufacturing

Biofrontera commercializes Ameluz® directly through its own sales organizations in Germany, its largest EU market, Spain and the United Kingdom. In other European markets, the product is commercialized through independent distributors.

Outside Europe, Biofrontera historically relied on licensing arrangements. Biofrontera Inc. was responsible for the commercialization of Ameluz® and the RhodoLED® lamp series in the United States, while the rights for Asia and Oceania were licensed to Maruho Co., Ltd., Osaka, Japan, under an exclusive license agreement signed in April 2020. Oceania rights have been returned to Biofrontera during H1 2026.

Ameluz® is manufactured for all markets by a contract manufacturer in Europe. A second manufacturing site for the United States is currently undergoing validation. The process of transferring the second supplier contract to Biofrontera Inc., together with all associated rights, obligations, and responsibilities, is currently ongoing and is expected to be completed by the end of 2026.

Until 2025, the RhodoLED® lamp series was manufactured at Biofrontera's headquarters in Leverkusen, Germany. As part of the US transaction, lamp manufacturing was transferred to Biofrontera Discovery GmbH, a subsidiary of Biofrontera Inc. also located in Leverkusen. The transfer was completed by the end of 2025, after which Biofrontera Pharma GmbH ceased manufacturing PDT lamps. The CE marking was subsequently withdrawn and, as a result, the Biofrontera AG Group no longer carries out medical device manufacturing activities. Existing inventories of PDT lamps in Europe will continue to be supplied to licensing partners and end customers until they are exhausted.

#### Revenue model

Biofrontera generates revenues through a combination of direct sales, distribution and licensing arrangements and, since the restructuring of the US business, earn-out payments.

In Germany, Spain and the United Kingdom, Biofrontera sells directly through its own commercial organizations and therefore recognizes the full revenue generated from product sales.

In other European markets, products are supplied to distribution partners at agreed transfer prices. These vary by agreement but currently average approximately 50% of the partners' annual net sales. As delivery volumes are generally planned and invoiced in advance and subsequently reconciled with actual sales, the timing of deliveries can result in fluctuations in reported revenue between quarters.

### **Evolution of the US business**

Until June 2025, Biofrontera Inc. operated as Biofrontera's US licensee and purchased Ameluz® under a transfer-pricing arrangement.

Under the original model, Biofrontera received 50% of US sales up to USD 30 million and 40% of sales between USD 30 million and USD 50 million. In February 2024, the companies agreed to revise their commercial relationship with effect from June 1, 2024. Responsibility for managing and funding US clinical trials was transferred to Biofrontera Inc., thereby substantially reducing the development expenditure borne by the Biofrontera AG Group.

In parallel, the Ameluz® transfer price was reduced to 25% of US sales. Under the revised agreement, it was scheduled to increase to 30% from 2026 to 2028, 32% from 2029 to 2031 and 35% from 2032 onwards. For 2024, the minimum transfer price per Ameluz® tube was USD 110 until May 31 and USD 75 thereafter. Products were invoiced upon delivery, with an annual reconciliation between shipments and actual US sales.

This model was superseded by a fundamental restructuring of the relationship between Biofrontera AG and Biofrontera Inc. in 2025.

In June 2025, the companies signed a binding term sheet providing for the transfer to the Biofrontera Inc. group of all assets, liabilities, employees and operations associated with the US business. The transaction also included the US-related Ameluz® intellectual property, the patents and manufacturing activities associated with the BF-RhodoLED® lamp series, and responsibility for the second Ameluz® manufacturing site.

In consideration for the transferred business, Biofrontera AG received shares representing 10% of Biofrontera Inc.'s post-money equity following the agreed capital increases. In addition, Biofrontera AG is entitled to an earn-out of 12% to 15% of Biofrontera Inc.'s US Ameluz® sales until the expiry of the transferred patents in 2043. Earn-out payments are calculated and paid monthly, although no earn-out is payable for any year in which annual US Ameluz® sales remain below USD 5 million.

The definitive agreement was signed in October 2025, and the transaction was substantially completed by year-end. The remaining regulatory approvals and most of the minor residual activities were completed during the first half of 2026.

As a result of the transaction, Biofrontera AG is no longer directly involved in the commercialization or operational management of the US business. Its future economic participation in the US market is primarily through its equity interest in Biofrontera Inc. and the sales-based earn-out.

### **Asia and Oceania**

Under the exclusive license agreement signed in 2020, Maruho Co., Ltd. made an upfront payment of EUR 6 million. Until Ameluz® is ready for commercialization in the licensed territories, Biofrontera also generates service revenues for its support of clinical development and regulatory approval activities. As Maruho did not launch Ameluz® in Oceania within five years of signing the agreement, Biofrontera regained the commercial rights for the Oceania market during H1 2026.

The combination of direct product sales, transfer-price revenues, service fees and US earn-out payments can result in significant quarterly fluctuations in reported revenue. In particular, the timing of product deliveries to licensing partners does not necessarily correspond to underlying sales to end customers.

### **Other development activities**

Biofrontera Development GmbH and Biofrontera Neuroscience GmbH, both wholly owned subsidiaries of Biofrontera AG, were established in December 2012 to hold and develop pipeline assets outside the Group's current core commercial activities.

Biofrontera Development GmbH holds BF-derm1, a development-stage product for the treatment of severe chronic urticaria whose patent protection expired in 2009. Biofrontera Neuroscience GmbH holds BF-1, a development-stage product for the prophylactic treatment of migraine, with patent protection until 2034.

Development of both assets is currently on hold, as the Group's strategic and financial resources are focused on the commercialization and further development of Ameluz®.

## Group strategy

Biofrontera's strategic objective is to build a focused and growing specialty pharmaceutical company in dermatology, with Europe as its core market. The Group intends to leverage its existing commercial infrastructure, dermatology expertise and established market presence to drive sustainable growth and long-term value creation.

Ameluz® remains at the core of this strategy. The Group aims to maximize the product's value through a combination of further market penetration in existing territories and geographic expansion into new markets. In Germany, Spain and the United Kingdom, the focus is on continuing to increase market share and fully exploit the commercial potential of the existing indications. In parallel, Biofrontera is evaluating opportunities to expand Ameluz® into additional territories, either directly or through licensing and distribution partnerships.

Beyond geographic expansion, Biofrontera is also assessing potential new indications for Ameluz®. Development opportunities are evaluated based on their clinical potential, investment requirements, probability of success and expected value creation, with the objective of maximizing the long-term value of the Ameluz® franchise.

At the same time, the Group intends to broaden its dermatology portfolio by adding selected third-party products that complement its existing commercial activities. Such products may be accessed through licensing agreements, acquisitions or other forms of strategic partnering. The focus is on assets that can benefit from Biofrontera's existing commercial infrastructure and customer relationships, thereby generating additional revenues while limiting the need for significant incremental fixed costs.

Biofrontera's growth strategy therefore combines three complementary pillars: strengthening Ameluz® in existing markets, expanding the franchise geographically and through potential new indications, and selectively adding third-party dermatology products to the portfolio.

Following the restructuring of the US business completed in 2025 and the first half of 2026, Biofrontera's operational focus is primarily on Europe and other selected markets where the Group can create value through its existing capabilities and partnerships. Biofrontera retains an economic interest in the future development of the US business through its equity participation in Biofrontera Inc. and the sales-based earn-out described in the previous section.

## Products

### Ameluz®

In December 2011, Ameluz® 78 mg/g gel (Spanish for "love the light", development name BF-200 ALA) received its first centralized European approval for the treatment of mild to moderate actinic keratoses (AK) on the face and scalp. Its significant superior effect compared to the direct competitor product Metvix® for AK was proven during phase III development. Actinic keratoses are pre-cancerous lesions of the skin with a risk of spreading to deeper skin layers and thus developing into potentially fatal squamous cell carcinoma. The combination of Ameluz® with light treatment is an innovative form of treatment known as photodynamic therapy (PDT). The product information authorized by the European Medicines Agency (EMA) expressly states the significant superiority of Ameluz® in the removal of actinic keratosis compared to the direct competitor product in conventional light treatment with a special red-light lamp.

Ameluz® has a number of product advantages in terms of efficacy, stability, handling and user-friendliness. This, together with the associated positive cosmetic effect and comparatively low recurrence rates, leads to the expectation that this treatment option will become even more of a focus for dermatologists in the coming years.

In January 2017, the European Commission approved Ameluz® combined with red-light PDT for the treatment of Basal Cell Carcinoma (BCC), a type of keratinocyte skin cancer. The approval was based on the results of a Phase III clinical trial confirming the company's positive expectations. Ameluz® achieved the complete elimination of all BCCs from the patient in 93.4% of cases.

In March 2018, Biofrontera received approval for daylight-PDT with Ameluz® by the European Commission. Since then, the label extension has also included the treatment of actinic keratoses and field cancerization with daylight-PDT. Daylight-PDT is a cost-effective and painless alternative to conventional PDT treatment with a special lamp. The topically applied drug is activated by natural or artificial daylight. Since daylight-PDT does not necessarily have to be carried out in a physician's office, it competes directly with topical treatments, which are much more widely used in Europe, are used independently by patients, and are reimbursed by statutory health insurers in Germany.

Since March 2020 the approval for Ameluz®-PDT in the EU also covers the treatment of mild to moderate actinic keratoses not only on the head and scalp, but also in all other body regions.

In December 2023, the European Medicines Agency (EMA) approved the extension of the marketing authorization for Ameluz® for use in artificial daylight. Photodynamic therapy with artificial daylight combines the advantages of the original daylight therapy, which significantly reduces treatment pain, with the controlled environment of a doctor's office, so that daylight PDT with Ameluz® can now also be used regardless of the prevailing light conditions, weather conditions and time of day. Marketing activities for this new PDT-modality started in Q1-2024. Artificial daylight is also approved in UK (2024) and in Switzerland (2025).

Also in December 2023, the European Medicines Agency (EMA) approved an improved gel formulation of Ameluz® without propylene glycol. By avoiding the use of propylene glycol, this optimized Ameluz® formulation eliminates potential risks, particularly with regard to the formation of impurities and allergic reactions. This formulation was made available in Europe in the second half of 2024.

In May 2016, Biofrontera received the marketing approval for Ameluz® in the USA. The approved indication is "lesion and field directed PDT in combination with the BF-RhodoLED® lamp of mild and moderate actinic keratoses on the face and scalp". As the approval for photodynamic therapy in the USA requires a combination of drug and lamp according to FDA law, Biofrontera has developed its own PDT lamp, the BF-RhodoLED®. To meet the strict requirements of the FDA for the production of a Class III medical device, production of the lamp was carried out at the Company's headquarters in Leverkusen. This made Biofrontera the responsible manufacturer from the perspective of the regulatory authorities. In the EU, this lamp was CE-certified in 2012, which also required ISO 13485 certifications. The ISO certification is regularly renewed. As part of the process of transferring lamp production to Biofrontera Inc., the CE mark is no longer in place, as Biofrontera AG has ceased all lamp production activities.

The optimized formulation of the Ameluz® gel without propylene glycol was also submitted to the FDA as an extension of approval for the USA. The application was approved in October 2023. The new formulation has been implemented in the US since 2024.

In September 2024, FDA granted approval for an increase of the maximally approved dosage from one to three tubes of Ameluz® per treatment and an extension of the maximal skin surface to be treated. This approval allows US-healthcare professionals greater flexibility in treating patients undergoing photodynamic therapy (PDT) for AK.

Several clinical trials are ongoing in the US with Ameluz® with the aim of increasing the market potential. As mentioned above, the conduct of clinical trials was transferred in June 2024 to Biofrontera Discovery GmbH, an affiliate of Biofrontera Inc.. Biofrontera Discovery GmbH financed and coordinated clinical trial activities in the USA whereas Biofrontera Bioscience GmbH remained the sponsor of these clinical trials and the Marketing Authorization Holder for Ameluz® until December 2025, when the US-approvals and sponsorship of clinical trials was transferred to Biofrontera Inc.. In February 2024, the last patient completed the treatment phase of a Phase-III trial for the treatment of superficial basal cell carcinoma (sBCC) with Ameluz® together with the BF-RhodoLED®. This is followed by a 5-year follow-up period for each patient. The recruitment phase was completed in 2025 for the Phase III clinical trial for the treatment of actinic keratosis on the extremities, neck and trunk with Ameluz®-PDT and for a Phase II trial for the treatment of moderate to severe acne.

## **Belixos®**

Belixos® is a cosmetic series specifically developed for the medical skin care of irritated and sensitive skin.

Due to the lack of commercialization synergies with the rest of the portfolio, the Company has decided to cease all manufacturing and marketing activities, effective December 31, 2025.

## **Ovixan®**

Since January 2026, Biofrontera UK Ltd. has been commercializing Ovixan® in the UK, further strengthening the Group's dermatology portfolio. Ovixan® is a reformulated version of mometasone, a potent Class III topical corticosteroid widely used for the treatment of inflammatory skin conditions such as atopic dermatitis and psoriasis. Compared with the originator product Elocon® from Organon, Ovixan® offers improved cosmetic properties, particularly in terms of texture and smell, which may contribute to greater patient acceptance and treatment convenience.

Ovixan® was added to Biofrontera's portfolio through a licensing agreement with the Swedish pharmaceutical company Galenica AB. Following the initial registration of the product in the UK, the Marketing Authorization was successfully transferred to Biofrontera Bioscience GmbH, while Biofrontera UK Ltd. holds the commercialization rights for the UK market.

The product is supplied by Galenica and manufactured by an established German contract manufacturer. This supply structure is designed to ensure a high level of product availability and continuity in a market that has historically experienced recurring supply shortages affecting both the originator product and generic alternatives.

The launch of Ovixan® represents another step in Biofrontera's strategy to broaden its dermatology portfolio beyond Ameluz® by adding complementary products that can leverage the Group's existing commercial infrastructure and established relationships with dermatologists. At the same time, Ovixan® addresses an established therapeutic market where product differentiation and reliable supply provide an opportunity to build a sustainable market position.

## Promotion agreements

In August 2024 Biofrontera Pharma GmbH signed an agreement with LEO Pharma Germany for the promotion of two of their mature dermatological products in Germany. Market-leading class III corticosteroid Advantan® (methylprednisolone aceponat) for the treatment of endogenous eczema is available in various formulations to cater for different skin conditions and needs of patients. Skinoren® (azelaic acid) is a well-established product for the treatment of acne and also for certain forms of rosacea in its gel formulation. For the treatment of acne, it represents the only medication that addresses three out of four key mechanisms of the disease in a single molecule.

## Sales and marketing

### Germany and Europe

With its Central European approval, Ameluz® can be sold and distributed in all EU countries as well as in Norway, Iceland and Liechtenstein. However, in many European countries, pricing and reimbursement status must be determined prior to launch, which can be a lengthy process. Reference pricing and re-imports can lead to low prices in individual EU countries, which in turn can have a negative impact on the overall EU market. For this reason, Ameluz® is currently only available in certain EU countries. However, due to changing framework conditions, it is always necessary to monitor whether a territorial expansion might make sense. Ameluz® is available at pharmacy purchase prices ranging from around EUR 140 to approximately EUR 200 per 2 g tube.

In Europe, Ameluz® and BF-RhodoLED® are marketed in Germany (since 2012), Spain (since 2015) and Great Britain (since May 2018) by our own sales forces. Germany is by far the largest European market for Ameluz®. In other EU countries and in Switzerland, the products are distributed with the help of distribution partners. In Switzerland, independent approval procedures were required, which were carried out by our local marketing partner in collaboration with Biofrontera. The contracts with distribution partners were concluded in such a way that Biofrontera received no or only a moderate upfront payment and the regional partners purchase Ameluz® from Biofrontera at a price that is linked to their own sales price. Depending on the market conditions in each country, Biofrontera's share of the sales price varies somewhat, but averages 50% of net sales.

In December 2020, the Group covered sales in the Nordics through an exclusive distributor partnership with Galenica AB, Malmö, Sweden. Sales of the products in the Nordics region started with the delivery of the first batch of Ameluz® in June 2021. Following initial product launches in Norway, Sweden and Denmark. Since November 2022 Ameluz® is also marketed in Finland.

In July 2021, a distribution agreement was signed with medac Gesellschaft für klinische Spezialpräparate mbH for the commercialization of Ameluz® and BF-RhodoLED® in Poland. Medac started marketing Ameluz® and BF-RhodoLED® to selected customers in the fall of 2022. To date, activities have been limited to the private healthcare sector, as Ameluz® PDT is currently not reimbursed by public payers. Medac currently re-submitted for the potential reimbursement of Ameluz® after changes in the Polish Ministry of Health.

In October 2025, a new distribution agreement was signed with Propharma d.o.o. for the distribution of Ameluz® in Croatia. So far, the product is not entitled for reimbursement, and commercialization has not been started.

In general, Biofrontera was able to significantly increase its presence in the European market through its own sales structures, distributors and the territorial expansion out of EU through additional licensing partners. Currently the Company is analyzing the entrance into other European markets.

## USA

Ameluz® was commercially launched by Biofrontera in the USA in October 2016. Biofrontera AG established its own sales organization in the USA in March 2015, the Biofrontera Inc. based in Woburn. With the IPO of Biofrontera Inc. in 2021, it became a licensing holder and is an independent company now. Since its launch, Ameluz®-PDT has gradually established itself in the US PDT market segment, and the increased sales efforts by Biofrontera Inc. and its sales expansion promise further significant market growth. The clinical program also holds further market potential in the longer term through several label extensions.

## Other regions

In April 2020, Biofrontera entered into an exclusive license and supply agreement with Maruho Co., Ltd., Osaka, Japan (Maruho), for the development and commercialization of Ameluz® across all indications in East Asia and Oceania. Under the agreement, Maruho was granted commercialization rights for a period of 15 years from the start of sales in the respective territories.

Maruho has shown particular interest in the potential use of PDT with Ameluz® for the treatment of acne, an indication with significant commercial potential in Asian markets given the high prevalence of the condition and the demand for effective treatment options.

During the first half of 2026, the Biofrontera AG Group regained the commercialization rights for Oceania, while Maruho retained the rights for East Asia under the existing agreement. Biofrontera is currently exploring opportunities to establish new partnerships for the commercialization of Ameluz® in Oceania.

## Market overview

### Actinic keratosis (AK, main market for Ameluz®)

Actinic keratosis (AK), a precursor of keratinocyte skin cancer, is the main market for the prescription drug Ameluz®. Actinic keratoses are superficial pre-cancerous skin lesions caused by chronic sun exposure that may, if left untreated, develop into a form of potentially life-threatening skin cancer called squamous cell carcinoma. Actinic keratoses typically appear on sun-exposed areas, such as the face, bald scalp, arms or the back of the hands. Lesions often appear as uneven or crusty patches on the surface of the skin that may be skin-colored and feel dry and rough to the touch.

AK lesions occur not only isolated, but in many cases, they expand over a large area. Such an area of the skin is called field cancerization. In this case, visible and not yet visible skin damage can be in direct proximity to each other on the affected skin areas. In about one in ten patients with AK, a malignant form of keratinocyte skin cancer (squamous cell carcinoma) can develop from a skin lesion or in its vicinity. Even AK that are not yet visible already may carry a high risk of transitioning into squamous cell carcinoma.

Lifetime dose of UV radiation plays an important role in the development of AK. Over many years, UV radiation damages the skin cells, which then mutate and proliferate, which can lead to abnormal keratinization (hyperkeratosis). This is why AK occurs most frequently in elderly people: In Germany, for example, more than 11 out of every 100 people between the ages of 60 and 70 are affected. Men are more frequently affected than women, as, among other things, it is not uncommon for men to work outdoors and thus be exposed to the sun without protection. Particularly at risk are, for example, farmers and forestry workers, roofers, carpenters, gardeners and lifeguards. In addition to age and gender, other factors can promote the development of AK. These include a fair skin type, severe sunburns, or treatment with medications that weaken or suppress the immune system.

### Therapy options for the treatment of actinic keratosis

Because actinic keratosis can develop into squamous cell carcinomas, actinic keratosis is classified by The European Academy of Dermatology and Venereology and other international treatment guidelines as a tumor that requires treatment. In order to minimize the risk of developing cancer, AK must be detected and effectively treated early.

Actinic keratoses are treated using a wide range of therapy options. The traditional methods of treating actinic keratoses are cryotherapy (or the deep freezing of skin with liquid nitrogen); simple curettage; self-administered prescription topical medications (usually creams, gels, or solutions containing active ingredients that must be applied to the damaged areas of the skin, usually regularly over an extended period of time); and combining a drug with photodynamic therapy (PDT). When deciding on the treatment option, the physician takes into account the disease progression to date, the extent of the existing skin damage, and the patient's condition (age, possible existing concomitant diseases, medications to be taken).

The international treatment guidelines list photodynamic therapy as first-line therapy for the treatment of actinic keratoses, especially for patients with large areas of actinic keratoses. In this process, a topical product containing the active ingredient, such as Biofrontera's Ameluz® gel, is first applied to the affected areas of skin. The active ingredient is preferentially absorbed by cells with high metabolic activity, such as cancer cells and their precursors, and converted into a substance that can be activated by light. As a result, damaged skin cells become more light-sensitive and are destroyed within a few hours by targeted illumination, while healthy skin cells remain mostly unharmed. The dead cells are broken down and the skin renews itself. Usually, no scarring remains and the appearance of the skin visibly improves over the next weeks and months. There are two forms of PDT: one using an artificial light source (conventional PDT with red or blue light) and one using natural/simulated daylight (daylight/artificial daylight PDT). Compared to conventional PDT with red light or another suitable light source, the treatment time for daylight PDT is shorter at about 2-2.5 hours and the treatment is associated with less pain.

### **Market overview and competitive landscape in Germany**

Germany is Biofrontera's largest European market. In Germany, around 1.7 million people are being treated by dermatologists for AK, which corresponds to around 2 to 3% of the total population. However, the number of affected people are probably higher. In 2025, a total of 1,266,737 prescriptions were issued for the treatment of AK (previous year: 1,162,140, +9%). Superficially applicable medications such as prescription creams and gels containing active ingredients (topicals) are primarily used, which also accounted for a slightly declining market share down to 93.8% in the reporting year, followed by PDT (the combination of a superficially applied medication with light therapy) with 6.2% (previous year: 93.9% and 6.1%). The PDT market segment therefore increased minimally compared to 2024. The main growth in the AK market was triggered by two topical drugs, whose growth rates continued to be around 25%, leading to an overall AK market growing by 9% in 2025. Within the PDT segment, Ameluz® grew by 18%, while our direct competitor slightly declined (-1%).

Although information on the frequency of use of cryotherapy or simple curettage treatments for actinic keratosis is not accessible in Europe, we assume that a large number of patients are also treated in this way due to the simplicity of these therapies and the low cost.

In Germany, the largest European market for Ameluz®, our market share in the PDT drugs segment increased from 69% to 73% in 2025. Above all, the further establishment of daylight and artificial daylight PDT enabled Ameluz® to continue to prove itself as a strong market leader in the PDT market compared to competing products. We estimate that daylight PDT will gain further market share in the future, which was previously reserved for self-applied topical creams, thanks to the expansion of the application with artificial daylight. The reimbursement of daylight PDT by statutory health insurance companies may support this (meaning the reimbursement of Ameluz® to the patient), as the number of patients who would in principle have access to treatment with Ameluz® has multiplied as a result of this possible application.

Since 2013, actinic keratosis has been recognized as an occupational disease in Germany by the Federal Ministry of Labor and Social Affairs. Based on this recognition, the employers' liability insurance associations in Germany cover the treatment costs of patients for life who have worked predominantly outdoors over an extended period and meet certain other criteria. Since March 2016, photodynamic therapy has been included as a recognized treatment option for occupational actinic keratosis in Germany and is thus paid for by the Berufsgenossenschaften for these patients.

### **Market overview and competitive situation in the other proprietary markets of Spain and the United Kingdom (UK)**

In 2025 the Spanish market recorded a growth of Ameluz® units of 7.0% compared to the previous year. Due to an increase of the mandatory rebate to the government from 7.5% to 15% since April 2025 that was triggered by surpassing the threshold of being reimbursed for 10 years, sales reflected a minor increase.

Ameluz® showed a significant sales growth of 16.2% in the UK market during 2025. We were able to increase sales to customers in the UK from 4,366 units in 2024 to 4,970 units in 2025. Market figures on the competitive situation are not available.

### **Market overview of European countries with distribution partners**

Our distribution partners—Pelpharma in Austria, Louis Widmer in Switzerland, Galenica in the Nordic countries, and medac in Poland delivered the expected performance during first half of 2026. Their ordering behavior typically follows a two-year cycle, with one year of higher purchasing volumes followed by a year of lower volumes. As expected, 2025 represented a lower-volume year within this cycle, coming back to a higher growth during 2026.

### **Market overview and competitive situation in the USA**

The USA is the most important pharmaceutical market in the world. According to the Skin Cancer Foundation, approximately 58 million people in the USA have actinic keratosis. In 2022, the market size was USD 2.3 billion for this indication, according to the Grand View Research Report (01/2023). The US market differs from the European market in that cryotherapy dominates the market with a market share of over 80%. PDT has only a very small share of the overall market. Segment expansion is predicted for the

coming years, but this is based on overall market growth rather than a proportionate redistribution within therapy options. Cryotherapy is expected to remain the dominant therapy option.

The PDT segment currently has a share of less than 2%, with Ameluz®-PDT expanding its market share within this segment.

It is therefore important to improve the acceptance of PDT, with its clear advantages, particularly in scar-free healing and in the treatment of field cancers, which would be preferable to surgical intervention.

## Personnel matters

### Employees

As of June 30, 2026 the Biofrontera Group had 69 employees (December 31, 2025: 82) representing 63.11 FTE (December 31, 2025: 73.61 FTE). This major reduction resulted primarily from the transfer of personnel to Biofrontera Inc. based on the asset purchase agreement from 2025. Personnel were distributed as follows:

|                                                                  | June 30, 2026 | December 31, 2025 |
|------------------------------------------------------------------|---------------|-------------------|
| Total number of employees (FTE)                                  | 63.11         | 73.61             |
| Full-time                                                        | 54.00         | 62.00             |
| With PhD degree                                                  | 12.00         | 12.00             |
| By business segments                                             | 63.11         | 73.61             |
| Production                                                       | 2.60          | 10.28             |
| Research and development                                         | 0.00          | 0.00              |
| Exploratory Development                                          | 1.75          | 1.75              |
| Medical Affairs                                                  | 4.65          | 4.65              |
| Intellectual Property                                            | 1.00          | 1.00              |
| Clinical and regulatory tasks                                    | 3.80          | 6.80              |
| Marketing and sales                                              | 29.46         | 29.18             |
| Quality management                                               | 5.05          | 5.05              |
| Management, business development, finance, HR and administration | 14.80         | 14.90             |
| By countries                                                     | 63.11         | 73.61             |
| Germany                                                          | 46.48         | 58.98             |
| Spain                                                            | 12.63         | 11.63             |
| United Kingdom                                                   | 4.00          | 3.00              |

## Regulatory affairs and development projects

Biofrontera Bioscience GmbH is responsible for regulatory affairs (achieving and maintaining drug approvals) and development in the Biofrontera Group. The activities of Biofrontera Bioscience GmbH include as well intellectual property and medical affairs.

As of October 20, 2025, Biofrontera AG entered into an asset purchase agreement with Biofrontera Inc. Under the terms of the transaction, Biofrontera AG transferred to Biofrontera Inc. all U.S. assets, liabilities, and rights related to Ameluz® and the RhodoLED® lamp series, including the regulatory approvals and the sponsorship of clinical trials in USA. The transfer was communicated to the FDA on December 17, 2025. In connection with the transfer of the regulatory approvals and the clinical trial sponsorship, employees involved in these activities were also transferred to Biofrontera Inc. or its affiliates, continuing the trend observed in the prior year of reducing the headcount at Biofrontera Bioscience GmbH.

The regulatory and development costs for the approved drugs Ameluz® and Ovixan® and for the other research and development projects, are recognized as expenses in the period in which they are incurred.

#### **Update for H1 2026 on regulatory and development achievements:**

### **Approval of an alternative active substance manufacturer for Ameluz® in the UK**

The MHRA, the UK regulatory authority for medicinal products, has approved an alternative active substance manufacturer for Ameluz®. This approval strengthens the supply chain by reducing reliance on a single active substance manufacturer and mitigating potential supply risks in the UK market.

### **Optimization of Ameluz® labeling to ensure compliance with new regulatory requirements for the declaration of excipients**

The update ensured that Ameluz® labeling was aligned with applicable regulatory expectations for excipient declaration, supporting consistent implementation across relevant markets and reducing potential compliance risks.

## **Patent development**

Biofrontera's patent portfolio is constantly being expanded by filing new patent applications for new technologies and/or in other countries. The Company currently maintains 7 different proprietary patent families worldwide. As of June 30, 2026, the active patent portfolio consisted of 27 granted patents and 37 pending patent applications (as of December 31, 2025: 7 patent families, 26 granted patents and 22 pending patent applications). The Group's patents are held by Biofrontera Bioscience GmbH and Biofrontera Pharma GmbH. The patent families relate to our innovative technologies and developments in connection with our nanoemulsion, photodynamic therapy (PDT) and migraine prophylaxis.

### **Nanoemulsion**

Biofrontera has been granted patents for our nanoemulsion technology in Europe (validated for Germany, Spain, the United Kingdom, Switzerland/Liechtenstein, France and Italy), Israel, USA, Japan, China, Hong Kong, Singapore, Australia, New Zealand, Canada, South Africa, Mexico, Chile, Russia, Belarus and Ukraine. Patent protection in these countries expires on December 21, 2027. As part of the license agreement with our strategic partner Maruho, the corresponding Japanese patent was transferred to Maruho in 2022.

Additionally, patent applications for the optimized Ameluz® formulation without propylene glycol were filed in 2023 and 2024. The corresponding US and international patent applications were published in October 2024. The US patent was granted in 2025.

The patent families mentioned above serve to protect our nanoemulsion technology and thus also serve to protect Ameluz®. We have further extended the protection scope with two new patent families focusing on nanoemulsion formulations with other pharmaceutical forms or other APIs (Active Pharmaceutical Ingredients):

Patent applications for nanoemulsion formulations as foam or spray were filed in 2023 and 2024. The corresponding US and international patent applications were published in October 2024. The international application successfully entered into the international phase in September and October 2025. The US patent was granted in 2025.

Patent applications entitled "Nanoemulsion formulation with improved Tacrolimus stability and skin penetration" were filed in 2023 and 2024. The corresponding international patent application was published in October 2024. The international application successfully entered into the international phase in September and October 2025.

In accordance with the agreement signed with Biofrontera Inc. in October 2025, all Ameluz® US patents have been transferred to Biofrontera Inc.

## Photodynamic therapy

Furthermore, additional patent applications have been filed for optimized illumination protocols to perform photodynamic therapy:

An international patent application entitled "Illumination for photodynamic therapy" was filed in 2019. The patent family aims to protect a lamp for PDT and an illumination protocol with a distinct illumination profile that offers a PDT treatment modality with reduced pain experience. We have been granted patents in the USA, Australia, New Zealand, China, and Macao, which have a maximum term until June 5, 2039. Further patent applications are pending in Europe, the USA, Hong Kong and Singapore. As part of the license agreement with our strategic partner Maruho, the corresponding then pending Japanese patent application was transferred to Maruho in 2022.

An international patent application entitled "Photodynamic therapy comprising two light exposures at different wavelengths" was filed in 2018. The patent family aims to protect a number of innovations relating to a new illumination method for the treatment of dermatological skin diseases with photodynamic therapy. We have been granted patents in the USA (maximum term until April 23, 2039) and Australia, and New Zealand (maximum term until August 23, 2038). Further patent applications are pending in Europe, the USA, China, Hong Kong, and Singapore. As part of the license agreement with our strategic partner Maruho, the corresponding then pending Japanese patent application was transferred to Maruho in 2022, for which a patent was also granted in the meantime. Additionally, in accordance with the agreement signed with Biofrontera Inc. in October 2025, all PDT related US patents, as well as all BF-RhodoLED® patents have been transferred to Biofrontera Inc.

## Patent litigations

In 2024 Biofrontera filed a petition for Inter Partes Review (IPR) of a competitor's U.S. patent before the Patent Trial and Appeal Board (PTAB) of the U.S. Patent and Trademark Office (USPTO) (2024-00874).

Further, Biofrontera AG has been sued by SunPharma (DUSA) in the USA, alleging that Biofrontera infringes two patents held by SunPharma (DUSA) which are directed to systems and methods of using a certain type of lamp to conduct photodynamic therapy. SunPharma (DUSA) has filed suit in two venues, (i) an investigation before the U.S. International Trade Commission (ITC), and (ii) a suit in the U.S. District Court for the District of Massachusetts, which is stayed pending the outcome of the ITC investigation. The ITC hearing took place in June and July 2025. On September 30, 2025, the Administrative Law Judge issued an Initial Determination finding a violation of Section 337. Following Commission review, the ITC issued its Final Determination on May 6, 2026, confirming the violation and issuing a Limited Exclusion Order and Cease and Desist Order covering the RhodoLED® XL lamp. Following the 60-day Presidential Review Period, Biofrontera ceased importing and selling the current RhodoLED® XL lamp in the United States. Biofrontera has appealed the ITC's determination to the U.S. Court of Appeals for the Federal Circuit.

In response to the infringement allegations, Biofrontera AG and Biofrontera Inc. have filed two further IPR petitions against the Asserted Patents (2024-01312, 2025-00287). The U.S. Patent and Trademark Office denied institutions as to IPRs 2024-00874 (see above) and 2025-00287.

Biofrontera has retained outside counsel and is vigorously defending its legal position. In 2024, Biofrontera AG and its subsidiaries signed a joint defense agreement with Biofrontera Inc., to share legal expenses. However, pursuant to a June 30, 2025, agreement between Biofrontera AG and Biofrontera Inc., control of Biofrontera intellectual property, and responsibility for defense costs, shifted to Biofrontera Inc., effective June 1, 2025, meaning that Biofrontera AG is no longer responsible for legal fees and expenses.

For more detailed information please see section "Legal disputes".

# Economic Management Report for the First Half of 2026

## Business performance

Biofrontera AG Group continued to deliver a solid performance in Europe during H1 2026. European sales increased by 44.5% compared with the same period of the previous year, mainly driven by a stocking effect in Germany ahead of the Ameluz® price increase implemented in July 2026. This significant temporary effect is expected to reverse over the coming months as inventory levels normalize. Accordingly, full-year revenue growth is expected to return to a range of 10% to 20% compared with the previous year.

During Q1 2026, the Company successfully launched Ovixan® in the UK market. With this launch, Biofrontera now commercializes three dermatology products in addition to Ameluz®. Skinoren® and Advantan® are marketed in Germany in partnership with LEO Pharma GmbH, while Ovixan® is commercialized in the UK under license from Galenica AB. The initial market performance of Ovixan® has developed in line with management expectations, and the positive launch performance was further consolidated during Q2 2026. The successful introduction of Ovixan® further supports the Group's strategy of broadening its dermatology portfolio and leveraging its existing commercial infrastructure.

As in previous reporting periods, IFRS accounting requirements require the Company to present its income statement focusing on activities related to the European market, while all revenues and expenses associated with the U.S. business are reported under discontinued operations. For comparability purposes, the H1 2025 income statement has been reclassified using the same reporting criteria applied in 2026, distinguishing between continuing and discontinued operations, corresponding primarily to non-U.S. and U.S.-related activities, respectively.

In this context, expenses related to the U.S. market during H1 2026 were immaterial. The remaining U.S.-related income primarily consists of sales of Ameluz® batches to Biofrontera Inc. at cost during Q1 2026, earn-out income under the asset transfer agreement executed in 2025, and the effects arising from the revaluation of Biofrontera Inc. shares held by Biofrontera AG.

Below we show a table with pro-forma P&L (non-IFRS rules applied) of H1 2025 and 2026 to make the P&L evolution more understandable.

The FDA approval process required to transfer all authorizations enabling Biofrontera Discovery GmbH, a subsidiary of Biofrontera Inc., to purchase Ameluz® directly from the contract manufacturer (CMO) was fully executed during Q2 2026. Until then, and in accordance with the terms of the sales agreement, Biofrontera AG Group supported Biofrontera Inc. by purchasing Ameluz® batches from the CMO and reselling them to Biofrontera Inc. at cost.

As a consequence of the outstanding performance of the German sales due to the stocking behavior, group sales revenues, including both continued and discontinued operations, increased from EUR 8,762 thousand in H1 2025 to EUR 9,923 thousand in H1 2026.

The earn-out received from Biofrontera Inc. is not recognized as sales revenue, as it represents consideration related to the disposal of assets. Accordingly, the earn-out is recorded under "other income." In H1 2026, this amount totaled EUR 2,282 thousand, compared to EUR 584 thousand in H1 2025.

In H1 2025, the Company received 25% of U.S. Ameluz® sales as transfer price revenue, included in "sales revenues", whereas in H1 2026 it received 12% of U.S. Ameluz® sales in the form of an earn-out payment included in "other income".

At the same time, the transfer of all U.S.-related operations and liabilities to Biofrontera Inc. significantly reduced the Group's cost base and risk exposure. Adjusted EBITDA, including both continued and discontinued operations, had a strong increase from EUR 2,071 thousand in H1 2025 to EUR 3,962 thousand in H1 2026, representing an increase of 91.3%

As shown in the table below, the net EBITDA contribution from the U.S. business in H1 2025 was EUR 1,106 thousand higher than in the current reporting period. Despite this lower contribution from the U.S. business, EBITDA from continuing operations improved significantly, increasing from EUR -1,256 thousand in H1 2025 to EUR 1,741 thousand in H1 2026.

Even after adjusting for the positive impact of the temporary stocking effect on revenues, the European business delivered a very strong performance. The substantial improvement in EBITDA reflects the benefits of the optimized cost structure and demonstrates that the European business has achieved sustainable underlying profitability.

The positive development in the share price of Biofrontera Inc. during H1 2026, compared with the closing price at the end of the previous year, resulted in a positive financial effect of EUR 1,806 thousand from discontinued operations in H1 2026, compared with EUR -177 thousand in H1 2025.

The Group's overall result before taxes, including both continuing and discontinued operations, improved significantly from EUR 1,642 thousand in H1 2025 to EUR 3,734 thousand in H1 2026. This development reflects not only the strong revenue performance during the period, but also the substantial improvement in the underlying profitability of the European business following the restructuring and increased operational focus implemented over the past year.

During the first half of 2026, the Company engaged a specialized consultancy firm to support its business development activities, with the objective of identifying opportunities to in-license, partner on, or acquire additional dermatology products that can further strengthen and diversify Biofrontera's portfolio. Particular emphasis is being placed on opportunities that can leverage the Group's existing commercial infrastructure and expertise in dermatology, thereby allowing new products to be integrated efficiently into the current organization.

In parallel, Biofrontera continues to evaluate additional applications for PDT and Ameluz®, as well as opportunities to expand the commercialization of Ameluz® into new geographic markets within the existing product labeling framework. These initiatives are intended to broaden the revenue base while making efficient use of the Group's established expertise, infrastructure, and commercial capabilities.

Overall, H1 2026 demonstrates the positive impact of Biofrontera's strategic transformation. The decision to concentrate the Group's operational structure and resources on its European business has resulted in a leaner and more efficient organization, stronger underlying profitability, and a significantly improved overall result.

The performance achieved during the first half of the year provides further support for the Group's European growth strategy. Building on this stronger operational and financial foundation, Biofrontera intends to pursue growth along three complementary paths: expanding Ameluz® into additional territories, adding selected dermatology products to its commercial portfolio through licensing or acquisitions, and exploring the potential development of additional indications for Ameluz®. Together, these initiatives are aimed at driving sustainable growth while leveraging the Group's existing infrastructure and core expertise in dermatology and photodynamic therapy.

| P&L BF Group                  | 2026 HY1 | 2026 HY1    | 2026 HY1    | 2025 HY1 | 2025 HY1    | 2025 HY1    |
|-------------------------------|----------|-------------|-------------|----------|-------------|-------------|
|                               | total BF | US Business | EU Business | total BF | US Business | EU Business |
| in EUR thousands              |          |             |             |          |             |             |
| Revenue                       | 9,923    | 885         | 9,038       | 8,762    | 2,500       | 6,262       |
| Cost of Sales                 | (2,644)  | (928)       | (1,716)     | (2,286)  | (1,314)     | (972)       |
| Gross Profit                  | 7,279    | (43)        | 7,322       | 6,476    | 1,186       | 5,290       |
| Regulatory and Development    | (1,152)  | (12)        | (1,140)     | (1,724)  | (729)       | (995)       |
| Sales and Marketing           | (3,336)  | (2)         | (3,334)     | (3,311)  | (43)        | (3,268)     |
| General and Administrative    | (1,409)  | (1)         | (1,408)     | (306)    | 2,088       | (2,394)     |
| Operating Result              | 1,382    | (58)        | 1,440       | 1,135    | 2,502       | (1,367)     |
| Other Income                  | 2,415    | 2,282       | 133         | 672      | 584         | 88          |
| Other Expense                 | (63)     | (3)         | (60)        | (164)    | (146)       | (18)        |
| Depreciation and Amortization | 227      | -           | 227         | 429      | 387         | 42          |
| EBITDA                        | 3,962    | 2,221       | 1,741       | 2,071    | 3,327       | (1,256)     |
| EBIT                          | 3,734    | 2,221       | 1,513       | 1,642    | 2,940       | (1,298)     |
| Expenses from Investments     | 1,806    | 1,806       | (0)         | (177)    | (177)       | 0           |
| Interest Expense              | (11)     | -           | (11)        | (3)      | -           | (3)         |
| Other Interest                | 13       | -           | 13          | (1)      | -           | (1)         |
| Financial result              | 1,807    | 1,806       | 1           | (181)    | (177)       | (4)         |
| Profit before Tax             | 5,542    | 4,027       | 1,515       | 1,461    | 2,763       | (1,302)     |

## Legal disputes

### Deutsche Balaton AG v. Biofrontera AG (declaratory action)

On December 13, 2021, Deutsche Balaton AG filed an action with the Regional Court of Cologne, the subject of which was the legal examination and determination of a so-called unwritten competence of the Annual General Meeting for the IPO of Biofrontera Inc. The statement of claim was served to the Company on February 9, 2022.

After service, the Supervisory Board resolved to form a Litigation Committee for further decisions in connection with the lawsuit, consisting of Dr. Helge Lubenow, Mr. Karlheinz Schmelig and, as Committee Chairman, Dr. Jörgen Tielmann (until August 28, 2024). On August 28, 2024, Dr. Heikki Lanckriet was appointed as member of this Committee, after the resignation of Dr. Jörgen Tielmann.

All members of the former Executive Board and Supervisory Board involved in the resolutions challenged by the action have since left the Company. They have been served with notices of dispute regarding possible claims for damages.

On December 9, 2022, the Cologne Regional Court ruled in a declaratory judgment that the resolutions approving the IPO of Biofrontera Inc. passed by the former Management Board and the former Supervisory Board were unlawful because the required prior approval for the IPO by the Annual General Meeting was unlawfully not obtained. The further action was dismissed. In its reasoning, the court stated that the IPO initiated a colossal loss of control by allowing third-party investors to acquire a majority stake in the subsidiary by waiving the exercise of the parent company's subscription rights. In the opinion of the court, this loss of control resulted in asset losses for the Company and its shareholders. The appeal lodged against this by the former supervisory board members and management board members with the Higher Regional Court of Cologne was successful. In its ruling of June 26, 2025, the Higher Regional Court of Cologne dismissed Deutsche Balaton AG's lawsuit in its entirety. The lawsuit had been filed too late, as the amendment to the articles of association at Biofrontera, Inc. with the insertion of the authorized capital in December 2020 had already been the triggering event, but at the latest the Company's capital market announcement of July 6, 2021. The resolutions of the Management Board and Supervisory Board of Biofrontera AG dated October 1 and October 27, 2021, had no legal significance in relation to the IPO of Biofrontera, Inc. The Higher Regional Court had allowed an appeal. Deutsche Balaton AG has appealed to the Federal Court of Justice. The Federal Court of Justice has not yet set a date for oral proceedings.

The IPO remains unaffected by the ruling. On the unanimous recommendation of the Litigation Committee, the Executive Board and Supervisory Board have decided not to appeal the ruling. Due to the appeals of the disputants, the judgment is not yet final.

### Legal dispute in the USA

In June 2024, Biofrontera AG and Biofrontera Inc. were sued by Sun Pharma (DUSA) in the United States alleging that Biofrontera infringes two of Sun Pharma (DUSA) patents which are directed to systems and methods of using a certain type of lamp to conduct photodynamic therapy. The Asserted Patents are U.S. Patent No. 11,446,512 ("512 Patent") and 11,697,028 ("028 Patent"). Sun Pharma (DUSA) filed suit in two venues. First, Sun Pharma filed an investigation before the United States International Trade Commission (ITC) by which it seeks to prohibit the import into the USA of the Biofrontera RhodoLED XL® lamp (Inv. No. 337-TA-1411). Second, Sun Pharma filed a parallel suit in the U.S. District Court for the District of Massachusetts (C.A. No. 11-cv-11637-IT). Pursuant to U.S. law, the suit in the U.S. District Court is stayed pending the outcome of the ITC investigation.

Biofrontera has retained outside counsel and is vigorously defending its legal position. In 2024, Biofrontera AG and its subsidiaries signed a joint defense agreement with Biofrontera Inc., to share legal expenses. However, pursuant to a June 30, 2025, agreement between Biofrontera AG and Biofrontera, Inc., control of Biofrontera intellectual property, and responsibility for defense costs, shifted to Biofrontera Inc., effective June 30, 2025, meaning that Biofrontera AG is no longer responsible for legal fees and expenses.

In the ITC, a hearing was held in June and July 2025. The Administrative Law Judge issued an Initial Determination on September 30, 2025, finding a violation of Section 337 (i.e., finding the Asserted Patents infringed and not invalid). Following Commission review, the ITC issued its Final Determination on May 6, 2026, confirming the violation and issuing a Limited Exclusion Order and Cease and Desist Order covering the RhodoLED XL® lamp. Following the 60-day Presidential Review Period, Biofrontera ceased importing and selling the current RhodoLED XL® lamp in the United States. Biofrontera has appealed the ITC's determination to the U.S. Court of Appeals for the Federal Circuit.

In response to the infringement allegations, Biofrontera AG and Biofrontera Inc. also filed three petitions for Inter Partes Review (IPR) in the U.S. Patent and Trademark Office ("PTO") against the Asserted Patents. The PTO denied institution as to IPRs 2024-00874 and 2025-00287. However, the PTO instituted an IPR trial against all asserted claims of the '028 Patent in IPR 2024-01312. The Patent Trial and Appeal Board (PTAB) invalidated all challenged claims of the '028 Patent. Notwithstanding the PTAB's decision, the ITC determined that the '028 Patent was infringed in the context of the ITC investigation. On January 16, 2026, Sun Pharma filed a petition for Post Grant Review, challenging the patentability of U.S. Patent No. 12,280,146 ("146 Patent"), an Orange Book listed formulation patent initially assigned to Biofrontera Bioscience GmbH. Biofrontera Inc. has retained counsel and intends to dispute Sun Pharma's petition. A final written decision is expected around July 2027.

SunPharma (DUSA) has filed a lawsuit alleging breach of contract (a settlement agreement between SunPharma, Biofrontera Inc. and Biofrontera AG group signed in 2021) and misleading advertising related to Ameluz® in the U.S. market. That lawsuit has been served to Biofrontera at the end of February 2025 and the Company has retained outside counsel who are analyzing the case.

The SunPharma (DUSA) false advertising litigation against Biofrontera Inc., Biofrontera AG, Biofrontera Bioscience and Biofrontera Pharma (collectively, the "Biofrontera Defendants") remains pending in the U.S. federal court in New Jersey. As of June 1, 2025, Biofrontera Inc. assumed the defense for AG, Bioscience and Pharma, including payment of all legal fees and costs, as well as fully protecting the Biofrontera German entities from any outcomes, including any settlement, judgment or verdict, in the U.S. litigation. Regarding the procedural status of the SunPharma litigation, the parties have completed written discovery and taken the depositions of certain key fact witnesses. On December 12, 2025, SunPharma filed a motion to disqualify the law firm representing the Biofrontera Defendants. The motion was argued before the court on January 29, 2026, and was subsequently dismissed by the court. SunPharma applied to suspend any further depositions or other discoveries until a ruling is made on the disqualification motion. The U.S. court approved SunPharma's suspension request.

#### **Investor claim against Biofrontera AG**

A prospectus liability claim in the amount of EUR 683,604.10 has been asserted against Biofrontera AG by a private investor in connection with the 2021 capital increase. The claim was initially brought in a conciliation proceeding (*Güteverfahren*), which has since been concluded without any legal or financial consequences for Biofrontera AG. The claimant alleges that the securities prospectus dated 3 February 2021, failed to adequately disclose plans for the subsequent IPO of Biofrontera Inc. in the United States. On 6 November 2025, Biofrontera AG declared a waiver of the statute of limitations (*Verjährungsverzicht*) in favor of the investor, thereby extending the limitation period through 30 September 2026 (inclusive), which was extended until 31 March 2027 (inclusive). There remains a risk that the claim will be pursued through litigation. A comprehensive assessment of the merits of the claim cannot be provided at this stage, as the legal review is still ongoing. Based on the outcome of that review, Biofrontera AG will determine whether to defend itself against a potential claim or seek an amicable resolution with the investor.

## Biofrontera Group financial position and performance

### Results of operations of the Biofrontera Group

The results of operations as of June 30, 2026 are as follows:

| in EUR thousand                                                      | 01.01. - 30.06.2026 | 01.01. - 30.06.2025                                                            |
|----------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------|
| unaudited                                                            |                     | prior year figures adjusted<br>(for further disclosure see<br>group structure) |
| Sales revenue                                                        | 9,038               | 6,262                                                                          |
| Gross profit on sales                                                | 7,322               | 5,290                                                                          |
| Research and development costs                                       | (1,140)             | (995)                                                                          |
| General administrative costs                                         | (1,408)             | (2,394)                                                                        |
| Sales and marketing costs                                            | (3,334)             | (3,268)                                                                        |
| <b>Result on operations</b>                                          | <b>1,440</b>        | <b>(1,367)</b>                                                                 |
| Other expenses and income                                            | 73                  | 70                                                                             |
| <b>EBITDA</b>                                                        | <b>1,741</b>        | <b>(1,256)</b>                                                                 |
| <b>EBIT</b>                                                          | <b>1,513</b>        | <b>(1,298)</b>                                                                 |
| Financial result                                                     | 1                   | (4)                                                                            |
| <b>Total result before income tax</b>                                | <b>5,542</b>        | <b>1,461</b>                                                                   |
| <b>thereof result before income tax from continued operations</b>    | <b>1,515</b>        | <b>(1,302)</b>                                                                 |
| <b>thereof result before income tax from discontinued operations</b> | <b>4,027</b>        | <b>2,763</b>                                                                   |
| Income Tax                                                           | (9)                 | (5,153)                                                                        |
| thereof income tax from continued operations                         | (4)                 | (5,120)                                                                        |
| thereof income tax from discontinued operations                      | (5)                 | (33)                                                                           |
| <b>Result after income tax from continued operations</b>             | <b>1,511</b>        | <b>(6,422)</b>                                                                 |
| <b>Result after income tax from discontinued operations</b>          | <b>4,022</b>        | <b>2,730</b>                                                                   |
| <b>Total result after income tax</b>                                 | <b>5,533</b>        | <b>(3,692)</b>                                                                 |

### Key figures from continued operations

#### Sales revenue

The Biofrontera Group generated total sales of EUR 9,038 thousand in the first half of 2026, an increase of 44.3% compared to the same period of the previous year (first half of 2025: EUR 6,262 thousand).

Total revenues in Europe increased by 44.5 % in the first half of 2026 to 9,029 TEUR compared to the same period of the previous year (first half of 2025: EUR 6,248 thousand). In Germany, sales increased by 54.4% to EUR 6,832 thousand in the first half of 2026 (first half of 2025: EUR 4,424 thousand) partly driven by higher inventory levels at German wholesalers following the announced price increase. Total sales in the rest of Europe increased by 20.4% to EUR 2,197 thousand (first half of 2025: EUR 1,824 thousand).

Biofrontera generated revenue of EUR 885 thousand with our former licensee in the USA from discontinued operations compared to EUR 2,500 thousand in the previous year, a decrease of 64.6%. This includes revenues from service agreements in the amount of EUR 0 thousand (first half of 2025: EUR 19 thousand).

Revenue from other regions amounted to EUR 9 thousand in the first half of 2026 (first half of 2025: EUR 14 thousand) and included both license income and revenue from the sale of study materials.

### Gross profit on sales

Gross profit without considering the effect of the discontinued operations increased by 38.4% and amounted to EUR 7,322 thousand in the first half of 2026 compared to EUR 5,290 thousand in the prior first half of 2025. The gross margin slightly changed to 81.0% in the first half of 2026 compared to 84.5% in the first half of 2025.

### Research and development costs

Research and development costs, without considering the effect of the discontinued operations, increased by 14.5 % to EUR 1,140 thousand in the reporting period compared to EUR 995 thousand in the first half of 2025. It includes costs for clinical trials (any marginal amount), expenses for regulatory affairs, i.e. for obtaining, maintaining and expanding our approvals, expenses for patents, pharmacovigilance activities and personnel costs for employees working in these departments. The Company is doing preliminary research on potential new indications for Ameluz®.

### General and administrative costs

General administrative expenses, without considering the effect of the discontinued operations, amounted to EUR 1,408 thousand in the first half of 2026 (first half of 2025: EUR 2,394 thousand), a decrease of 41.2% in total compared to the previous half year. This significant decrease is mainly attributable to the optimization of the Group's organizational structure and the absence of new litigation requiring additional legal provisions.

### Sales and marketing costs

Sales and marketing expenses amounted to EUR 3,334 thousand in the first half year of 2026, a small increase of 2.0% compared to the previous half year of 2025 (EUR 3,268 thousand).

### Other income and expenses

Other expenses and income, without considering the effect of the discontinued operations, amounted to a total of EUR 73 thousand in the reporting period (first half of 2025: EUR 70 thousand) and primarily include expenses and income from currency translation and the reversal of provisions.

### EBITDA and EBIT

The Group's EBITDA includes earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets, increased by EUR 2,997 thousand to EUR 1,741 thousand in the first half of 2026 compared with the prior-year first half (EUR -1,256 thousand). As mentioned above, this doesn't include the effect of revenues and expenses related to discontinued operations.

EBIT includes earnings before interest and taxes and increased from EUR -1,298 thousand in the first half 2025 to EUR 1,513 thousand in the first half of 2026.

Overall, excluding the impact of discontinued operations, the Company improved its profitability in terms of both EBITDA and EBIT, driven by a significant increase in revenues—partly temporary due to the stocking effect in Germany—and a reduction in G&A expenses.

### Financial results

In addition to the interest result, the financial result, without considering the effect of the discontinued operations, amounted to EUR 1 thousand (previous half year of 2025: EUR -4 thousand).

### Total Income taxes for Biofrontera

This position includes expenses from current income taxes in the amount of EUR 9 thousand (previous year: expense of EUR 60 thousand) and expenses from deferred taxes in the amount of EUR 0 thousand (previous year: expense of EUR 5,093 thousand)

resulting from the capitalization of deferred taxes on carried forward losses at Biofrontera Bioscience GmbH and Biofrontera Pharma GmbH. For H1 report the Company doesn't update the tax calculations so the amounts are not comparable. Final tax calculations will be done in the final 2026 annual report.

### Discontinued operations

Discontinued operations include the net result, after taxes, of all activities related to the business transferred to the U.S., including Ameluz® sales under the previous LSA until June 1, 2025, all expenses associated with the transferred operations, and the net result from the sale of U.S.-related assets and liabilities, including shares received and earn-out generated during 2026. This amount also includes any increase or decreases in the market value of Biofrontera AG's stake in Biofrontera Inc. This amounted to EUR 4,027 thousand in the first half of 2026, compared with EUR 2,763 thousand in the first half of 2025.

### Net assets of the Biofrontera Group

The net assets position as of June 30, 2026 is as follows:

| in EUR thousand                     | June 30, 2026 | December 31, 2025 |
|-------------------------------------|---------------|-------------------|
| Non-current assets                  | 9,823         | 6,731             |
| Current financial assets            | 12,392        | 9,484             |
| Other current assets                | 3,784         | 4,428             |
| <b>Total assets</b>                 | <b>25,999</b> | <b>20,643</b>     |
| Equity                              | 20,411        | 14,904            |
| Non-current liabilities             | 1,099         | 10                |
| Current financial liabilities       | 1,932         | 2,107             |
| Other current liabilities           | 2,557         | 3,623             |
| <b>Total equity and liabilities</b> | <b>25,999</b> | <b>20,643</b>     |

### Non-current assets

Non-current assets as of June 30, 2026, totaling EUR 9,823 thousand (previous year: EUR 6,731 thousand) include recognized deferred tax assets on tax loss carryforwards at Biofrontera Pharma GmbH and deferred taxes at Biofrontera Bioscience in the amount of EUR 3,529 thousand (previous year: EUR 3,529 thousand), property, plant and equipment in the amount of EUR 1,948 thousand, driven by a new rental agreement for the premises, accounted for under IFRS 16 (previous year: EUR 660 thousand), and intangible assets of EUR 3 thousand (previous year: EUR 4 thousand). Also included here is the investment in Biofrontera Inc. at carrying amount in the amount of EUR 4,343 thousand (previous year: EUR 2,538 thousand).

### Current financial assets

Current financial assets totaled EUR 12,392 thousand as of June 30, 2026 (previous year: EUR 9,484 thousand). This in particular includes cash and cash equivalents of EUR 7,111 thousand (previous year: EUR 3,603 thousand), trade receivables of EUR 5,136 thousand (previous year: EUR 5,825 thousand), other current financial assets of EUR 145 thousand (previous year: EUR 56 thousand).

### Other current assets

Other current assets mainly contain inventories. These decreased to EUR 3,615 thousand as of June 30, 2026 (previous year: EUR 3,747 thousand). In the reporting period, no impairment losses were recognized on inventories as well as in previous year. Advance payments on inventories totaling EUR 155 thousand are included in the inventories. In the previous year, advance payments amounted to EUR 155 thousand.

Other current assets also include current receivables in the amount of EUR 131 thousand (previous year: EUR 643 thousand) comprising of prepaid expenses and VAT receivables mainly.

### Equity

In accordance with IFRS, the Group reported equity of EUR 20,411 thousand (previous year: EUR 14,905 thousand). The equity ratio increased from 72.2% to 78.5%.

### Non-current liabilities

The financial liabilities reported under non-current liabilities of EUR 1,099 thousand (previous year: EUR 10 thousand), contain the liabilities from leases to be recognized in accordance with IFRS 16 in the amount of EUR 1,099 thousand (previous year: EUR 10 thousand).

### Current financial liabilities

Current financial liabilities include, in particular, trade payables in the amount of EUR 1,380 thousand (previous year: EUR 1,460 thousand) and current liabilities from leases in accordance with IFRS 16 in the amount of EUR 343 thousand (previous year: EUR 55 thousand). These also include customer advances of EUR 191 thousand (previous year: EUR 561 thousand). The increase in liabilities from leases according to IFRS 16 is due to the new rental agreement of the premises.

### Other current liabilities

Other current liabilities amounted to EUR 2,557 thousand (previous year: EUR 3,624 thousand) and consist of provisions of EUR 629 thousand (previous year: EUR 632 thousand) as well as other accrued liabilities of EUR 1,570 thousand (previous year: EUR 2,634 thousand) and income tax liabilities of EUR 358 thousand (previous year: EUR 358 thousand).

## Financial position of the Biofrontera Group

The Company's capital management body regularly reviews the equity ratio of both the Biofrontera Group and the parent company. The objective is to ensure an appropriate equity base, within the framework of the expectations of the capital market, and creditworthiness with respect to national and international business partners. The Group's Management Board ensures that all Group companies have sufficient liquidity at their disposal.

| in EUR thousand                        | June 30, 2026 | December 31, 2026 |
|----------------------------------------|---------------|-------------------|
| Cash flow from/in operating activities | 3,711         | (4,400)           |
| Cash flow from/in investing activities | 63            | 5,331             |
| Cash flow from/in financing activities | (291)         | (452)             |
| Cash and cash equivalents              | 7,111         | 3,603             |
| Non-current financial liabilities      | 1,099         | 10                |
| Current financial debt                 | 535           | 616               |
| Net liquidity                          | 5,478         | 2,977             |

Net cash flow from operating activities increased by EUR 8,111 thousand to EUR 3,711 thousand compared to the previous year's figure of EUR -4,400 thousand. The improvement is primarily attributable to an improvement in the Company business performance, decrease in receivables and the movement in accruals in FY 2025.

Net cash flow from investing activities amounted to EUR 63 thousand (previous year: EUR 5,331 thousand) and mainly consists of the earn-out for 2026 and additional rights of usage related to IFRS 16 from the new rental agreements for the premises.

Net cash flow from financing activities amounted to EUR -291 thousand and was lower than the previous year's figure (previous year: EUR -452 thousand), which mainly consists of lease payments.

### Cash and cash equivalents

Cash and cash equivalents in the Group amount to EUR 7,111 thousand as of June 30, 2026 (previous year: EUR 3,603 thousand).

### Outlook and forecast

**In March 2026, the Company issued a forecast for the fiscal year 2026, that was confirmed in the 2025 annual report and has now been confirmed again.**

As explained, in accordance with IFRS presentation requirements, all types of income, expenses, taxes, and contributions related to the sold business segment must be reported as net income from discontinued operations in a single line immediately preceding the final net income. This accounting treatment has a negative impact on reported EBITDA, as the earn-out payment received from Biofrontera Inc. is not included in it.

For comparative purposes, we report adjusted EBITDA, which includes the earn-out payment received and all minor sales or expenses still on our side that are related to the sold business unit. In addition, we also report unadjusted EBITDA, which reflects actual EBITDA under IFRS rules excluding all items related to the U.S. market.

The management will focus on Group sales and adjusted / unadjusted EBITDA as key indicators for the Company performance.

#### Forecast of key performance indicators relevant to management (we keep the forecast published in March 2026)

| Key Figure                                     | Forecast 2026            |
|------------------------------------------------|--------------------------|
| Group sales revenue                            | 14.0 Mio to 16.0 Mio EUR |
| EBITDA adjusted (considering US earn-out)      | 3.5 Mio to 5.1 Mio. EUR  |
| EBITDA unadjusted                              | -0.5 Mio to +0.5 Mio EUR |
| Cash and cash equivalents at 31. December 2026 | 4.0 Mio to 8.0 Mio EUR   |

The transfer of all U.S.-related structures, assets, liabilities, and lamp manufacturing operations has significantly reduced the Group's cost base. As a result, the Company expects continued adjusted EBITDA growth in 2026, reflecting a more efficient organizational structure aligned with its European focus.

In the United Kingdom, a successful market launch of Ovixan® took place in Q1 2026.

As of June 30, 2026, the Biofrontera Group held cash and cash equivalents of EUR 7,111 thousand (3,603 thousand as of December 31, 2025). Based on current corporate planning, the Group expects to maintain sufficient liquidity to meet all obligations for at least the next twelve months. Assuming expenses and income develop as projected, cash and cash equivalents are forecast to range between EUR 4.0 million and EUR 8.0 million as of December 31, 2026.

# Consolidated financial statements as of June 30, 2026

## Consolidated balance sheet as of June 30, 2026

### Assets

| in EUR thousand                 | June 30, 2026<br>unaudited | December 31, 2025 |
|---------------------------------|----------------------------|-------------------|
| <b>Non-current assets</b>       |                            |                   |
| Tangible assets                 | 1,948                      | 660               |
| Intangible assets               | 3                          | 4                 |
| Deferred tax                    | 3,529                      | 3,529             |
| Investments                     | 4,343                      | 2,538             |
| <b>Total non-current assets</b> | <b>9,823</b>               | <b>6,731</b>      |
| <b>Current assets</b>           |                            |                   |
| Financial assets                |                            |                   |
| Trade receivables               | 5,136                      | 5,825             |
| Cash and cash equivalents       | 7,111                      | 3,603             |
| Other financial assets          | 145                        | 56                |
| <b>Total financial assets</b>   | <b>12,392</b>              | <b>9,484</b>      |
| Other assets                    |                            |                   |
| Inventories                     | 3,615                      | 3,747             |
| Assets held for sale            | -                          | -                 |
| Income tax                      | 39                         | 39                |
| Other assets                    | 131                        | 643               |
| <b>Total other assets</b>       | <b>3,784</b>               | <b>4,428</b>      |
| <b>Total current assets</b>     | <b>16,176</b>              | <b>13,912</b>     |
| <b>Total assets</b>             | <b>25,999</b>              | <b>20,643</b>     |

## Equity and liabilities

| in EUR thousand                                              | June 30 , 2026<br>unaudited | December 31 , 2025 |
|--------------------------------------------------------------|-----------------------------|--------------------|
| <b>Equity</b>                                                |                             |                    |
| Subscribed capital                                           | 6,077                       | 6,077              |
| Capital reserve                                              | 137,497                     | 137,497            |
| Capital reserve from foreign currency conversion adjustments | 9                           | 35                 |
| Loss carried forward                                         | (128,705)                   | (124,739)          |
| Profit / (Loss) for the period                               | 5,533                       | (3,965)            |
| <b>Total equity</b>                                          | <b>20,411</b>               | <b>14,905</b>      |
| <b>Non-current liabilities</b>                               |                             |                    |
| Financial debt                                               | 1,099                       | 10                 |
| <b>Total non-current liabilities</b>                         | <b>1,099</b>                | <b>10</b>          |
| <b>Current liabilities</b>                                   |                             |                    |
| Financial liabilities                                        |                             |                    |
| Trade payables                                               | 1,380                       | 1,460              |
| Current financial debt                                       | 535                         | 616                |
| Other financial liabilities                                  | 17                          | 31                 |
| <b>Total financial liabilities</b>                           | <b>1,932</b>                | <b>2,107</b>       |
| Other liabilities                                            |                             |                    |
| Income Tax                                                   | 358                         | 358                |
| Other provisions                                             | 629                         | 632                |
| Other liabilities                                            | 1,570                       | 2,634              |
| ↳ thereof liabilities related to assets held for sale        | 0                           | 38                 |
| <b>Total other liabilities</b>                               | <b>2,557</b>                | <b>3,624</b>       |
| <b>Total current liabilities</b>                             | <b>4,489</b>                | <b>5,731</b>       |
| <b>Total equity and liabilities</b>                          | <b>25,999</b>               | <b>20,643</b>      |

## Consolidated statement of comprehensive income for the first six months of the fiscal year 2026

| in EUR thousand                                                                      | 01.01.-30.6.2026 | 01.01.-30.6.2025                                                                |
|--------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------|
| unaudited                                                                            |                  | Prior year values adjusted<br>(see further disclosure<br>under group structure) |
| Sales revenue                                                                        | 9,038            | 6,262                                                                           |
| Cost of sales                                                                        | (1,716)          | (972)                                                                           |
| <b>Gross profit from sales</b>                                                       | <b>7,322</b>     | <b>5,290</b>                                                                    |
| <b>Operating expenses</b>                                                            |                  |                                                                                 |
| Research and development costs                                                       | (1,140)          | (995)                                                                           |
| General administrative costs                                                         | (1,408)          | (2,394)                                                                         |
| thereof A/R Reserve                                                                  | 0                | 0                                                                               |
| Sales costs                                                                          | (3,334)          | (3,268)                                                                         |
| <b>Result from operations</b>                                                        | <b>1,440</b>     | <b>(1,367)</b>                                                                  |
| Depreciation and amortization                                                        | 227              | 42                                                                              |
| Other Expenses                                                                       | (60)             | (18)                                                                            |
| Other Income                                                                         | 133              | 88                                                                              |
| <b>EBITDA</b>                                                                        | <b>1,741</b>     | <b>(1,256)</b>                                                                  |
| Depreciation and amortization                                                        | (227)            | (42)                                                                            |
| <b>EBIT</b>                                                                          | <b>1,513</b>     | <b>(1,298)</b>                                                                  |
| Interest expenses                                                                    | 2                | (4)                                                                             |
| <b>Profit/loss before income tax from continued operations</b>                       | <b>1,515</b>     | <b>(1,302)</b>                                                                  |
| <b>Profit/loss before income tax from discontinued operations</b>                    | <b>4,027</b>     | <b>2,763</b>                                                                    |
| Income tax                                                                           | (9)              | (5,153)                                                                         |
| thereof Income tax on continued operations                                           | (4)              | (5,120)                                                                         |
| thereof Income tax on discontinued operations                                        | (5)              | (33)                                                                            |
| <b>Results from continued operations</b>                                             | <b>1,511</b>     | <b>(6,422)</b>                                                                  |
| <b>Results from discontinued operations</b>                                          | <b>4,022</b>     | <b>2,730</b>                                                                    |
| <b>As shown: Comprehensive income after income taxes</b>                             | <b>5,533</b>     | <b>(3,692)</b>                                                                  |
| <b>Other comprehensive income after income taxes</b>                                 |                  |                                                                                 |
| Translation differences resulting from the conversion of foreign business operations | -25              | -20                                                                             |
| <b>Total profit/loss for the period</b>                                              | <b>5,508</b>     | <b>(3,712)</b>                                                                  |
| Total profit/loss for continued operations                                           | 1,486            | (6,442)                                                                         |
| Total profit/loss for discontinued operations                                        | 4,022            | 2,730                                                                           |
| Basic earnings per share in EUR                                                      | 0.91             | (0.61)                                                                          |
| Diluted / undiluted Earnings per share in EUR from discontinued operations           | 0.66             | 0.45                                                                            |
| Diluted / undiluted Earnings per share in EUR from continued operations              | 0.25             | (1.06)                                                                          |

## Consolidated statement of changes in equity for the first half of 2026

|                                                              | Ordinary<br>shares  | Subscribed<br>capital | Capital<br>reserve | Reserve from<br>foreign<br>currency<br>conversion<br>adjustment<br>(OCI) | Loss carried<br>forward<br>Loss for the<br>period | Total           |
|--------------------------------------------------------------|---------------------|-----------------------|--------------------|--------------------------------------------------------------------------|---------------------------------------------------|-----------------|
|                                                              | Number of<br>shares | in EUR thousand       | in EUR thousand    | in EUR thousand                                                          | in EUR thousand                                   | in EUR thousand |
| <b>Balance as of January 01, 2025</b>                        | 6,076,862           | 6,077                 | 137,497            | 22                                                                       | (124,739)                                         | 18,857          |
| Loss for the period                                          | 0                   | 0                     | 0                  | 0                                                                        | (3,965)                                           | (3,965)         |
| Foreign currency conversion                                  | 0                   | 0                     | 0                  | 13                                                                       | 0                                                 | 13              |
| <b>Total loss for the period</b>                             | 0                   | 0                     | 0                  | 13                                                                       | (3,965)                                           | (3,952)         |
| Capital reduction / reverse split                            | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Capital increase                                             | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Conversion of stock options<br>from the stock option program | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Cost of equity procurement                                   | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Increase in capital reserve from<br>the stock option program | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Disposal scope of consolidation                              | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| <b>Balance as of December 31,<br/>2025</b>                   | 6,076,862           | 6,077                 | 137,497            | 35                                                                       | (128,704)                                         | 14,905          |

|                                                              | Ordinary<br>shares  | Subscribed<br>capital | Capital<br>reserve | Reserve from<br>foreign<br>currency<br>conversion<br>adjustment<br>(OCI) | Loss carried<br>forward<br>Loss for the<br>period | Total           |
|--------------------------------------------------------------|---------------------|-----------------------|--------------------|--------------------------------------------------------------------------|---------------------------------------------------|-----------------|
|                                                              | Number of<br>shares | in EUR thousand       | in EUR thousand    | in EUR thousand                                                          | in EUR thousand                                   | in EUR thousand |
| <b>Balance as of January 1, 2026</b>                         | 6,076,862           | 6,077                 | 137,497            | 35                                                                       | (128,704)                                         | 14,905          |
| Loss for the period                                          | 0                   | 0                     | 0                  | 0                                                                        | 5,533                                             | 5,533           |
| Foreign currency conversion                                  | 0                   | 0                     | 0                  | (26)                                                                     | 0                                                 | (26)            |
| <b>Total loss for the period</b>                             | 0                   | 0                     | 0                  | (26)                                                                     | 5,533                                             | 5,507           |
| Capital decrease / reverse-split                             | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Capital increase                                             | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Conversion of stock options<br>from the stock option program | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Cost of equity procurement                                   | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| Increase in capital reserve from<br>the stock option program | 0                   | 0                     | 0                  | 0                                                                        | 0                                                 | 0               |
| <b>Balance as of June 30, 2026</b>                           | 6,076,862           | 6,077                 | 137,497            | 9                                                                        | (123,171)                                         | 20,412          |

## Consolidated cash flow statement for the first half of 2026

| in EUR thousand                                                              | 01.01.-30.6.2026 | 01.01.-31.12.2025 |
|------------------------------------------------------------------------------|------------------|-------------------|
| <b>Cashflows from operations</b>                                             |                  |                   |
| Profit / Loss before income tax                                              | 5,506            | 2,060             |
| Adjustments to reconcile loss before income tax to cash flow into operations |                  |                   |
| Income tax                                                                   | (9)              | (36)              |
| Financial result                                                             | (2)              | 14                |
| Depreciation                                                                 | 227              | 648               |
| Non-cash (income) and expenses and interest expenses                         | (2,019)          | (1,835)           |
| Changes in operating assets and liabilities                                  |                  |                   |
| Trade receivables                                                            | 689              | (1,677)           |
| Receivables from Lease Contracts                                             | 0                | 33                |
| Other assets and income tax assets                                           | 423              | 304               |
| Inventories                                                                  | 132              | (1,277)           |
| Trade payables                                                               | (175)            | (664)             |
| Provisions                                                                   | 3                | (2,140)           |
| Other liabilities                                                            | (1,064)          | 170               |
| <b>Net cash flow from/in operational activities</b>                          | <b>3,711</b>     | <b>(4,400)</b>    |
| <b>Cash flow from investment activities</b>                                  |                  |                   |
| Purchase of intangible and tangible assets                                   | (1,313)          | (51)              |
| Proceeds from the sale of a discontinued operation                           | 1,376            | 5,382             |
| <b>Net cash flow from/in investment activities</b>                           | <b>63</b>        | <b>5,331</b>      |
| <b>Cashflows from financing activities</b>                                   |                  |                   |
| Leasing payments                                                             | (289)            | (438)             |
| Balance of interest received / paid                                          | (2)              | (14)              |
| <b>Net cash flows from/in financing activities</b>                           | <b>(291)</b>     | <b>(452)</b>      |
| Net increase/(decrease) in cash and cash equivalents                         | 3,483            | 479               |
| Changes from exchange rate differences                                       | 25               | 0                 |
| Cash and cash equivalents at the beginning of the period                     | 3,603            | 3,124             |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>7,111</b>     | <b>3,603</b>      |

# Notes to the consolidated financial statements as of June 30, 2026

## Information about the Company

The Biofrontera AG (hereinafter also referred to as "Biofrontera" or the "Company"), registered in the Commercial Register of the Local Court of Cologne, Section B under No. 49717, and its wholly owned subsidiaries Biofrontera Bioscience GmbH, Biofrontera Pharma GmbH, Biofrontera Development GmbH, and Biofrontera Neuroscience GmbH, all with registered offices at Hemmelrather Weg 201, 51377 Leverkusen, Germany and the wholly owned subsidiary Biofrontera UK Ltd. with registered office in Newcastle upon Tyne, as a wholly owned subsidiary of Biofrontera Pharma GmbH and the Spanish branch Biofrontera Pharma GmbH sucursal en España with registered office in Madrid, develop and distribute dermatological products.

The declarations on the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act have been submitted and made available to shareholders via Biofrontera's website ([www.biofrontera.com](http://www.biofrontera.com)).

The holding in Biofrontera Inc., based in Woburn (Massachusetts), USA, stood at 8.30% as at the reporting date (previous year: 8.89%) and is reported under non-current assets as investments in companies.

Due to Deutsche Balaton AG holding a majority stake, Biofrontera AG is fully consolidated in the consolidated financial statements of Deutsche Balaton AG.

## Segment reporting

Biofrontera's main business activity is the sale of pharmaceuticals and medical products and the associated research and development activities to optimize their market potential. The Biofrontera Group is essentially a single-product company, although they are working in expanding its portfolio and, currently, they have three additional products, currently representing marginal revenues. Accordingly, segmentation is based exclusively on geographical aspects and only with regard to sales revenues, as internal reporting to management and corporate controlling are also based exclusively on these criteria. Internal reporting to management is a condensed presentation of the consolidated statement of comprehensive income. The results of the companies are monitored separately by management in order to be able to measure and assess their performance.

For further information, please refer to our comments in the notes on „Sales revenue“.

## Summary of significant accounting policies

### Basis for preparation of the consolidated financial statements

The consolidated financial statements of Biofrontera AG for the financial year from 1 January 2026 to 30 June 2026 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC). In addition, the commercial law provisions applicable under Section 315e (1) of the German Commercial Code (HGB) have been observed.

The consolidated financial statements have been prepared on a going concern basis.

Biofrontera AG is the ultimate controlling company that prepares consolidated financial statements for the group of companies. For Biofrontera Pharma GmbH, Leverkusen, which is included in the consolidated financial statements, the exemption provisions pursuant to Section 264 (3) HGB are applied.

The consolidated financial statements as of 30 June 2026 are prepared in EUR and TEUR. Commercial rounding may result in rounding differences in the tables.

This half-year financial report was approved for publication by resolution of the Management Board on September 30, 2026.

## Changes in accounting standards

The accounting and valuation methods used to prepare the consolidated financial statements as of 31 December 2025 were applied unchanged to the preparation of the condensed interim consolidated financial statements. The new IFRS regulations, which are mandatory for the first time from 1 January 2026, have no material impact on the interim consolidated financial statements.

## Basis of consolidation

The consolidated financial statements as of June 30, 2026 include the financial statements of the parent company, Biofrontera AG, and the subsidiaries that the parent company controls. Control exists when Biofrontera is subject to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The basis for the consolidation of the companies included in the consolidated financial statements was the annual financial statements (or HBII according to IFRS) of these companies as of June 30, 2026, prepared in accordance with uniform principles. The consolidated financial statements as of June 30, 2026 were prepared on the basis of standard accounting and valuation principles (IFRS).

The subsidiaries are fully consolidated from the date of acquisition. The date of acquisition is the date on which the parent company obtained control of these group companies. Subsidiaries are included in the consolidated financial statements until control of these entities is lost.

| Company                       | Direct ownership in % | Indirect ownership in % |
|-------------------------------|-----------------------|-------------------------|
| Biofrontera Pharma GmbH       | 100,0                 |                         |
| Biofrontera Bioscience GmbH   | 100,0                 |                         |
| Biofrontera Neuroscience GmbH | 100,0                 |                         |
| Biofrontera Development GmbH  | 100,0                 |                         |
| Biofrontera UK Ltd.           |                       | 100,0                   |

All intercompany receivables and payables as well as income and expenses have been eliminated in the course of consolidation.

Associated companies in which the companies of the Biofrontera Group hold between 20% and 50% of the voting rights or where relevant indicators point to significant influence are accounted for using the equity method. For investments that are included in the consolidated financial statements at equity, the carrying amounts are increased or decreased by the changes in equity corresponding to Biofrontera's share of capital. Changes in the proportionate equity that affect profit or loss are recognised in the result from investments accounted for using the equity method.

## Notes to the consolidated balance sheet

### Intangible and tangible assets

As in the previous year, no impairment losses were recognized on property, plant, and equipment or intangible assets in the first half of fiscal year 2026. The increase in intangible assets is primarily driven by the new rental agreement of the premises and the right of usage coming along with it in accordance with IFRS 16. The decrease of tangible assets is due to the regular depreciation of the assets. Biofrontera uses external and internal information sources to determine at each balance sheet date whether there are indications of an impairment loss or a reversal of an impairment loss.

## Investments measured at fair value

Financial assets comprise the carrying amount of the investment in Biofrontera Inc. of EUR 4,343 thousand (previous year: EUR 2,538 thousand). The investment is measured at fair value.

The investment comprises two components: Firstly, 400,000 shares that were already held in 2024 and had a value of EUR 332 thousand as at the reporting date (previous year: EUR 194 thousand). Secondly, from 4,831,185 shares acquired in October 2025 as part of the transaction, with a total value of EUR 4,011 thousand, based on a share price of USD 0.946, valued at the exchange rate of USD 1.1394 per EUR. As of 30 June 2026, both the newly acquired and the already held shares were valued at EUR 4,343 thousand using the closing price of 0.946 USD.

The remaining carrying amount for the shares in Biofrontera Inc. is reported as an investment in financial assets and is measured at fair value through profit or loss. As of 30 June 2026, based on the share price of Biofrontera Inc., an impairment gain of EUR 1,806 thousand has been recognized.

## Deferred income tax

Deferred tax assets amount to EUR 3,528 thousand (previous year: EUR 3,528 thousand) concern both Biofrontera Pharma GmbH and Biofrontera Bioscience GmbH. The deferred tax assets remain unchanged in the reporting period (previous year: deduction of EUR 5,093 thousand) as the basis for determining the asset remained unchanged in the first half of 2026.

These loss carryforwards have an unlimited carryforward period under current German law.

| in EUR thousand                                | June 30, 2026       |                          | December 31, 2025   |                          |
|------------------------------------------------|---------------------|--------------------------|---------------------|--------------------------|
|                                                | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Loss carried forward                           | 3,478               | 0                        | 3,478               | 0                        |
| Non-current assets                             |                     |                          |                     |                          |
| - Intangible assets                            | 0                   | 0                        | 0                   | 0                        |
| - Tangible assets                              | 0                   | 0                        | 0                   | 0                        |
| -Receivables and other assets                  | 116                 | (61)                     | 116                 | (61)                     |
| Current assets                                 |                     |                          |                     |                          |
| - Receivables and other assets                 | 0                   | (5)                      | 0                   | (5)                      |
| Non-current and current financial liabilities  | 0                   | 0                        | 0                   | 0                        |
| Current liabilities                            |                     |                          |                     |                          |
| - Liabilities and other                        | 0                   | 0                        | 0                   | 0                        |
| Total                                          | 3,594               | (66)                     | 3,594               | (66)                     |
| Netting of deferred tax assets and liabilities | (66)                | 66                       | (66)                | 66                       |
| As recognized on balance sheet                 | 3,528               |                          | 3,528               | 0                        |

Deferred tax assets arising from tax loss carryforwards are recognized only to the extent that there is substantial evidence that they are likely to be utilised against future taxable profits or that deferred tax liabilities exist in a corresponding amount. The deferred tax assets recognized in respect of loss carryforwards were calculated for two operating companies included in the consolidated financial statements on the basis of current business planning. Both companies incurred a loss in the 2024 financial year, which is primarily attributable to one-off effects relating to the creation of a provision for legal costs. Substantial evidence for

the recognition of deferred tax assets arises in particular from the expected continuation of the positive revenue trend, taking into account existing contracts—some of which are long-term—as well as from a sustainably reduced and structurally adjusted cost structure.

## Equity

### Share capital

The fully paid-in share capital of the parent company, Biofrontera AG, amounted to EUR 6,076,862 as of June 30, 2026. It consisted of 6.076.862 registered shares with a nominal value of EUR 1.00 each. On December 31, 2025, the share capital had amounted to EUR 6.076.862.

The shares of Biofrontera AG were listed on the Regulated Market of the Düsseldorf Stock Exchange in 2006. In August 2012, at the request of the Company, admission to trading on the Regulated Market of the Frankfurt Stock Exchange was also granted. The shares are also traded on the Xetra computer trading system and on all other German stock exchanges. On June 03, 2014, the shares were admitted to the Prime Standard of the Frankfurt Stock Exchange.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the amount of issue proceeds collected, net of direct issue costs. Issuing costs are those costs that would not have been incurred if the equity instrument had not been issued. Repurchases of the company's own equity instruments are recognized in a separate item under equity. Neither the purchase nor the sale, issue or cancellation of own equity instruments is recognized in profit or loss. Debt and equity instruments issued by a group company are classified as financial liabilities or equity in accordance with the economic substance of the contractual agreement and the definitions. The ordinary shares of Biofrontera AG are classified as subscribed capital.

The share capital was held as follows on June 30, 2026:

|                                                                                                                                                                                                                                                                                                     | June 30, 2026    | December 31, 2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| <b>Maruho Co., Ltd., Osaka Japan</b>                                                                                                                                                                                                                                                                |                  |                   |
| The total share of voting rights is assigned to Maruho Co., Ltd, Osaka, through the company Maruho Deutschland GmbH, Düsseldorf, which is controlled by the former. In an accompanying voting rights notification, Mr. Takagi reported "acting in concert" over the entire voting rights of Maruho. | 897,665          | 897,665           |
| <b>Wilhelm Konrad Thomas Zours</b>                                                                                                                                                                                                                                                                  |                  |                   |
| The voting rights through the chain of subsidiaries listed below are attributed to Mr. Zours:                                                                                                                                                                                                       | 3,781,739        | 3,781,739         |
| • DELPHI Unternehmensberatung Aktiengesellschaft;                                                                                                                                                                                                                                                   |                  |                   |
| • VV Beteiligungen Aktiengesellschaft                                                                                                                                                                                                                                                               |                  |                   |
| • Deutsche Balaton Aktiengesellschaft;                                                                                                                                                                                                                                                              |                  |                   |
| • Deutsche Balaton Biotech AG                                                                                                                                                                                                                                                                       |                  |                   |
| <b>Free float</b>                                                                                                                                                                                                                                                                                   | 1,397,458        | 1,397,458         |
| <b>Total</b>                                                                                                                                                                                                                                                                                        | <b>6,076,862</b> | <b>6,076,862</b>  |

Only those shareholders are listed who are subject to reporting requirements under the German Securities Trading Act (WpHG) and the Securities and Exchange Commission (SEC) and have made a corresponding notification. This includes all shareholders who hold at least 3% of the outstanding shares or voting rights. The number of shares listed here refers to the last notification of the respective shareholders, since then they may have changed their holdings within the respective notification thresholds without informing the Company.

In the event of the Company achieving an annual surplus, the Management and Supervisory boards are authorized to transfer all or part of the annual surplus that remains, after deduction of the sums to be placed in the legal reserves and of a loss carried forward, to retained earnings. It is not permissible to transfer more than half of the annual surplus to retained earnings if, after such a transfer, the other retained earnings would exceed half of the share capital. The shareholders' share of profits is calculated based on the size of their holding of the share capital.

## Financial liabilities

| in EUR thousand                                | June 30, 2026 | December 31, 2025 |
|------------------------------------------------|---------------|-------------------|
| <b>Non-current financial liabilities</b>       |               |                   |
| Leasing liabilities                            | 1,099         | 10                |
| <b>Total non-current financial liabilities</b> | <b>1,099</b>  | <b>10</b>         |
| <b>Current financial liabilities</b>           |               |                   |
| Leasing liabilities                            | 343           | 55                |
| Other current liabilities                      | 191           | 561               |
| <b>Total current financial liabilities</b>     | <b>535</b>    | <b>616</b>        |

## Income taxes

Income tax liabilities amounting to EUR 358 thousand (previous year: EUR 358 thousand) relate to liabilities from corporation tax of EUR 183 thousand, (previous year: EUR 183 thousand) and commercial tax of EUR 175 thousand, (previous year: EUR 175 thousand) at Biofrontera Pharma GmbH and Biofrontera Bioscience GmbH.

## Other provisions

The development of other provisions of the Biofrontera Group is as follows:

| in EUR thousand                 | December 31, 2025 | Utilized  | Released | Added     | Reclassified | June 30, 2026 |
|---------------------------------|-------------------|-----------|----------|-----------|--------------|---------------|
| Provisions for litigation costs | 592               | 23        | 0        | 20        | 0            | 589           |
| Other provisions                | 40                | 0         | 0        | 0         | 0            | 40            |
| <b>Total</b>                    | <b>632</b>        | <b>23</b> | <b>0</b> | <b>20</b> | <b>0</b>     | <b>629</b>    |

Other provisions relate to various identifiable individual risks and uncertain obligations. The provisions classified as current are expected to result in an outflow of economic benefits within the subsequent financial year.

The companies included in the consolidated financial statements of Biofrontera AG face pending legal proceedings at the time of reporting, the outcome of which either cannot be determined or cannot be predicted due to the uncertainty associated with such legal proceedings. For passive lawsuits, provisions for litigation costs have been recognized in the amount of the expected payments; for active lawsuits, provisions have solely been recognized in the amount of the legal services rendered to date. For further details, please refer to our disclosures on litigation in the Group management report.

## Other current liabilities

| in EUR thousand                                  | December 31, 2026 | December 31, 2025 |
|--------------------------------------------------|-------------------|-------------------|
| Accrual for employee bonuses                     | 525               | 738               |
| Accrual for outstanding vacation                 | 67                | 67                |
| Payroll tax                                      | 161               | 69                |
| Accruals for outstanding invoices                | 322               | 551               |
| Accruals for financial statement and audit costs | 137               | 188               |
| Other accruals                                   | 358               | 1,021             |
| <b>Total other current liabilities</b>           | <b>1,570</b>      | <b>2,634</b>      |

## Reporting on financial instruments

The following tables present the carrying amounts and fair values of the individual financial assets and liabilities for each category of financial instrument in accordance with IFRS 9:

### Financial assets

| in EUR thousand           | Valuation category<br>according to IFRS 9 | Fair value<br>as of<br>June 30, 2026 | Carrying<br>amount<br>as of<br>June 30, 2026 | Fair value<br>as of<br>December 31,<br>2025 | Carrying<br>amount<br>as of<br>December 31,<br>2025 | Hierarchy level |
|---------------------------|-------------------------------------------|--------------------------------------|----------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------|
| Investments               | FVTPL                                     | 4,343                                | 4,343                                        | 2,538                                       | 2,538                                               | -               |
| Cash and cash equivalents | AC                                        | 7,111                                | 7,111                                        | 3,603                                       | 3,603                                               | -               |
| Trade receivables         | AC                                        | 5,136                                | 5,136                                        | 5,825                                       | 5,825                                               | -               |
| Receivables from leases   | AC                                        | 0                                    | 0                                            | 0                                           | 0                                                   | 2               |
| Other financial assets    | AC                                        | 145                                  | 145                                          | 56                                          | 56                                                  | -               |
| <b>Total</b>              |                                           | <b>16,735</b>                        | <b>16,735</b>                                | <b>12,022</b>                               | <b>12,022</b>                                       |                 |

|                                    | Valuation category<br>according to IFRS 9 | Fair value<br>as of<br>June 30, 2026 | Carrying<br>amount<br>as of<br>June 30, 2026 | Fair value<br>as of<br>December 31,<br>2025 | Carrying<br>amount<br>as of<br>December 31,<br>2025 | Hierarchy level |
|------------------------------------|-------------------------------------------|--------------------------------------|----------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------|
| Financial liabilities, current     | AC                                        | 535                                  | 535                                          | 616                                         | 616                                                 | 0               |
| Trade payables                     | AC                                        | 1,380                                | 1,380                                        | 1,460                                       | 1,460                                               | 0               |
| Other financial liabilities        | AC                                        | 17                                   | 17                                           | 31                                          | 31                                                  | 0               |
| Financial liabilities, non-current | AC                                        | 1,099                                | 1,099                                        | 10                                          | 10                                                  | 0               |
| <b>Total</b>                       |                                           | <b>3,031</b>                         | <b>3,031</b>                                 | <b>2,117</b>                                | <b>2,117</b>                                        |                 |

Based on the input factors used at the valuation methods fair values are divided into different steps of the fair value hierarchy:

Level 1: Fair value valuations using prices listed on active markets (not adjusted) for identical assets or liabilities.

Level 2: Fair value valuations using inputs for the asset or liability that are either directly observable (as prices) or indirectly observable (derived from prices), but which do not constitute listed prices pursuant to Level 1.

Level 3: Fair value valuations using inputs for the asset or liability that are not based on observable market data (unobservable input data).

No reclassifications were made between the individual levels of the fair value hierarchy during the 2025 financial year. For further details, please refer to the disclosures in the general accounting policies and the notes to the statement of financial position and statement of comprehensive income (Notes 11 and 12).

Due to the generally short maturity of trade receivables and trade payables as well as receivables other financial receivables and liabilities and cash and cash equivalents, the carrying amounts on the balance sheet date do not differ significantly from the fair values.

## Sales revenue

| in EUR thousand                  | 01.01.-30.6.2026 |                  |                    |              | 01.01.-30.6.2025 |                  |                    |              |
|----------------------------------|------------------|------------------|--------------------|--------------|------------------|------------------|--------------------|--------------|
|                                  | Product revenues | Service revenues | Licensing revenues | Total 2026   | Product revenue  | Service revenues | Licensing revenues | Total 2025   |
| Germany                          | 6,832            | 0                | 0                  | 6,832        | 4,424            | 0                | 0                  | 4,424        |
| Spain                            | 926              | 0                | 0                  | 926          | 989              | 0                | 0                  | 989          |
| U.K.                             | 754              | 0                | 0                  | 754          | 515              | 0                | 0                  | 515          |
| Other European countries         | 0                | 0                | 517                | 517          | 0                | 0                | 320                | 320          |
| Total Europe (excluding Germany) | 1,680            | 0                | 517                | 2,197        | 1,504            | 0                | 214                | 1,824        |
| Total Europe                     | 8,512            | 0                | 517                | 9,029        | 5,928            | 0                | 534                | 6,248        |
| Other regions                    | 0                | 0                | 0                  | 9            | 0                | 0                | 14                 | 14           |
| <b>Total</b>                     | <b>8,512</b>     | <b>0</b>         | <b>517</b>         | <b>9,038</b> | <b>5,928</b>     | <b>0</b>         | <b>548</b>         | <b>6,262</b> |
| From discontinued operations     | 0                | 0                | 885                | 885          | 0                | 0                | 2,500              | 2,500        |
| <b>Total</b>                     | <b>8,512</b>     | <b>0</b>         | <b>1,402</b>       | <b>9,923</b> | <b>5,928</b>     | <b>0</b>         | <b>3,048</b>       | <b>8,762</b> |

All sales revenues result from contracts with customers. Revenue from Biofrontera Inc. (included in the presentation of discontinued operations in accordance with IFRS 5) accounts for 8.9% of the Group's total revenue (28.5% in the prior year).

As in the previous year, no license income from downpayments of license agreements was received in the current financial year.

Provisions for manufacturer rebates amount to 2.99 % of total sales in fiscal 2026 (previous year: 1.50 %), while provisions for return obligations amount to 0.40 % of total sales (previous year: 0.50 %).

## Additional information to the consolidated statement

### Personnel costs

| in EUR thousand          | June 30, 2026 | June 30, 2025 |
|--------------------------|---------------|---------------|
| Wages and salaries       | 2,952         | 3,485         |
| Social security charges  | 517           | 519           |
| Cost for pension schemes | 72            | 62            |
| <b>Total</b>             | <b>3,541</b>  | <b>4,066</b>  |

The disclosure for 2025 include results from both, continuing and discontinued operations.

### Information on related party relationship

Within the framework of the Group's underlying holding structure, Biofrontera AG assumes the administrative and control tasks. Biofrontera AG is also responsible for the financing of the currently still in the loss-making business areas, since as a listed company it has the best access to the capital market. Against the background of the close cooperation between the Group companies, an internal settlement is carried out which is adjusted annually to meet current requirements.

The following relationships exist with Biofrontera Inc.:

| in EUR thousand               | June 30, 2026 | December 31, 2025 |
|-------------------------------|---------------|-------------------|
| Sales revenues                | 885           | 6,038             |
| Other income                  | 2,206         | 4,620             |
| Clinical trial expenses       | 0             | 0                 |
| Other expenses                | 0             | 0                 |
| Trade receivables             | 904           | 4,244             |
| Trade payables                | 0             | 0                 |
| Payables from DUSA settlement | 0             | 0                 |

In June 2025, Biofrontera Inc. and Biofrontera AG signed a binding term sheet to restructure the business relationship between the two companies. Under the agreed transaction, all assets, liabilities, employees, and operations related to the U.S. market were to be transferred to the Biofrontera Inc. group. In addition, all manufacturing activities related to the RhodoLED® lamp series were to be transferred to Biofrontera Inc.

As consideration for the transaction, Biofrontera AG was to receive shares in Biofrontera Inc. representing 10% of its post-money equity following the agreed capital increases, together with an earn-out payable over the remaining life of the transferred patents, through 2043. The earn-out amounts to between 12% and 15% of Biofrontera Inc.'s U.S. Ameluz® sales and is payable monthly. No earn-out payments are due for any year in which annual U.S. Ameluz® sales are below USD 5 million.

The definitive agreement was executed in October 2025. By year-end 2025, the transfer of assets had been substantially completed, together with the transfer of employees, manufacturing activities, and regulatory responsibilities. Only minor residual activities and outstanding regulatory approvals were mostly completed during the first half of 2026. Following completion of the transaction, only immaterial activities related to the U.S. business remain with the German Biofrontera group.

The following relationships exist with the Maruho Group:

| in EUR thousand                 | June 30, 2026 | December 31, 2025 |
|---------------------------------|---------------|-------------------|
| Revenue from patent transfer    | 0             | 0                 |
| Revenue from license agreements | 9             | 14                |
| Income from subleases           | 0             | 0                 |
| Trade receivables               | 0             | 0                 |

In April 2020, Biofrontera entered into an exclusive license agreement with Maruho Co., Ltd., Osaka, Japan (“Maruho”), for the development and commercialization of Ameluz® for all indications in East Asia and Oceania. The agreement has a term of 15 years from the commencement of sales in the countries covered by the agreement.

Under the agreement, Maruho was granted exclusive development and commercialization rights, including the right to sublicense Ameluz®, in Japan, China, Korea, India, Pakistan, Vietnam, the Philippines, Australia, New Zealand, and other countries and islands within the defined territory. Subject to Biofrontera’s consent, Maruho is also entitled to conduct its own research and development activities under the agreement. Biofrontera is granted a royalty-free, perpetual license to the results of any such research and development conducted by Maruho for commercialization outside the licensed territory.

Biofrontera supplies Ameluz® to Maruho at cost plus 25%, while Maruho is required to use commercially reasonable efforts to develop, register, and commercialize Ameluz® throughout the licensed territory.

Under the agreement, Maruho made a one-time payment of EUR 6 million to Biofrontera AG. Additional payments may become due upon the achievement of certain regulatory and sales milestones. Maruho is also required to pay royalties initially amounting to 6% of net sales in the licensed territory, which may increase to up to 12% depending on sales volumes and may be reduced following the market entry of generic products in the respective countries.

During the reporting period, revenue under the license agreement was recognized in connection with the supply of materials for clinical trials and the reimbursement of associated costs.

During the first half of 2026, Maruho returned the commercialization rights for Oceania to Biofrontera. The license agreement therefore continues to cover the agreed territories in East Asia, while Biofrontera has regained the rights to commercialize Ameluz® in Oceania.

Apart from the transactions and relationships described above, there were no further reportable related party transactions during the first half of 2026.

## Subsequent events

### Legal issues

#### DUSA Patent litigation

In July 2026, the U.S. Patent and Trademark Office Director granted SunPharma's request for review of the PTAB's decision of February 2026, which had found all challenged claims of one of SunPharma's patents relating to the RhodoLED® XL lamp to be unpatentable and subsequently vacated the decision. Biofrontera Inc. may appeal the decision to the U.S. Court of Appeals for the Federal Circuit. In parallel, Biofrontera Inc. is pursuing a redesigned version of the RhodoLED® XL lamp that it believes falls outside the scope of the relevant patent restriction.

#### Downlisting to Scale segment:

On July 27, 2026, the Management Board resolved, with the approval of the Supervisory Board, to prepare the transfer of the Company's stock exchange listing from the regulated market (Prime Standard) to the Scale segment of the Open Market (Freiverkehr) of the Frankfurt Stock Exchange and to submit the corresponding applications.

The Management Board intends to apply to the Frankfurt Stock Exchange for the revocation of the admission of the Company's shares to trading on the regulated market and, in parallel, to initiate the inclusion of the shares in the Scale segment, subject to the fulfilment of all applicable admission requirements.

Based on the legislative changes introduced by the German Capital Market Promotion Act (Standortförderungsgesetz), key provisions of which entered into force on 10 February 2026, such a transfer from the regulated market to the Scale segment of the Frankfurt Stock Exchange is permissible without an accompanying delisting tender offer.

The Frankfurt Stock Exchange is the Company's primary listing venue. In addition, the Company's shares are currently admitted to trading on the Düsseldorf Stock Exchange. In connection with the proposed segment transfer, the admission of the Company's shares to trading on the regulated market (Regulierter Markt) of the Düsseldorf Stock Exchange is also intended to be terminated.

No other events occurred after the balance sheet date.

Leverkusen, September 30, 2026



Pilar de la Huerta Martínéz

Chief Financial Officer Biofrontera AG

## Responsibility statement

### Responsibility statement pursuant to section 297 (2) sentence 4 HGB and section 315 (1) sentence 5 HGB

We affirm that, to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the Group assets, financial position and results of operations of the Group and that the combined management and group management report presents the course of business, including the business results and the position of the Biofrontera Group and Biofrontera AG, in such a way that a true and fair view is given and that the main opportunities and risks of the expected future development of the Biofrontera Group and Biofrontera AG are described.

Leverkusen, September 30, 2026

Biofrontera AG



Pilar de la Huerta Martínez  
Chief Financial Officer Biofrontera AG