

Biofrontera AG

# Quarterly report for the first quarter of 2026

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## Interim statement for the first quarter of 2026

### Business performance

Biofrontera AG Group continued to deliver a solid performance in Europe during Q1 2026. European sales increased by 13.8% compared to the same period in the prior year, reflecting the continued expansion of market share across key European territories.

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®. Two products, Skinoren® and Advantan®, are marketed in partnership with Leo Pharma GmbH in Germany, while Ovixan® is commercialized in the UK, licensed from Galenica AB. The initial market performance of Ovixan® has developed in line with management expectations and further supports the Group's strategy to broaden its dermatology portfolio.

As in the previous year, IFRS accounting rules requires the Company to present the profit and loss statement focusing exclusively 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 Q1 2025 profit and loss statement has been reclassified using the same reporting criteria applied in 2026, distinguishing between continued and discontinued operations, corresponding respectively to non-U.S. and U.S.-related activities.

In this context, expenses related to the U.S. market during 2026 were immaterial. The remaining U.S.-related revenues primarily consist of sales of Ameluz® batches to Biofrontera Inc. at cost, the earn-out agreed under the asset transfer agreement executed in 2025 and the revaluation of Biofrontera Inc. shares in the balance sheet of Biofrontera AG.

Below we show a table with pro-forma P&L (non-IFRS rules applied) of Q1 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) is ongoing and typically requires several months to complete. The Company expects this process to be finalized by the end of June 2026. Until then, and in accordance with the terms of the sales agreement, Biofrontera AG Group continues to support Biofrontera Inc. by purchasing Ameluz® batches from the CMO and reselling them to Biofrontera Inc. at cost.

As a consequence of the transfer of assets and liabilities to Biofrontera Inc., total Group sales revenues, including both continued and discontinued operations, decreased from EUR 5,768 thousand in Q1 2025 to EUR 4,052 thousand in Q1 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 Q1 2026, this amount totaled EUR 1,010 thousand, compared to no earn-out contribution in Q1 2025.

In Q1 2025, the Company received 25% of U.S. Ameluz® sales as transfer price revenue, included in "sales revenues", whereas in Q1 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, increased moderately from EUR 1,011 thousand in Q1 2025 to EUR 1,159 thousand in Q1 2026, representing an increase of 14.6%.

As shown in the table below, the net EBITDA contribution generated by the U.S. business in the prior year remains broadly comparable to the current earn-out received, with only a minor decrease of 8.9%. Management believes that the significant reduction in operational and liability-related risks resulting from the transaction with Biofrontera Inc. more than offsets this limited reduction in net EBITDA contribution.

EBITDA from continued operations is positive, improving from EUR -104 thousand in Q1 2025 to EUR 143 thousand in Q1 2026. This development reflects the resilience of the European business and the effectiveness of the Group's cost management initiatives.

The positive development in the share price of Biofrontera Inc. during Q1 2026, compared with the closing price at the end of the previous year, resulted in a positive financial effect of EUR 1,143 thousand from discontinued operations in Q1 2026, compared with EUR -124 thousand in Q1 2025.

The global result before taxes (continued and discontinued operations) improved from EUR 678 thousand in Q1 2025 to EUR 2,200 in the same period of 2026.

During this quarter, the Company engaged a specialized consultancy firm to support its business development activities, with the objective of in-licensing, partnering, or acquiring additional dermatology products to further strengthen and diversify its portfolio. At the same time, Biofrontera continues to evaluate potential new applications for PDT and Ameluz®, alongside opportunities to expand into additional markets under the current product labeling framework.

Overall, Biofrontera AG Group entered 2026 with a strengthened strategic focus, a reduced risk profile, and a stable operational performance, positioning the Company favorably for continued growth and portfolio expansion in the European dermatology market.

P&L BF Group	2026 Q1			2025 Q1		
	total BF	US Business	EU Business	total BF	US Business	EU Business
in EUR thousands						
Revenue	4,052	338	3,714	5,768	2,493	3,275
Cost of Sales	- 1,047	- 338	- 709	- 1,545	- 952	- 593
Gross Profit	3,005	-	3,005	4,223	1,541	2,682
Regulatory and Development	- 539	-	- 539	- 887	- 333	- 554
Sales and Marketing	- 1,513	-	- 1,513	- 1,441	- 16	- 1,425
General and Administrative	- 944	-	- 944	- 1,093	- 176	- 917
Operating Result	10	-	10	803	1,016	- 213
Other Income	1,074	1,017	57	90	77	13
Other Expense	- 22	- 1	- 21	- 90	- 65	- 25
Depreciation and Amortization	97	-	97	208	87	121
EBITDA	1,159	1,016	143	1,011	1,115	- 104
EBIT	1,062	1,016	46	803	1,028	- 225
Expenses from Investments	1,143	1,143	0	- 124	- 124	0
Interest Expense	- 6	-	- 6	-	-	-
Other Interest	-	-	-	- 1	-	- 1
Financial Result	1,137	1,143	6	- 125	- 124	1
Profit before Tax	2,200	2,159	41	678	904	- 226

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

- Sales revenues in Europe increased by 13.8% compared with Q1 2025
- Positive EBITDA from continued operations, compared with a negative result last year
- Total result (continued and discontinued operations) increased by 225% to EUR 2,200 thousand (last year EUR 678 thousand)
- Successful launch of Ovixan® in the UK
- Initiated collaboration with Business Development experts at Dr. Newzella Consulting to support the search for portfolio additions
- Record in-market sales of Ameluz® in Germany, exceeding 18,000 units (+11.9% vs. Q1 2025)
- Strong unit growth of the Skinoren® franchise in Germany, up 9.6% vs. Q1 2025
- Excellent unit growth for Ameluz® in the UK of +40.8%
- Excellent unit growth in license partner in-market sales of +44.2% vs. Q1 2025

### Key figures in accordance with IFRS

unaudited	01.01.-31.3.2026		01.01.-31.3.2025	
	in EUR thousands	% of Revenue	in EUR thousands	% of Revenue
Results of operations				
Sales revenue	3,714	100.00%	3,274	100.00%
- thereof Germany	2,756	74.21%	2,462	75.20%
- thereof Spain	461	12.41%	477	14.57%
- thereof UK	279	7.51%	162	4.95%
- thereof Rest of Europe	214	5.76%	159	4.86%
- thereof Other Regions	5	0.13%	14	0.43%
Gross profit on sales	3,005	80.91%	2,682	81.92%
Result on operations	10	0.27%	(213)	(6.51)%
EBITDA	143	3.85%	(104)	(3.18)%
EBIT	46	1.24%	(225)	(6.87)%
Result before income tax from continued operations	41	1.10%	(226)	(6.90)%
Result before income tax from discontinued operations	2,159	58.13%	904	27.61%
thereof income tax from continued operations	0	0.00%	0	0.00%
thereof income tax from discontinued operations	0	0.00%	0	0.00%
Result after income tax from continued operations	41	1.10%	(226)	(6.90)%
Result after income tax from discontinued operations	2,159	58.13%	904	27.61%
<b>Total result after income tax</b>	<b>2,200</b>	<b>59.24%</b>	<b>678</b>	<b>20.71%</b>

in EUR thousands	March 31, 2026 unaudited	December 31, 2025
Balance sheet key figures		
<b>Total assets</b>	22,737	20,643
Non-current assets	9,485	6,731
Cash and cash equivalents	5,638	3,603
Other current assets	7,613	10,309
<b>Total equity and liabilities</b>	22,737	20,643
Equity	17,096	14,904
Non-current liabilities	1,160	10
Current liabilities	4,481	5,730

	March 31, 2026 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)	2.59	2.44

## Results of operations, net assets and financial position of the Biofrontera Group

### Results of operations of the Biofrontera Group

The results of operations as of March 31, 2026 are as follows:

in EUR thousands	01.01. - 31.03.2026	01.01. - 31.03.2025
unaudited		prior year figures adjusted (for further disclosure see group structure)
Sales revenue	3,714	3,274
Gross profit on sales	3,005	2,682
Research and development costs	(539)	(554)
General administrative costs	(944)	(917)
Sales and marketing costs	(1,513)	(1,425)
<b>Result on operations</b>	<b>10</b>	<b>(213)</b>
Other expenses and income	36	(12)
<b>EBITDA</b>	<b>143</b>	<b>(104)</b>
<b>EBIT</b>	<b>46</b>	<b>(225)</b>
Financial result	(6)	(1)
<b>Total result before income tax</b>	<b>2,200</b>	<b>678</b>
<b>thereof result before income tax from continued operations</b>	<b>41</b>	<b>(226)</b>
<b>thereof result before income tax from discontinued operations</b>	<b>2,159</b>	<b>904</b>
Income Tax	0	0
thereof income tax from continued operations	0	0
thereof income tax from discontinued operations	0	0
<b>Result after income tax from continued operations</b>	<b>41</b>	<b>(226)</b>
<b>Result after income tax from discontinued operations</b>	<b>2,159</b>	<b>904</b>
<b>Total result after income tax</b>	<b>2,200</b>	<b>678</b>

### Key figures from continued operations

#### Sales revenue

As explained, due to IFRS reporting rules, all sales and expenses related to the assets and liabilities transferred to Biofrontera Inc. in 2025 must be considered apart as result of discontinued operations. This net result is included in a line before the final result. To make the numbers comparable, we have restructured Q1 2025 P&L with the same criteria. As a consequence, group sales are only considering the sales in Europe and other markets, but not related to the US.

With this approach, Biofrontera Group generated total sales in Europe of EUR 3,714 thousand in the first quarter of 2026, an increase of 13.4% compared to the previous year (EUR 3,274 thousand sales of continued operations).

In Germany, sales increased by 11.9% year-on-year to EUR 2,756 thousand (previous year: EUR 2,462 thousand) and total sales in the rest of Europe increased by 19.6% to a total of EUR 954 thousand (previous year: EUR 798 thousand).

Biofrontera generated sales revenue of EUR 338 thousand with our former licensee in the USA from discontinued operations compared to EUR 2,493 thousand in the previous year, a decrease of 86.5%. During Q1 2026 Biofrontera Group had an earn-out

related to the sale of the assets to Biofrontera Inc. of EUR 1,010 thousand, although last year the generated revenue was only EUR 77 thousand as other income from discontinued operations.

Revenue from other regions amounted to EUR 5 thousand in the first quarter (previous year: EUR 14 thousand) and included both license income and revenue from the sale of study materials.

#### **Gross profit on sale**

Gross profit increased by 12.0% and amounted to EUR 3,005 thousand in 2026 compared to EUR 2,682 thousand in the prior year period. The gross margin decreased to 80.9% (last year 81.9%).

#### **Research and development costs**

Research and development costs, without considering the effect of the discontinued operations, decreased by 2.8% to EUR 539 thousand in the reporting period compared to EUR 554 thousand. It includes 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.

#### **General and administrative costs**

General administrative expenses, without considering the effect of the discontinued operations, amounted to EUR 944 thousand in the first quarter 2026 (previous year: EUR 917 thousand), an increase of 2.9% compared to the previous year.

#### **Sales and marketing costs**

Sales and marketing expenses amounted to EUR 1,513 thousand in the first quarter of 2026, an increase of 6.2% compared to the previous year (EUR 1,425 thousand) as a result of new business development activities and Ovixan® launch expenses.

#### **EBITDA and EBIT**

The Group's EBITDA includes earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets and increased by EUR 247 thousand to EUR 143 thousand in the first quarter of 2026 compared with the prior-year period (EUR -104 thousand). As mentioned above, this does not include the effect of revenues and expenses related to the discontinued operations.

EBIT includes earnings before interest and taxes and increased year-on-year to EUR 46 thousand (previous year: EUR -225 thousand).

#### **Financial result**

In addition to the interest result, the financial result, without considering the effect of the discontinued operations, amounted to EUR -6 thousand (previous year: EUR -1 thousand).

#### **Other income and expenses**

Other income and expenses, without considering the effect of the discontinued operations, amounted to a total of EUR 36 thousand in the reporting period (previous year: EUR -12 thousand) and primarily included expenses and income from currency translation and the reversal of provisions.

#### **Total income taxes for Biofrontera**

This item includes actual income taxes of EUR 0 thousand (prior-year period: EUR 0 thousand) and deferred tax expenses of EUR 0 thousand (prior-year period: EUR 0 thousand).

#### **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 the shares received and the earn-out generated.

During Q1 2026, this amount totaled EUR 2,159 thousand and included the earn-out (12% of Ameluz® sales in the U.S. during Q1), certain Ameluz® batches sold at cost to the Biofrontera Inc. group and the positive financial result of our stake in Biofrontera Inc due to its share performance during Q1.

Under the transfer agreement signed with Biofrontera Inc., Biofrontera AG continues to support Biofrontera Inc. until the latter obtains the necessary FDA approval to purchase Ameluz® directly from the contract manufacturer (CMO). Both parties currently expect FDA approval to be granted before the end of June 2026.

The net result from discontinued operations in Q1 2025 was EUR 904 thousand.

## Net assets of the Group

Total assets increased from EUR 20,643 thousand as of December 31, 2025, to EUR 22,737 thousand as of March 31, 2026, mainly due to the increase in the carrying amount of the investment in Biofrontera Inc., the increase in cash and cash equivalents and the decrease in other current assets.

The fully paid-in share capital of the parent company, Biofrontera AG, amounted to 6,076,862 as of March 31, 2026. It was divided into 6,076,862 registered shares with a notional value of EUR 1.00 each. Total equity as of March 31, 2026, amounted to EUR 17,096 thousand compared to EUR 14,905 thousand as of December 31, 2025.

## Financial position of the Biofrontera Group

Cash and cash equivalents in the Group as of March 31, 2026 amounted to EUR 5,638 thousand compared to EUR 3,603 thousand as at December 31, 2025.

## 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 in groups 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, with initial orders already placed during the first quarter in line with our expectations.

As of March 31, 2026, the Biofrontera Group held cash and cash equivalents of EUR 5,638 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 March 31, 2026

### Consolidated balance sheet as of March 31, 2026

#### Assets

in EUR thousands	March 31, 2026 unaudited	December 31, 2025
<b>Non-current assets</b>		
Tangible assets	2,047	660
Intangible assets	3	4
Deferred tax	3,529	3,529
Investments	3,906	2,538
<b>Total non-current assets</b>	<b>9,485</b>	<b>6,731</b>
<b>Current assets</b>		
Financial assets		
Trade receivables	3,583	5,825
Cash and cash equivalents	5,638	3,603
Other financial assets	56	56
<b>Total financial assets</b>	<b>9,277</b>	<b>9,484</b>
Other assets		
Inventories	3,554	3,747
Assets held for sale	-	-
Income tax	39	39
Other assets	382	643
<b>Total other assets</b>	<b>3,975</b>	<b>4,428</b>
<b>Total current assets</b>	<b>13,251</b>	<b>13,912</b>
<b>Total assets</b>	<b>22,737</b>	<b>20,643</b>

## Equity and liabilities

in EUR thousands	March 31, 2026 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	26	35
Loss carried forward	(128,704)	(124,739)
Profit / (Loss) for the period	2,200	(3,965)
<b>Total equity</b>	<b>17,096</b>	<b>14,905</b>
<b>Non-current liabilities</b>		
Financial debt	1,160	10
<b>Total non-current liabilities</b>	<b>1,160</b>	<b>10</b>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	531	1,460
Current financial debt	730	616
Other financial liabilities	17	31
<b>Total financial liabilities</b>	<b>1,278</b>	<b>2,107</b>
Other liabilities		
Income Tax	358	358
Other provisions	652	632
Other liabilities	2,193	2,634
↳ thereof liabilities related to assets held for sale	38	38
<b>Total other liabilities</b>	<b>3,203</b>	<b>3,624</b>
<b>Total current liabilities</b>	<b>4,481</b>	<b>5,731</b>
<b>Total equity and liabilities</b>	<b>22,737</b>	<b>20,643</b>

## Consolidated statement of comprehensive income for the first three month of the fiscal year 2026

in EUR thousands	01.01.-31.3.2026	01.01.-31.3.2025
unaudited		Prior year values adjusted (see further disclosure under group structure)
Sales revenue	3,714	3,274
Cost of sales	(709)	(592)
<b>Gross profit from sales</b>	<b>3,005</b>	<b>2,682</b>
<b>Operating expenses</b>		
Research and development costs	(539)	(554)
General administrative costs	(944)	(917)
thereof A/R Reserve	0	0
Sales costs	(1,513)	(1,425)
<b>Result from operations</b>	<b>10</b>	<b>(213)</b>
Depreciation and amortization	97	121
Other Expenses	(21)	(25)
Other Income	57	13
<b>EBITDA</b>	<b>143</b>	<b>(104)</b>
Depreciation and amortization	(97)	(121)
<b>EBIT</b>	<b>46</b>	<b>(225)</b>
Interest expenses	(6)	(1)
<b>Profit/loss before income tax from continued operations</b>	<b>41</b>	<b>(226)</b>
<b>Profit/loss before income tax from discontinued operations</b>	<b>2,159</b>	<b>904</b>
thereof Income tax on continued operations	0	0
thereof Income tax on discontinued operations	0	0
<b>Results from continued operations</b>	<b>41</b>	<b>(226)</b>
<b>Results from discontinued operations</b>	<b>2,159</b>	<b>904</b>
<b>As shown: Comprehensive income after income taxes</b>	<b>2,200</b>	<b>678</b>
<b>Other comprehensive income after income taxes</b>		
Translation differences resulting from the conversion of foreign business operations	0	12
<b>Total profit/loss for the period</b>	<b>2,200</b>	<b>690</b>
Total profit/loss for continued operations	41	(214)
Total profit/loss for discontinued operations	2,159	904
Basic earnings per share in EUR	0.36	0.11
Diluted / undiluted Earnings per share in EUR from discontinued operations	0.35	0.15
Diluted / undiluted Earnings per share in EUR from continued operations	0.01	(0.04)