



Biofrontera AG

Leverkusen

- ISIN: DE0006046113 / WKN: 604611 -

**Explanatory Notes on Shareholders' Rights
pursuant to § 122 (2), § 126 (1) and §§ 127, 131 (1) of the Stock Corporation Act (AktG)
concerning the Extraordinary General Meeting on January 09, 2023**

1. Shareholders' rights to request additions to the agenda (Section 122 (2) AktG)

Shareholders whose shares together amount to one-twentieth of the capital stock or the pro rata amount of 500,000 euros (equivalent to 500,000 shares) may, in accordance with § 122 (2) AktG, request that items be placed on the agenda and published. Each new item must be accompanied by a statement of reasons or a draft resolution. Any request must be addressed in writing to the Executive Board. The notice convening the Annual General Meeting shall state an address of the Company to which such a request may be sent. Requests for additions to the agenda must be received by the Company as a listed company within the meaning of the Stock Corporation Act at least 30 days before the meeting. The day of receipt and the day of the Annual General Meeting shall not be counted. The specific deadlines for exercising the rights are communicated in the notice convening the meeting. Applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Board of Management has decided on the request. Section 70 of the German Stock Corporation Act (AktG) must be observed when calculating the period of share ownership.

Additions to the agenda to be announced - insofar as they have not already been announced with the convening notice - will be published without delay in the Federal Gazette at www.bundesanzeiger.de. They will also be published without delay on the Company's website at

<https://www.biofrontera.com/de/investoren/hauptversammlung>

made available and they are forwarded for publication to such media as can be expected to

disseminate the information throughout the European Union.

2. Shareholders' rights to announce motions and election proposals (sections 126 (1), 127 AktG)

Every shareholder has the right to submit motions and election proposals on items on the agenda and on the Rules of Procedure at the Annual General Meeting without any announcement, publication or other action being required prior to the Annual General Meeting. In particular, motions may be made on individual agenda items (counter-motions) or proposals may be made for the election of Supervisory Board members or auditors (election proposals), insofar as the agenda provides for corresponding elections.

Countermotions and nominations for election which are to be made accessible via the Company's website prior to the Annual General Meeting in accordance with sections 126, 127 AktG must be received at the address specified for this purpose in the notice of the Annual General Meeting within the period specified for this purpose in the notice of the Annual General Meeting. Only countermotions and nominations received in good time at the above address, including the name of the shareholder and a statement of grounds, will be made available without delay on the Company's website at the internet address stated for this purpose in the notice of convocation, insofar as the statutory requirements pursuant to sections 126, 127 AktG are otherwise met. Any comments by the management will also be made available at the Company's internet address stated for this purpose in the notice of the meeting.

Pursuant to Section 126 (2) of the German Stock Corporation Act (AktG), a countermotion and its grounds do not need to be made available,

- 1) to the extent that making it accessible would render the Executive Board liable to prosecution;
- 2) if the countermotion would lead to a resolution of the Annual General Meeting that is unlawful or in violation of the Articles of Association;
- 3) if the statement of reasons contains obviously false or misleading information in essential points or if it contains insults;
- 4) if a countermotion of the shareholder based on the same facts has already been made accessible to a shareholders' meeting of the Company pursuant to Section 125 AktG;
- 5) if the same countermotion of the shareholder with substantially the same substantiation has already been made available to at least two shareholders' meetings of the Company in accordance with Section 125 AktG in the last five years and less than one-twentieth of the share capital represented voted in favor of it at the shareholders' meeting;

- 6) if the shareholder indicates that he will not attend the General Meeting and will not be represented; or
- 7) if the shareholder has failed to make or cause to be made a counter motion communicated by him at two shareholders' meetings in the last two years.

Pursuant to Section 127 sentence 3 AktG, a nomination need not be made available even if the nomination does not contain the name, occupation and place of residence of the proposed person or, in the case of audit firms, the company name and registered office (Section 124 (3) sentence 4 AktG), or if, in the case of nominations for the election of Supervisory Board members, no information is provided on their memberships of other statutory supervisory boards (Section 125 (1) sentence 5 AktG).

The substantiation of a counter motion or election proposal need not be made accessible if it exceeds 5,000 characters in total.

If several shareholders submit counter motions on the same subject matter of the resolution, the Executive Board may combine the counter motions and their reasons.

3. Shareholder's right to information at the Annual General Meeting (Section 131 (1) AktG)

The right to information and any grounds for refusing to provide information are governed by section 131 AktG. Pursuant to Section 131 (1) AktG, each shareholder must be provided with information on the Company's affairs by the Executive Board at the Annual General Meeting in response to a verbal request made at the Annual General Meeting, insofar as this information is necessary for a proper assessment of the item on the agenda and there is no right to refuse to provide information. The duty to provide information also extends to the legal and business relations of the Company with an affiliated company and the situation of the Group and the companies included in the consolidated financial statements.

Pursuant to Section 131 (3) of the German Stock Corporation Act (AktG), the Executive Board may refrain from answering questions,

- 1) insofar as the provision of the information is likely, according to reasonable commercial judgment, to cause the Company or an affiliated company a not inconsiderable disadvantage;
- 2) insofar as it relates to tax valuations or the amount of individual taxes;
- 3) on the difference between the value at which items have been recognized in the annual balance sheet and a higher value of such items, unless the General Meeting of Shareholders approves the annual financial statements;

- 4) on the accounting and valuation methods, insofar as the disclosure of these methods in the notes is sufficient to provide a true and fair view of the net assets, financial position and results of operations of the Company within the meaning of Section 264 (2) of the German Commercial Code; this shall not apply if the Annual General Meeting adopts the annual financial statements;
- 5) insofar as the Executive Board would render itself liable to prosecution by providing the information;
- 6) to the extent that, in the case of a credit institution, a financial services institution or a securities institution, disclosures need not be made in the annual financial statements, the management report, the consolidated financial statements or the group management report regarding the accounting policies applied and the offsetting made;
- 7) insofar as the information is continuously accessible on the Company's website for at least seven days prior to the start of and during the Annual General Meeting.

In addition, pursuant to Art. 21 par. 3 of the Articles of Association of the Company, the chairman of the meeting is entitled to impose reasonable time limits on the shareholders' right to speak and ask questions; in particular, he may set reasonable time limits for the course of the meeting, for discussion of the items on the agenda, and for individual speeches and questions.

4. Declaration of objection to resolutions of the extraordinary General Meeting

Shareholders and their proxies have the option of objecting to resolutions of the Extraordinary General Meeting at the meeting for the record of the notary.