

Explanatory notes on shareholders' rights pursuant to Sections 122 (2), 126 (1), 127, 131 (1) of the German Stock Corporation Act (AktG)

1. Shareholders' right to request an addition to the agenda (Section 122 (2) AktG)

Shareholders whose shares together represent one-twentieth of the share capital or the pro rata amount of EUR 500,000 of the capital stock (corresponds to 500,000 shares) may request that items be added to the agenda and published in accordance with Art. 122 par. 2 AktG. Each new item must be accompanied by a statement of reasons or a draft resolution.

According to the wording of the law, requests to add items to the agenda must be addressed to the Board of Management in writing or in the electronic form of Section 126a of the German Civil Code (i.e. with a qualified electronic signature) and must be received by the Company at least 30 days prior to the meeting, i.e. by the end of May 20, 2023, 24:00 hours. The request may be addressed as follows:

Biofrontera AG
Management
Board
Hemmelrather way 201
51377 Leverkusen
E-mail: ir@biofrontera.com

In accordance with Section 122 (2) sentence 1 AktG in conjunction with Section 122 (1) sentence 3 AktG, shareholders 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 Executive Board has decided on the request. Shareholding periods of third parties shall be taken into account in accordance with Section 70 AktG.

Additions to the agenda which are to be announced - insofar as they have not already been announced with the convening notice - will be published in the Federal Gazette without delay after receipt of the request and forwarded for publication to such media as can be expected to disseminate the information throughout the European Union. They will also be published on the internet at <https://www.biofrontera.com/de/investoren/hauptversammlung> and communicated to the shareholders.

The provisions of the German Stock Corporation Act on which these shareholder rights are based are as follows:

§ Section 122 of the German Stock Corporation Act (AktG) Convening at the request of a minority

- (1) The Annual General Meeting shall be convened if shareholders whose combined shareholdings amount to one-twentieth of the capital stock request such a meeting in writing, stating the purpose and the reasons; the request shall be addressed to the Executive Board. The Articles of Association may make the right to request the convening of the General Stockholders' Meeting subject to a different form and to the holding of a lower proportion of the capital stock. The 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 Executive Board has decided on the request. § Art. 121 par. 7 shall apply mutatis mutandis.
- (2) In the same way, shareholders whose shares together amount to one-twentieth of the capital stock or the pro rata amount of 500,000 euros may 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. The request within the meaning of sentence 1 must be received by the Company at least 24 days, in the case of listed companies at least 30 days, before the meeting; the day of receipt shall not be counted.
- (3) If the request is not complied with, the court may authorize the shareholders who made the request to convene the General Meeting or to make the matter known. At the same time, the court may appoint the chairman of the meeting. Reference must be made to the authorization when the meeting is convened or announced. An appeal against the decision shall be admissible. The applicants must prove that they will hold the shares until the court's decision.
- (4) The Company shall bear the costs of the General Meeting and, in the case of paragraph 3, also the court costs if the court has granted the application.

§ Section 124 AktG Announcement of Requests for Supplements; Proposals for Resolutions (excerpt)

- (1) If the minority has requested in accordance with § 122 (2) that items be placed on the agenda, such items shall be announced either at the time the meeting is convened or otherwise without undue delay after receipt of the request; § 121 (4) shall apply mutatis mutandis; in addition, in the case of listed companies § Section 121 (4a) accordingly. Publication and delivery shall be effected in the same way as for the convening of the meeting.

§ Section 121 AktG General (excerpt)

- (4) Notice of the meeting shall be published in the Company's official gazettes. If the shareholders of the Company are known by name, the General Meeting may be convened by registered letter unless the Articles of Association provide otherwise; the day of dispatch shall be deemed the day of announcement. Notification to those entered in the share register shall suffice.
- (4a) In the case of listed companies which have not issued exclusively registered shares or which do not send the notice of the meeting directly to the shareholders in accordance with subsection (4) sentence 2, the notice of the meeting shall be forwarded for publication no later than the time of the announcement to such media as may be expected to disseminate the information throughout the European Union.
- (7) In the case of deadlines and dates calculated back from the meeting, the day of the meeting shall not be included. A transfer from a Sunday, a Saturday or a public holiday to a preceding or following working day shall not be considered. The §§ Sections 187 to 193 of the German Civil Code shall not apply mutatis mutandis. In the case of unlisted companies, the Articles of Association may stipulate a different calculation of the period.

§ Section 70 AktG Calculation of the shareholding period

If the exercise of rights arising from the share is conditional upon the shareholder having been the holder of the share for a certain period of time, the ownership shall be entitled to a claim for transfer of title against a credit institution, a financial services institution, a securities institution, or a financial services institution established in accordance with section 53 (1) sentence 1 or § Section 53b (1) sentence 1 or (7) of the German Banking Act. The period of ownership of a predecessor in title shall be attributed to the shareholder if he acquired the share free of charge, from his trustee, as universal successor, in the event of the dissolution of a community or in the event of a portfolio transfer pursuant to Section 13 of the German Insurance Supervision Act or Section 14 of the German Building Societies Act.

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 the need for announcement, publication or other special action prior to the Annual General Meeting.

Countermotions by shareholders against a management proposal on a specific agenda item pursuant to Section 126 AktG or election proposals by shareholders for the election of the auditor or members of the Supervisory Board pursuant to Section 127 AktG, including the name of the shareholder, any justification and any statement by the management, will be published by the Company on the Internet under

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

make them available to the Company at least 14 days prior to the meeting, i.e. by midnight on June 5, 2023, at the following address.

Biofrontera AG
Management
Board
Hemmelrather way 201
51377 Leverkusen
E-mail: ir@biofrontera.com

have been received and the other requirements for a duty of disclosure pursuant to Section 126 AktG or Section 127 AktG have been met.

It is pointed out that countermotions and election proposals, even if they have been submitted to the Company in advance and in due time, will only be considered at the Annual General Meeting if they are made or submitted verbally there. The right of each shareholder to submit countermotions to the various agenda items or election proposals during the Annual General Meeting without prior communication to the Company remains unaffected.

The provisions of the German Stock Corporation Act on which these shareholder rights are based, which also specify the conditions under which countermotions and election proposals may not be made available, are as follows:

§ Section 126 AktG Shareholder motions (excerpt)

- (1) Shareholder motions, including the name of the shareholder, the grounds and any statement by the management, shall be made available to the entitled persons referred to in Section 125 (1) to (3) under the conditions set out therein if the shareholder has sent a counter-motion to a proposal by the Executive Board and Supervisory Board on a specific item on the agenda, together with the grounds, to the address notified for this purpose in the notice convening the meeting at least 14 days before the meeting of the Company. The day of receipt shall not be counted. In the case of listed companies, such access shall be made available on the Company's website. § Section 125 (3) shall apply mutatis mutandis.
- (2) A countermotion and its grounds need not be made available,
 1. insofar as the Executive Board would render itself liable to prosecution by making it accessible,
 2. if the countermotion would lead to a resolution of the Annual General Meeting that would be contrary to law or 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 available to a shareholders' meeting of the Company pursuant to Section 125,
 5. if the same countermotion of the shareholder with essentially the same grounds has already been made available to at least two shareholders' meetings of the Company in accordance with Section 125 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 Annual General Meeting and will not be represented, or
 7. if the shareholder has failed to make or cause to be made a countermotion communicated by him at two shareholders' meetings in the last two years.

The justification need not be made available if it exceeds 5,000 characters in total.

- (3) If several shareholders submit countermotions on the same subject matter of the resolution, the Executive Board may combine the countermotions and their reasons.

§ Section 127 sentences 1 to 3 AktG Election proposals by shareholders

Section 126 shall apply mutatis mutandis to the proposal of a shareholder for the election of Supervisory Board members or auditors. The nomination need not be substantiated. The Executive Board need not make the election proposal available even if the proposal does not contain the information required by § 124 (3) sentence 4 and § 125 (1) sentence 5.

§ Section 124 AktG Announcement of Requests for Supplements; Proposals for Resolutions (excerpt)

- (3) . . . The proposal for the election of Supervisory Board members or auditors shall state their names, occupation and place of residence. . . .

§ Section 125 AktG Notices to shareholders and Supervisory Board members (excerpt)

- (1) . . . In the case of listed companies, a proposal for the election of Supervisory Board members shall be accompanied by information on their membership of other statutory supervisory boards; information on their membership of comparable domestic and foreign supervisory bodies of business enterprises shall be enclosed.

§ Section 137 AktG Voting on election proposals by shareholders

If a shareholder has made a proposal for the election of Supervisory Board members in accordance with § 127 and proposes the election of the person proposed by him at the Annual General Meeting, a resolution on his proposal shall be passed before the proposal of the Supervisory Board if requested by a minority of shareholders whose shares together amount to one tenth of the capital stock represented.

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

In accordance with § 131 (1) AktG, each shareholder may request information from the Executive Board at the Annual General Meeting on matters relating to the Company, insofar as the 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 Company's legal and business relations with affiliated companies and to the situation of the Group and the companies included in the consolidated financial statements. The rights to withhold information are listed in § 131 (3) AktG.

The provisions of the German Stock Corporation Act on which these shareholder rights are based, which also determine the conditions under which the Executive Board may refrain from answering questions, are as follows:

§ Section 131 AktG Shareholder's right to information (excerpt)

(1) Upon request, each shareholder shall be provided with information at the Annual General Meeting by the Executive Board on the Company's affairs to the extent that such information is necessary to permit a proper evaluation of the item on the agenda. The duty to provide information also extends to the Company's legal and business relations with an affiliated company. If a company makes use of the simplifications under Art. 266 par. 1 sentence 3, Art. 276 or Art. 288 of the German Commercial Code, each shareholder may demand that the annual financial statements be presented to him at the Annual Stockholders' Meeting on the annual financial statements in the form that would have been used if these simplifications had not been made. The duty of the Board of Management of a parent company (Sec. 290 (1), (2) of the German Commercial Code) to provide information at the Annual General Meeting to which the consolidated financial statements and the Group management report are submitted also extends to the situation of the Group and the companies included in the consolidated financial statements.

(1a) - (1f) ...*(virtual shareholders' meeting)*

(2) The information provided must comply with the principles of conscientious and faithful accountability. The Articles of Association or the Rules of Procedure pursuant to § 129 may authorize the chairman of the meeting to impose reasonable time limits on the shareholder's right to ask questions and to speak, and may specify further details.

(3) The Executive Board may refuse to provide the information,

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 Annual General Meeting adopts 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.

The information may not be refused for other reasons.

(4) If information has been provided to a shareholder outside the Annual General Meeting on account of his capacity as a shareholder, it must be provided to any other shareholder at his request in the Annual General Meeting, even if it is not necessary for the proper assessment of the item on the agenda. In the case of a virtual shareholders' meeting, it must be ensured that any shareholder connected to the meeting electronically can submit his request in accordance with sentence 1 by means of electronic communication. The Board of Management may not refuse to provide information in accordance with subsection 3 sentence 1 nos. 1 to 4. Sentences 1 to 3 do not apply if a subsidiary (section 290 (1), (2) of the German Commercial Code), a joint venture (section 310 (1) of the German Commercial Code) or an associated company

(section 311 (1) of the German Commercial Code) provides the information to a parent company.

(Section 290 (1), (2) of the German Commercial Code) for the purpose of including the Company in the consolidated financial statements of the parent company and the information is required for this purpose.

- (5) If a shareholder is refused information, he may request that his question and the reason for which the information was refused be recorded in the minutes of the meeting. In the case of a virtual shareholders' meeting, it must be ensured that every shareholder who is electronically connected to the meeting can submit his request in accordance with sentence 1 by means of electronic communication.

Pursuant to Art. 21 par. 3 of the Articles of Association, the chairman of the meeting may impose reasonable time limits on the shareholders' right to speak and ask questions.

The underlying provision of the Company's Articles of Association reads as follows:

§ Section 21 (3) of the Articles of Association of Biofrontera AG:

- (3) The chairman of the meeting shall be entitled to impose reasonable time limits on the shareholders' right to ask questions and to speak; in particular, he may set reasonable time limits for the course of the meeting, for the discussion of the items on the agenda and for individual speeches and questions.

Leverkusen, May 2023 Biofrontera

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The Board