
**Mandatory publication
pursuant to § 34, § 14 para. 2 and 3 of the German Securities Acquisition and Takeover Act
(WpÜG)**

Shareholders of Biofrontera AG, in particular those with permanent or habitual residence or domicile outside the Federal Republic of Germany, should pay particular attention to the information contained in sections 1 and 18 of this offer document.

OFFER DOCUMENT

Voluntary public takeover offer

by

Deutsche Balaton Aktiengesellschaft

Ziegelhäuser Landstraße 1, 69120 Heidelberg, Germany
(Mannheim district court, HRB 338172)

to the shareholders of

Biofrontera AG

Hemmelrather Weg 201, 51377 Leverkusen
(Cologne district court, HRB 49717)

for the acquisition of all non-par value registered shares
in return for
payment of an offer consideration in the amount of 1.18 Euros
per share of Biofrontera AG

Acceptance period:

15 July 2022 until 12 August 2022, 24:00 (local time Frankfurt am Main).

Shares of Biofrontera AG: ISIN: DE0006046113
Biofrontera shares tendered for sale during the
acceptance period: ISIN: DE000A254XA5
Biofrontera shares tendered for sale during the
additional acceptance period: ISIN: DE000A31C289

Information for US Biofrontera shareholders: This takeover offer relates to securities of a foreign company. The offer is subject to disclosure rules of a foreign jurisdiction, which differ from those of the USA. Financial ratios that are included in this document have been prepared in accordance with foreign accounting rules, which may not be comparable with accounting rules applicable to US companies. It may be difficult to enforce your rights and any potential claims you may be entitled to under US federal law, because the bidder has its headquarters in a foreign country, and some or all of the office-bearers are based in a foreign country. You might not be able to sue the foreign company or its office-bearers in a foreign country for violations of US securities law. It may be difficult to subject a foreign company and its affiliated companies to the jurisdiction of a court in the USA. You should take into account that the bidder may acquire securities outside of this offer, for example via the stock exchange or over-the-counter.

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1. GENERAL INFORMATION FOR SHAREHOLDERS

1.1 Implementation of the takeover offer pursuant to the German Securities Acquisition and Takeover Act

This bid (also referred to as "**takeover bid**" or "**offer**") by Deutsche Balaton Aktiengesellschaft, registered in the commercial register (Handelsregister) of the Mannheim district court (Amtsgericht) under HRB 338172 ("**Deutsche Balaton**" or "**bidder**"), is a voluntary public takeover offer pursuant to the German Securities Acquisition and Takeover Act (hereinafter also referred to as "**WpÜG**") and the Regulation on the Content of the Offer Document, the Consideration to be Granted in Takeover Offers and Mandatory Takeover Offers and the Exemption from the Obligation to Publish and Launch an Offer ("**WpÜG-Angebotsverordnung**"), and as such is made to all shareholders of Biofrontera AG with headquarters in Leverkusen (also referred to as "**Biofrontera**" or "**target company**"). The shareholders of the target company are referred to as "**Biofrontera shareholders**". The offer relates to the acquisition of all non-par value registered shares of Biofrontera AG with the ISIN DE0006046113 and the German securities identification code WKN 604611 which are not held directly by the bidder, including all ancillary rights at the time of completion of the takeover bid, particularly the right to receive dividends (each a "**Biofrontera share**" and together the "**Biofrontera shares**"), and is carried out exclusively in accordance with the German Securities Acquisition and Takeover Act.

The bidder publishes this offer in accordance with the provisions of the WpÜG and the WpÜG-Angebotsverordnung. The publication of this offer is solely for the purpose of compliance with the provisions of the WpÜG and the WpÜG-Angebotsverordnung, and seeks neither the submission of a bid, the publication of the offer or the offer document, nor public advertising for the offer, in accordance with the provisions of any jurisdictions other than that of the Federal Republic of Germany.

This offer is also exempt from certain provisions of the "U.S. tender offer rules" under Regulation 14D of the US Securities Exchange Act of 1934 as amended ("**Securities Exchange Act**" or "**SEC**") under the "Tier I" exception, which grants exemption to Rule 14d-1(c) of the Securities Exchange Act. The offer thus complies with the applicable German regulations, including on rights of withdrawal, acquisition law deadlines, completion and payments, which differ from the applicable US regulations for public takeover bids there.

The offer applies only to Biofrontera shares. Other securities, which are based on Biofrontera shares, are expressly not the subject of this takeover bid. In particular, the

offer does not apply to American Depositary Shares ("ADS") with the ISIN US09075G1058 ("Biofrontera ADS"), which represent the Biofrontera shares that are traded on the over-the-counter market in the USA (US OTC) and are also traded on the stock exchanges in Stuttgart, Frankfurt, Berlin and Düsseldorf. Holders of Biofrontera ADS cannot tender Biofrontera ADS for sale under this offer. Holders of Biofrontera ADS, who want to make use of the offer for the underlying Biofrontera shares represented by the Biofrontera ADS, must first exchange their Biofrontera ADS for Biofrontera shares. These Biofrontera shares can then be tendered for sale within the framework of this offer.

There is no intention to implement a public offer in accordance with the provisions of another legal system. With the exception of the following specific measures to ensure compliance with the US capital market rules, no further notifications, registrations, admissions or approvals of the offer document or the offer have been requested or initiated outside the Federal Republic of Germany. Biofrontera shareholders with permanent or habitual residence or domicile in the United States are referred to as **"US Biofrontera shareholders"**.

The Federal Financial Supervisory Authority ("**BaFin**") has reviewed this offer document in accordance with the WpÜG and the WpÜG-Angebotsverordnung and authorized its publication on 14 July 2022.

The bidder will publish this offer document in accordance with § 14 para. 2 in conjunction with para. 3 WpÜG on 15 July 2022 by posting it on the Internet at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/> as well as by providing copies free of charge at the business premises of Deutsche Balaton Aktiengesellschaft, Ziegelhäuser Landstraße 1, 69120 Heidelberg, Germany, fax: +49 6221 6492424. A notice regarding availability of copies of this offer document free of charge, along with the Internet address where this offer document will be published, will also be published in the German Federal Gazette (Bundesanzeiger) on 15 July 2022.

The bidder will make a non-binding English translation of the offer document, which has not been checked by BaFin, available on its website at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/>. The Biofrontera shareholders can request the non-binding English translation of the offer document, which has not been checked by BaFin, via the Internet site of the bidder, or by using the above-mentioned contact details of the bidder. Beyond these measures, the offer will not be published by the bidder. However, only the German version of this offer

document is valid for the takeover bid, as approved for publication by the Federal Financial Supervisory Authority (BaFin) on 14 July 2022.

The publication of this offer on the Internet, the notification in the German Federal Gazette (Bundesanzeiger) and the availability of copies free of charge are solely for the purpose of compliance with the provisions of the WPÜG, and are not for the submission of the bid or the publication of the offer in accordance with foreign laws, nor for public advertising.

1.2 Distribution of the offer document and acceptance of the offer outside the jurisdiction of the European Economic Area, the European Union and the Federal Republic of Germany

This offer document may be dispatched, distributed or disseminated in the Federal Republic of Germany, the European Union and the European Economic Area without any restrictions.

The dispatch, distribution or dissemination of the offer document, a summary thereof or other description of the offer document, as well as the acceptance of the offer, may be subject to legal restrictions outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area. With the exception of the publication and provision of the offer document free of charge in accordance with the requirements of the WpÜG, the offer document may therefore not be published, disseminated or distributed by third parties in countries outside the European Union and the European Economic Area, either directly or indirectly, insofar as this is prohibited in terms of the applicable foreign regulations, or is dependent on compliance with government procedures or obtaining a permit or other conditions. Persons who are in possession of this offer outside the Federal Republic of Germany, or who wish to accept the offer from there, are asked to inform themselves of any such restrictions outside the Federal Republic of Germany, and to comply with the applicable restrictions. The bidder assumes no responsibility for the dispatch or dissemination of this offer by third parties or the acceptance of the offer outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area being permissible under the respective applicable statutory provisions. Liability of the bidder and persons acting jointly with the bidder pursuant to § 2 para. 5 WpÜG for non-compliance with foreign regulations by third parties is expressly excluded.

Regardless of the above-mentioned details regarding the dispatch, distribution and dissemination of this offer document, it is pointed out that this takeover bid may be accepted by all shareholders who hold Biofrontera shares.

On request, the bidder will make this offer document available to the respective custodian securities services companies that hold custody of the Biofrontera shares (each a "**custodian bank**") solely for forwarding to Biofrontera shareholders with permanent or habitual residence or domicile in the Federal Republic of Germany or the European Union or the European Economic Area. The custodian banks may not otherwise publish, transmit, distribute or disseminate the offer document, unless this is carried out in accordance with the applicable local and foreign legislation.

2. NOTES ON THE INFORMATION PROVIDED IN THE OFFER DOCUMENT

2.1 Bank working days

Within this offer document, "**bank working days**" are days on which the banks in Frankfurt am Main are open for general business transactions.

2.2 Date and sources of information contained in the offer document

All statements, views, intentions and forward-looking statements in the offer document are based on the information and plans available to the bidder on the day of publication of this offer document, as well as on certain assumptions made by the bidder at this time. All information known to the bidder about Biofrontera is based on publicly accessible sources of information, unless otherwise specified. Some information about the target company has been provided by its executive board to the bidder upon request, such as information about the subsidiaries of the target company, the shareholding in Biofrontera Inc., the number of employees and the exercisable options issued by the target company in the period up to the end of November 2022, as well as the publication of the addition to the agenda requested by the bidder for the next general meeting of the target company. The preparation of this offer document was based on the 2021 annual financial statements, as published and viewable on the Internet page of the target company, which are available on the Biofrontera Internet page at <https://www.biofrontera.com/de/investoren/finanzberichte>, and on the Market Abuse Regulation (MAR)/Securities Trading Act (WpHG) reports published on the Internet page of Biofrontera at <https://www.biofrontera.com/de/investoren/finanzmitteilung> as well as on the articles of

incorporation of the target company published on the Internet at <https://www.biofrontera.com/de/investoren/corporate-governance>.

2.3 Forward-looking statements

The offer document contains certain forward-looking statements, which express the intentions, opinions or current expectations of the bidder, or certain persons acting jointly with the bidder, regarding possible future events. Such opinions, intentions and expectations relate to the date of publication of this offer document. In addition, such statements are subject to risks and uncertainties, that are normally not in the area of influence of the bidder. The forward-looking statements contained in the offer document could prove to be incorrect. Future events and developments may differ significantly from the forward-looking statements contained in the offer document.

It is possible that the bidder may change its stated intentions and estimates after the date of publication of this offer document.

2.4 No update of the offer document

The bidder will not update this offer document after its publication, unless the bidder is obliged to do so in accordance with the WpÜG.

3. SUMMARY OF THE TAKEOVER BID

The following summary is supplemented by more detailed information provided elsewhere in this offer document, and is therefore to be read in conjunction with this detailed information.

Bidder:	Deutsche Balaton Aktiengesellschaft with headquarters in Heidelberg, Germany (AG Mannheim, HRB 338172), business address: Ziegelhäuser Landstraße 1, 69120 Heidelberg, Germany
Target company:	Biofrontera AG with headquarters in Leverkusen, Germany (AG Cologne, HRB 49717), business address: Hemmelrather Weg 201, 51377 Leverkusen, Germany
Subject matter of the offer:	<p>Acquisition of all non-par value registered shares of Biofrontera AG which are not directly held by the bidder (ISIN: DE0006046113 / WKN: 604611) including all ancillary rights at the time of completion of the takeover bid, particularly the right to receive dividends.</p> <p>The offer applies only to Biofrontera shares. Other securities, which are based on Biofrontera shares, are expressly not the subject of this takeover bid.</p>
Offer consideration:	1.18 Euros per Biofrontera share (" consideration ")
Acceptance period:	15 July 2022 until 12 August 2022, 24:00 (local time Frankfurt am Main).
Additional acceptance period:	The additional acceptance period (as defined in paragraph 4.6) is expected to begin on 18 August 2022 and end on 31 August 2022, 24:00 (local time Frankfurt am Main).
Acceptance during the acceptance period and the additional	The acceptance of the bid must be declared to the custodian bank within the acceptance period (as defined in paragraph 4.3) or the additional acceptance

<p>acceptance period:</p>	<p>period (as defined in paragraph 4.6), and in accordance with the custodian bank's formal requirements for the issuing of instructions. The acceptance becomes effective upon the timely transfer of the Biofrontera shares tendered within the acceptance period (as defined in paragraph 4.3) to ISIN DE000A254XA5 at Clearstream Banking AG, Frankfurt am Main, Germany ("Clearstream") or the timely transfer of the Biofrontera shares tendered within the additional acceptance period (as defined in paragraph 4.6) to ISIN DE000A31C289 at Clearstream.</p> <p>The transfer of the Biofrontera shares tendered is deemed to be timely if it takes place no later than 18:00 (local time Frankfurt am Main) on the second bank working day after expiry of the acceptance period (as defined in paragraph 4.3) or the second bank working day after expiry of the additional acceptance period (as defined in paragraph 4.6) for the Biofrontera shares tendered during the additional acceptance period.</p>
<p>Costs of acceptance:</p>	<p>The costs associated with acceptance of this offer, including any applicable taxes, fees and local/international costs and/or transaction charges by custodian banks, will not be paid by the bidder. Biofrontera shareholders who wish to accept the offer are advised to consult with their custodian bank prior to acceptance, regarding any potential taxes, costs, fees and charges which may arise.</p>
<p>Closing conditions:</p>	<p>The takeover bid is not subject to any closing conditions.</p>
<p>Stock exchange trading:</p>	<p>Biofrontera shares tendered for sale (as defined in paragraph 4.1) cannot be traded on a stock exchange.</p>
<p>ISIN:</p>	<p>Shares of Biofrontera AG: ISIN DE0006046113 Biofrontera shares tendered for sale (as defined in</p>

	<p>paragraph 4.1) during the acceptance period:</p> <p>ISIN DE000A254XA5</p> <p>Biofrontera shares tendered for sale (as defined in paragraph 4.1) during the additional acceptance period:</p> <p>ISIN DE000A31C289</p>
<p>Publications:</p>	<p>The offer document, which was approved for publication by the Federal Financial Supervisory Authority (BaFin) on 14 July 2022, will be published on 15 July 2022 by posting it on the Internet at http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/ and the bidder will provide copies free of charge at the business premises of Deutsche Balaton Aktiengesellschaft, Ziegelhäuser Landstraße 1, 69120 Heidelberg, Germany, fax: +49 6221 6492424. The notice regarding availability of copies of this offer document free of charge, along with the Internet address where this offer document will be published, will be published in the German Federal Gazette (Bundesanzeiger) on 15 July 2022.</p> <p>All publications and notifications required in accordance with the WpÜG in connection with this offer will be made available in German on the Internet at http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/ and published in the German Federal Gazette (Bundesanzeiger).</p> <p>A non-binding English translation of the offer document, which has not been checked by BaFin, is available at http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/ and is also available free of charge from the bidder.</p> <p>In addition, Biofrontera shareholders can request the</p>

	<p>non-binding English translation of the offer document, which has not been checked by BaFin, via the Internet site of the bidder, or by using the above-mentioned contact details of the bidder.</p>
<p>Completion:</p>	<p>After expiry of the acceptance period, the consideration for the Biofrontera shares tendered for sale within the acceptance period will be credited to the Biofrontera shareholders who accept the offer, by payment into the Clearstream account of the custodian bank of the respective Biofrontera shareholder who accepts the offer, concurrently in exchange for the transfer of the Biofrontera shares tendered for sale. Likewise, after expiry of the additional acceptance period (as defined in paragraph 4.6), the consideration for the Biofrontera shares tendered for sale within the additional acceptance period will be credited to the Biofrontera shareholders who accept the offer, by payment into the Clearstream account of the custodian bank of the respective Biofrontera shareholder who accepts the offer, concurrently in exchange for the transfer of the Biofrontera shares tendered for sale.</p> <p>The relevant custodian bank will credit the consideration paid to the account of the respective Biofrontera shareholder who accepts the offer.</p> <p>The completion shall take place at the earliest on the third and at the latest on the eighth bank working day after the expiry of the acceptance period, or the additional acceptance period where applicable.</p>
<p>Taxation:</p>	<p>The bidder recommends that every Biofrontera shareholder should obtain tax advice prior to accepting this offer, which takes into account their personal circumstances regarding the tax consequences arising from the acceptance of the offer.</p>

4. TAKEOVER OFFER

4.1 Subject matter of the offer

The subject matter of the takeover offer is all registered non-par value shares of the target company (ISIN DE0006046113 / WKN 604611) which are not held directly by the bidder.

The bidder hereby offers all shareholders of Biofrontera AG to acquire all the non-par value registered shares of Biofrontera AG (ISIN DE0006046113 / WKN 604611) held by them, including all ancillary rights at the time of completion of the takeover offer, particularly the right to receive dividends, in return for a consideration per Biofrontera share in the amount of

1.18 Euros (in words: one Euro and eighteen cents)

in cash.

The offer applies only to Biofrontera shares. Other securities, which are based on Biofrontera shares, are expressly not the subject of this takeover bid. Every Biofrontera share tendered in the framework of the offer will be referred to as "**Biofrontera shares tendered for sale**", regardless of whether they are tendered during the acceptance period (see paragraph 4.3) or the additional acceptance period (see paragraph 4.6).

The offer only relates only to Biofrontera shares which are not held directly by the bidder. Other securities, which are based on Biofrontera shares, are expressly not the subject of this takeover bid. The offer specifically does not apply to Biofrontera ADS. Holders of Biofrontera ADS cannot tender them for sale under this offer. Holders of Biofrontera ADS, who want to make use of the offer for the underlying Biofrontera shares represented by the Biofrontera ADS, must first exchange their Biofrontera ADS for Biofrontera shares. These Biofrontera shares can then be tendered for sale within the framework of this offer.

4.2 Compensation pursuant to § 33b WpÜG

In accordance with § 33b para. 1 WpÜG, a target company may specify in its articles of incorporation that § 33b para. 2 WpÜG applies, and thus its shareholders may be deprived of certain rights during the acceptance period an offer. The articles of incorporation of the target company do not provide for such an application of § 33b para. 2 WpÜG. The bidder is therefore not obliged to pay adequate compensation because of a withdrawal of certain rights in accordance with § 33b para. 5 WpÜG.

4.3 Beginning and end of the acceptance period

The period for the acceptance of this takeover bid begins with the publication of the offer document on 15 July 2022, and ends - subject to a possible extension of the acceptance period pursuant to paragraph 4.4 or paragraph 4.5 - on

12 August 2022, 24:00 (local time Frankfurt am Main).

(hereinafter also referred to as the "**acceptance period**", including a possible extension pursuant to paragraphs 4.4 and 4.5).

4.4 Extension of the acceptance period

Under the following circumstances, the acceptance period will be extended as follows:

a) Extension of the acceptance period due to a change in the takeover bid

In accordance with § 21 para. 1 WpÜG, the bidder can amend this offer up to one business day before expiry of the acceptance period. If the publication of this amendment to the offer takes place within the last two weeks before expiry of the acceptance period, the acceptance period is extended by two weeks pursuant to § 21 para. 5 WPÜG and thus ends on 26 August 2022, 24:00 (local time Frankfurt am Main) . This also applies if the revised offer contravenes any laws.

b) Extension of the acceptance period due to competing bids

If a third party makes an offer to purchase shares of Biofrontera ("**competing offer**") during the acceptance period, and the acceptance period for this offer by the bidder expires before expiry of the acceptance period for the competing offer, then expiry of the acceptance period for this offer is determined by the expiry of the acceptance period for the competing offer (§ 22 para. 2 WpÜG). This also applies if the competing offer is amended or prohibited or contravenes any laws.

4.5 Extension of the acceptance period due to the convening of a general meeting

If, after publication of this offer document, a general meeting of the target company is convened in connection with this takeover bid, the acceptance period is extended in accordance with § 16 para. 3 WpÜG to ten weeks from the date of publication of this offer document. In this case, the acceptance period ends on 23 September 2022, 24:00 (local time Frankfurt am Main) An extension of the acceptance period due to other reasons, such as pursuant to § 21 para. 5 or § 22 Para. 2 WpÜG, remains unaffected.

4.6 Additional acceptance period

Biofrontera shareholders, who have not accepted the offer during the acceptance period, can accept it within two weeks after publication of the results of the bid by the bidder, pursuant to § 23 para. 1 clause 1 no. 2 WpÜG ("**additional acceptance period**").

Subject to an extension of the acceptance period in accordance with paragraph 4.4 and/or paragraph 4.5 of this offer document, the additional acceptance period begins on 18 August 2022, 00:00 (local time Frankfurt am Main) - in the event of a probable publication of results of this offer pursuant to § 23 para. 1 clause 1 no. 2 WpÜG on 17 August 2022 - and ends on 31 August 2022, 24:00 (local time Frankfurt am Main). After the expiry of this additional acceptance period, the offer can no longer be accepted (with the exception of any sell-out rights under § 39c WpÜG, see paragraph 4.8).

The procedure for acceptance of this offer within the additional acceptance period is described in paragraph 5.7 in conjunction with paragraphs 5.2 to 5.6 of the offer document. The acceptance is therefore timely, if it has been declared to the respective custodian bank within the additional acceptance period, and the transfer of the shares of Biofrontera to Clearstream into ISIN DE000A31C289 takes place no later than 18:00 (local time Frankfurt am Main) on the second bank working day after expiry of the additional acceptance period.

4.7 Right of withdrawal

The shareholders of the target company who have accepted this takeover bid have a statutory right of withdrawal in the following cases:

- (i) In the event of an amendment to this takeover offer, every Biofrontera shareholder who has accepted the takeover offer prior to publication of the amendment, may withdraw from the contract concluded by acceptance of this takeover offer until expiry of the acceptance period (see paragraphs 4.3 to 4.5) in accordance with § 21 para. 4 WpÜG.
- (ii) If a competing offer is made during the acceptance period, Biofrontera shareholders who have accepted the offer prior to the publication of the competing offer, may withdraw from the contract concluded by acceptance of this takeover offer until expiry of the acceptance period (see paragraphs 4.3 to 4.5) in accordance with § 22 para. 3 WpÜG.

In each case specified under (i) and (ii) above, the declaration of withdrawal must be made to the custodian bank of the withdrawing shareholder, subject to the formal requirements stipulated by the custodian bank, within the acceptance period or extended acceptance period. In addition, the withdrawal will only be effective if the transfer related to the shares of Biofrontera tendered is effected by the respective custodian bank in a timely manner.

The transfer is deemed to be effected in a timely manner, if this takes place following a timely declaration of withdrawal, by no later than 18:00 (local time Frankfurt am Main) on the second bank working day after expiry of the acceptance period.

Upon receipt of the declaration of withdrawal, the custodian banks must immediately transfer the Biofrontera shares tendered for sale, for which the withdrawal is declared, to ISIN DE0006046113. Immediately after the transfer, the Biofrontera shares can be traded once again.

After expiry of the acceptance period - and the extended acceptance period, if applicable - the right of withdrawal expires.

4.8 Acquisition law sell-out rights

If the bidder holds at least 95% of the share capital with voting rights of the target company after completion of the takeover bid, then Biofrontera shareholders have the right to demand that the bidder acquires their shares of Biofrontera in terms of § 39c WpÜG. The details of exercising these sell-out rights (as defined in paragraph 15.2 (ii)) are described in paragraph 15.2 (ii).

The bidder has agreed with the non-tender-obligors (as defined in paragraph 13.1.3) that they will not tender their Biofrontera shares in this offer, and instead continue to hold their Biofrontera shares. The bidder therefore assumes that after implementation and completion of this takeover bid, it will own less than 95% of the share capital with voting rights of the target company. The bidder also assumes that after completion of this takeover bid, no sell-out rights for Biofrontera shareholders will arise in terms of § 39c WpÜG.

5. IMPLEMENTATION OF THE TAKEOVER BID

5.1 Central settlement agent

Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin will facilitate the completion of the bidding process as the central settlement agent ("**central settlement agent**").

5.2 Acceptance and completion of the takeover bid

Biofrontera shareholders, who wish to accept the takeover bid, are asked to contact their custodian bank with any questions regarding acceptance of the offer and the technical completion of the bid. The custodian banks are informed separately regarding the handling of the acceptance and completion of the bid, and are required to inform customers who hold shares of the target company in their securities account about the takeover bid, and the steps that are required for acceptance of the bid.

5.3 Acceptance of the takeover bid

Biofrontera shareholders can only accept this takeover bid if, during the acceptance period (for acceptance of the bid during the additional acceptance period see paragraphs 4.6 and 5.7) they:

- a) declare their acceptance of this offer to the respective custodian bank (the "**declaration of acceptance**"), which must specify the number of shares of Biofrontera tendered, in compliance with the formal requirements for issuing instructions stipulated by the custodian bank; the receipt of the declaration of acceptance by the custodian bank is decisive for observance of the deadline; and
- b) instruct their respective custodian bank to transfer the number of shares of Biofrontera in their securities account which they want to tender for this offer

to ISIN DE000A254XA5 (for Biofrontera shares tendered for sale during the acceptance period) at Clearstream and in their securities account.

The declaration of acceptance is only effective if the Biofrontera shares tendered for sale during the acceptance period are transferred to ISIN DE000A254XA5 at Clearstream no later than 18:00 (local time Frankfurt am Main) on the second bank working day after expiry of the acceptance period. These transfers must be effected by the respective custodian bank immediately after receipt of the declaration of acceptance.

Declarations of acceptance which are not received by the respective custodian bank during the acceptance period, or are incorrectly or incompletely executed, shall not be regarded as acceptance of the offer, and do not entitle the respective Biofrontera shareholders to receive the offer consideration, subject to the provisions of paragraph 5.4 f) (i) and (ii). The bidder and the persons acting for the bidder are not obliged to inform the respective Biofrontera shareholders of any errors or inaccuracies in the declarations of acceptance, and do not assume any liability in the event of such an incorrect or incomplete declaration.

5.4 Declarations and assurances, instructions and powers of attorney in connection with acceptance of the takeover bid

With the acceptance of the offer document in accordance with the above-mentioned paragraph 5.3, the Biofrontera shareholders who accept the bid issue the following declarations, assurances, authorizations, instructions and powers of attorney:

- a) The acceptance of the takeover bid to conclude a sales contract for the number of Biofrontera shares specified in the declaration of acceptance is carried out in accordance with the provisions and conditions of this offer document.
- b) The custodian bank and any intermediary custodians of the Biofrontera shares in question tendered for sale are instructed and authorized to:
 - initially leave the relevant Biofrontera shares specified in the declaration of acceptance in the securities account of the Biofrontera shareholder who accepts the takeover bid, but to arrange their transfer to ISIN DE000A254XA5 at Clearstream;

- in turn, instruct and authorize Clearstream to make the Biofrontera shares tendered for sale (including all ancillary rights at the time of completion of the takeover bid) available in the account of the central settlement agent at Clearstream, account 1255, for transfer to the bidder at the end of the acceptance period;
 - in turn, instruct and authorize Clearstream to transfer the Biofrontera shares tendered for sale, including all ancillary rights at the time of completion of the takeover bid, particularly the right to receive dividends, to the bidder concurrently in return for payment of the offer consideration for the respective Biofrontera shares tendered for sale into the account of the respective custodian bank at Clearstream, in accordance with the provisions of the offer;
 - to instruct and authorize any intermediary custodians of the relevant Biofrontera shares tendered for sale as well as Clearstream to provide the bidder or the central settlement agent with all information required for notifications and publications of the bidder pursuant to the WPÜG, particularly the number of Biofrontera shares booked into ISIN DE000A254XA5, every trading day up to and including the day before completion of the bid;
 - forward the declarations of acceptance, and where applicable any declarations of withdrawal, to the central settlement agent on request.
- c) The custodian bank and the central settlement agent are instructed and authorized, both under exemption from the prohibition of restrictions pursuant to § 181 of the German Civil Code (BGB), to undertake all necessary or appropriate actions for the completion of this takeover bid in accordance with the provisions of this offer document, and to issue and receive all the relevant declarations, and in particular to effect the transfer of ownership of the Biofrontera shares tendered for sale to the bidder, in accordance with the above-mentioned paragraph b).
- d) At the time of the transfer of ownership to the bidder, the Biofrontera shares tendered for sale are the sole property of the Biofrontera shareholder who

accepts this takeover bid, are free of rights and claims of third parties, and are not subject to any restrictions on disposal.

- e) The Biofrontera shareholders who accept the offer transfer and cede ownership of their Biofrontera shares tendered for sale to the bidder concurrently in exchange for payment of the consideration into the account of the respective custodian bank at Clearstream, subject to the closing condition being met by expiry of the additional acceptance period.

- f) The Biofrontera shareholders who accept the offer declare,
 - (i) that they accept the offer for all Biofrontera shares in their securities account at the custodian bank at the time of the declaration of acceptance of the offer, if they do not indicate a specific number of Biofrontera shares for which they want to accept the offer in their declaration of acceptance, or
 - (ii) that they accept the offer for all Biofrontera shares in their securities account at the custodian bank at the time of the declaration of acceptance of the offer, if the number of Biofrontera shares for which they want to accept the offer that is specified in their declaration of acceptance is lower than the number of Biofrontera shares in their securities account.

Otherwise, the Biofrontera shareholders who accept the offer declare that they accept the offer for the number of Biofrontera shares they specified in the declaration of acceptance.

The above declarations and assurances, instructions, authorizations and powers of attorney are granted irrevocably, to ensure a smooth and speedy completion of this takeover bid. They only lapse upon effective withdrawal from the contract concluded by acceptance of this offer (see paragraph 4.7 of this offer document).

5.5 Legal consequences of acceptance

With the acceptance of the takeover bid, a contract arises between the relevant Biofrontera shareholder and the bidder, for the sale of the Biofrontera shares tendered for sale in accordance with the provisions of this offer document. The contracts between the Biofrontera shareholders who accept the offer and the bidder

are subject to German law. After expiry of the acceptance period or the additional acceptance period in the event of acceptance of this offer within the additional acceptance period, upon completion of the takeover bid the ownership of the Biofrontera shares tendered for sale passes to the bidder concurrently in exchange for payment of the consideration. Upon completion of the takeover bid, all ancillary rights associated with the Biofrontera shares tendered for sale at the time of completion (and in particular the dividend rights) also pass to the bidder. In addition, with the acceptance of this takeover bid, the Biofrontera shareholders who accept the bid irrevocably issue the instructions, authorizations, assurances and powers of attorney specified in paragraph 5.4 of this offer document.

5.6 Completion of the bid and payment of the consideration

The Biofrontera shares tendered for sale during the acceptance period or additional acceptance period initially remain in the securities accounts of the respective shareholders who accept the offer. However, they are transferred to ISIN DE000A254XA5 or ISIN DE000A31C289. The shares transferred to ISIN DE000A254XA5 or ISIN DE000A31C289 are transferable, but no exchange trading is organized by the bidder for them. The shares transferred to ISIN DE000A254XA5 also remain tendered for sale in this takeover offer, subject to effective exercise of withdrawal, and thus remain Biofrontera shares tendered for sale. A potential buyer thus acquires the shares transferred to ISIN DE000A254XA5 or ISIN DE000A31C289 along with the obligations and declarations (see paragraph 5.4) that the Biofrontera shareholder who accepted this takeover bid has made in respect of these Biofrontera shares tendered for sale.

The completion of the takeover bid takes place by payment of the consideration as the purchase price for the Biofrontera shares tendered for sale. Payment of the consideration shall be made to the respective custodian bank concurrently in exchange for the transfer of the Biofrontera shares tendered for sale to the account of the central settlement agent at Clearstream.

After the expiry of the acceptance period or the additional acceptance period, the consideration for the Biofrontera shares tendered for sale within the acceptance period or the additional acceptance period will be credited (the "**credit**") to the Biofrontera shareholder who accepts this takeover bid via the account of their custodian bank, concurrently in exchange for the transfer and cession of ownership of the respective Biofrontera shares tendered for sale to the bidder. The completion

shall take place at the earliest on the third and at the latest on the eighth bank working day after the expiry of the acceptance period.

For the Biofrontera shares tendered for sale during the additional acceptance period, the completion shall take place at the earliest on the third and at the latest on the eighth bank working day after the expiry of the additional acceptance period.

With the credit for the consideration into the account of the respective custodian bank at Clearstream, the bidder fulfills its obligation to pay the consideration. It is the responsibility of the custodian banks to transfer the consideration to the Biofrontera shareholders who accept the offer.

5.7 Acceptance within the additional acceptance period

Biofrontera shareholders, who wish to accept the takeover bid within the additional acceptance period, are asked to contact their custodian bank with any questions they may have.

The conditions specified in paragraphs 5.2 to 5.4 of this offer document also apply to acceptance of the offer within the additional acceptance period, whereby the ISIN DE000A31C289 replaces ISIN DE000A254XA5. Thus, Biofrontera shareholders can accept the offer during the additional acceptance period by submitting a declaration of acceptance in accordance with paragraph 5.3 of this offer document.

Such a declaration of acceptance also only becomes effective upon timely transfer to ISIN DE000A31C289 at Clearstream. The share transfer to ISIN DE000A31C289 is effected by the respective custodian bank after receipt of the declaration of acceptance.

If acceptance has been declared to the custodian bank within the additional acceptance period, the transfer of Biofrontera shares tendered to Clearstream is deemed to be timely if it takes place no later than 18:00 (local time Frankfurt am Main) on the second bank working day after expiry of the additional acceptance period. The Biofrontera shares still to be transferred, which are tendered for the offer during the additional acceptance period, and which are both specified in the declaration of acceptance and then transferred to ISIN DE000A31C289 in a timely manner, are also referred to as Biofrontera shares tendered for sale.

5.8 Limited disposals of Biofrontera shares tendered for sale

Biofrontera shares tendered for sale can no longer be traded on the stock exchange after being transferred to ISIN DE000A254XA5 or ISIN DE000A31C289 in accordance with paragraph 5.3 of this offer document. In any event, no exchange trading is organized by the bidder for the shares transferred to ISIN DE000A254XA5 or ISIN DE000A31C289. Furthermore, attention is drawn to the stipulations in paragraph 5.6.

If the relevant Biofrontera shareholder effectively withdraws (see paragraph 4.7 of this offer document) from the contract arising from acceptance of the offer, then exchange trading of the affected Biofrontera shares tendered for sale is only possible again once the the respective custodian bank of the Biofrontera shareholder who accepted the offer has effected the transfer to ISIN DE0006046113. The custodian bank must immediately transfer the shares upon receipt of the declaration of withdrawal in the correct form prescribed by the custodian bank.

Biofrontera shares, for which this offer is not accepted, can continue to be traded under the ISIN DE0006046113 / WKN 604611.

5.9 Cost of acceptance

The costs associated with acceptance of this offer, including any applicable taxes, local or international costs and transaction charges by custodian banks, will not be paid by the bidder. Biofrontera shareholders who wish to accept the offer are advised to consult with their custodian bank or another competent advisor prior to acceptance, regarding any potential taxes, costs, fees and/or charges which may arise.

6. OFFER CONSIDERATION

6.1 Consideration offered:

The consideration offered for each individual Biofrontera share amounts to 1.18 Euros.

6.2 Explanations on determination and adequacy of the consideration

The WpÜG determines regulations on the adequacy and amount of the offer consideration for takeover bids and mandatory bids. Pursuant to § 31 para. 1 and para. 7 WpÜG in conjunction with § 4 and § 5 WpÜG-Angebotsverordnung, the consideration offered to the Biofrontera shareholders for their Biofrontera shares

tendered must be adequate. The offer consideration may not fall below a minimum value to be determined in accordance with these regulations. The minimum bid price is determined according to the higher of the following values:

Pursuant to § 5 WpÜG-Angebotsverordnung, the offer consideration must be at least the weighted average domestic stock exchange price of the Biofrontera shares during the last three months prior to publication of the decision to submit the takeover bid in accordance with § 10 para. 1 WpÜG on 07 June 2022. The applicable three-month average price reported by the Federal Financial Supervisory Authority (BaFin) for the reference date of 06 June 2022 is 1.18 Euros.

Pursuant to § 4 WpÜG-Angebotsverordnung, the offer consideration for a takeover bid must be at least equivalent to the highest price paid or agreed by the bidder, persons acting jointly with the bidder or their subsidiaries within the last six months prior to publication of this offer document.

The bidder, persons acting jointly with the bidder and their subsidiaries have only made the prior acquisitions of Biofrontera shares as described in paragraph 7.5 within the above-mentioned period. Accordingly, the highest price paid per Biofrontera share was 1.17 Euros. The consideration offered exceeds this prior acquisition price by 0.01 Euros per Biofrontera share.

Accordingly, the legally stipulated minimum price pursuant to § 31 para. 1 and para. 7 WpÜG in conjunction with § 4 and § 5 WpÜG-Angebotsverordnung amounts to 1.18 Euros.

In the opinion of the bidder, the consideration offered for the acquisition of Biofrontera shares constitutes an adequate consideration. The consideration corresponds to the legal minimum price. According to the legal valuation pursuant to § 31 para. 1 and para. 7 WpÜG in conjunction with § 4 and § 5 WpÜG-Angebotsverordnung, the offer price of 1.18 Euros thus represents an adequate price.

The bidder has not valued the target company according to the Principles for the Performance of Business Valuations in conformity with the standard S1 of the Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany) or any another approved method for the valuation of companies.

The bidder considers the offer consideration of 1.18 Euros per Biofrontera share to be adequate, since the consideration corresponds to the average stock market price of 1.18 Euros determined by BaFin for the period of three months prior to the date of

publication of the bidder's decision to submit this takeover offer on 7 June 2022. Thus, the legal requirements for the price to be offered are fulfilled. With the provisions of § 31 para. 1 and para. 7 WpÜG in conjunction with § 4 and § 5 WpÜG-Angebotsverordnung on the prices to be determined, the legislator has specified the adequacy of the consideration to be offered in detail. The consideration to be determined on this basis therefore bears the premise of adequacy. With the consideration offered, the bidder meets the statutory valuation requirements with regard to the minimum consideration to be offered by the bidder. It is 0.01 Euros per Biofrontera share above the price paid recently by the bidder itself per Biofrontera share.

7. BIDDER

7.1 Description of the bidder

The bidder in this takeover offer is Deutsche Balaton Aktiengesellschaft with headquarters in Heidelberg. The bidder is a stock corporation under German law which was founded by notarial deed dated 5 September 1991 and with its original headquarters in Wiesbaden. It has a share capital of 104,768.00 Euros, divided into 104,768 non-par value registered shares (ordinary shares) with a notional share value of 1.00 Euro per share, registered in the commercial register (Handelsregister) of the Mannheim district court (Amtsgericht) under HRB 338172.

The bidder's shares are listed for trading on the Basic Board of the Frankfurt Stock Exchange, a sub-segment of the open market, under ISIN DE000A2LQT08 and WKN A2LQT0. In addition, the shares are listed for open market trading on the stock exchanges in Berlin, Düsseldorf, Munich and Stuttgart.

As defined in the articles of incorporation, the corporate purpose of the bidder is the acquisition, management and sale of investments in corporate entities and non-corporate entities. The bidder is entitled to carry out and undertake all transactions and measures that are reasonable and useful for this purpose. The company is also entitled to manage its own assets, and conduct all types of financial transactions and transactions with financial instruments, for which a permit is not required under the German Banking Act (KWG). The bidder is also entitled to establish subsidiaries and branches in Germany and abroad. The bidder may not directly perform financial services requiring approval, banking transactions requiring approval and real estate transactions requiring approval itself.

Within its corporate purpose, the bidder is active as an investment company. In addition to capital investment, Deutsche Balaton also supports its portfolio companies with its management know-how in relevant strategic issues, in particular in the areas of growth and reorganization.

The bidder acquires listed and unlisted shareholdings in Germany and abroad that it considers to be undervalued, without a special investment focus on specific sectors or regions. The primary focus is on long-term high upside potential of the respective investment, which can often also be realized through the corporate support offered by Deutsche Balaton. The acquisitions of shareholdings are usually financed by a combination of equity and debt capital, with the support of lending banks.

The members of the bidder's executive board are Mr. Rolf Birkert and Mr. Alexander Link. The members of the bidder's supervisory board are Mr. Wilhelm K. T. Zours (chairperson of the supervisory board), Mr. Philip Andreas Hornig (deputy chairperson of the supervisory board) and Dr. Burkhard Schäfer.

Until December 1999, Deutsche Balaton Aktiengesellschaft traded as "Deutsche Balaton Broker-Holding Aktiengesellschaft". The change in name was approved at the company's general meeting on 29 October 1999.

The general meeting on 11 August 2005 resolved to transfer the company headquarters from Wiesbaden to Heidelberg, which became effective on 20 December 2005 upon entry in the commercial register.

The share capital of the bidder was reduced to 116,404.00 Euros by resolution of its general meeting on 30 August 2017 and the corresponding entry in the commercial register on 14 August 2018. The share capital of Deutsche Balaton was recently reduced from 116,404.00 Euros to 104,768.00 Euros due to the repurchase of a total of 11,636 own shares in May 2020.

On 29 August 2019, the bidder's ordinary general meeting authorized the executive board until 28 August 2024, with the consent of the supervisory board, to increase the company's share capital once or several times by up to a maximum of 58,202.00 Euros, through issuing new non-par value registered shares in return for cash and/or in-kind contributions (authorized capital). The new shares will have dividend rights from the beginning of the fiscal year in which they are issued. In principle, shareholders are to be granted subscription rights. The subscription rights may only be excluded in whole or in part in the following cases:

1. in order to exclude fractional amounts from the subscription rights of the shareholders.
2. to the extent necessary, in order to grant holders of options or conversion rights and/or those obliged to exercise options or conversions due to option bonds, convertible bonds, profit participation rights or income bonds (or any combination of these instruments) issued by Deutsche Balaton Aktiengesellschaft or a group company of Deutsche Balaton Aktiengesellschaft within the scope of § 18 AktG of the German Stock Corporation Act (AktG) in which there is a direct or indirect shareholding of at least 90% of the voting rights and share capital, a subscription right to new non-par value registered shares in the company, to the extent that they would be entitled to as shareholders after exercising the option or conversion rights, and/or after fulfilment of the conversion or option obligations.
3. in the case of capital increases in return for cash contributions, if the issue price of the new shares is not materially lower than the stock exchange price and the notional value of the shares issued under exclusion of the subscription rights pursuant to § 186 para. 3 clause 4 of the German Stock Corporation Act (AktG) does not exceed a total of 10% of the company's share capital at the time the authorization takes effect, or - if this value is lower - the share capital at the time of utilization of this authorization. This limit of 10% of the share capital shall include shares which (i) are issued or sold during the validity period of this authorization with exclusion of subscription rights pursuant to § 186 para. 3 clause 4 of the German Stock Corporation Act (AktG), or (ii) are issued and/or can or must be issued for the execution of option bonds, convertible bonds, profit participation rights or income bonds (or any combination of these instruments) with conversion or option rights or conversion or option obligations, insofar as the option bonds, convertible bonds, profit participation rights or income bonds (or any combination of these instruments) are issued after the effective date of this authorization pursuant to § 186 para. 3 clause 4 of the German Stock Corporation Act (AktG) with exclusion of the subscription rights of the shareholders;
4. in the case of capital increases in return for in-kind contributions for the purpose of (direct or indirect) acquisitions of companies, parts of companies, investments in companies, or other assets or rights to acquire assets including claims against the company or its group companies;
5. if a third party, that is not a credit institution, underwrites the new shares, and it is ensured that the shareholders have an indirect subscription right.

The executive board is authorized, with the consent of the supervisory board, to decide on exclusion of the subscription right of shareholders.

On 31 August 2016, the general meeting of Deutsche Balaton also approved conditional capital of up to 5,820,212.00 Euros by issuing up to 5,820,212 non-par value registered shares. The conditional capital increase serves to grant non-par value registered shares to holders of option bonds, convertible bonds, profit participation rights or income bonds (or combinations of these instruments) each with options or conversion rights and/or obligations, issued by Deutsche Balaton Aktiengesellschaft or a group company of Deutsche Balaton Aktiengesellschaft within the scope of § 18 AktG of the German Stock Corporation Act (AktG) in which Deutsche Balaton Aktiengesellschaft has a direct or indirect shareholding of at least 90% of the voting rights and share capital, pursuant to the authorization granted at the general meeting on 31 August 2016, valid until 30 August 2021. Deutsche Balaton Aktiengesellschaft has not used this authorization to date; in terms of the validity period, this authorization has now expired.

The fiscal year of Deutsche Balaton is the calendar year. The bidder is not incorporated for a specific period of time.

7.2 Persons acting jointly with the bidder

VV Beteiligungen Aktiengesellschaft with headquarters in Heidelberg, registered in the commercial register of the Mannheim district court (Amtsgericht) under HRB 337147, owns approximately 86% of the bidder's share capital and voting rights. There is a law of obligations non-control agreement between the bidder and VV Beteiligungen Aktiengesellschaft. The primary stipulation of the non-control agreement is that VV Beteiligungen Aktiengesellschaft may only exercise its voting rights at the general meetings of the bidder in such a way that it, together with its subsidiaries and/or a company of which VV Beteiligungen Aktiengesellschaft is a subsidiary, cannot achieve the majority of all voting rights present in the case of shareholders' resolutions at general meetings of the bidder. With all other remaining votes, VV Beteiligungen Aktiengesellschaft must abstain. This ensures that VV Beteiligungen Aktiengesellschaft, together with its subsidiaries and/or a company of which VV Beteiligungen Aktiengesellschaft is a subsidiary, cannot pass a majority decision at the general meetings of the bidder. The number of voting rights that VV Beteiligungen Aktiengesellschaft can exercise at the general meetings of the bidder depends on the total number of voting rights present at the general meetings of the bidder.

VV Beteiligungen Aktiengesellschaft is also a person acting jointly with the bidder pursuant to § 2 para. 5 clause 3 WpÜG. DELPHI Unternehmensberatung Aktiengesellschaft with headquarters in Heidelberg ("**Delphi**") is the sole shareholder of VV Beteiligungen Aktiengesellschaft and is thus also a person acting jointly with the bidder pursuant to § 2 para. 5 clause 3 WpÜG.

In addition, Mr. Wilhelm K. T. Zours (business address: c/o VV Beteiligungen Aktiengesellschaft, Ziegelhäuser Landstraße 1, 69120 Heidelberg), Germany, as the majority shareholder in Delphi, is a person acting jointly with the bidder pursuant to § 2 para. 5 clause 3 WpÜG. Mr. Wilhelm K. T. Zours holds a 94.5% stake in the share capital and voting rights of Delphi.

As subsidiaries, SPARTA AG with headquarters in Heidelberg, registered in the commercial register of the Mannheim district court (Amtsgericht) under HRB 739820, Deutsche Balaton Biotech AG with headquarters in Frankfurt am Main, registered in the commercial register of the Frankfurt am Main district court (Amtsgericht) under HRB 111190, Heidelberger Beteiligungsholding AG with headquarters in Heidelberg, registered in the commercial register of the Mannheim district court (Amtsgericht) under HRB 338007, Ming Le Sports AG with headquarters in Heidelberg, registered in the commercial register of the Mannheim district court (Amtsgericht) under HRB 728857, and Altech Advanced Materials AG with headquarters in Frankfurt am Main, registered in the commercial register of the Frankfurt am Main district court (Amtsgericht) under HRB 118874, are persons acting jointly with the bidder within the scope of § 2 para. 5 clause 3 WpÜG. All of the above-mentioned companies, including Delphi and Strawtec Group AG with headquarters in Stuttgart, registered in the commercial register of the Stuttgart district court (Amtsgericht) under HRB 777361, but with the exception of VV Beteiligungen Aktiengesellschaft, hold Biofrontera shares. Deutsche Balaton Biotech AG also holds Biofrontera ADS.

Delphi, Deutsche Balaton Biotech AG, SPARTA AG and Heidelberger Beteiligungsholding AG are also persons acting jointly with the bidder pursuant to § 2 para. 5 clause 1 WpÜG. The persons referred to in the preceding sentence, the bidder as well as ABC Beteiligungen AG and Prisma Equity AG, all with headquarters in Heidelberg (collectively, excluding ABC Beteiligungen AG and Prisma Equity AG, the "**pool members**") agreed contractually on 28 January 2020, with supplementary agreement 1 on 3 March 2020 and supplementary agreement 2 on 28 June 2022, to coordinate their actions regarding the exercise of voting rights attached to shares in the target company, and to vote as a block at general meetings of the target company (including supplementary agreements 1 and 2, the "**pool agreement**"). Prisma Equity

AG withdrew from the pool agreement on 21 December 2020 as a result of the sale of all shares that it held in the target company. ABC Beteiligungen AG merged with the bidder through entry in the bidder's commercial register on 6 December 2021, and thus also withdrew from the pool agreement on that date.

The Biofrontera shares held by the respective pool members are treated as mutual holdings pursuant to § 30 para. 2 WpÜG. The purpose of the pool agreement is to permanently secure the current and future influence of the pool members on the target company, to coordinate the interests of the pool members and to vote as a block using their voting rights from Biofrontera shares. The pool agreement covers all shares of the target company that are held by the pool members. At the time of publication of this offer document, the pool agreement applies to 17,009,807 Biofrontera shares that are held directly by the respective pool members, which represents an interest of approximately 29.99% in the share capital and voting rights of the target company. The primary stipulation of the pool agreement is for the pool members to vote as a block at the general meetings of the target company. According to the pool agreement, the pool members are obliged, among other things, to uniformly exercise their voting rights at the general meeting of the target company, in accordance with a previously agreed resolution at the pool meeting. The uniform exercise of voting rights is determined in advance by a resolution of the pool members, decided by a simple majority. Each Biofrontera share held by a pool member confers a voting right in each advance voting procedure of the pool members. In supplementary agreement 1, Heidelberger Beteiligungsholding AG was granted at least 50% of the votes in the pool meeting, even if it actually holds fewer Biofrontera shares and would therefore normally have fewer votes. In supplementary agreement 2, this provision in favor of Heidelberger Beteiligungsholding AG was repealed. In addition, further amendments were made to simplify the voting of pool members.

In principle, the manner and order of the voting is determined by the pool spokesperson, unless another pool member objects. The bidder is currently the pool spokesperson. The pool agreement was concluded for an indefinite period, but at least until the end of 30 September 2020. It can be duly terminated by any pool member with a notice period of four weeks, without giving any reasons. The pool agreement then remains in place between the other pool members.

In addition, there are companies listed in Appendix 1 which are required under § 2 para. 5 clause 3 WpÜG as subsidiaries of the bidder, Delphi (excluding Deutsche

Balaton and its subsidiaries) and Mr. Wilhelm K. T. Zours (excluding Delphi and its subsidiaries) to also be regarded as persons acting jointly with the bidder pursuant to § 2 para. 5 WpÜG.

Beyond the above-mentioned companies and individuals, including those listed in Appendix 1, there are no other persons acting jointly with the bidder in terms of § 2 para. 5 WpÜG.

7.3 Other parties gaining control

In accordance with § 30 para. 2 WpÜG, the voting rights in the target company that are held directly by the respective pool members are mutually attributed to the pool members. The same applies to the persons/companies that control the pool members. The pool members, excluding the bidder as well as VV Beteiligungen Aktiengesellschaft and Mr. Wilhelm K. T. Zours, are referred to as the "**other parties gaining control**". If the bidder acquires control over the target company as defined in § 29 para. 1 WpÜG as a result of this takeover bid, also including attribution of the voting rights of the other pool members in accordance with § 30 para. 2 WpÜG, the bidder and the other parties gaining control are not obligated to submit a mandatory offer for Biofrontera shares pursuant to § 35 para. 3 WpÜG. With this takeover offer, the bidder thus fulfills any obligations with regard to the submission of a mandatory offer to Biofrontera shareholders, including on behalf of the other parties gaining control.

7.4 Biofrontera shares currently held by the bidder or by persons acting jointly with the bidder and their subsidiaries, attribution of voting rights

7.4.1 Voting rights

The percentages of the share capital and voting rights of the target company mentioned in paragraph 7.4 below are calculated on the basis of 56,717,385 shares and voting rights issued by the target company.

At the time of publication of this offer document, the bidder directly holds 2,294,789 shares in Biofrontera. This corresponds to around 4.05% of the share capital and voting rights of the target company. The voting rights held by the bidder from Biofrontera shares are attributed to VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours respectively pursuant to § 30 para. 1 clause 1 no. 1, clause 3

WpÜG, to Delphi, SPARTA AG, Deutsche Balaton Biotech AG and Heidelberger Beteiligungsholding AG respectively pursuant to § 30 para. 2 WpÜG and to VV Beteiligungen Aktiengesellschaft and Mr. Wilhelm K. T. Zours pursuant to § 30 para. 2 WpÜG. The bidder is attributed 14,715,018 voting rights from the shares of the target company, corresponding to around 25.94% of the share capital and the voting rights of the target company, pursuant to § 30 para. 2 WpÜG. The bidder is attributed 6,366,988 voting rights pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG and 2,000 voting rights pursuant to § 30 para. 1 clause 1 no. 2, clause 2 WpÜG from Biofrontera ADS. Thus, the bidder directly and indirectly holds a total of 17,013,807 voting rights in the target company, which corresponds to around 29.9975% of the share capital and voting rights of the target company.

VV Beteiligungen Aktiengesellschaft does not hold any Biofrontera shares directly. It is attributed 17,013,807 voting rights from the shares of the target company, which corresponds to around 25.9975% of the share capital and the voting rights of the target company, pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG, § 30 para. 1 clause 1 no. 2, clause 2 WpÜG and § 30 para. 2 WpÜG.

Delphi directly holds 8,350,030 Biofrontera shares. This corresponds to a shareholding of around 14.72% of the share capital and voting rights of Biofrontera. The voting rights held by Delphi from Biofrontera shares are attributed to Mr. Wilhelm K. T. Zours pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG, and to the bidder, SPARTA AG, Deutsche Balaton Biotech AG and Heidelberger Beteiligungsholding AG respectively pursuant to § 30 para. 2 WpÜG. The bidder and the other parties gaining control are respectively attributed the voting rights held directly by Delphi from shares in the target company pursuant to § 30 para. 2 WpÜG. Delphi is attributed 8,664,777 voting rights from shares and Biofrontera ADS of the target company, which corresponds to around 15.28% of the share capital and voting rights of the target company, pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG and § 30 para. 1 clause 1 no. 2, clause 2 WpÜG, of which 8,659,777 voting rights from the shares of the target company, which corresponds to around 15.27% of the share capital and voting rights of the target company, are also attributed pursuant to § 30 para. 2 WpÜG. Thus, Delphi directly and indirectly holds a total of 17,014,807 voting rights in the target company, which corresponds to around 29.9993% of the share capital and voting rights of the target company.

Deutsche Balaton Biotech AG, a subsidiary of the bidder, directly holds 2,278,847 voting rights from Biofrontera shares and indirectly holds 2,000 voting rights from Biofrontera ADS on the basis of the attribution pursuant to § 30 para. 1 clause 1 no. 2 WpÜG. This corresponds to a total of around 4.02% of the share capital and voting rights of the target company. The voting rights held by Deutsche Balaton Biotech AG are attributed to the bidder, VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours respectively, pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG and § 30 para. 1 clause 1 no. 2, clause 2 WpÜG. The 2,278,847 voting rights from Biofrontera shares held directly by Deutsche Balaton Biotech AG are attributed to the other pool members and the other parties gaining control respectively pursuant to § 30 para. 2 WpÜG. Deutsche Balaton Biotech AG is attributed 14,730,960 voting rights from the shares of the target company, corresponding to around 25.97% of the share capital and the voting rights of the target company, pursuant to § 30 para. 2 WpÜG. Thus, Deutsche Balaton Biotech AG directly and indirectly holds a total of 17,011,807 voting rights in the target company, which corresponds to around 29.99% of the share capital and voting rights of the target company.

SPARTA AG, a subsidiary of the bidder, directly holds 4,084,941 Biofrontera shares, which corresponds to around 7.20% of the share capital and voting rights of the target company. The voting rights held by SPARTA AG from Biofrontera shares are attributed to the bidder, VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours respectively, pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG. In addition, the voting rights held by SPARTA AG are attributed to the other pool members and the other parties gaining control respectively pursuant to § 30 paragraph 2 WpÜG. SPARTA AG is attributed 12,924,866 voting rights from the shares of the target company, corresponding to around 22.79% of the share capital and the voting rights of the target company, pursuant to § 30 para. 2 WpÜG. Thus, SPARTA AG directly and indirectly holds a total of 17,009,807 voting rights in the target company, which corresponds to around 29.99% of the share capital and voting rights of the target company.

Heidelberger Beteiligungsholding AG, a subsidiary of the bidder, directly holds 1,200 Biofrontera shares, which corresponds to around 0.0021% of the share capital and voting rights of the target company. The voting rights from Biofrontera shares held by

Heidelberger Beteiligungsholding AG are attributed to the bidder, VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG, and to the other pool members and the other parties gaining control respectively pursuant to § 30 paragraph 2 WpÜG. Heidelberger Beteiligungsholding AG is attributed 17,008,607 voting rights from the shares of the target company, corresponding to around 29.99% of the share capital and the voting rights of the target company, pursuant to § 30 para. 2 WpÜG. Thus, Heidelberger Beteiligungsholding AG directly and indirectly holds a total of 17,009,807 voting rights in the target company, which corresponds to around 29.99% of the share capital and voting rights of the target company.

Ming Le Sports AG directly holds 1,000 Biofrontera shares, which corresponds to around 0.0018% of the share capital and voting rights of the target company. Ming Le Sports AG is a subsidiary of the bidder. The voting rights from Biofrontera shares held by Ming Le Sports AG are attributed to the bidder, VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG.

Altech Advanced Materials AG directly holds 1,000 Biofrontera shares, which corresponds to around 0.0018% of the share capital and voting rights of the target company. Altech Advanced Materials AG is a subsidiary of the bidder. The voting rights from Biofrontera shares held by Altech Advanced Materials AG are attributed to the bidder, VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG.

Strawtec Group AG directly holds 1,000 Biofrontera shares, which corresponds to around 0.0018% of the share capital and voting rights of the target company. Strawtec Group AG is a subsidiary of Delphi. The voting rights from Biofrontera shares held by Strawtec Group AG are attributed to Delphi and Mr. Wilhelm K. T. Zours pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG.

Thus, including the voting rights held by the bidder, Mr. Wilhelm K. T. Zours is attributed a total of 17,014,807 voting rights from Biofrontera shares and Biofrontera ADS, pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG, § 30 para. 1 clause 1

no. 2, clause 2 WpÜG and § 30 para. 2 WpÜG. This corresponds to around 29.9993% of the share capital and voting rights of the target company.

No additional shares or voting rights in the target company are attributed to Mr. Wilhelm K. T. Zours.

Beyond this, neither the bidder nor the persons acting jointly with the bidder or one of their subsidiaries holds any shares or voting rights in the target company, and neither the bidder nor persons acting jointly with the bidder or one of their subsidiaries has voting rights attributable pursuant to § 30 WpÜG at the time of publication of this offer document.

7.4.2 Exchangeable bond

In addition, the bidder holds an exchangeable bond on shares of the target company on the basis of an issue and subscription agreement concluded on 5/8 February 2021. The interest-bearing exchangeable bond has a final maturity date of 28 December 2022. Any bondholder of the exchangeable bond may exercise the option to exchange at any time, except during the periods specified in the terms and conditions. The bond creditors are obliged to exercise the option to exchange as at 28 December 2022, unless the issuer publishes a waiver of the mandatory exchange at maturity at least 45 days in advance. This exchangeable bond is indirectly held by VV Beteiligungen AG, Delphi and Mr. Wilhelm K. T. Zours pursuant to § 38 para. 1 no. 2 of the German Securities Trading Act (WpHG). Based on the current share capital of the target company, the bonds held by the bidder entitle it to acquire up to 1,650,000 Biofrontera shares, which corresponds to around 2.91% of the voting rights of the target company. The bidder reserves the right to sell the bonds of this exchangeable bond.

The resulting voting rights from the shares are attributed to VV Beteiligungen Aktiengesellschaft, Delphi and Mr. Wilhelm K. T. Zours respectively, pursuant to § 30 para. 1 clause 1 no. 1, para. 1 clause 3 WpÜG and to the pool members pursuant to § 30 para. 2 WpÜG. The shares resulting from the exercise of the rights arising from the exchangeable bond and the voting rights from these shares of the target company are attributed to the other parties gaining control pursuant to § 30 para. 2 WpÜG.

Beyond this, neither the bidder nor the persons acting jointly with the bidder or one of their subsidiaries holds any financial instruments or other instruments pursuant to

§ 38 and/or § 39 of the Securities Trading Act (WpHG) related to shares in the target company, either directly or indirectly, at the time of publication of this offer document.

7.5 Prior acquisitions

Neither the bidder nor any persons acting jointly with the bidder or any of their subsidiaries pursuant to § 2 para. 5 WpÜG, have acquired Biofrontera shares, Biofrontera ADS or financial instruments related to shares in the target company, or entered into agreements relating to the purchase of such shares or financial instruments, in the period of six months prior to publication of the decision to submit the takeover bid on 07 June 2022, or in the period of six months prior to publication of this offer document, with the exception of the following acquisitions:

Upon the merger with its subsidiary ABC Beteiligungen AG with headquarters in Heidelberg, the bidder acquired 128,906 Biofrontera shares without payment of consideration. Upon entry of this merger in the commercial register of the bidder on 6 December 2021, the aforementioned Biofrontera shares became the property of the bidder.

On 20 June 2022, the bidder bought 5,051 Biofrontera shares at a price of 1.17 Euros per Biofrontera share.

On 21 June 2022, the bidder bought 1,000 Biofrontera shares at a price of 1.17 Euros per Biofrontera share.

On 22 June 2022, the bidder bought 400 Biofrontera shares at a price of 1.16 Euros per Biofrontera share.

On 24 June 2022, the bidder bought 1,200 Biofrontera shares at a price of 1.17 Euros per Biofrontera share.

On 30 June 2022, the bidder bought 70 Biofrontera shares at a price of 1.17 Euros per Biofrontera share.

On 01 July 2022, the bidder bought 13,887 Biofrontera shares at a price of 1.17 Euros per Biofrontera share.

On 08 July 2022, the bidder bought 3,000 Biofrontera shares at a price of 1.15 Euros per Biofrontera share.

On 24 June 2022, Deutsche Balaton Biotech AG initiated the exchange of 830,330 Biofrontera ADS for 1,660,660 Biofrontera shares. On June 30 2022, the exchange for Biofrontera shares was booked with a value date of 29 June 2022, and the Biofrontera shares were booked into the securities account of Deutsche Balaton Biotech AG. The costs and fees for this exchange have not been finalized yet and have not been charged yet. Deutsche Balaton Biotech AG expects costs and fees of 0.025 US dollars plus a pro-rata one-off cable fee per Biofrontera share. To the knowledge of Deutsche Balaton Biotech AG, the cable fee is a one-off 17.50 US dollars, equivalent to 17.50/1,660,660 US dollars per Biofrontera share. Thus, each Biofrontera share acquired in the course of this exchange would be subject to a fee of around 0.025 US dollars.

7.6 Parallel and subsequent acquisitions

The bidder and the persons acting jointly with the bidder as well as their subsidiaries reserve the right to acquire further Biofrontera shares and/or related financial instruments outside of the takeover bid, either directly or indirectly via the stock exchange or over-the-counter, during or after expiry of the acceptance period, also by means of exchanging Biofrontera ADS for Biofrontera shares.

The bidder advises that an improvement to the offer consideration under this voluntary takeover bid in the event of such subsequent acquisitions is provided for by law, if the bidder or persons acting jointly with the bidder or their subsidiaries acquire shares in the target company outside the stock market, or enter into agreements on the basis of which the transfer of shares in the target company can be demanded, within one year after the publication pursuant to § 23 para. 1 clause 1 no. 2 WpÜG, and the consideration paid or agreed is higher than the consideration offered in this takeover bid - see § 31 para. 5 and para. 6 WpÜG.

Should the bidder or a person acting jointly with the bidder or their subsidiaries acquire further Biofrontera shares outside of this takeover bid after publication of the offer document, including by way of exchanging Biofrontera ADS for Biofrontera shares, before the results of the takeover bid have been published pursuant to § 23 para. 1 clause 1 no. 2 WpÜG, and for this purpose provide or agree to pay a consideration which exceeds the value of the offer consideration, then the offer consideration to be paid to all Biofrontera shareholders who have accepted the offer

shall be increased by the difference between the value of the offer consideration and the highest consideration paid for the Biofrontera shares acquired outside of the takeover bid (§ 31 para. 4 WpÜG).

The bidder will immediately publish the acquisition of shares of the target company by stating the type and amount of the consideration granted for each share pursuant to § 23 para. 2, § 14 para. 3 clause 1 WpÜG, by means of publication on the bidder's website and in the German Federal Gazette (Bundesanzeiger), and also notify BaFin.

If, during the course of this takeover bid, a person acting jointly with the bidder or their subsidiaries acquires shares of the target company outside of this bidding process after publication of the offer document and before expiry of a year after the publication pursuant to § 23 para. 1 no. 2 WpÜG, such as by exchanging Biofrontera ADS for Biofrontera shares, then the bidder must immediately publish the number of shares and voting rights acquired, stating the type and amount of the consideration granted for each share pursuant to § 23 para. 2, § 14 para. 3 clause 1 WpÜG, by means of publication on the bidder's website and in the German Federal Gazette (Bundesanzeiger), and also notify BaFin. According to § 31 para. 6 WpÜG, agreements whereby the transfer of shares can be demanded are deemed equivalent to the acquisition of shares and voting rights. The exercise of a statutory subscription right on the basis of an increase in the share capital of the target company is not deemed to be an acquisition. In the case of the exchange of Biofrontera ADS, the costs and fees to be paid for the exchange shall be published as part of the consideration. Also exempted from the obligation to publish pursuant to § 23 para. 2, § 14 para. 3 clause 1 WpÜG are stock exchange acquisitions after the end of the bidding process.

An improvement to the offer beyond the statutory obligations is not being considered by the bidder.

8. DESCRIPTION OF THE TARGET COMPANY

8.1 Business activities

As defined in the articles of incorporation, the corporate purpose of the target company is the research, development and marketing of pharmaceuticals, as well as fulfilling the role of a holding company, i.e. the acquisition and management of companies or

shares in companies. The target company may engage in all business activities which serve the corporate purpose either directly or indirectly. The target company may establish branches, and invest in the same kind of companies or similar companies in Germany and abroad. It may assume direct control of the operations of companies in which it holds an interest, or limit its participation to management of the investment. It may outsource its activities either wholly or partly to affiliated companies, or allow affiliated companies to conduct activities on its behalf.

By its own account, the target company is a biopharmaceutical company focused on the development and sale of dermatological medicines and medical cosmetics.

The target company develops and sells innovative products for healing, protection and care of the skin. According to the information provided by the target company, its most important products include Ameluz®, a prescription drug for the treatment of non-melanoma skin cancer and its precursors. According to the target company, Ameluz® has been marketed in the EU since 2012 and in the USA since May 2016. In addition, the target company markets the dermatological range Belixos®, which offers special treatment for injured or diseased skin. By its own account, the target company is the first German founder-led pharmaceutical company, which has obtained centralized European as well as U.S. approval for a medication developed in-house. According to its own statements, the Biofrontera group was founded by Prof. Dr. Hermann Lübbert, who until recently was chairperson of the executive board. By its own account, the company's shares are listed for trading on the Frankfurt Stock Exchange (Prime Standard) and the Düsseldorf Stock Exchange, are traded on the open market on the Munich, Stuttgart and Berlin stock exchanges, and can be traded on Tradegate and gettex.

According to the disclosure in the financial statements as at 31 December 2021, which are available on the company website at www.biofrontera.com, the target company had 167 employees worldwide. By its own account, the target company had 99 employees worldwide as at 30 June 2022.

8.2 Legal status of the target company

The target company is a stock corporation under German law with headquarters in Leverkusen. The target company is registered in the commercial register

(Handelsregister) of the Cologne district court (Amtsgericht) under HRB 49717. Its business address is: Hemmelrather Weg 201, 51377 Leverkusen. The target company was registered in 2000 as Biofrontera Pharmaceuticals Holding AG in the commercial register (Handelsregister) of the Cologne district court (Amtsgericht) In 2003, the name was changed to Biofrontera AG. Since the end of October 2006, the shares in the target company are admitted for trading on the regulated market. They are currently traded on the regulated market of the Frankfurt Stock Exchange and the Düsseldorf Stock Exchange. Biofrontera shares can also be traded on the open market on the Munich, Stuttgart, Berlin and Hamburg stock exchanges, as well as on Tradegate and gettex. In addition, American Depositary Shares with ISIN US09075G1058 can be traded on the over-the-counter market in the USA (US OTC) and on the open market on the Stuttgart, Frankfurt, Berlin and Düsseldorf stock exchanges. The fiscal year of the target company is the calendar year. Biofrontera is founded for an indefinite period of time. § 22 para. 2 of the articles of incorporation of the target company is as follows:

"Resolutions of the general meeting shall be passed by a simple majority of the votes cast, unless otherwise required by the articles of incorporation or by law. If the law requires a majority of the share capital represented when passing a resolution, in addition to a simple majority of the votes cast, then to the extent legally permissible, a simple majority of the share capital represented is sufficient; this applies in particular to resolutions passed pursuant to § 106 of the German Stock Corporation Act (AktG) (dismissal of members of the supervisory board), § 179 of the German Stock Corporation Act (amendments to the articles of incorporation) § 182 of the German Stock Corporation Act (increasing share capital through capital contributions), § 207 of the German Stock Corporation Act (capital increases from company funds) and § 221 of the German Stock Corporation Act (in particular the issue of convertible bonds, income bonds)."

According to the financial statements as at 31 December 2021 published by the target company, the consolidated balance sheet total is around 76.7 million Euros and the owner's equity is around 58 million Euros (according to International Financial Reporting Standards, "IFRS"). The target company's annual financial statements for the 2021 financial year have been published on the Internet page of the target company at www.biofrontera.com.

Biofrontera AG is the parent company of the following subsidiaries:

Biofrontera Bioscience GmbH, Leverkusen

Biofrontera Pharma GmbH, Leverkusen
Biofrontera Development GmbH, Leverkusen
Biofrontera Neuroscience GmbH, Leverkusen

8.3 Capital structure of the target company

8.3.1 Share capital and stock exchange listing

The share capital of Biofrontera is 56,717,385.00 Euros. It is divided into 56,717,385 non-par value registered shares with a notional share value of 1.00 Euro per share. Pursuant to § 22 para. 1 of the articles of incorporation of the target company, each share grants one vote at the general meetings of the target company.

The shares in the target company are listed for trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under the ISIN DE0006046113 / WKN 604611, as well as on the regulated market of the Düsseldorf Stock Exchange (General Standard). In addition, they can be traded on the open market on the Munich, Stuttgart, Berlin and Hamburg stock exchanges, as well as on Tradegate and gettex. In addition, Biofrontera ADS with ISIN US09075G1058 can be traded on the over-the-counter market in the USA (US OTC) and can also be traded on the Stuttgart, Frankfurt, Berlin and Düsseldorf stock exchanges. Biofrontera ADS can be traded via a Level I program on the over-the-counter market in the USA (US OTC) under the symbol BFAGY. One ADS represents the right to two ordinary shares of the target company.

8.3.2 Authorized capital

At present, the target company has not effectively authorized additional share capital in its articles of incorporation.

8.3.3 Conditional capital

There is Conditional Capital I pursuant to § 7 para. 2 of the articles of incorporation of the target company. Accordingly, the share capital of the target company is conditionally increased by up to 1,359,864 Euros by issuing up to 1,359,864 non-par value registered shares. The conditional capital increase serves (i) to secure the fulfilment of option rights and the granting of option obligations in accordance with the lending conditions, and/or (ii) to secure the fulfilment of conversion rights and the fulfilment of conversion obligations in accordance with the lending conditions, both of

which may be issued, agreed or guaranteed pursuant to the authorization granted at the general meeting on 28 August 2015 by the company or by its directly or indirectly majority-owned companies (affiliated companies) in the period up to 27 August 2020. To the knowledge of the bidder, no more shares can arise from this. The period for convertible bonds issued by the target company in accordance with the aforementioned authorization has expired.

There is Conditional Capital III pursuant to § 7 para. 6 of the articles of incorporation of the target company. Accordingly, the share capital of the target company may be increased by up to 249,050.00 Euros, through the issue of up to 249,050 non-par value registered shares. The conditional capital increase serves exclusively to secure the fulfilment of options pursuant to the authorization granted at the annual general meeting on 02 July 2010 until 01 July 2015. According to the information provided by the target company in its 2020 annual financial statements, the exercise period ended in April 2020. Thus, no Biofrontera shares can arise from Conditional Capital III.

There is Conditional Capital V pursuant to § 7 para. 8 of the articles of incorporation of the target company. Accordingly, the share capital of the target company is conditionally increased by up to 1,554,984 Euros by issuing up to 1,554,984 non-par value registered shares. The conditional capital increase serves exclusively to secure the fulfilment of option rights pursuant to the authorization granted at the annual general meeting on 28 August 2015 until 27 August 2020. To the knowledge of the bidder, based on the information in the 2021 annual financial statements of the target company, there are still 693,990 options outstanding. The granting of a further 693,990 options is possible. The options from the 2015 employee stock option program can only be exercised after a vesting period of four years. The first options were issued on 18 April 2016. This means that options from the 2015 options program can be exercised as of 19 April 2020. On 18 April 2016, 425,000 option rights (first tranche) were issued. Based on the information in the 2021 annual financial statements of the target company, the bidder has concluded that up to 693,990 options were outstanding as at 31 December 2021, and could therefore still be exercised, which entitle the holders to acquire up to 693,990 Biofrontera shares. According to the target company, there are still 350,490 options outstanding from the employee option program as at 30 June 2022. Of the 693,990 outstanding as at 31 December 2021, 119,500 have lapsed and a further 217,500 have expired. Another 6,500 have expired due to employees leaving the company.

8.3.4 Increase in share capital as resolved by the general meeting

On 7 April 2022, the general meeting of the target company resolved to increase the share capital by up to 7,089,673 Euros from currently 56,717,385 Euros up to a maximum of 63,807,058 Euros, by issuing up to 7,089,673 new non-par value registered shares with a notional share value of 1.00 Euro per share, in return for cash contributions. The target company has not yet carried out this increase in share capital resolved by the general meeting and has also not yet published a subscription offer for this purpose. By publication in the German Federal Gazette (Bundesanzeiger) on 11 July 2022, the target company announced the filing of annulment and rescission proceedings against the aforementioned resolution of the general meeting regarding the increase in share capital.

8.4 Own shares

To the knowledge of the bidder, the target company does not hold any of its own shares at the time of publication of this offer document.

8.5 Financial information

All financial information concerning the target company in this offer document is taken from the annual financial statements as at 31 December 2021, available on the Internet page of the target company. The consolidated financial statements of the target company as at 31 December 2021 contained therein were prepared in accordance with the accounting rules of IFRS, and have been audited by the audit firm Grant Thornton AG.

According to the latest published annual financial statements of the target company as at 31 December 2021, the target company achieved consolidated group earnings (in accordance with the accounting rules of IFRS) of approximately 32 million Euros for the period from 1 January 2021 to 31 December 2021. In the same period of the previous year from 1 January 2020 to 31 December 2020, the consolidated group earnings were a loss of 10.868 million Euros. In the consolidated group earnings for the period from 1 January 2021 to 31 December 2021, the target company recorded sales revenues in the amount of 28.787 million Euros, other income of 60.215 million Euros, as well as income from investments recognized according to the equity method in the amount of 14.729 million Euros and interest income in the amount of 13 thousand Euros, against which are recorded cost of sales in the amount of 3.913 million Euros, research and development costs in the amount of 7.009 million Euros, general and administrative expenses in the amount of 30.781 million Euros, marketing expenses in the amount of 22.423 million Euros, interest expenses in the amount of 3.692 million Euros, depreciation in the amount of 3.290 million Euros,

interest expenses from compounding in the amount of 28 thousand Euros and other expenses in the amount of 214 thousand Euros. In addition, there were income tax expenses of 1.825 million Euros and negative exchange rate differences from currency translation of 1.866 million Euros. In total, the owner's equity of the company increased from 7.375 million Euros as at 31 December 2020 to 57.997 million Euros as at 31 December 2021 (in accordance with the accounting rules of IFRS), whereby in addition to the net profit, the increase in share capital and capital reserves totalling 22.808 million Euros also contributed to this increase.

The consolidated balance sheet total of the target company has increased by 20.308 million Euros from 56.391 million Euros (as at 31 December 2020) to 76.699 million Euros (as at 31 December 2021).

8.6 Organs of the target company

Pursuant to the articles of incorporation, the executive board of the target company consists of one or more persons, whose number is determined by the supervisory board. Currently, the executive board members of the target company are Mr. Ludwig Lutter, and since the capital market statement by the target company dated 9 June 2022, Mr. Paul Böckmann, initially for a limited period until 31 August 2022. Mr. Ludwig Lutter is the CFO.

The supervisory board of the target company, which pursuant to § 12 para. 1 of the articles of incorporation of the target company consists of six members, currently comprises Mr. Wilhelm K. T. Zours (chairperson of the supervisory board), Dr. Jürgen Tielmann (deputy chairperson of the supervisory board), Dr. Heikki Lanckriet, Dr. Helge Lubenow and Mr. Karlheinz Schmeling. A supervisory board position is currently vacant following the resignation of Prof. Dr. Franca Ruhwedel on 22 February 2022.

In accordance with the provision made at the time of their election by the general meeting of the target company on 14 December 2021, the term of office of the aforementioned members of the supervisory board ends at the conclusion of the general meeting of the target company, which resolves on the discharge of the members of the supervisory board for the fourth financial year after the beginning of their term of office, whereby the financial year that is under way at the beginning of their term of office is not included.

8.7 Major shareholders outside of the persons acting jointly with the bidder

According to the information available to the bidder at the time of this publication, in particular the notifications of voting rights published by the target company pursuant to §§ 33 et seqq. of the German Securities Trading Act (WpHG), the following persons have voting rights of more than 3% in the target company, other than the bidder and persons acting jointly with the bidder:

Maruho Deutschland GmbH: 13,399,965 Biofrontera shares (which corresponds to around 23.63% of the voting rights in the target company; source: Notification of voting rights of 02 March 2021).

The voting rights in the target company held by Maruho Deutschland GmbH are attributed to its parent company, Maruho Co. Ltd., Japan.

8.8 Statements by the executive board and supervisory board of the target company on the takeover bid

The executive board and the supervisory board of the target company are obliged pursuant to § 27 para. 1 WpÜG to make a statement of their reasoned opinion on the takeover bid, as well as on any change in the takeover bid. This statement must be published by the executive board and the supervisory board of the target company immediately after submission of the offer document and any amendments thereto by the bidder, pursuant to § 14 para. 3 clause 1 WpÜG.

8.9 Persons acting jointly with Biofrontera

According to the information available to the bidder at the time of publication of this offer document, the following companies are either directly or indirectly subsidiaries of the target company pursuant to § 2 para. 6 WpÜG, and are therefore regarded as persons acting jointly with the target company pursuant to § 2 para. 5 clause 3 WpÜG:

Biofrontera Bioscience GmbH, Leverkusen

Biofrontera Pharma GmbH, Leverkusen

Biofrontera Development GmbH, Leverkusen

Biofrontera Neuroscience GmbH, Leverkusen

To the knowledge of the bidder, there are no other persons acting jointly with the target company.

9. ECONOMIC AND STRATEGIC BACKGROUND TO THE OFFER

9.1 Fundamental considerations

The focus of the bidder's business activities is, among other things, on the acquisition, holding and sale of investments, and the achievement of a positive return on equity on the capital employed.

With the offer, the bidder is solely pursuing the goal of acquiring Biofrontera shares, and thereby consolidating the position of the bidder and the other parties gaining control as together the largest shareholder group in the target company. The bidder and the other parties gaining control see the shareholding in the target company as a long-term, profitable investment. The bidder and the other parties gaining control also have the goal that at least half of the supervisory board members elected will be nominated by them.

Against this background, the bidder and the other parties gaining control are not pursuing intentions of operational cooperation or the raising of synergy effects with this takeover bid.

9.2 Personnel connections with the target company

Mr. Wilhelm K. T. Zours has been a member of the supervisory board of the target company since his election at the general meeting of the target company on 14 December 2021. Around 29.9993% of the voting rights in the target company are attributed to Mr. Wilhelm K. T. Zours (see paragraph 7.4.1 above).

10. BACKGROUND TO THE OFFER

10.1 Economic and strategic backgrounds

The focus of the business activities of the bidder is on the acquisition, holding and sale of investments.

a) Bidder:

With the offer, the bidder is solely pursuing the goal of acquiring Biofrontera shares, and thereby consolidating the position of the bidder and the persons acting jointly with the bidder as together the largest shareholder group in the target company.

b) Bidder and pool members.

The bidder and the pool members intend to gain a controlling stake in the target company during or by the end of the acceptance period of this offer.

c) Bidder and the other parties gaining control:

The bidder and the other parties gaining control see the investment in the target company as a long-term, profitable investment.

In particular, the bidder and the other parties gaining control have the goal that at least half of the supervisory board members elected will be nominated by them or a person acting jointly with them.

More background information about the offer is provided below and in paragraph 11 of this offer document.

Against this background, the bidder and the other parties gaining control are not pursuing intentions of economic cooperation or the raising of synergy effects with this takeover bid. The economic and strategic background lies solely in increasing value through increasing the investment in the target company.

10.2 Mediation with the target company

On 11 September 2020, the target company, the bidder, Mr. Wilhelm K. T. Zours and a mediator entered into a mediation agreement. The subject of the mediation agreement is the conducting of a mediation process. The purpose of the mediation, which began thereafter, was to seek a solution for the settlement of disputes as well as for personnel and strategic differences, with the help of an experienced and reputable mediator. At the time of the conclusion of the mediation agreement, the bidder and various persons acting jointly with the bidder on the one hand, and the target company on the other hand, were involved in various legal disputes with each other, including legal disputes regarding rescission proceedings against the shareholders' resolutions of the target company.

Within the framework of the mediation process, agreement was reached on 17/19 November 2021 between the Deutsche Balaton group and the incumbent supervisory board of Biofrontera AG, on the candidates for the supervisory board. Accordingly, the incumbent supervisory board of the target company at the time proposed the following candidates for election at the general meeting on 14 December 2021:

- a. Dr. Heikki Lanckriet
- b. Dr. Helge Lubenow
- c. Prof. Franca Ruhwedel
- d. Mr. Karlheinz Schmelig
- e. Dr. Jörgen Tielmann
- f. Mr. Wilhelm K. T. Zours

Of the candidates, Mr. Zours had agreed to stand for election as chairperson of the supervisory board. In fact, after his election as a member of the supervisory board, Mr. Zours was also elected chairperson of the supervisory board of the target company.

Maruho Deutschland GmbH supported the proposal of the incumbent supervisory board. The companies of the Deutsche Balaton group and Maruho Deutschland GmbH made a one-off commitment to vote in favor of the above-mentioned candidates at the then forthcoming general meeting, which then actually took place on 14 December 2021. In fact, the general meeting on 14 December 2021 also elected all proposed candidates as members of the supervisory board. However, Prof. Franca Ruhwedel subsequently resigned from the supervisory board of the target company; her position on the supervisory board is currently vacant.

The target company on the one hand, and Mr. Zours and the companies of the Deutsche Balaton group including the bidder on the other hand, had also mutually committed themselves in the course of a settlement ("**settlement**") to terminate all litigation pending between them by withdrawing their litigation. The settlement also provides that the authorized Capital II, resolved by the general meeting of Biofrontera AG on 24 May 2017 under TOP 6, which was the subject of pending rescission proceedings and which was in any case limited to 23 May 2022, would not be used even after withdrawal of the litigation. In order to ensure that the company has the possibility of raising further capital in the future, the bidder should request an addition to the agenda for the next general meeting and propose the creation of corresponding capital authorizations. The settlement does not include a review of the background to the initial public offering (IPO) of Biofrontera Inc. in the USA (see paragraph 10.3 of the offer document in this regard). The settlement was subject to the condition precedent that the aforementioned candidates be elected to the supervisory board of Biofrontera AG by no later than 31 December 2021. This condition was met; on 14

December 2021, the general meeting of the target company elected the aforementioned candidates as members of the supervisory board of the target company. The bidder and the companies involved in the settlement as well as the target company have withdrawn their litigation against each other.

10.3 Legal dispute with the target company

The bidder is currently involved in a legal dispute with the target company. The previous legal disputes between the bidder and the persons acting jointly with the bidder on the one hand, and the target company on the other hand, have been resolved by withdrawal of the litigation and have thus ended.

In November 2021, the target company on the one hand, and Mr. Zours and certain companies of the Deutsche Balaton group on the other hand, had mutually committed themselves in the course of the settlement described in paragraph 10.2 to terminate all litigation pending between them by withdrawing their litigation.

At present, the bidder is pursuing litigation against the target company before the Cologne regional court (Landgericht) for a ruling that the measures taken for the IPO of its former subsidiary Biofrontera Inc. required the approval of the general meeting. The bidder had submitted a corresponding application for an addition to the agenda of the general meeting of the target company on 14 December 2021, which was denied by the Cologne district court (Amtsgericht), after the target company itself had failed to comply with the request made by the bidder for an addition to the agenda in this regard, and the bidder had submitted the application to the Cologne district court (Amtsgericht) to be authorized to publish the requested addition to the agenda itself. Biofrontera Inc. was a subsidiary of the target company, which according to information from the target company dated 02 November 2021, conducted an initial public offering (IPO) on the NASDAQ as part of a capital increase. In a capital market notification dated 29 December 2021, the target company announced that its stake in Biofrontera Inc. was only around 47%. According to the information provided by the target company, the shareholding of the target company in Biofrontera Inc. has currently fallen further to around 39%. Ameluz®, the target company's main product, is sold through Biofrontera Inc. in the USA.

A hearing was held before the Cologne regional court (Landgericht) on 13 May 2022. Thereafter, the parties were granted a period of time for written submissions, and the

date for continuation of the hearing was set as 30 September 2022. The bidder considers its position in this legal dispute to be promising.

10.4 No mandatory offer after acquiring control of the target company

If the bidder acquires a controlling stake in the target company through this offer, as defined in § 29 para. 2 WpÜG, the bidder is not obligated to make the shareholders of the target company a mandatory offer pursuant to § 35 para. 3 WpÜG.

The voting rights of the bidder in the target company are attributed to the other parties gaining control pursuant to § 30 para. 2 WpÜG. If the bidder acquires control over the target company as defined in § 29 para. 1 WpÜG as a result of this takeover bid, also including attribution of the voting rights of the pool members in accordance with § 30 para. 2 WpÜG and/or including attribution of the voting rights pursuant to § 30 para. 1 clause 1 no. 1, clause 3 WpÜG, § 30 para. 1 clause 1 no. 2, clause 2 WpÜG and § 30 para. 2 WpÜG, the bidder and the other parties gaining control are not obligated to submit a mandatory offer for Biofrontera shares pursuant to § 35 para. 3 WpÜG.

11. INTENTIONS OF THE BIDDER AND THE OTHER PARTIES GAINING CONTROL

11.1 Intentions of the bidder regarding the target company

Relocation or closure of the company headquarters of the target company, and the locations of material parts of the business of the target company, is not intended. The bidder has no intentions regarding the use of the assets and future obligations of the target company.

The bidder also does not intend to complete research cooperation agreements with the target company or obtain distribution rights to Biofrontera products.

The bidder has no intentions regarding employees, their employment conditions and their representation at the target company.

The bidder sees considerable value in the development of the US market and thus in the shareholding in Biofrontera Inc., which is responsible for this. The bidder is also of the opinion that the long-term license income from selling the product in the USA has a significant influence on the performance of the target company. Within the scope of its legal possibilities to exert influence, the bidder intends to prevent the (further) sale

of the target company's shareholding in Biofrontera Inc. below value or a weakening of the license position of the target company. In the opinion of the bidder, the initial public offering (IPO) of Biofrontera Inc. was disadvantageous and should not have taken place without the approval of the general meeting of the target company. The bidder has therefore filed the above-mentioned application for declaratory relief against the target company, and intends to have the legality of the actions of the responsible organs checked within the scope of its legal possibilities.

The bidder intends to effect changes to the supervisory board of the target company. The bidder intends to propose the election of Prof. Dr. Karin Lergenmüller to the vacant supervisory board position at the next general meeting of the target company. On 7 July 2022, the bidder sent the target company a requested addition to the agenda, alternatively as a counter-proposal, together with a corresponding nomination for election for the next general meeting of the target company. On 13 July 2022, the target company announced the general meeting by publication in the German Federal Gazette (Bundesanzeiger), but did not include the bidder's requested addition to the agenda. After consultation with the target company, the requested addition to the agenda will be published in the German Federal Gazette (Bundesanzeiger) on 15 July 2022. In addition, the aim is to ensure that at least half of the supervisory board members elected in the target company will be nominated by the bidder or a person acting jointly with them.

With regard to changes in the executive board of the target company, the bidder pursues the following intention: The target company currently only has a CFO, along with an interim executive board member appointed until 31 August 2022. In the opinion of the bidder, a CEO should therefore be added to the executive board of the target company. Within the scope of its influence, the bidder therefore intends to work towards the appointment of a suitable executive board member as CEO. In doing so, the bidder respects the responsibility of the supervisory board for the appointment of members of the executive board, as defined in stock corporation law. In addition, the bidder monitors the composition and activities of the organs of the target company.

11.2 Intentions of the other parties gaining control excluding the bidder regarding the target company

The following details describe the intentions of the other parties gaining control regarding the target company.

Relocation or closure of the company headquarters of the target company, and the locations of material parts of the business of the target company, is not intended. The other parties gaining control have no intentions regarding the use of the assets and future obligations of the target company.

The other parties gaining control also do not intend to complete research cooperation agreements with the target company or obtain distribution rights to Biofrontera products.

The other parties gaining control have no intentions regarding employees, their employment conditions and their representation at the target company. The other parties gaining control also pursue the intention formulated by the bidder in paragraph 11.1 with regard to personnel changes in the executive board of the target company.

Delphi and Mr. Wilhelm K. T. Zours, in his capacity as an other party gaining control and an indirect shareholder, furthermore intend to exercise any influence they may have, also with regard to further personnel changes in the supervisory board, in the interests of the target company and to the extent permissible, so that the value of the target company is increased as much as possible with regard to its future operating results and its net assets, including the shareholding of the target company in Biofrontera Inc., in the interests of all shareholders. In this regard, the other parties gaining control will also monitor the composition and activities of the organs of the target company, within the scope of their direct or indirect shareholding, taking into account the responsibilities of the respective organs of the target company as defined in stock corporation law.

The other parties gaining control intend to effect changes to the supervisory board of the target company. The other parties gaining control intend to support the proposed nomination for the vacant supervisory board position as formulated by the bidder (see paragraph 11.1 above).

In line with the responsibilities defined in stock corporation law, the other parties gaining control only have an indirect influence on the appointment of members of the executive board, in their role as shareholders of the target company, namely through the election of members of the supervisory board at the general meeting of the target company. Insofar as Mr. Wilhelm K. T. Zours will participate in determining the composition of the executive board of the target company, in his capacity as a member of the supervisory board, Mr. Wilhelm K. T. Zours will pursue the interests of the target company, and to the extent permissible, the aforementioned interest in

increasing the value of the target company, as the key criteria in his exercise of discretion. In this connection, against the background of the significant deterioration in the share price of the target company in the past, Mr. Wilhelm K. T. Zours is also in favor of changes to the executive board. In his capacity as a member of the supervisory board of the target company, he will also continue to monitor the composition of the executive board in future. Depending on the majorities in the supervisory board, which may change due to a change in the composition of the supervisory board, Mr. Wilhelm K. T. Zours will also continue to regularly review the composition of the executive board in future. Since the supervisory board of the target company always decides independently and freely on the composition of the executive board of the target company according to its discretion, in accordance with the responsibilities defined in stock corporation law, Mr. Wilhelm K. T. Zours will thus exercise his discretion in each case. In accordance with the provisions of stock corporation law, Mr. Wilhelm K. T. Zours will base his reviews and the performance of his duties on the specific requirements of the target company at the time of the appointment. At this point in time, he will exercise his discretion with regard to the composition of the executive board of the target company based on its interests and needs, and will exercise his discretion within the framework of stock corporation law – insofar as a corresponding majority is achieved among the members of the supervisory board – also with regard to the appointment of members of the executive board.

11.3 Intentions regarding the legal dispute with the target company

The bidder believes that its legal dispute with the target company has good prospects of success, and intends to pursue this as long as it is a shareholder in the target company, unless the matter can be successfully resolved otherwise.

11.4 Potential structural measures and capital measures

The bidder has no intentions regarding capital market or legal structure measures, which may have an impact on the shareholding of the target company shareholders. However, the bidder is in talks with the target company about its financing. For this purpose, discussions were held with the target company and possible financing partners, on matters such as loans and their collateralization by the bidder. The bidder has offered the target company the prospect of collateralization of financing of around 1.7 million Euros.

Even if it obtains a three-quarters majority in the target company in the course of this takeover bid, the bidder still does not intend to conclude a control agreement and/or a profit transfer agreement with the target company.

11.5 Intentions of the bidder and the other parties gaining control regarding the own respective business activities

With this offer, the bidder and the other parties gaining control have no intentions regarding their own business activities, except for the bidder acquiring an ownership stake in the target company. In particular, with the offer to acquire the shares of Biofrontera, the bidder and the other parties gaining control do not intend to change their future business activities, headquarters or the locations of material parts of their business. Similarly, with the takeover bid, no changes are intended to the members of the executive organs of the bidder or the other parties gaining control, their employees and their representation, as well as their material conditions of employment. Any changes in the areas mentioned above shall always be carried out independently of this takeover bid.

With the exception of the obligations and expenses arising from this takeover bid (see paragraph 14 of this offer document), the bidder and the other parties gaining control have no intentions regarding the use of their respective assets and future obligations.

12. GOVERNMENT PROCEDURES

12.1 Antitrust law procedures

The acquisition of Biofrontera shares within the framework of this takeover bid does not require any antitrust approval.

12.2 Approval of the publication of this offer document

This offer document was approved for publication by the Federal Financial Supervisory Authority (BaFin) on 14 July 2022. There are no other regulatory approvals required for the implementation of this bid.

13. FINANCING OF THE OFFER

13.1 Maximum consideration

13.1.1 Number of shares issued

According to information provided by the target company to the bidder, the total number of shares issued by Biofrontera at the time of publication of this offer document is 56,717,385. The capital increase of up to 7,089,673 shares that was approved at the target company's general meeting on 07 April 2022, which may possibly be carried out during the acceptance period or the additional acceptance period, must be added to this figure, so that the total number of shares issued overall could amount to 63,807,058.

13.1.2 Stock option programs, maximum financing volume

The target company launched a stock option program in 2015. According to information provided by the target company to the bidder, the 2015 stock option plan has 350,490 options for up to 350,490 shares outstanding as at 30 June 2022 (see section 8.3.3). According to information provided by the target company, the vesting period for 118,490 options does not end until 2023. The bidder assumes that these options cannot be exercised during the acceptance period and/or the additional acceptance period of this takeover offer, whereby it assumes that the additional acceptance period will not last beyond 31 October 2022.

For these reasons, the bidder assumes that in addition to the total number of outstanding shares of the target company in the amount of 63,807,058 shares, up to 232,000 further shares (= 350,490 minus 118,490) of the target company could be issued from its conditional capital during the acceptance period and the further acceptance period, and these could then be tendered for the offer. Thus, the total number of shares outstanding and to be issued during the expected acceptance period and additional acceptance period is calculated at 64,039,058, of which the bidder directly holds 2,294,789 shares of the target company. This total of 64,039,058 shares less the 2,294,789 Biofrontera shares held directly by the bidder itself is 61,744,269 shares ("**maximum number of Biofrontera shares to be financed**"), which could potentially be tendered for the takeover bid. The financing volume for the maximum number of Biofrontera shares to be financed amounts to 72,858,237.42 Euros.

13.1.3 Non-acceptance agreement

The bidder on the one hand, and Delphi, SPARTA AG and Deutsche Balaton Biotech AG respectively on the other hand, concluded a qualified non-tender agreement on 23/24 June 2022, in which Delphi, SPARTA AG and Deutsche Balaton Biotech AG (together the "**non-tender-obligors**") have each undertaken that the 14,713,818 Biofrontera shares currently held by them (excluding the Biofrontera shares held directly by the bidder itself), and any Biofrontera shares held directly in the future, shall not be tendered in full or in part for the takeover bid (the "**non-acceptance agreement**"). The non-acceptance agreement also applies to shares of the target company held directly by the pool members concerned in future. In order to ensure that the non-tender-obligors cannot tender their Biofrontera shares during the takeover bid and also not sell them to third parties, the non-tender-obligors have also entered into an agreement with the bidder and their respective custodian banks on 23/24 June 2022, and in the case of Deutsche Balaton Biotech AG with a supplement dated 04 July 2022, according to which the custodian banks have agreed that (i) the Biofrontera shares held on behalf of the non-tender-obligors affected will not be transferred from their securities account to another securities account or one held by a third party, and (ii) no orders will be executed for the non-tender-obligors regarding the sale or transfer of the Biofrontera shares affected (including, to avoid any doubt, by way of acceptance of the takeover bid) (the "**securities account blocking agreement**"). The tender of the Biofrontera shares held by them for a competing bid remains possible. The non-acceptance agreement also contains a contractual penalty provision according to which, in the event of Biofrontera shares being tendered for the offer in breach of the contract, the bidder is entitled to payment of a contractual penalty from the non-tender-obligor that breached the contract, in the amount of the consideration relating to the number of Biofrontera shares that were tendered in breach of the contract. The bidder has agreed with each non-tender-obligor to offset payment claims in the event of such a contractual penalty.

Under the assumption that during the takeover bid, the bidder acquires the maximum number of Biofrontera shares, which are not part of the Biofrontera shares it already holds together with the non-tender-obligors, then the offer consideration required to acquire the remaining 47,030,451 Biofrontera shares ("**maximum number of Biofrontera shares tendered**") would be a total of 55,495,932.18 Euros. The maximum number of Biofrontera shares tendered is based on the maximum number of Biofrontera shares to be financed of 61,744,269 minus the 14,713,818 Biofrontera shares subject to the non-acceptance agreement.

13.2 Expected transaction costs

The bidder also expects transaction costs for the implementation of this takeover bid of up to 80,000 Euros ("**transaction costs**"), in connection with the preparation, technical implementation and completion of the takeover bid, including for the settlement agent. The maximum amount of money to be paid by the bidder for the purchase of all 47,030,451 Biofrontera shares that are subject to the takeover offer is thus expected to be 55,575,932.18 Euros, including the transaction costs.

13.3 Financing measures

Prior to the publication of the offer document, the bidder has taken the necessary measures to ensure that at the time of the due date for payment of the offer consideration, the funds necessary for the acquisition of the maximum number of Biofrontera shares tendered are available, including for the transaction costs. The bidder will finance the cash consideration and the transaction costs for the implementation of the takeover bid as follows:

Deutsche Bank AG is pledging bank balances of around 55.6 million Euros as collateral to the bank issuing the financing confirmation. The pledge of 55.6 million Euros made by Deutsche Bank AG to the bank issuing the financing confirmation is based on the following initial financing structure:

The bidder has transferred bank balances at other banks in the amount of 15 million Euros to an account at Deutsche Bank AG. For the purpose of refinancing part of the amount of 55.6 million Euros, Deutsche Balaton, as the borrower, has obtained non-earmarked loans for the amount of five million Euros each, both with a maturity of 15 December 2022, from Heidelberger Beteiligungsholding AG and 2invest AG on 4/5 July 2022. The loan from Heidelberger Beteiligungsholding AG is subject to interest of 2.5% p.a. and the loan from 2invest AG is subject to interest of 2.0% p.a.

Deutsche Bank AG has granted the bidder a further 20 million Euros as credit lines for the purpose of refinancing the takeover bid through contracts dated 29 and 30 June 2022, of which one credit line is for 5 million Euros and the other for 15 million Euros, both with a contractual maturity of six months. The credit line for 5 million Euros at Deutsche Bank AG is subject to interest on the loan amount used of 1.0% plus 3-month Euribor p.a., and the other credit line of 15 million Euros is subject to interest on the loan amount used of 3.0% plus 3-month Euribor p.a. Among other things, the collateral for the credit line of 5 million Euros is provided by the pledge of a securities account belonging to SPARTA AG at Deutsche Bank AG to Deutsche Bank

AG, which contains securities with a loan value of around 5 million Euros. To this end, the bidder and SPARTA AG have concluded an agreement on the provision of collateral on 30 June 2022. SPARTA AG receives interest of 1.0% p.a. on the amount of 5 million Euros for the period from the date on which the line of credit at Deutsche Bank AG is used up until the date on which Deutsche Bank AG releases the securities held as collateral.

A further 10.6 million Euros will be made available to the bidder through loans collateralized with securities provided by Deutsche Bank AG. A loan utilization of 1.3 million Euros for the period from 6 July 2022 to 6 October 2022 is subject to interest of 0.835% p.a., a further loan utilization of 4.8 million Euros for the period from 6 July 2022 to 6 October 2022 is subject to interest of 1.835% p.a., and a further loan utilization of 4.5 million Euros for the period from 6 July 2022 to 6 October 2022 is subject to interest of 1.835% p.a.

The financing structure described serves to provide an initial bank balance in the amount of 55.6 million Euros, which has been irrevocably pledged to the bank issuing the financing confirmation for the duration of the bidding process. This is only the initial financing structure, since the utilization of the loans may change continuously within the scope of the bidder's liquidity management, e.g. through repayment from other funds.

13.4 Financing confirmation

Quirin Privatbank AG with headquarters in Berlin, a securities services company that is independent of the bidder, has confirmed in the financing confirmation of 08 July 2022, attached as Appendix 2:

"that Deutsche Balaton Aktiengesellschaft has undertaken the necessary measures to ensure that the funds required to fully complete the above-mentioned takeover bid are available to it at the time when the right to the payment of the offer consideration is due."

14. IMPACT ON THE NET ASSETS, FINANCIAL POSITION AND OPERATING RESULTS OF THE BIDDER

14.1 Current situation, assumptions, methodical approach and caveats

The information provided in paragraph 14 of the offer document is based on the following current situation and the following assumptions:

a) Current situation

- (1) At the time of publication of this offer document, the bidder directly holds 2,294,789 Biofrontera shares.
- (2) In the representation of the impact on the net assets, financial position and operating results of the bidder, other than the takeover bid, its financing and the transaction specified under (4), no other business transactions have been taken into account by the bidder, which have arisen since 31 December 2021, or which may arise in the future and will have no impact on the net assets, financial position and operating results of the bidder.
- (3) For the maximum possible offer consideration of 55,495,932.18 Euros plus the transaction costs of 80,000 Euros, i.e. for a total amount of 55,575,932.18 Euros, liquid funds are available at a bank in the amount of 55.6 million Euros, which originate from various credit lines and liquid funds. A portion of the liquid funds comes from loans whereby Deutsche Balaton borrowed five million Euros each from Heidelberger Beteiligungsholding AG and 2invest AG (see also paragraph 13.3 of this offer document), notwithstanding the non-earmarked loans.
- (4) There have been no extraordinary business transactions between 31 December 2021 and the date of publication of this offer document. Acquisitions and disposals of shareholdings are an inherent part of the bidder's business activities. In a capital market notification dated 27 January 2022, the bidder announced that it expects the sale of an affiliated company to contribute an anticipated amount of 15.5 million Euros to the group's earnings. This shareholding was sold by a subsidiary of the bidder and therefore not taken into account in the following effects on the bidder's individual financial statements. In addition, in a capital market notification dated 05 April 2022, the bidder announced that it expects the sale of a shareholding ("**transaction**") to contribute an anticipated amount of 26 million Euros to the group's earnings and have an impact on the bidder's individual financial statements in accordance with the German Commercial Code (HGB) of 24 million Euros. The sale of this shareholding was represented in the

balance sheet presented below as the only business transaction in addition to the takeover bid, its financing and the prior acquisitions.

b) Assumptions, methodical approach and caveats

- (1) In the course of the takeover bid, the bidder can acquire a maximum number of 47,030,451 Biofrontera shares. The offer consideration required to acquire the 47,030,451 Biofrontera shares, including the expected transaction costs of up to 80,000 Euros, would be a total of 55,575,932.18 Euros. The actual amount of the consideration will only be determined, if the takeover bid is completed and the number of Biofrontera shares actually purchased through the takeover bid has been determined.
- (2) In order to assess the likely impact of the takeover bid on the net assets, financial position and operating results of the bidder, the bidder has made a preliminary and unaudited estimate of the balance sheet situation (individual financial statements in accordance with the German Commercial Code, HGB), which would arise as at the reporting date of 31 December 2021 if the bidder acquired the maximum number of 47,030,451 Biofrontera shares in the course of the takeover bid. In addition, the transaction mentioned under a) (4) above and the prior acquisitions were taken into consideration.
- (3) In paragraph 14.2 below, an adjusted balance sheet of the bidder is shown alongside the annual financial statements of the bidder as at 31 December 2021, which were prepared according to the provisions of the German Commercial Code (HGB). The following information and the underlying assumptions have not been audited or reviewed by an auditor, except for the balance sheet data as at 31 December 2021, which has been audited by an auditor.
- (4) It should be noted that - particularly taking into account other business events and business opportunities, which may arise from increasing the shareholding in the target company - the impact of this offer on the future net assets, financial position and operating results of the bidder currently cannot be accurately predicted.
- (5) If the takeover bid is accepted in full, the bidder would acquire a total of 47,030,451 Biofrontera shares in return for an offer consideration in cash of 1.18 Euros per Biofrontera share plus transaction costs of 80 thousand Euros, i.e. in total in return for payment of 55,575,932.18 Euros. If the takeover bid is accepted in full, the bidder would have a direct shareholding of approximately 77.02% in

the target company (excluding the shares attributed to it on the basis of the pool agreement). Therefore, it would in future recognize its investment in the target company as shares in affiliated companies. A corresponding reclassification from "securities held as fixed assets" to "shares in affiliated companies" would take place.

- (6) Apart from the acquisition of Biofrontera shares, the following presentation only takes into account the financing of the offer, the prior acquisitions and the transaction mentioned, but no other business transactions that occurred after 31 December 2021. It is therefore a greatly simplified representation.

14.2 Expected impact on the annual financial statements (individual financial statements per HGB) of the bidder as well as its operating results

The acquisition of Biofrontera shares through this takeover bid - calculated solely on the basis of the assumptions listed in paragraph 14.1 of this offer document - is expected to have an impact on the net assets and financial position of the bidder as follows:

ASSETS*	Balance as at 31.12.2021	Change due to transaction	Change due to prior acquisitions	Change due to financing	Change due to takeover bid	After takeover bid
	audited	unaudited	unaudited	unaudited	unaudited	unaudited
	million Euros	million Euros	million Euros	million Euros	million Euros	million Euros
A. Fixed assets						
Intangible assets	0.0					0.0
Tangible assets	0.0					0.0
Financial assets						
Shares in affiliated companies	177.8				59.0	236.8
Loans to affiliated companies	2.7					2.7
Shareholdings	17.7	-5.1				12.6
Loans to companies in which there is a shareholding	2.8					2.8
Securities held as fixed assets	150.0		0.0		-3.4	146.6
B. Current assets						
Receivables / other assets	44.4					44.4
Securities	6.0					6.0
Cash and balances at credit institutions						
Pledged bank balance at Deutsche Bank AG	0.0			55.6	-55.6	0
Other	5.2	29.1		-15.0		19.3
Total cash and balances at credit institutions	5.2	29.1	-0.0	40.6	-55.6	19.3
C. Accruals	0.0					0.0
Assets	406.6	24.0	0.0	40.6	0.0	471.2

* The balance sheet items are partially aggregated and presented in million Euros, which may result in rounding differences.

LIABILITIES*	Balance as at 31.12.2021	Change due to transaction	Change due to prior acquisitions	Change due to financing	Change due to takeover bid	After takeover bid
	audited	unaudited	unaudited	unaudited	unaudited	unaudited
	million Euros	million Euros	million Euros	million Euros	million Euros	million Euros
A. Owner's equity						
Subscribed capital	0.1					0.1
Capital reserves	61.7					61.7
Retained earnings	170.4					170.4
Balance sheet profit	23.9	24.0				47.9
B. Provisions						
Provisions	3.5					3.5
C. Liabilities						
Deutsche Bank (as part of the takeover bid)	0.0			30.6		30.6
Other credit institutions	62.0			0.0		62.0
Total liabilities to credit institutions	62.0			30.6		92.6
Liabilities to Heidelberger Beteiligungsholding / 2invest	0.0			10.0		10.0
Liabilities to affiliated companies	84.8					94.8
Trade payables	0.2					0.2
Other liabilities	0.1					0.1
Liabilities	406.6	24.0	0.0	40.6	0.0	471.2

* The balance sheet items are partially aggregated and presented in million Euros, which may result in rounding differences.

In the event of full acceptance of the offer, the following material changes would occur to the annual financial statements (individual financial statements per HGB) of the bidder:

a) Column "Balance sheet as at 31.12.2021"

The figures provided in this column represent the HGB balance sheet as per the audited individual financial statements of the bidder as at 31 December 2021.

b) Column "Change due to transaction"

Due to the transaction previously described under 14.1 a) (4) above, the value of the shareholding decreased by 5.1 million Euros from 17.7 million Euros to 12.6 million Euros, while at the same time increasing liquid funds by 29.1 million Euros from 5.2

million Euros to 34.3 million Euros and the balance sheet profit by 24.0 million Euros from 23.9 million Euros to 47.9 million Euros.

c) Column "Change due to prior acquisitions"

Due to the prior acquisitions made after 31 December 2021, the item "securities held as fixed assets" increased by 28,812 Euros from 150 million Euros to around 150 million Euros, and the item "cash and balances at credit institutions" decreased by 28,812 Euros from 34.3 million Euros to around 34.3 million Euros.

d) Column "Change due to financing"

In order to finance the takeover bid, initially an existing balance of 15.0 million Euros at another bank was transferred to an account with Deutsche Bank AG.

The financing measures described in 13.3 cause the "liabilities to credit institutions" to increase by 30.6 million Euros from 62.0 million Euros to 92.6 million Euros, and liabilities to affiliated companies to increase by 10.0 million Euros from 84.8 million Euros to 94.8 million Euros, whereby the item "cash and balances at credit institutions" increases by 40.6 million Euros from 34.3 million Euros to 74.9 million Euros.

e) Column "Change due to takeover bid"

In the event of a full implementation of the takeover bid, with the acquisition of 47,030,451 Biofrontera shares, the item "securities held as fixed assets" thus decreases upon completion of the takeover bid by 3.4 million Euros from 150 million Euros to 146.6 million Euros. The Biofrontera shares previously accounted for under "securities held as fixed assets" will be reclassified as "shares in affiliated companies", which is why the item "shares in affiliated companies" increases by 59.0 million Euros from 177.8 million Euros to 236.8 million Euros. The amount of 3.4 million Euros, which corresponds to the HGB amount for Biofrontera shares held by the bidder as at 31 December 2021, as well as the amount of 28,812 Euros relating to the prior acquisitions, are included in the 59.0 million Euros in the balance sheet item "shares in affiliated companies".

Cash and balances at credit institutions decreases by 55.6 million Euros from 55.6 million Euros to 0 Euros, on the assumption that the bidder will pay the offer consideration out of the cash and balances at credit institutions as far as possible.

f) Column "After takeover bid"

The "After takeover bid" column incorporates the changes in the previous columns and represents the balance sheet after the takeover bid.

g) Financing costs

If the takeover bid is accepted in full, it is assumed that the bidder will fully utilize both lines of credit at Deutsche Bank AG. The credit line for 5 million Euros at Deutsche Bank AG is subject to interest on the loan amount used of 1.0% plus 3-month Euribor p.a., and the other credit line of 15 million Euros is subject to interest on the loan amount used of 3.0% plus 3-month Euribor p.a. SPARTA AG, which provides securities with a loan value of EUR 5 million as collateral, receives an annual interest rate of 1.0% for the period in which the securities are held as collateral. The loans of five million Euros each provided by Heidelberger Beteiligungsholding AG and 2invest AG are subject to an annual interest rate of 2.5% payable to Heidelberger Beteiligungsholding AG and 2.0% payable to 2invest AG. Under these assumptions, the interest result of the bidder would in future change by around one million Euros annually, on the basis of the refinancing costs agreed at the time of publication of the offer document. In the event of rising or falling money market interest rates or changing credit conditions over the course of the year, the assumed interest burden increases or decreases accordingly.

h) Owner's equity

Starting from the balance sheet situation on 31 December 2021, the balance sheet owner's equity of 256.1 million Euros will only increase by the aforementioned transaction to 280.1 million Euros as a result of the implementation of this takeover bid, as the acquisition costs and transaction costs of the takeover bid are capitalized. The equity ratio, calculated solely on the basis of the assumptions listed in paragraph 14.1 of this offer document, will decrease from approximately 63% as at 31 December 2021 to approximately 59% after implementation of the takeover bid.

In accordance with the German Commercial Code (HGB) accounting rules, the acquisition of Biofrontera shares by the bidder through this takeover offer will have the following impact on the profit and loss statement of the bidder:

- The credit interest payable to finance the takeover offer will reduce the annual result for the current financial year by up to approximately 0.5 million Euros as an expense.
- The bidder does not expect a dividend to be paid by the target company in the short term and medium term.

15. INFORMATION FOR SHAREHOLDERS WHO ACCEPT OR DO NOT ACCEPT THE OFFER

15.1 General information

Biofrontera shareholders who accept or do not accept this offer should consider the following:

- (i) The current price of Biofrontera shares may reflect the fact that the bidder has published its decision to submit this takeover offer on 07 June 2022. It is not possible to predict how the share price of Biofrontera shares will develop in the future, and in particular if the share price will remain at the current level or move higher or lower.
- (ii) The share price of Biofrontera shares may possibly also be influenced by the way in which the target company's business activities will be structured in future. It is not possible to predict how the share price of Biofrontera shares will develop in the future, and in particular if the share price will remain at the current level or move higher or lower.
- (iii) Upon implementation of the takeover bid, the number of Biofrontera shares in free float is expected to decrease, at least temporarily, and the trading volume in Biofrontera shares that are not tendered for sale is expected to decrease. This may possibly lead to lower trading liquidity and higher volatility.
- (iv) The bidder recommends that the shareholders of the target company follow events or publications of the target company during the acceptance period and the additional acceptance period of this takeover offer, and take these into account in their decision to tender or not tender their shares as part of this offer.

15.2 Further information for Biofrontera shareholders who do not intend to accept this offer

Biofrontera shareholders who do not accept this offer should in particular consider the following:

- (i) It may be that the bidder together with the pool members obtains 75% or more of the voting rights in the target company, and thus the required majority of votes and of the share capital to force through important legal structure measures in the target company at the general meeting, in particular:
 - capital increases
 - the exclusion of subscription rights of shareholders

- (ii) If the bidder fulfils the requirements to apply for the transfer of Biofrontera shares held by the remaining Biofrontera shareholders to the bidder in terms of § 39a para. 1 and 2 WpÜG, then pursuant to § 23 para. 1 clause 1 no. 4 WpÜG the bidder is obliged to publish this fact on the Internet at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/> and in the German Federal Gazette (Bundesanzeiger). In this case, pursuant to § 39c WpÜG, the remaining Biofrontera shareholders are entitled to accept the offer within three months of expiry of the acceptance period (the "**sell-out period**") . The sell-out period only begins to run once the bidder has met its disclosure obligations pursuant to § 23 para. 1 clause 1 no. 4 WpÜG. These sell-out rights pursuant to § 39c WpÜG (the "**sell-out rights**") apply in principle to all Biofrontera shares outstanding at this time.

Due to the agreement with the non-tender-obligors, the bidder assumes that sell-out rights will not arise for Biofrontera shareholders. Because the bidder has agreed with the non-tender-obligors that they will not tender their Biofrontera shares in this offer, and continue to hold their Biofrontera shares. The bidder therefore assumes that after completion of this takeover bid, it will not own 95% of the share capital with voting rights of the target company. It is therefore unlikely that sell-out rights will arise (for more details see paragraph 4.8).

16. ADVANTAGES FOR THE EXECUTIVE BOARD AND MEMBERS OF THE SUPERVISORY BOARD OF THE TARGET COMPANY

The executive board and members of the supervisory board of Biofrontera have not been granted or offered cash benefits or any other financial advantages in connection with this takeover bid, either by the bidder or by persons acting jointly with the bidder.

17. PUBLICATIONS, STATEMENTS AND NOTIFICATIONS

The publication of this offer by the bidder pursuant to § 14 para. 2 and 3 WpÜG will take place on 15 July 2022 by posting it on the Internet at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/> as well as by providing copies free of charge at Deutsche Balaton Aktiengesellschaft, Ziegelhäuser Landstraße 1, 69120 Heidelberg, Germany, fax: +49-(0)6221-6492424, email: info@deutsche-balaton.de. A notification regarding the Internet address where this offer document will be published, along with the availability of copies of this offer document free of charge at Deutsche Balaton Aktiengesellschaft, will be published in the German Federal Gazette (Bundesanzeiger) on 15 July 2022.

Pursuant to § 23 para. 1 WpÜG, the bidder will publish the number of securities in the target company which the bidder and the persons acting jointly with the bidder and their subsidiaries are entitled to, including the respective number of shares and their associated rights and the voting rights attributable pursuant to § 30 WpÜG, the number of any voting rights which require notification pursuant to § 38 and § 39 WpHG, as well as the number shares in the target company for which declarations of acceptance have been received, which are the subject of this offer, including the extent of the shareholding and voting rights (a) weekly after the publication of this offer document, as well daily in the last week before expiry of the acceptance period, (b) immediately after expiry of the acceptance period, and (c) immediately after expiry of the additional acceptance period pursuant to § 34 and § 14 para. 3 clause 1 WpÜG, on the Internet at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/> and in the German Federal Gazette (Bundesanzeiger), and also notify BaFin. All other statements by the bidder in connection with this takeover bid will also published on the Internet at <http://www.deutsche-balaton.de/beteiligungen/uebernahmeangebot-biofrontera/> and in the German Federal Gazette (Bundesanzeiger).

18. ADDITIONAL NOTIFICATIONS FOR BIOFRONTERA SHAREHOLDERS WITH PERMANENT OR HABITUAL RESIDENCE OR DOMICILE IN THE USA

Biofrontera shareholders and holders of Biofrontera ADS with permanent or habitual residence or domicile in the USA are advised that this offer takes place for the shares of a German company, and is therefore subject to the disclosure and other rules and procedures of the Federal Republic of Germany, which differ from those of the USA. For example, certain financial information in this offer document is presented in

accordance with the International Financial Reporting Standards ("**IFRS**") adopted by the European Union, or in accordance with the provisions of the German Commercial Code ("**HGB**"), and therefore may not be comparable with financial information about companies in the USA, whose financial information is presented in accordance with US GAAP. In addition, the completion of this takeover bid is in accordance with the relevant provisions of German law, which differ from the usual takeover procedures in the USA, in particular regarding the time of payment of the consideration. Insofar as the offer is subject to US securities laws, these are only applicable to Biofrontera shareholders with permanent or habitual residence or domicile in the USA, so that no other person is entitled to claims arising from these laws.

This takeover bid has not been approved or rejected by the SEC or any other securities regulatory authority of any US state, nor has the FCC or any other securities regulatory authority of any US state approved or rejected the financial probity and value of this takeover bid, or the accuracy and adequacy of the general information contained in the offer document. Any claim to the contrary may constitute an offense.

Furthermore, the bidder advises US Biofrontera shareholders (as defined in paragraph 1.1) as follows: This offer relates to shares in a foreign company. The offer is subject to disclosure rules of a foreign country, which differ from those of the USA. It may be difficult to enforce rights and claims under US securities law, because the bidder has its headquarters in a foreign country, and some or all of the organs and employees are based in a foreign country. It may be that US Biofrontera shareholders cannot sue a foreign company, its directors or employees due to violation of US securities law. It may be difficult to force a foreign company and its affiliated companies to accept a jurisdiction or a court decision in the USA. US Biofrontera shareholders should expect that the bidder buys or acquires shares of Biofrontera outside of this offer, such as on the stock market or outside the stock market through a private purchase.

19. OTHER INFORMATION

19.1 Applicable law, place of jurisdiction

Appendix 1: List of persons acting jointly with the bidder

1. Subsidiaries of Deutsche Balaton Aktiengesellschaft

Name of the company	Headquarters
2invest AG	Heidelberg
4basebio Verwaltungs GmbH i.L.	Heidelberg
4basebio PLC	Cambridge (GB)
4basebio UK Limited	Cambridge (GB)
4basebio Discovery Limited	Cambridge (GB)
4basebio S.L.U.	Madrid (ES)
AEE Gold AG	Ahaus
Alpha Cleantec Aktiengesellschaft	Heidelberg
Alpha Cleantec AG	Zug (CH)
Altech Advanced Materials AG	Frankfurt am Main
Balaton Agro Invest AG	Heidelberg
Balaton Agro Investment plc	Addis Ababa (ET)
BALATON ESTATE Ltd	Kigali (RW)
BALATON GREAT LAKES Ltd	Kigali (RW)
BCT bio cleantec AG	Heidelberg
Beta Systems Software AG	Berlin
Beta Systems DCI Software AG	Berlin
AUCONET GmbH	Berlin
ASDIS Solutions GmbH	Berlin
Auconet Austria GmbH	Vienna (AT)
Beta Systems IT Operations GmbH	Berlin
HORIZONT Software GmbH	Munich
HORIZONT IT Services CZ s.r.o.	Budweis (CZ)
Beta Systems IAM Software AG	Berlin
Beta Systems EDV-Software Ges.m.b.H.	Vienna (AT)
Beta Systems Software AG	Kloten (CH)
Beta Systems Software Espana SL	Madrid (ES)
Beta Systems Software France SARL	Ivry-sur-Seine (FR)
Beta Systems Software Ltd.	Chobham (GB)
Beta Systems Software of North America, Inc.	McLean (US)
Beta Systems Software of Canada Inc.	Calgary (CA)
Beta Systems Software SPRL	Louvaine-la-Neuve (BE)
Beta Systems Software SRL	Bollate (IT)
Betann Systems AB	Stockholm (SE)
Categis GmbH	Berlin
Categis Software Private Ltd.	Bangalore (IN)
Codelab Software GmbH	Berlin
Codelab Sp. z o.o.	Szczecin (PL)
Latonba AG	Heidelberg
PROXESS Holding GmbH	Berlin

Name of the company		Headquarters
	PROXESS GmbH	Rietheim-Weilheim
capFlow AG i. L.		Munich
ConBrio Beteiligungen AG		Frankfurt am Main
	wSwipe mobile solutions GmbH	Vienna (AT)
CornerstoneCapital Beteiligungen GmbH i.L.		Frankfurt am Main
CornerstoneCapital II AG & Co. KG		Heidelberg
CornerstoneCapital Verwaltungs AG		Heidelberg
Decheng Technology AG		Cologne
Hong Kong De Cheng Holding Co. Ltd*		Hong Kong (HK)
Quanzhou De Cheng Tech Resin Co. Ltd*		Quanzhou City (CN)
Deutsche Balaton Biotech AG		Frankfurt am Main
Deutsche Balaton Erste Schiffsverwaltungs GmbH		Haren - Ems
Fidelitas Deutsche Industrie Holding AG		Heidelberg
HART-Technik Kft.		Pomaz (HU)
Heidelberger Beteiligungsholding AG		Heidelberg
HW Verwaltungs AG		Halberstadt
	hydroWEB GmbH	Halberstadt
MARNA Beteiligungen AG		Heidelberg
	MARE Containerschiff Verwaltungs GmbH	Hamburg
Ming Le Sports AG		Heidelberg
	Gui Xiang Industry Co. Ltd.*	Hong Kong (HK)
	Hubei Guige Paper Co. Ltd. *	Huanggang City (CN)
	Quanzhou Guige Paper Co. Ltd. *	Quanzhou City (CN)
Mingle (International) Limited		Hong Kong (HK)
	Mingle (China) Co., Ltd.*	Jinjiang (CN)
MISTRAL Media AG		Frankfurt am Main
	Kalme GmbH	Frankfurt am Main
	Deutsche Balaton Immobilien I AG	Heidelberg
MS "Active" Schifffahrts GmbH & Co. KG		Haren - Ems
MTM-Holding AG		Ittigen (CH)
Nordic SSW 1000 AG & Co.KG i.L.		Hamburg
Nordic SSW 1000 Verwaltungs AG		Heidelberg
OOC CTV Verwaltungs GmbH i.L.		Hamburg
Pflege.Digitalisierung Invest AG (trading as Latonba 2.0 AG until 12 January 2022)		Heidelberg
Prisma Equity AG		Heidelberg
PWI-PURE SYSTEM AG		Heidelberg
SPARTA AG		Heidelberg
	SPARTA Invest AG	Heidelberg
SPK Süddeutsche Privatkapital AG		Heidelberg
Tabalon Mobile Technologies AG		Heidelberg
Talbona AG		Heidelberg

* no controlling stake in the Chinese subsidiaries

2. Subsidiaries of DELPHI Unternehmensberatung Aktiengesellschaft (excluding the bidder and its subsidiaries)

Name of the company	Headquarters
Strawtec Group AG	Heidelberg
Strawtec Building Solutions Ltd. & Co. KG	Kleinmachnow
Strawtec Building Solutions Ltd.	Kigali (Rwanda)
VV Beteiligungen Aktiengesellschaft	Heidelberg

3. Subsidiaries of Mr. Wilhelm K.T. Zours (insofar as not already listed as a person acting jointly with the bidder)

Name of the company	Headquarters
YVAL Idiosynkratische Investments SE	Heidelberg

Appendix 2: Financing confirmation



Quirin Privatbank AG | Schillerstraße 20 | 60313 Frankfurt am Main

Deutsche Balaton Aktiengesellschaft
Vorstand
Ziegelhäuser Landstraße 1
69120 Heidelberg

Datum
8. Juli 2022

Betreff
Übernahmeangebot für Aktien
der Biofrontera AG

Bestätigung nach § 13 Abs. 1 Satz 2 des Wertpapiererwerbs- und Übernahmegesetzes („WpÜG“) zum öffentlichen Übernahmeangebot der Deutsche Balaton Aktiengesellschaft mit Sitz in Heidelberg für den Erwerb sämtlicher auf den Namen lautenden Stückaktien der Biofrontera AG, Leverkusen, gegen Zahlung einer Geldleistung in Höhe von EUR 1,18 je Aktie nach Maßgabe der Angebotsunterlage.

Sehr geehrte Herren,

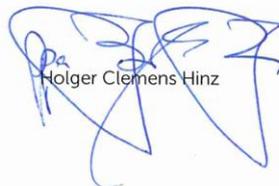
die Quirin Privatbank AG mit Sitz in Berlin ist ein von der Deutsche Balaton Aktiengesellschaft, Heidelberg, unabhängiges Wertpapierdienstleistungsunternehmen im Sinne des § 13 Absatz 1 Satz 2 WpÜG.

Wir bestätigen gemäß § 13 Absatz 1 Satz 2 WpÜG, dass die Deutsche Balaton Aktiengesellschaft die notwendigen Maßnahmen getroffen hat, um sicherzustellen, dass ihr die zur vollständigen Erfüllung des oben genannten Übernahmeangebots notwendigen Mittel zum Zeitpunkt der Fälligkeit des Anspruchs auf die Geldleistung zur Verfügung stehen.

Mit der Wiedergabe dieses Schreibens in der Angebotsunterlage für das oben genannte Übernahmeangebot gemäß § 11 Absatz 2 Satz 3 Nr. 4 WpÜG sind wir einverstanden.

Mit freundlichen Grüßen

Quirin Privatbank AG


Holger Clemens Hinz


Andreas Donner

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Vorstand: Karl Matthäus Schmidt (Vors.) |
Johannes Eismann
Aufsichtsratsvorsitzender: Holger Timm