

- convenience translation –

Note

of the independent auditor on the audit of
the Compensation Report
pursuant to Section 162 (3) AktG

the

Biofrontera AG

Leverkusen

List of attachments

	Attachment
Remuneration report of Biofrontera AG for the financial year January 1, 2024 to December 31, 2024	1
General Engagement Terms for German Public Auditors and Public Audit Firms Wirtschaftsprüfungsgesellschaften in the version dated January 1, 2024	2

Independent auditor's report on the audit of the remuneration report in accordance with Section 162 (3)

To Bionfrontera AG, Leverkusen

Audit opinion

We have formally audited the remuneration report of Biofrontera AG, Leverkusen, for the financial year _____ from January 1, 2024 to December 31, 2024, as to whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the accompanying remuneration report includes, in all material respects, the disclosures required by section 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

Basis for the audit opinion

The remuneration report was audited accordance with Section 162 (3) AktG (IDW PS 870 (09.2023))

Our responsibilities under this regulation and this standard are further described in the "Auditor's Responsibilities" section of our report. As an audit firm, we have applied the requirements of the IDW Quality Assurance Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)) have been applied. We have complied with the professional requirements of the German Public Auditors' Code and the Professional Code for German Public Auditors / Chartered Accountants, including the independence requirements.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our objective is to obtain reasonable assurance about whether the remuneration report includes, in all material respects, the disclosures required by section 162 (1) and (2) AktG and to issue an auditor's report thereon.

We planned and performed our audit such that we can determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162 (1) and (2) AktG. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Frankfurt am Main, April 14, 2025

Nexia GmbH
Auditing company
Tax consultancy firm

countant

Annika Fröde
Certified public accountant

Adrian Schmidt
Certified Public Ac-

Compensation Report

Remuneration system for the members of the Management Board:

Principles of the system for the remuneration of the members of the Management Board of Biofrontera AG.

The compensation system for the executive board aims to appropriately remunerate the executive board members in line with their duties and responsibilities, taking into account the performance of each board member as well as the success of the company. The structure of the compensation system for the executive board of Biofrontera AG aims at sustainable increase of the company's value and performance-oriented corporate management. The compensation system is effective from August 2024 for new contracts. The performance of the executive board members is adequately considered through appropriately and ambitiously set performance criteria within the variable compensation components (Pay for Performance). The current market practices are taken into account in designing the compensation system.

In determining the compensation levels and the compensation system, the Supervisory Board generally follows the following guidelines:

- The compensation system significantly contributes to promoting the business strategy as a whole.
- In particular, the variable compensation components should be linked to the achievement of strategic objectives.
- The compensation system and the performance criteria of its variable components incentivize long-term and sustainable development of the Biofrontera Group.
- The strategic objectives formulated within the framework of the variable compensation components should ensure long-term and sustainable growth of the company.
- To ensure long-term developments, variable compensation components with a multi-year character should further contribute, aligning with the share price performance of Biofrontera AG and thus linking compensation to profit growth and shareholder interests.

The compensation system consists of:

- a fixed basic remuneration, payable monthly, which takes into account the tasks and performance of the members of the Management Board ("**basic remuneration**").
- a short-term variable compensation dependent on the achievement of the Company's annual performance targets in the form of an annual performance-related bonus ("**Short-Term Variable Compensation**"; "STI").
- A long-term compensation in the form of a stock appreciation rights program ("SAR program"), which is therefore directly linked to the Company's performance and is intended to create an incentive for sustained commitment to the Company. From August 2024, long-term variable remuneration may also take the form of a performance-related bonus based on performance over several consecutive years ("long-term variable compensation"; "LTI"). The goals for short- and long-term variable compensation are derived from the corporate strategy of Biofrontera AG. In addition, customary fringe benefits are provided.

Overall, the compensation thus contributes to the long-term development of the company.

Target Total Compensation

The target total compensation for each board member results from the base salary, the short-term variable compensation, and the long-term variable compensation at 100% target achievement.

In accordance with the compensation system, the Supervisory Board determines the level of target total compensation for each board member.

In doing so, it takes into account not only an appropriate relationship to the duties and performances of the board member but also the economic situation as well as the success and future prospects of the company. The Supervisory Board ensures that the target total compensation does not exceed the customary compensation without special reasons.

The assessment of market conformity is carried out both horizontally (external comparison/peer group comparison) and vertically (internal comparison).

Horizontal Comparison

The selection of the comparison group for assessing the market conformity of total compensation is based on the requirements of the Stock Corporation Act (especially industry and size as well as international orientation).

The composition of the comparison group is generally determined, as far as ascertainable, on the one hand from a comparison group of publicly traded companies in terms of revenue, EBIT, number of employees, and market capitalization. Furthermore, the selection of the comparison group is made, as far as ascertainable, from a comparison group of publicly traded industry companies.

Vertical Comparison

The compensation and employment conditions of the employees are taken into account within the framework of the vertical comparison outlined below.

Components of Compensation in Detail

Fixed Compensation Components

The fixed compensation components granted to the members of the Executive Board under the compensation system include the base salary and fringe benefits. The members of the Executive Board do not receive any pension commitments.

Basic remuneration

The Executive Board members receive the base salary, which is paid out in twelve equal parts monthly.

Fringe Benefits

Fringe benefits are granted based on employment contracts with individual members of the Executive Board and may include, for example, the following: private use of company cars, special payments such as payment of school fees, housing, rental, and relocation expenses, contributions to pension insurance (excluding pension commitments as outlined here), contributions to accident, life, and health insurance, or other insurances. Fringe benefits may be granted once or repeatedly. The annual value of fringe benefits should not exceed 10% of the annual base salary.

Short-Term Variable Compensation (Short Term Incentives; "STI")

Members of the Executive Board are entitled to short-term variable compensation, which can result in an annual bonus payment. The short-term variable compensation is linked to the achievement of performance goals, the specific target values of which are agreed upon at the end of a fiscal year.

The due date for STI payment generally occurs one month after the approval of the annual financial statements and consolidated financial statements for the respective fiscal year by the Supervisory Board of the Company. If the Company terminates the employment relationship for good cause within the meaning of § 626 of the German Civil Code (BGB), the STI payment for the fiscal year in which the termination becomes effective is forfeited.

Target Amounts

Target amounts are agreed upon with the Executive Board in the employment contracts, which are granted to them upon 100% achievement of the goals ("STI target amounts"). The amount of STI target amounts should not exceed 50% of the base salary at 100% target achievement. The amount of short-term variable compensation depends on the degree of achievement of the agreed goals and can range between 0% and 200%. The exact payout is determined by multiplying the degree of goal achievement by the STI target amount of each Executive Board member. In case of exceeding the target, an increase up to a maximum of 200% of the STI target amount (cap) takes place. If the target is achieved up to 70%, the short-term variable compensation is reduced linearly; if the target achievement is less than 70%, the STI payment is completely waived.

Performance Goals

In determining the annual target agreement, the Supervisory Board aligns with the following performance goals:

The assessment criteria for STI include financial and non-financial performance criteria, which are agreed upon in a target agreement at the end of each fiscal year for the following fiscal year. If no agreement is reached between the Executive Board member and the Supervisory Board, the Supervisory Board decides on the determination of the assessment criteria at its reasonable discretion.

Financial performance criteria should include, besides the company's revenue, financial indicators such as earnings and profitability ratios (e.g., EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EBITDA margin). The Supervisory Board has the option to adjust the financial performance measure used for evaluation by excluding extraordinary components.

Non-financial performance criteria should include criteria such as integrity, employee satisfaction, diversity, as well as sustainability/environmental-social-governance (ESG) aspects, which should account for at least 10% of the total goal achievement. Strategic criteria should also be included in the target agreement, such as achieving approvals, successful completion of studies, conclusion of significant contracts, or conducting financings.

A non-financial, strategic component should consider the contribution of the entire Executive Board as well as individual Executive Board members to the implementation of the company's strategy and thus to the long-term development of the company.

For the non-financial, strategic goals, it should be clearly defined within the target agreement under which conditions the respective goal is fully met (100% achievement of the individual criterion) and which parameters are used to assess the degree of goal achievement.

Calculation of Target Achievement

The total target achievement of short-term variable compensation is determined by the weighted average of individual performance criteria and the degree of respective goal achievement. Financial performance criteria should generally account for at least 55% of the goal achievement weighting, while non-financial criteria can account for up to 45%.

Short-Term Variable Compensation for Extraordinary Developments and Performances of an Executive Board Member

In justified exceptional cases, the Supervisory Board may grant the Executive Board members a special bonus at the discretion of the Supervisory Board, not exceeding EUR 50,000 (gross) per fiscal year and Executive Board member. The resolution on the existence of an exceptional case, which should specify the extent and quality of the extraordinary performance of the Executive Board member, also determines the specific amount of a special bonus and the timing of its payment by the Supervisory Board.

Long-Term Variable Compensation (Long Term Incentive; "LTI")

As a long-term incentive, members of the Executive Committee may be granted Stock Appreciation Rights (SARs) or, from August 2024, performance-related bonuses based on the performance of the Group over a number of consecutive years.

Bonus payments based on multi-year performance

Bonus payments may be agreed with the members of the Executive Committee based on performance over at least three consecutive years. The performance measures for the LTI consist of financial and non-financial performance criteria and are mutually agreed in a target agreement at the end of each financial year for the following financial year. The performance measures for the LTI should be based on the performance measures for the STI, but should cover a multi-year period. In the event of disagreement between the Executive Committee and the Supervisory Board, the Supervisory Board will determine the assessment factors at its own discretion.

Stock appreciation rights ('SARs')

An annual target amount equal to 150% of the STI target amount ("LTI target amount") is agreed upon with the Executive Board members. The number of SARs granted annually corresponds to the LTI target amount divided by the economic value of the SARs at the time of grant. The economic value per SAR to be used corresponds to the intrinsic value determined based on the unweighted average closing prices of the company's shares traded in the closing auction on the Xetra trading platform of the Frankfurt Stock Exchange or in a corresponding successor system on the 15 trading days preceding the grant. Executive Board members receive a payout based on the stock price performance of the company upon exercise of the SARs

Exercise Conditions

SARs can only be exercised

(i) if the reference price at the beginning of the respective exercise window exceeds the issue price by at least 20 per cent
and

(ii) if, in addition, the reference price has performed as well as or better than the 'MSCI World Health Care Index TR' or a comparable successor index ('reference index') in percentage terms in the period from the last trading day before the

issue date to the 5th trading day (in each case the last calculation of the index on a day after US Eastern Standard Time (EST)) before the start of the respective exercise window ('reference period'). If the reference index is a total return index, the gross amount of dividends and other distributions paid by the company to shareholders during the reference period are taken into account when determining the performance.

The '**issue price**' corresponds to the non-weighted average closing price of the company's shares between the 15th and the last trading day preceding the issue date (inclusive).

The '**reference price**' corresponds to the non-weighted average closing price of the company's shares between the 15th and the 5th trading day (inclusive) prior to the start of the respective exercise window.

'**Closing prices**' are the prices determined in the daily closing auction in Xetra trading on the Frankfurt Stock Exchange or in a corresponding successor system. If a closing auction does not take place on relevant trading days or if no closing price is determined there, the last price determined in continuous trading is to be used as the closing price, insofar as such a price was determined on the trading day in question.

'**Trading days**' are all days on which the Frankfurt Stock Exchange is open for securities trading.

Payout amount

The payout amount is calculated as follows:

Reference price - base amount = payout amount per SAR (gross)

The '**base amount**' corresponds to the lowest issue amount for Biofrontera AG shares pursuant to Section 9 (1) AktG.

Limitation of the payout amount (cap)

SARs for which the exercise conditions are otherwise met cannot be exercised if and to the extent that the gross proceeds from all SARs exercised that were granted to the Executive Board member would exceed the basic remuneration plus fringe benefits that the Executive Board member has actually received since the SARs were first granted by more than 300% without this cap.

Lock-up periods

SARs may be exercised for the first time after a vesting period has expired.

- a) The vesting period for 15% of the SARs granted on an issue date is one year after the respective issue date;
- b) The vesting period for a further 25% of the SARs granted on an issue date is two years after the respective issue date;
- c) The vesting period for a further 25% of the SARs granted on an issue date is three years after the respective issue date;
- d) The vesting period for the remaining 35% of the SARs granted on an issue date is four years after the respective issue date.

After expiry of the respective vesting period, the SARs may be exercised up to six years after the respective issue date. Thereafter, the right to exercise the SARs ends and the SARs that have not yet been exercised expire without replacement.

Personal investment

Under the terms and conditions of the SARs, the members of the Executive Board are also obliged to make a personal investment in shares of the company such that

- (i) that the personal investment must be made within six months of the exercise date of the SARs in the amount of 25% of the amount paid out (gross) and
- (ii) that the acquired shares in the company may be sold no earlier than four years after the SARs are granted.

Share Ownership Guidelines

In order to further increase the long-term incentivizing effect of the variable remuneration and thus its focus on sustainable corporate development, the Executive Board members can also be obliged in their Executive Board contract to acquire a number of shares in the company to be determined by the Supervisory Board and to hold them until the end of this employment contract ('Share Ownership Guideline'). However, the total acquisition costs (including incidental acquisition costs) to be borne by the Executive Board member per financial year are limited to an amount equal to 25% of the STI payment (gross) granted to him for the previous financial year.

Blocking periods

Lock-up periods relating to acquired shares in the company imposed on members of the Executive Board end prematurely if the company announces after the Executive Board member leaves, that the listing of the shares on the regulated market in Germany will be terminated.

Possibilities for the Company to Reclaim Variable Compensation Components

The Supervisory Board may determine that unpaid variable compensation components of the STI and/or LTI are entirely or partially withheld and not paid out ("Clawback") in the event of serious misconduct by an Executive Board member. The Supervisory Board decides on the Clawback at its reasonable discretion. Serious misconduct by an Executive Board member in this regard is particularly assumed,

- a) if it has at least grossly negligently violated its duties under § 93 AktG or
- b) if it has at least grossly negligently violated internally documented internal behavior standards or internal guidelines that have had or could have serious consequences for the company, or
- c) in the case of at least grossly negligent behavior of a criminal nature in the exercise of office as a member of the Executive Board, or
- d) in the case of an intentional violation of other legal provisions in the exercise of office as a member of the Executive Board.
- e) The same applies in the case of serious misconduct by employees of the company or the group, especially in cases of at least grossly negligent violations of criminal or compliance-related provisions, which were recognized by the Executive Board member in their capacity as the employee's superior and were not immediately stopped or should have been recognized and immediately stopped with the due care of an Executive Board member.

A Clawback in relation to payments from the STI is only permissible for the fiscal year in which the misconduct occurred, but not for previous or subsequent years. Regarding payments from the LTI, a Clawback is permissible if and to the extent that the serious misconduct occurred within the four years following the grant of the entitlement from the LTI (i.e., since the grant of the SARs).

A Clawback of the STI is also permissible in the case of grossly negligent misconduct that has been identified and audited after the respective financial statements have been finalized and has led to a subsequent correction of the company's financial statements. In this case, the Clawback is permissible to the extent that the STI was overstated based on the uncorrected basis.

If a Clawback situation arises according to the above provisions, already paid amounts of the STI and/or LTI, which could have been withheld accordingly, can also be reclaimed. Such recovery is permissible, calculated from the time the Supervisory Board becomes aware of the triggering event, for the year of awareness and the preceding three fiscal years.

Amounts withheld or repaid as part of the Clawback are credited against any damages claim of the company arising from the misconduct of the Executive Board member.

No variable compensation components were reclaimed in the fiscal year.

Commitments to members of the Board of Management in the event of resignation

The Supervisory Board may establish resignation arrangements for each compensation component and for each case in which the employment relationship of an Executive Board member or the appointment as a member of the Executive Board ends. This includes cases such as retirement, full or partial incapacity for work, death, ordinary termination of the employment contract,

termination of the employment contract for cause, removal from office for cause, transfer of an employment contract to the company's principal shareholder, or to an entity affiliated with the company's principal shareholder. For each of these cases, the Supervisory Board can predefine the requirements for individual or all compensation components to be paid, either fully or partially, prematurely or with a delayed timing, to the Executive Board members or - in case of death - to the heirs of the respective Executive Board member, or forfeited.

Payments to an Executive Board member upon premature termination of their Executive Board activities shall not exceed the value of two annual compensations at 100% goal achievement (severance cap) and shall not compensate for more than the remaining term of the employment contract.

Commitments for benefits in connection with the premature termination of the employment contract by the Executive Board member as a result of a change of control should not be agreed upon.

The Supervisory Board may agree with Executive Board members on a post-contractual non-competition obligation for a period of up to two (2) years. If such a post-contractual non-competition obligation takes effect, Executive Board members may receive compensation of up to half of their respective base salary per year of the respective duration of the post-contractual non-competition obligation. Payments under a post-contractual non-competition obligation are offset against any severance payments.

Remuneration system in the event of special and exceptional circumstances

In special and exceptional circumstances (e.g. in the event of a serious financial or economic crisis), the Supervisory Board has the right to temporarily deviate from the remuneration system in accordance with § 87a para. 2 sentence 2 AktG and to amend the regulations regarding the remuneration structure and the individual remuneration components as well as the regulations on the respective procedure if this is necessary in the interests of the long-term well-being of the company. Unfavorable market developments are not considered special and extraordinary circumstances that allow a deviation from the remuneration system.

Maximum Compensation

The following maximum amounts apply:

	Chairman of the Management Board	Other members of the Management Board
Basic Salary	500.000 p.a.	350.000 p.a.
Fringe Benefits	Max. 10 % of basic compensation	Max. 10 % of basic compensation
STI	200% of the STI target amount p.a., which should not exceed 50% of the basic compensation if 100% of the target is achieved	200% of the STI target amount p.a., which should not exceed 50% of the basic compensation if 100% of the target is achieved
LTI	For the bonus payout possible from August 2024: 200% of the LTI target amount, which in case of 100% target achievement should not exceed 75% of the fixed remuneration for the LTI period. In the event of SARs being granted: SARs for which the exercise conditions are otherwise met cannot be exercised if and to the extent that the gross proceeds from all SARs exercised that were granted to the Executive Board member would exceed the basic remuneration plus fringe benefits that the Executive Board member has actually received since the SARs were first granted by more than 300% without this limit.	For the bonus payout possible from August 2024: 200% of the LTI target amount, which in case of 100% target achievement should not exceed 75% of the fixed remuneration for the LTI period. In the event of SARs being granted: SARs for which the exercise conditions are otherwise met cannot be exercised if and to the extent that the gross proceeds from all SARs exercised that were granted to the Executive Board member would exceed the basic remuneration plus fringe benefits that the Executive Board member has actually received since the SARs were first granted by more than 300% without this limit.
Potential additional benefits for development and outstanding performance	50.000 p.a.	50.000 p.a.

Relative share of the individual remuneration components

The Supervisory Board observes an appropriate ratio of the individual remuneration components to the target total remuneration. The share of the remuneration components of the Executive Board members in the total target remuneration based on 100% target achievement in the STI and payment of the LTI in the amount of the respective LTI target amount is as follows:

Basic remuneration 44%

STI remuneration 22%

LTI remuneration 33%

The share of the remuneration components of the Executive Board members in the target total remuneration based on 200% of the STI target amount and 300% of the LTI target amount (in the case of SARs being granted) is as follows:

Basic remuneration 23.5%

STI remuneration 23.5%

LTI remuneration 53%

The above percentages are based on the assumptions made. The actual percentages may differ in future financial years and if new members are appointed to the Executive Board. The deviations may result in particular from the achievement of STI and LTI targets and from the annual expenses relating to fringe benefits.

Procedure for determining, reviewing, and implementing the compensation system

The compensation of the Executive Board is determined by the Supervisory Board as a whole. If necessary, independent external consultants are consulted. According to the Rules of Procedure for the Supervisory Board, members of the Supervisory Board are obliged to disclose any conflicts of interest immediately. The Supervisory Board designs the system for the compensation of Executive Board members, taking into account applicable laws and regulations, in particular the provisions of the German Stock Corporation Act (AktG) in its current version, and regulatory requirements. It ensures clarity and comprehensibility. Based on the compensation system, the Supervisory Board determines the specific target total compensation. The Executive Board compensation system thus resolved by the Supervisory Board is submitted to the Annual General Meeting for approval.

The Supervisory Board regularly reviews the Executive Board compensation system, compliance with the maximum compensation of Executive Board members, and the appropriateness of the compensation. At the end of a fiscal year, the specific target values for short-term variable Executive Board compensation for the following fiscal year are also determined by the Supervisory Board in a target agreement with the Executive Board. In accordance with the requirements of § 120a (1) AktG, the Supervisory Board will submit the Executive Board compensation system to the Annual General Meeting for approval in the event of significant changes, but at least every four years. The present compensation system was confirmed by the Annual General Meeting on December 14, 2021.

In accordance with legal regulations (§ 87a (2) AktG), the Supervisory Board may temporarily deviate from the components of the compensation system described below in exceptional circumstances if this is necessary in the interest of the long-term well-being of the company.

Consideration of employee compensation and employment conditions when establishing the compensation system

When establishing the compensation system and determining the specific level of compensation, the Supervisory Board also takes into account the employment conditions of employees in the Biofrontera Group. For this purpose, the Supervisory Board has defined the senior management level in the Biofrontera Group and demarcated it from the Executive Board on the one hand and the total workforce in the Biofrontera Group on the other hand. In the course of the regularly conducted review of the appropriateness of Executive Board compensation, the Supervisory Board examines in particular whether changes in the relations of the compensation of the Executive Board, senior management, and the total workforce result in any need for adjustment in Executive Board compensation. In doing so, the Supervisory Board also takes into account the development of the compensations of the groups described over time.

Conflicts of interest

The Supervisory Board ensures, through appropriate measures, that any conflicts of interest of the Supervisory Board members involved in the deliberations and decisions on the compensation system are avoided and, if necessary, resolved. Each Supervisory Board member is obliged to disclose conflicts of interest to the Chairman of the Supervisory Board immediately. The Chairman of the Supervisory Board discloses any conflicts of interest concerning him to his deputy. The handling of an existing conflict of interest is decided on a case-by-case basis. In particular, it is possible that a Supervisory Board member affected by a conflict of interest does not participate in a meeting or individual deliberations and decisions of the Supervisory Board or abstains from voting.

Duration of Executive Board employment contracts

The agreed term of the employment contracts of Executive Board members corresponds to the duration of the intended appointment as Executive Board member. In the case of an initial appointment, the Supervisory Board will determine the duration of the appointment appropriately and oriented towards the well-being of the company in the respective individual case, whereby the duration of the appointment should generally not exceed three years. The period for reappointment, in compliance with the provisions of § 84 AktG, is a maximum of five years. In the event of reappointment of the Executive Board member, the employment contract is extended in accordance with the duration of a renewed appointment; otherwise, it automatically terminates without the need for termination upon expiration of the intended regular term of appointment. A decision on any extension of the employment contract or any reappointment should be made no later than 12 months before the expiration of the employment contract or the term of appointment and finalized with the Executive Board member 9 months before the expiration.

Compensation system in case of special and exceptional circumstances

In special and exceptional circumstances (e.g., in the event of a severe financial or economic crisis, corporate restructuring of the group such as spin-offs, acquisitions, or sales of companies or similar significant M&A transactions), the Supervisory Board has the

right, in accordance with § 87a (2) sentence 2 AktG, to temporarily deviate from the compensation system and to change the regulations regarding the compensation structure and the individual compensation components, as well as the regulations for the respective procedure, if this is necessary in the interest of the long-term well-being of the company. A deviation from the compensation system is only possible by a corresponding resolution of the Supervisory Board and after careful examination of the necessity. The components of the compensation system from which deviations can be made under the circumstances mentioned are the procedure, the compensation structure, the individual components of compensation, and their performance criteria. Furthermore, in this case, the Supervisory Board may temporarily grant additional components of compensation or replace individual components of compensation with other components of compensation to the extent necessary to restore the appropriateness of Executive Board compensation in the specific situation.

Unfavorable market developments are not considered special and exceptional circumstances that allow deviation from the compensation system.

Executive Board compensation in fiscal year 2024

The total compensation for members of the Executive Board in fiscal year 2024 and the inventory of all share options issued to the Executive Board members as of December 31, 2024, are allocated as follows:

in EUR thousands (unless otherwise indicated)	Pilar de la Huerta Martínez	
	CFO	
	September 12, 2022	incumbent
	2024	2023
Fixed component of compensation	280	280
Compensation in kind	10	9
Severance pay	0	0
Total fixed compensation	290	289
Short-term incentive (variable, STI)	135	47
Long-term incentive (variable, LTI), thereof from	0	0
Stock Appreciation Rights (SARs) (maturity May 3, 2030)	0	0
Fair value of SARs	0	0
Income from exercising SARs	0	0
Total LTI	0	0
Total performance-based compensation	135	47
Total compensation	425	336
Number of stock options (Dec 31)	0	0
Number of stock options granted	0	0
Fair value when granted	0	0
Number of SARs (Dec 31)	0	0
Number of SARs granted	0	0
Fair value when granted	0	0

Ms. Pilar de la Huerta Martínez was appointed as CFO to the Executive Board of the Company on September 12, 2022, and has been serving as sole Executive Board member since October 1, 2022.

The non-performance-related component of compensation for Ms. de la Huerta Martinez is 68% (86% in the previous year).

No stock options (LTI) were granted to Executive Board members in the fiscal year 2024. Furthermore, there are no promised stock options within the meaning of Section 162 (1) sentence 2 No. 3 of the German Stock Corporation Act (AktG).

The maximum compensation for Executive Board members from the non-performance-related and one-year performance-related compensation (bonus) amounts to EUR 785 thousand for Ms. de la Huerta Martinez. This was adhered to. No LTIs have been decided and contractually agreed upon for Ms. de la Huerta Martinez thus far.

The existing service contracts provide that - depending on the achievement of agreed-upon targets - an annual bonus shall be granted. The assessment factors are determined in a target agreement each year for the following fiscal year by the end of a fiscal year.

The contractually agreed bonus for Ms. de la Huerta Martinez at 100% target achievement is EUR 140 thousand per year. The criteria for target achievement were revenue and net profit as per the consolidated income statement determined by the Supervisory Board for 2023. The goals for the fiscal year 2023 were achieved, thus a bonus payment of EUR 120 thousand was granted to Pilar de la Huerta Martinez. An additional, discretionary bonus to the management board of EUR 15 thousand was approved during 2024 by the Supervisory Board.

For 2024, the performance criteria included a revenue target for EU and distribution partners excluding USA, (weighting 30%) and achieving EBITDA (weighting 30%) as quantitative goals. As significant qualitative goals, to achieve a concrete reimbursement price in France (weighting 20%) and to extend the portfolio with third party products (minimum one deal during the year, weighting 20%).

No benefits or grants were promised or awarded to Ms. de la Huerta Martinez by third parties regarding her activities.

Further information on former Executive Board members of the Company:

Former corporate officer Ludwig Lutter was removed from the Executive Board for good cause on August 14, 2022. In two lawsuits in front of Cologne District Court, Mr. Ludwig Lutter contested his removal as a member of the Executive Board and the termination of his employment contract and claimed (partial) continuation of his compensation, which was partly paid in 2024.

The decision in the proceedings for a declaratory judgement at the Regional Court of Cologne has become legally binding. After Mr. Ludwig Lutter had demanded payment of further claims from the Company under his service contract (esp. variable payments), the Company and Mr. Ludwig Lutter were able to reach an amicable agreement on this.

In the proceedings for documentary evidence, Mr. Ludwig Lutter has appealed to the Cologne Higher Regional Court against the ruling of the Cologne Regional Court of 22 March 2024 with the goal to also receive the amounts deducted by the Cologne Regional Court due to other earnings during the contractual period. These proceedings are currently pending before the Cologne Higher Regional Court. A decision is expected in 2025.