

Supplement No. 1

of 1 February 2018

to the

Securities Prospectus dated 29 January 2018 for the public offering in Germany and Luxembourg of

6,000,000 no-par registered shares

- each with a notional participation in the registered share capital of EUR 1,00 per no-par share and with dividend rights from 1 January 2017 on -

of

Biofrontera Aktiengesellschaft

Leverkusen

International Securities Identification Number (ISIN): DE0006046113

German Securities Identification Number (WKN): 604611

Stock Ticker Symbol: B8F

Supplement

pursuant to section 16(1) WpPG

of Biofrontera AG, Hemmelrather Weg 201, 51377 Leverkusen („**Issuer**“) of 1 February 2018 („**Supplement No. 1**“) to the securities prospectus dated 29 January 2018 regarding the public offer of shares and admission of shares to a regulated market („**Prospectus**“). The Prospectus was published on 29 January 2018 on the website of the Issuer under www.biofrontera.com.

Subject of the Prospectus is an public offering in Germany and Luxembourg of 6,000,000 no-par registered shares from the capital increase of the Issuer resolved on 29 January 2018, each with a notional participation in the registered share capital of EUR 1,00 per no-par share and with dividend rights from 1 January 2016 on (“**New Shares**”).

Right to withdraw

Pursuant to section 16(3) WpPG, investors who have already agreed to subscribe for New Shares under the Prospectus, have the right to withdraw their declaration of subscription within a period of two working days from the date of publication of this Supplement No. 1, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities. Timely dispatch of notice is sufficient to comply with the notice period.

The withdrawal must be declared in text form to Bankhaus Gebr. Martin Aktiengesellschaft, Kirchstraße 35, 73033 Göppingen, Germany, Telefax +49 (0)7161 969317, acting as settlement agent for Lang & Schwarz Broker GmbH, Breite Str. 34, 40213 Düsseldorf, Germany.

Important Notice

This Supplement No. 1 shall only be distributed in connection with the Prospectus (as supplemented).

The Issuer hereby confirms that the Prospectus (as supplemented) contains all information which is material, that the information contained therein is accurate in all material respects and is not misleading; that there are no other facts, the omission of which would make the Prospectus (as supplemented) as a whole or any such information misleading in any material respect and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

Save as disclosed herein and in the Prospectus (as supplemented), there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus (as supplemented) since the date of this Supplement No. 1.

Reasons giving rise to this Supplement No. 1

The reason giving rise to this Supplement No. 1 is:

Adjustment of offer price range

After the approval of the Prospectus, on 31 January 2018, the management board of the Issuer has resolved, with the approval of the Supervisory Board, to offer the 6,000,000 New Shares in a price range from EUR 4.00 to EUR 6.00 per New Share, and has communicated this with ad-hoc release of the same date.

Replacement Information pertaining to the Prospectus

This new factor results in the following amendments to the Prospectus:

1. *Supplemental and replacement information pertaining to element E.1 of the summary of the Prospectus*

In element E.1 of the summary of the Prospectus, p. 13, the following information

“Under the assumption that all New Shares are placed at a subscription price of EUR 3.50 to EUR 4.50, the issuer expects gross proceeds from this offer in an amount of approximately EUR 21 million to EUR 27 million and net proceeds of EUR 20 million to EUR 26 million.”

should be replaced as follows:

“Under the assumption that all New Shares are placed at a subscription price of EUR 4.00 to EUR 6.00, the Issuer expects gross proceeds from this offer in an amount of approximately EUR 24 million to EUR 36 million and net proceeds of EUR 23 million to EUR 35 million.”

2. *Supplemental and replacement information pertaining to element E.2a of the summary of the Prospectus*

In element E.2a of the summary of the Prospectus, p. 13, the following information

“Under the assumption that all New Shares are placed at a subscription price of EUR 3.50 to EUR 4.50, the Issuer expects net proceeds from this offer in an amount of EUR 20 to EUR 26 million. The proceeds will be used as follows: An amount of EUR 5 million will be used for R&D purposes, in particular to extend the indications which Ameluz® may be used for. An amount of EUR 5 million will be used to improve US marketing and sales. The remaining amount, expected to be between EUR 10 million and EUR 16 million, will be used to cover the working capital of the Issuer. “

should be replaced as follows:

“Under the assumption that all New Shares are placed at a subscription price of EUR 4.00 to EUR 6.00, the Issuer expects net proceeds from this offer in an amount of EUR 23 to EUR 35 million. The proceeds will be used as follows: An amount of EUR 5 million will be used for R&D purposes, in particular to extend the indications which Ameluz® may be used for. An amount of EUR 5 million will be used to improve US marketing and sales. The remaining amount, expected to be between EUR 13 million and EUR 25 million, will be used to cover the working capital of the Issuer.”

3. Supplemental and replacement information pertaining to element E.3 of the summary of the Prospectus

In element E.3 of the summary of the Prospectus, p. 15, the following information

„The Subscription Price will not exceed EUR 4.50 (**“Maximum Subscription Price”**).“

should be replaced as follows:

„The Subscription Price will not exceed EUR 6.00 (**“Maximum Subscription Price”**).“

4. Supplemental and replacement information pertaining to element E.6 of the summary of the Prospectus

In element E.6 of the summary of the Prospectus, p. 18-19, the following information

„Under the assumption that all New Shares are placed at a subscription price of EUR 4.00 (being the arithmetic mean of the range of 3.50 and 4.50), the issuer expects gross proceeds from this offer in an amount of EUR 24 million, and net proceeds of EUR 23 million.

Assuming the capital increase against cash contributions is consummated in full at a subscription price of EUR 4.00, the net proceeds amount to approximately EUR 23 million, the NAV of the Biofrontera Group as 30 June 2017 would have amounted to approximately EUR 33,388,900.00 or to approximately EUR 0.75 per share (calculated on the basis of the number of 44,416,828 issued shares of the Issuer after the consummation of the share capital increase against cash contributions).

Based on a subscription price of EUR 4.00, this would result in an increase of the NAV of Biofrontera Group as of 30 June 2017 by approximately EUR 0.48 per share to EUR 0.75 per share for existing shareholders. This would amount to an increase by approximately 178 %. There would be an immediate dilution of EUR 3.25 per share or approximately 81.25 % for the purchasers of the New Shares since the subscription price of EUR 4.00 per share would be above the calculated NAV per share of approximately EUR 0.75.“

should be replaced as follows:

„Under the assumption that all New Shares are placed at a subscription price of EUR 5.00 (being the arithmetic mean of the range of 4.00 and 6.00), the issuer expects gross proceeds from this offer in an amount of EUR 30 million, and net proceeds of EUR 29 million.

Assuming the capital increase against cash contributions is consummated in full at a subscription price of EUR 5.00, the net proceeds amount to approximately EUR 29 million, the NAV of the Biofrontera Group as 30 June 2017 would have amounted to approximately EUR 39,388,900.00 or to approximately EUR 0.89 per share (calculated on the basis of the number of 44,416,828 issued shares of the Issuer after the consummation of the share capital increase against cash contributions).

Based on a subscription price of EUR 5.00, this would result in an increase of the NAV of Biofrontera Group as of 30 June 2017 by approximately EUR 0.62 per share to EUR 0.89 per share for existing shareholders. This would amount to an increase by approximately 228 %. There would be an immediate dilution of EUR 4.11 per share or approximately 82.26 % for the purchasers of the New Shares since the subscription price of EUR 5.00 per share would be above the calculated NAV per share of approximately EUR 0.89.“

5. Supplemental and replacement information pertaining to element E.1 of the German translation of the summary of the Prospectus

In element E.1 of the German translation of the summary of the Prospectus, p. 34, the following information

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei einem Bezugspreis je Neuer Aktie von EUR 3,50 bis EUR 4,50 platziert werden, einen Brutto-Gesamterlös von EUR 21 Mio. bis EUR 27 Mio. und einen Netto-Gesamterlös der Emission von etwa EUR 20 Mio. bis EUR 26 Mio.“

should be replaced as follows:

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei einem Bezugspreis je Neuer Aktie von EUR 4,00 bis EUR 6,00 platziert werden, einen Brutto-Gesamterlös von EUR 24 Mio. bis EUR 36 Mio. und einen Netto-Gesamterlös der Emission von etwa EUR 23 Mio. bis EUR 35 Mio.“

6. Supplemental and replacement information pertaining to element E.2a of the summary of the Prospectus

In element E.2a of the German translation of the summary of the Prospectus, p. 13, the following information

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei einem Bezugspreis je Neuer Aktie von EUR 3,50 bis EUR 4,50 platziert werden, einen Netto-Gesamterlös der Emission von EUR 20 Mio. bis EUR 26 Mio.

Die Emissionserlöse werden wie folgt verwendet werden: Ein Betrag von EUR 5 Mio. wird für Zwecke von Forschung und Entwicklung eingesetzt werden, insbesondere zur Erweiterung der Indikationen, für die Ameluz® verwendet werden darf. Ein Betrag von EUR 5 Mio. wird zur Förderung der Vermarktung in den USA verwendet. Der verbleibende Betrag, der in Höhe zwischen EUR 10 Mio. und EUR 16 Mio. erwartet wird, soll der allgemeinen Finanzierung der Gesellschaft dienen.“

should be replaced as follows:

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei einem Bezugspreis je Neuer Aktie von EUR 4,00 bis EUR 6,00 platziert werden, einen Netto-Gesamterlös der Emission von EUR 23 Mio. bis EUR 35 Mio.

Die Emissionserlöse werden wie folgt verwendet werden: Ein Betrag von EUR 5 Mio. wird für Zwecke von Forschung und Entwicklung eingesetzt werden, insbesondere zur Erweiterung der Indikationen, für die Ameluz® verwendet werden darf. Ein Betrag von EUR 5 Mio. wird zur Förderung der Vermarktung in den USA verwendet. Der verbleibende Betrag, der in Höhe zwischen EUR 13 Mio. und EUR 25 Mio. erwartet wird, soll der allgemeinen Finanzierung der Gesellschaft dienen.“

7. Supplemental and replacement information pertaining to element E.3 of the summary of the Prospectus

In element E.3 of the German translation of the summary of the Prospectus, p. 36, the following information

Der Bezugspreis wird EUR 4,50 nicht überschreiten („**Maximaler Bezugspreis**“).

should be replaced as follows:

Der Bezugspreis wird EUR 6,00 nicht überschreiten („**Maximaler Bezugspreis**“).

8. Supplemental and replacement information pertaining to element E.6 of the summary of the Prospectus

In element E.6 of the German translation of the summary of the Prospectus, p. 39-40, the following information

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei dem Bezugspreis je Neuer Aktie von EUR 4.00 platziert werden, einen Brutto-Gesamterlös der Emission von EUR 24 Mio. und einen Netto-Emissionserlös von EUR 23 Mio. Unter der Annahme der

vollständigen Durchführung der Kapitalerhöhung gegen Bareinlagen zu einem Bezugspreis in Höhe von EUR 4,00 je Aktie und einem Nettoerlös von ca. EUR 23 Mio. würde sich der Nettobuchwert der Biofrontera Gruppe mit Stand vom 30. Juni 2017 auf ca. EUR 33.388.900 oder ca. EUR 0,75 je Aktie belaufen (berechnet auf der Grundlage von 44.416.828 ausgegebenen Aktien der Emittentin nach Durchführung der Barkapitalerhöhung).

Ausgehend von einem Bezugspreis von EUR 4,00 je Aktie würde dies zu einer Erhöhung des Nettobuchwerts der Biofrontera-Gruppe zum 30. Juni 2017 um EUR 0,48 je Aktie auf EUR 0,75 je Aktie für die Altaktionäre führen. Dies entspräche einer Steigerung um ca. 178 %. Für den Erwerber Neuer Aktien ergäbe sich eine unmittelbare Verwässerung von EUR 3,25 je Aktie oder ca. 81,25 %, da der angenommene Bezugspreis von EUR 4,00 je Aktie über dem errechneten neuen Nettobuchwert je Aktie von EUR 0,75 liegen würde.“

should be replaced as follows:

„Die Emittentin erwartet unter der Annahme, dass sämtliche Neue Aktien bei dem Bezugspreis je Neuer Aktie von EUR 5.00 platziert werden, einen Brutto-Gesamterlös der Emission von EUR 30 Mio. und einen Netto-Emissionerlös von EUR 29 Mio. Unter der Annahme der vollständigen Durchführung der Kapitalerhöhung gegen Bareinlagen zu einem Bezugspreis in Höhe von EUR 5,00 je Aktie und einem Nettoerlös von ca. EUR 29 Mio. würde sich der Nettobuchwert der Biofrontera Gruppe mit Stand vom 30. Juni 2017 auf ca. EUR 39.388.900 oder ca. EUR 0,89 je Aktie belaufen (berechnet auf der Grundlage von 44.416.828 ausgegebenen Aktien der Emittentin nach Durchführung der Barkapitalerhöhung).

Ausgehend von einem Bezugspreis von EUR 5,00 je Aktie würde dies zu einer Erhöhung des Nettobuchwerts der Biofrontera-Gruppe zum 30. Juni 2017 um EUR 0,62 je Aktie auf EUR 0,89 je Aktie für die Altaktionäre führen. Dies entspräche einer Steigerung um ca. 228 %. Für den Erwerber Neuer Aktien ergäbe sich eine unmittelbare Verwässerung von EUR 4,11 je Aktie oder ca. 82,26 %, da der angenommene Bezugspreis von EUR 5,00 je Aktie über dem errechneten neuen Nettobuchwert je Aktie von EUR 0,89 liegen würde.“

9. Supplemental and replacement information pertaining to heading 5.2 of the Prospectus

Under heading 5.2 - Reasons for the Offer, use of proceeds - of the Prospectus, p. 66, the following information

„Under the assumption that all New Shares are placed at the subscription price of EUR 3.50 to EUR 4.50, the issuer expects net proceeds (including financing costs of approx. up to EUR 1 million) from this offer in an amount of approximately EUR 20 million to EUR 26 million.

The proceeds will be used as follows: An amount of EUR 5 million will be used for R&D purposes, in particular to extend the indications which Ameluz® may be used for. An amount of EUR 5 million will be used to improve US marketing and sales. The remaining amount,

expected to be between EUR 10 million and EUR 16 million, will be used to cover the working capital of the Issuer.“

should be replaced as follows:

„Under the assumption that all New Shares are placed at the subscription price of EUR 4.00 to EUR 6.00, the issuer expects net proceeds (including financing costs of approx. up to EUR 1 million) from this offer in an amount of approximately EUR 23 million to EUR 35 million.

The proceeds will be used as follows: An amount of EUR 5 million will be used for R&D purposes, in particular to extend the indications which Ameluz® may be used for. An amount of EUR 5 million will be used to improve US marketing and sales. The remaining amount, expected to be between EUR 13 million and EUR 25 million, will be used to cover the working capital of the Issuer.“

10. Supplemental and replacement information pertaining to heading 5.3.2 of the Prospectus

Under heading 5.3.2 – Price – of the Prospectus, p. 71, the following information

„The Subscription Price will not exceed EUR 4.50 (“**Maximum Subscription Price**”).“

should be replaced as follows:

„The Subscription Price will not exceed EUR 6.00 (“**Maximum Subscription Price**”).“

11. Supplemental and replacement information pertaining to heading 5.12 of the Prospectus

Under heading 5.12 – Net Proceeds, expenses of the Offer– of the Prospectus, p. 77, the following information

Under the assumption that all New Shares are placed at a subscription price of EUR 3.50 to EUR 4.50, the issuer expects net proceeds from this offer in an amount of approximately EUR 20 million to EUR 26 million.

should be replaced as follows:

Under the assumption that all New Shares are placed at a subscription price of EUR 4.00 to EUR 6.00, the issuer expects net proceeds from this offer in an amount of approximately EUR 23 million to EUR 35 million.

12. Supplemental and replacement information pertaining to heading 5.13.1 of the Prospectus

Under heading 5.13.1 – Immediate dilution resulting from the Offer – of the Prospectus, p. 77, the following information

„Under the assumption that all New Shares are placed at a subscription price of EUR 4.00 (being the arithmetic mean of the range of 3.50 and 4.50), the issuer expects gross proceeds from this offer in an amount of EUR 24 million, and net proceeds of EUR 23 million.

Assuming the capital increase against cash contributions is consummated in full at a subscription price of EUR 4.00, the net proceeds amount to approximately EUR 23 million, the NAV of the Biofrontera Group as 30 June 2017 would have amounted to approximately EUR 33.388.900,00 or to approximately EUR 0.75 per share (calculated on the basis of the number of 44,416,828 issued shares of the Issuer after the consummation of the share capital increase against cash contributions).

Based on a subscription price of EUR 4.00, this would result in an increase of the NAV of Biofrontera Group as of 30 June 2017 by approximately EUR 0.48 per share to EUR 0.75 per share for existing shareholders. This would amount to an increase by approximately 178 %. There would be an immediate dilution of EUR 3.25 per share or approximately 81.25 % for the purchasers of the New Shares since the subscription price of EUR 4.00 per share would be above the calculated NAV per share of approximately EUR 0.75.“

should be replaced as follows:

„Under the assumption that all New Shares are placed at a subscription price of EUR 5.00 (being the arithmetic mean of the range of 4.00 and 6.00), the issuer expects gross proceeds from this offer in an amount of EUR 30 million, and net proceeds of EUR 29 million.

Assuming the capital increase against cash contributions is consummated in full at a subscription price of EUR 5.00, the net proceeds amount to approximately EUR 29 million, the NAV of the Biofrontera Group as 30 June 2017 would have amounted to approximately EUR 39,388,900.00 or to approximately EUR 0.89 per share (calculated on the basis of the number of 44,416,828 issued shares of the Issuer after the consummation of the share capital increase against cash contributions).

Based on a subscription price of EUR 5.00, this would result in an increase of the NAV of Biofrontera Group as of 30 June 2017 by approximately EUR 0.62 per share to EUR 0.89 per share for existing shareholders. This would amount to an increase by approximately 228 %. There would be an immediate dilution of EUR 4.11 per share or approximately 82.26 % for the purchasers of the New Shares since the subscription price of EUR 5.00 per share would be above the calculated NAV per share of approximately EUR 0.89.“