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**27 April 2015**

**Biofrontera AG**  
**("Biofrontera" or the "Company")**

**Further re: Subscription Offer and Private Placement**

**Leverkusen, 27 April 2015** – Further to the announcement of 23 April 2015, Biofrontera AG (AIM/FSE: B8F), the biopharmaceutical company focusing on skin cancer, is pleased to provide a timetable and instructions relating to the proposed Subscription Offer and Private Placement for holders of dematerialised depository interests in CREST representing entitlements to the Company's ordinary shares ("**Depository Interests**").

Holders of Depository Interests will receive by post an application form setting out how to participate in the Subscription Offer. Further details of how to participate in the Subscription Offer are set out below.

**Timetable**

Record Date for entitlement under the Subscription Offer	5.00pm on	4-May-15
Ex-entitlement date for the Subscription Offer		5-May-15
Posting of the application form to Qualifying Shareholders		6-May-15
Latest time and date for receipt of application form and payment in full under the Subscription Offer	5.00pm on	13-May-15
Expected date for CREST accounts of eligible depository Interest holders to be credited in relation to the New Shares		Within 5 business days of crediting of the main offer

**Subscription Offer**

The Subscription Offer is proposed to raise up to Euro 5.0 million (before expenses), by way of an Open Offer and Private Placement pursuant to which 2,173,913 new no-par registered shares ("**New Shares**") will be offered to Qualifying Shareholders on the basis of 1 New Share for every 10 existing ordinary shares held, at a subscription price of EUR 2.30 ("**Subscription Price**") per New Share (the "**Subscription Offer**"). Please note the Company's announcement on 23 April 2015 stated the Subscription Offer proposed to raise up to Euro 4.84 million (before expenses), which is not correct. The correct maximum gross proceeds are Euro 5.0 million as stated above.

Holders of Depository Interests at close of business on 4 May 2015 will receive by post an application form setting out how to participate in the Subscription Offer.

Further details on the Subscription Offer have today been published in the Federal Gazette in Germany, which have been reproduced in full below.

**Enquiries, please contact:**

**Biofrontera AG**

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**Biofrontera AG**  
**Leverkusen**  
**ISIN: DE0006046113**  
**Notification**

**Regarding a subscription offer to the subscription of up to 2,173,913 new shares of Biofrontera AG from the capital increase resolved upon on 04/23/2015 from authorized capital**

The following subscription offer of Biofrontera AG ("**Company**") is exclusively addressed to the shareholders of the Company, and, respectively, holders of subscription rights, to which the following subscription offer is communicated via Lang & Schwarz Broker GmbH, Breite Straße 34, 40213 Düsseldorf, Deutschland ("**Lang & Schwarz Broker GmbH**").

Pursuant to section 7 paragraph 3 of the articles of association, the management board is authorized to increase the registered capital of the company until 06/17/2018 with the approval of the supervisory board by up to EUR 4,438,292.00 by way of issuing, on one or several occasions, up to 4,438,292 no-par registered shares against contribution in cash and/or kind ("**Authorized Capital I**").

Based on said authorization, the management board of the Company has today resolved to increase the registered capital of the Company from currently EUR 22,196,570.00 by up to EUR 2,173,913.00 from Authorized Capital I to up to EUR 24,370,483.00 by issuing up to 2,173,913 new no-par registered shares representing a calculatory amount of registered capital of EUR 1.00 each ("**New Shares**").

The execution of the capital increase has not been registered with the commercial register yet. The exact definition of the amount of the capital increase as well as the respective amendment of the articles of association will be effected after the end of the subscription period.

The statutory subscription right of the shareholders is granted by admitting Lang & Schwarz Broker GmbH to subscribe and take over up to 2,173,913 New Shares at an issue price of EUR 1.00 per New Share, together with the obligation to offer the New Shares to the shareholders in a quota of 10:1 against payment of EUR 2.30 per New Share ("**Subscription Price**") for subscription ("**Subscription Offer**"). The subscription quota is ensured by the declaration of a shareholder not to execute subscription rights, insofar as otherwise subscription requests of other shareholders could not be fulfilled.

The shareholders are requested to execute their subscription right to the New Shares, in order to avoid exclusion, within the period

from 05/05/2015 to 05/19/2015 ("**Subscription Period**")

at Bankhaus Gebr. Martin Aktiengesellschaft, Kirchstraße 35, 73033 Göppingen ("**Bankhaus Gebr. Martin Aktiengesellschaft**"), acting as settlement agent for Lang & Schwarz Broker GmbH, during the usual business hours.

In order to execute their subscription rights, we request our shareholders or the holders of subscription rights, respectively, to instruct the bank managing their securities account accordingly.

For 10 old shares of the Company, one (1) New Share may be subscribed to at the Subscription Price.

For any fractions resulting from the subscription quota of 10:1 for the respective number of old shares held in each case, no New Shares may be subscribed to, only a subscription of one (1) entire New Share or a multiple thereof is possible. The amount of shares held at the end of 05/04/2015 shall be relevant for calculating the number of subscription rights allocated to each shareholder. At this time, the subscription rights (ISIN DE000A14KC16 / WKN A14KC1) are separated from the shares to the extent of the existing subscription rights and booked to the shareholders' securities accounts by their respective banks.

The subscription rights cannot be traded, neither on the stock market, nor will a private trade be organized by the Company. Subscription rights not executed are forfeit and will be booked out as invalid at the end of the subscription period.

From 05/05/2015 on, the old shares will be traded as "ex subscription rights".

Shareholders executing subscription rights shall pay the Subscription Price upon execution of the subscription right, but no later than the end of the Subscription Period on 05/19/2015. The subscription rights shall be proof that the shareholder is entitled to subscribe to New Shares.

The receipt of the subscription request and the Subscription Price at the agent referred to above is relevant for keeping the deadline. Shareholders / holders of subscription rights are charged the usual bank fee for the subscription.

### **Addition subscription**

In the case that not all New Shares are subscribed to in the execution of the statutory subscription right, the New Shares which have not been subscribed to may be acquired by shareholders executing subscription rights in an additional subscription from Lang & Schwarz Broker GmbH. Each shareholder executing subscription rights may therefore, beyond the subscription rights arising out of the shares held by the shareholders in accordance with the subscription quota, make further binding subscription requests ("**Additional Subscription**"). Shareholders desiring to subscribe to further New Shares beyond the allocated subscription quota must transfer their binding subscription request within the subscription period via the bank managing their securities account to Bankhaus Gebr. Martin Aktiengesellschaft as settlement agent.

If the shares are over-subscribed, they shall be allocated according to the statutory provisions.

The banks managing the securities accounts are requested to communicate the subscription rights collectively in on registration no later than and including 05/19/2015 at Bankhaus Gebr. Martin Aktiengesellschaft, Kirchstraße 35, 73033 Göppingen, Telefax +49 (0)7161 969317, and to transfer the Subscription Price of EUR 2.30 per New Share also no later than the end of the Subscription Period on the following account of Lang & Schwarz Broker GmbH at Bankhaus Gebr. Martin Aktiengesellschaft:

Bank: Bankhaus Gebr. Martin Aktiengesellschaft

Account no. 9673

IBAN: DE88 610 300 00 000 000 9673

BIC: MARBDE6G

Reference: "W/Biofrontera"

We ask that the banks managing the securities accounts are provided an instruction using the form provided via the banks managing the securities accounts. The banks managing the securities accounts are requested to separately list the number of shares requested in the context of an Additional Subscription request in their subscription notice and to notify the total number of securities accounts, for the benefit of which the subscription and additional subscription is executed. Should an additional subscription request not or only in part be allocated, the shareholder will be reimbursed the amount paid for the Additional Subscription, minus banking fees, if any. The usual banking fee is charged for the additional subscription.

### **Private Placement**

New Shares which are neither acquired under the execution of subscription rights nor under Oversubscription will be offered by Lang & Schwarz Broker GmbH to select investors for acquisition in the context of a private placement. The offer period of the private placement shall end no later than three trading days after the end of the Subscription Period.

### **Important notes**

#### **Non-execution of capital increase**

The subscription offer and the additional subscription are under the condition that the capital increase is registered with the commercial register by no later than 06/15/2015. Any agreements resulting by accepting the subscription offer and in the context of the additional subscription will not be executed if the condition is not met and become void.

#### **Securitisation / delivery**

The New Shares will be securitised in a global deed and deposited with Clearstream Banking AG, Frankfurt am Main. No right to individual securitisation exists. Any New Shares acquired will be booked to the securities accounts of the acquirer. In case of short sales before booking the New Shares into the securities accounts, only the seller bears the risk of being unable to fulfil the obligations incurred under the short sale by timely delivering New Shares.

#### **Stock Trade of New Shares**

The Company intends to effect the registration of the New Shares to the regulated market until 05/29/2015.

#### **Stabilising measures**

No stabilising measure will be made.

## **Risks**

Any investment in shares bears substantial risks and can only be made under consciously bearing these risks. Considering the state of the Company, the New Shares are only appropriate for investors who consciously accept high risks. A total or partial loss of funds invested by shareholders / holders of subscription rights is not impossible.

The holders of subscription rights are advised to read the current reports on the homepage of the Company (<http://www.biofrontera.com/>) before executing their subscription rights or requesting additional subscription.

## **Limits on sale**

The publication, transfer, dissemination or reproduction of the subscription offer or the conditions of the offer in a summary or other description may be limited abroad. Excluding a notification in the federal gazette and the transfer of the subscription offer as permitted by the Company, the subscription offer may not be published, transferred, disseminated or reproduced abroad by third parties, neither directly nor indirectly, insofar as this is prohibited by applicable foreign regulations or depends on official procedures or receipt of an approval. This applies also to a summary or any other description of the conditions contained in this subscription offer. The Company does not guarantee that the publication, transfer, dissemination or reproduction of the subscription offer complies with the legal provisions applicable in each case. Accepting this offer outside Germany may be subject to limitations. Persons intending to accept the offer outside Germany are requested to research the legal restrictions applicable outside Germany.

The New Shares and subscription rights are not and will not be registered in accordance with the provisions of the U.S. Securities Act 1933 as amended from time to time ("Securities Act") nor with the securities authorities of the states of the USA. They may not be offered or sold in the USA nor directly nor indirectly delivered there, except based on an exemption from the requirements of the Securities Act and the securities regulations of the individual US states and other applicable US regulations. In particular, this subscription offer is not a public offer nor a request for an offer to purchase the New Shares in the USA and may therefore not be disseminated there.

Leverkusen, April 2015  
Biofrontera AG  
The Management Board