

## Ad hoc Release

**Ad-hoc Release pursuant to Section 15 of the German Securities Trading Act  
(Wertpapierhandelsgesetz)**

### **Biofrontera AG – Biofrontera AG resolves on capital increase**

Leverkusen, Germany, 27.10.2015 - The Management Board of Biofrontera AG (Biofrontera) has resolved today, with the approval of the Supervisory Board, to increase the registered capital of Biofrontera from currently EUR 23,573,842 by up to EUR 5,893,460 from authorized capital to up to EUR 29,467,302 by issuing up to 5,893,460 new no-par registered shares ("**New Shares**"). The New Shares are entitled to dividend rights from 1 January 2015. Shareholders will be offered the statutory subscription right in such a way that Lang & Schwarz Broker GmbH, Düsseldorf, is admitted to subscribe and take over the New Shares at an issue price of EUR 1.00, with the obligation to offer the New Shares to the shareholders at a ratio of 4:1 against payment of the subscription price per New Share ("**Subscription Price**") for subscription ("**Subscription Offer**").

The Subscription Price is expected to be determined on 5 November 2015. The determination takes into account the volume-weighted average price for one share of the Issuer on the electronic trading system XETRA on the Frankfurt Stock Exchange in the period from the beginning of the Subscription Period on 28 October 2015 until close of trading on 4 November 2015, less a discount to be determined by the Management Board of the Issuer with the approval of the Supervisory Board of the Issuer. The Subscription Price will not exceed EUR 2.50.

The subscription period will run from 28 October 2015 to and including 10 November 2015. In the case that not all New Shares are subscribed to following 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 at the Subscription Price. At the end of the Subscription Period, Lang & Schwarz Broker GmbH will offer any New Shares, which are not subscribed for by execution of subscription rights or by additional subscription, in a private placement. Details are set out in the Subscription Offer published in the Federal Gazette on 27 October 2015.

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The proceeds will be used to cover the operational expenses in the next 12 months, including clinical studies currently ongoing or under preparation to secure the future business extension of Ameluz<sup>®</sup>, as well as to build up a sales, marketing and operational infrastructure for the distribution of Ameluz<sup>®</sup> in the USA.

Potential investors are advised to read the prospectus published by the Company regarding the offer dated 27 October 2015, in particular the risk factors described therein, and the current reports, before executing their subscription rights, requesting additional subscription or purchasing shares. These information are available on the Company's internet site (<http://www.biofrontera.com/>).

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