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28 October 2015

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

Further re: Open Offer and Private Placement

Leverkusen, 28 October 2015 – Further to the announcement released on 27 October 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	27-October-15
Ex-entitlement date for the Subscription Offer		28-October-15
Posting of the application form to Depository Interest holders		29-October-15
Disclosure of Subscription Price		5-November-15
Latest time and date for receipt of application form and payment in full under the Subscription Offer	5.00pm on	6-November-15
Latest time and date for receipt of application form and payment in full under the Private Placement for Depository Interest holders	5.00pm on	23-November-15
Expected date for CREST accounts of eligible depository Interest holders to be credited in relation to the New Shares		6-December-2015

Subscription Offer

The Subscription Offer is proposed, pursuant to existing authorities, to raise equity finance, by way an Open Offer and Private Placement pursuant to which 5,893,460 new no-par registered shares ("**New Shares**") will be offered to Qualifying Shareholders on the basis of 1 New Share for every 4 existing ordinary shares held, at a subscription price that is expected to be determined on 5 November 2015 ("**Subscription Price**") per New Share (the "**Subscription Offer**").

The Subscription Price will be determined with reference to the volume-weighted average price on the electronic trading system XETRA on the Frankfurt Stock Exchange in 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 Company. The Subscription Price will not exceed EUR 2.50.

Holders of Depository Interests at close of business on 27 October 2015 will receive by post an application form setting out how to participate in the Subscription Offer.

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

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Biofrontera AG
Leverkusen
ISIN: DE0006046113

Notification

Regarding a subscription offer to the subscription of up to 5,893,460 new shares of Biofrontera Aktiengesellschaft from the capital increase resolved upon on 27 October 2015 from authorized capital

*The following subscription offer of Biofrontera Aktiengesellschaft ("**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 ("**Lang & Schwarz Broker GmbH**"). Lang & Schwarz Broker GmbH will offer New Shares not subscribed to by shareholders or holders of subscription rights to selected investors in a private placement.*

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 27 August 2020 with the approval of the supervisory board by up to EUR 11,786,921 by way of issuing, on one or several occasions, up to 11,786,921 no-par registered shares against contribution in cash and/or kind (Authorized Capital I). The Authorized Capital I was entered into the commercial register on 18 September 2015.

*Based on said authorization, the management board of the Company has resolved on 27 October 2015 with the approval of the supervisory board of the same day to increase the registered capital of the Company 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 representing a notional amount of registered capital of EUR 1.00 each ("**New Shares**"). The New Shares have dividend rights from 1 January 2015 on.*

*The statutory subscription right of the shareholders is granted by admitting Lang & Schwarz Broker GmbH to subscribe and take over up to 5,893,460 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 4:1 against payment of the subscription price per New Share ("**Subscription Price**") for*

subscription (“Subscription Offer”).

We explicitly advise the shareholders of the Company and the holders of subscription rights, that the subscription price has not been determined at the time of the publication of this subscription offer. The subscription price will presumably be published on 5 November 2015 as ad-hoc release and on the same date in the German Federal Gazette.

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

from 28 October 2015 to and including 6 November 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 4 old shares of the Company, 1 New Share may be subscribed to at the Subscription Price. For any fractions resulting from the subscription quota of 4:1 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 27 October 2015 shall be relevant for calculating the number of subscription rights allocated to each shareholder. At this time, the subscription rights (ISIN DE000A1615H6 / WKN A1615H) 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 28 October 2015 on, the old shares will be traded as “ex subscription rights”.

Shareholders executing subscription rights shall pay the Subscription Price no later than the end of the Subscription Period on 6 November 2015. The subscription rights shall be proof that the shareholder is entitled to subscribe to New Shares.

Additional 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. New Shares in the Additional Subscription are allocated by the Company. If the shares are over-subscribed, they shall be allocated according to the statutory provisions.

Notification of subscriptions

The banks managing the securities accounts are requested to communicate the subscription rights (including the additional subscription requests) collectively in one single form letter no later than and including 10 November 2015 at Bankhaus Gebr. Martin Aktiengesellschaft, Kirchstraße 35, 73033 Göppingen, Telefax +49 (0)7161 969317, and to transfer the Subscription Price 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:

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 subscription and the additional subscription.

Private Placement

At the end of the Subscription Period, Lang & Schwarz Broker GmbH will offer any New Shares, which are not subscribed for in the context of the execution of subscription rights or in Addition Subscription, to investors selected by the Company in Germany, Luxembourg and other countries ("**Private Placement**"). The offer period of the Private Placement shall end approx. ten 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 15 December 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.

Securitization / delivery

The New Shares will be securitized in a global deed and deposited with Clearstream Banking AG, Frankfurt am Main. No right to individual securitization 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 of the Frankfurt Stock Exchange and the Düsseldorf Stock Exchange until 3 December 2015.

Stabilizing measures

No stabilizing measure will be taken.

Risks

Any investment in shares bears substantial risks and should only be made if consciously accepting 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.

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 informations are available on the Company's internet site (<http://www.biofrontera.com/>).

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, October 2015

Biofrontera AG

The Management Board