

Ad hoc release

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

Biofrontera AG resolves on capital increase

Leverkusen, Germany, March 29, 2016 – The Management Board of Biofrontera AG (FSE:B8F) has resolved today with the approval of the Supervisory Board, to increase the registered capital of the Company from currently EUR 27,847,814 by up to EUR 2,499,999 from Authorized Capital I to up to EUR 30,347,813 by issuing up to 2,499,999 new no-par registered shares (“New Shares”). Shareholders will be offered the statutory subscription right to up to 2,421,549 New Shares in such a way that Lang & Schwarz Broker GmbH, Düsseldorf, is admitted as issuing bank to subscribe and take over up to 2,421,549 New Shares, with the obligation to offer up to 2,421,549 New Shares to the Company’s shareholders at a ratio of 23:2 according to the execution of subscription rights against payment of the subscription price of EUR 2.00 per New Share (“Subscription Price”) for subscription within a two week subscription period. The statutory subscription rights was excluded regarding 78,450 supernumerary New Shares. The shareholders are furthermore offered an “Additional Subscription” right. I.e. all shareholders executing subscription rights may apply to subscribe to unsubscribed shares plus the supernumerary shares at the Subscription Price.

Details are set out in the Subscription Offer expected to be published in the Federal Gazette on 05 April 2016.

The Company has entered on 24 March 2016 into an agreement with institutional investors for a subscription of New Shares. The investors have committed to acquire up to 2,000,000 New Shares at an issue price of EUR 2.00 per New Share (see ad hoc release pursuant to section 15 of the German Securities Trading Act of 24 March 2016).

The net proceeds of approx. EUR 4.9 mio will be used to cover the operational expenses of the Company and the further development of marketing the Company’s main product Ameluz®. Currently, Ameluz® is approved for the treatment of actinic keratosis in the EU. With the proceeds from this issue, the Company intends to support the regulatory approval and commercialization in the US as well as the extension of the European approval of Ameluz® for treatment of basal cell carcinoma.

Leverkusen, March 29, 2016

Ad hoc Meldung

The Management Board

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