Biofrontera
Experts in dermatology

News Release

Biofrontera publishes financial report 2013

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Highlights 2013:

- Pronounced increase in sales by >60 % compared to last year
- Start of Ameluz® marketing in Spain
- Recommendation of the All Wales Medicine Strategy Group for the use of Ameluz®
- Extension of Ameluz® storage time
- Recognition of actinic keratosis as professional disease in Germany
- Capital increase by 1.610.000 shares signed by strategic investor Maruho Deutschland GmbH
- Appointment of Thomas Schaffer as CEO
- Start of clinical development activities for the indication expansion of Ameluz®
- Preparation of approval process in the USA
- Coverage of Biofrontera through the investment house FinnCap, London, UK

Leverkusen, Germany, 26 March 2014 - Biofrontera AG (DSE: B8F) today reports its financial results for the fiscal year 2013. The report, published today on the company's web site, illustrates the considerable progress in the product pipeline and provides an outlook for fiscal year 2014.

„2013 was a year with smaller, but nevertheless important steps for the company. As goal for the year we wanted to firmly establish Ameluz®, our medicament for tumors of the upper skin layer, on the German and important European markets. Ameluz® is already recognized as dominating PDT drug for actinic keratosis in Germany, and was recently launched in Spain. All necessary preparations for the US approval were initiated, supported by the improved capitalization of the company. We have thus laid the basis for continued growth and the long term value appreciation", commented Prof. Dr. Hermann Lübbert, CEO of Biofrontera AG.

Review of the fiscal year 2013

As in 2012, marketing of Biofrontera's prescription drug Ameluz® for photodynamic therapy (PDT) of actinic keratosis, approved by the European Commission in December 2011, was the major focus of the company. Biofrontera launched the medicament first in February 2012 in Germany, for other European countries the most important launch in 2013 was Spain by the end of September. The All Wales Medicine Strategy Group has recommended the use of Ameluz® in the hospitals of its area.

Biofrontera's PDT lamp RhodoLED® is by now a firm part of the equipment in many dermatological offices and hospitals.

Preparations for the US approval of Ameluz® were started in all relevant areas, including clinical efficacy in combination with the BF-RhodoLED® lamp, patient safety, quality of manufacturing, and the general approval strategy.

Revenues from product sales increased in 2013 to TEUR 3,114, compared to TEUR 1.992 in 2012. Revenues were achieved in particular as a result of sales of our products in Germany amounting to EUR 1,867, as well as revenues from other European countries of TEUR 1,248. There were no one-time payments in 2013 (in the previous year TEUR 1,550).

The general administrative and operating costs increased from TEUR 4,092 in 2012 to TEUR 5,462 in 2013, which was primarily a result of the international market launches of Ameluz®.

The research and development costs for Biofrontera Group increased from TEUR 1,384 in 2012 to TEUR 3,186 in 2013. This was predominantly based on the clinical studies required for the indication expansion of Ameluz® and the registration in the US and on improvements in the manufacturing process that were requested by the European agency.

The annual consolidated result of the Biofrontera Group, based on International Financial Reporting Standards (IFRS), was TEUR -8,067 (-4,118 in 2012). This increased negative result is due to the fact that the positive increase in product sales in 2013 was not further supported by one-time license payments and other one-time effects such as in 2012. Consequently, the increased administrative and operative and F&E costs were not yet compensated by revenues. Accordingly, the operating result (EBIT) was TEUR -3,449 in 2012 and TEUR -6,834 in 2013

The capital inflow from financing activities in 2013 was TEUR 7,555, similar to the previous year (TEUR 8,126), which was due to the capital increase allocated to Maruho Deutschland GmbH.

At the end of the reporting period, Biofrontera AG's liquid assets amounted to TEUR 2,934, compared to TEUR 3,366 in the previous year. Currently, a

net inflow of approximately EUR 15.3 min can be added to this figure as a result of the February 2014 capital increase.

The subscribed capital increased during the reporting year by TEUR 1,610 to TEUR 17,753.

Outlook

In 2014 Biofrontera will continue to enhance its international position, in addition to marketing in Europe. Already early in 2014 a license agreement for Israel was closed with Perrigo Israel Agencies Ltd..

In 2013, four clinical trials were started for the expansion of the Ameluz® approval to basal cell carcinoma and the filing in the US. For two of these studies the clinical part is completed and for the third study patient recruitment is complete. We anticipate completing all preparations for US approval in 2014 and filing early in 2015.

For the financing of the company's goals the capital was increased already in February 2014, providing a net capital inflow of EUR 15.3 mln. Our strategic investor Maruho Deutschland GmbH, a fully-owned subsidiary of Maruho Co.,Ltd. in Osaka, Japan, has contributed a major part of this capital increase, illustrating the confidence of the Japanese company into the future collaboration.

Biofrontera AG

Biofrontera aims at attending and treating the skin, recognizing the aesthetic needs of a person's visual reflection.
Biofrontera AG is listed on the regulated market of the Frankfurt stock exchange under the symbol B8F and the ISIN number DE0006046113.
www.biofrontera.com

This press release contains forward-looking statements based on the currently held beliefs and assumptions of the management of Biofrontera AG, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the assumptions expressed or implied in this press release to be faulty. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on the forward-looking statements. Biofrontera AG disclaims any obligation to update these forward-looking statements to reflect future events or developments.