Biofrontera
Experts in dermatology

News Release

Biofrontera AG publishes 1st quarter 2014 interim report

Leverkusen, Germany, 19 May 2014 - Biofrontera AG (DSE: B8F) has today published its interim report for the 1st quarter 2013 on its corporate webpage. Even though the upgrade into the prime standard sector of the Frankfurt stock exchange determined earlier today is not yet active, the company presents full consolidated financials and a quarterly report according to IAS for the 1st quarter of 2014.

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The most relevant milestones achieved in the reporting period were

- Clinical part of the safety trials required by the FDA completed. Trial reports are currently being compiled.
- Patient recruitment in phase III trial for field therapy of actinic keratosis completed.
- Patient recruitment in phase III trial for basal cell carcinoma started.
- Preparations for the FDA approval application continued to progress according to schedule.
- Conclusion of a licensing agreement for Israel with Perrigo Israel Agencies LTD.
- Market launch of Belixos® Liquid.
- Capital increase with net proceeds amounting to Euro 15.3 mln.

The first quarter was dominated by the short and medium term goals of the company:

(i) the sales activities for Ameluz® and Belixos®,
(ii) the indication expansion for Aemluz® to field therapy of actinic keratosis and basal carcinoma,
(iii) the approval of Ameluz® in the USA.

Ameluz® is a prescription drug for photodynamic therapy (PDT) of actinic keratosis (AK), a superficial skin cancer. It was approved in December 2011 and is meanwhile marketed in several European countries. It is applied in PDT in combination with Biofrontera's PDT-lamp BF-RhodoLED®. In the reporting period a license agreement for Israel was

formed with Perrigo Israel Agencies, the local affiliate of the US company Perrigo. Since the approval of Ameluz® is currently restricted to the European Union, Perrigo with Biofrontera's support has to apply for the approval in Israel prior to market launch. The agreement with Perrigo foresees a small downpayment in several tranches and transfer payments.

Belixos® is a cosmetic series for damaged skin. Belixos® crème has been on the market since several years, but advertisement was hardly possible for financial reasons. In the reporting period advertisement was initiated in Facebook and a new product, Belixos® Liquid for the scalp, was launched.
Sales in Germany in the first quarter of 2014 amounted to TEUR 544, corresponding to a 20% increase in sales compared to 2013 (TEUR 454). While this is below the 30% growth the company hopes to achieve in 2014, Biofrontera maintains this goal since the sales from wholesalers to pharmacies, which are relevant long-term, grew by 38% in the same period. This difference points towards changes in stock keeping at the wholesalers.

With this, Ameluz® is with a German market share of over 65% within the group of approved PDT drugs clearly leading this field in Germany, such that further growth must come from the segments where other treatment options dominate. Since these treatment options are less time consuming for the physicians, this process is rather slow in spite of the clinical superiority of Ameluz®. With the indication basal cell carcinoma the problem is not anticipated in a similar way, which renders this indication expansion a relevant aspect of Biofrontera's growth strategy.

In total the revenue increase was only small, from TEUR 634 in 2013 to TEUR 650 in 2014. The low revenues in other European countries are caused by the fact that no Ameluz® was manufactured in the reporting period. Orders of our license partners were served in the second quarter, such that they are not reported in the reporting period.
In February a capital increase was offered to the existing shareholders at a split of 4:1 and a share price of EUR 3.50. The issue was fully subscribed, whereby strategic investor Maruho Deutschland GmbH increased its shareholding to just above 20%. Biofrontera obtained proceeds of EUR 15.3 mln. which will be applied to reach the above goals.
In the reporting period the general and administrative costs grew from TEUR 867 in 2013 to TEUR 1,687 in 2014, and the research and

development costs from TEUR 582 in 2013 to TEUR 1,141 in 2014. This increase of the cost basis reflects the spending required to achieve the above goals. Due to this cost increase the negative result (EBIT) grew from TEUR (1,293) in 2013 to TEUR (2,331) in 2014.

Biofrontera AG will inform interested shareholders in a telephone conference on 20 May 2014 at 11:30 German time about the financial results of Biofrontera group and the relevant developments in the reporting period.
The dial-in number is +49-(0)69 271340800, the participant's code 17675723#.

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.