Biofrontera

Deep in dermatology

CORPORATE PRESENTATION

J.P. Morgan Health Care Conference 2020 / San Francisco, CA

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Thomas Schaffer, CFO

January 2020

DISCLAIMER

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This presentation contains forward-looking statements including, without limitation, statements containing the words "expects", "future","potential" and words of similar import. Such forward looking statements are 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 include statements regarding growth in market size, revenue potential, sources of future revenues, timing of regulatory submissions, receipt of regulatory approvals, results of clinical trials, timing of product introductions and commercialization, expansion in the US market and future capital needs forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Biofrontera AG, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements These risks include, without limitation, unanticipated delays or disruptions in clinical trials, potential need to expand, add or extend clinical trials, potentially unfavorable trial results, delays in regulatory submissions and approvals, potential denials of regulatory approval, changes in regulatory requirements, adverse events with patients, product liability, potential lack of demand, introduction of superior products by competitors, lack of adequate reimbursement, challenges in establishing distribution channels, potential manufacturing challenges, potential inability to manufacture products cost-effectively, costs and challenges of planned US expansion, failure to raise necessary funds on a timely basis which may prevent us from completing the development and commercialization of our products and product candidates or have other material adverse effects on our business, potential intellectual property infringement, potential inadequacy of our intellectual property portfolio, dependence on key employees and suppliers, dependence on the reliability and integrity of information technology systems, potential shareholder dilution, fluctuations in currency rates and other factors referenced in this presentation Given these risks, uncertainties and other factors, prospective investors are cautioned not to place undue reliance on these forward-looking statements Biofrontera AG disclaims any obligation to update these forward looking statements to reflect future events or developments.

BIOFRONTERA AT-A-GLANCE

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HEADQUARTER	PRODUCTS	SALES FORCE	FINANCIAL PERFORMANCE	STOCK MARKET
Headquartered in Leverkusen, Germany; US-headquarter in Woburn, MA	Biofrontera's PDT drug Ameluz® is approved in the U.S., EU, Switzerland and Israel In the U.S. Biofrontera also markets the new topical antibiotic Xepi™	Dedicated sales teams in the U.S., Germany, Spain and the UK	Strong revenue growth: doubling of annual revenue year-over-year for the past 3 years	Listed on the Frankfurt Exchange (B8F) and Nasdaq (BFRA)

Corporate strategy

Optimizing the market potential of Ameluz® and Xepi™, positioning Biofrontera amongst the most innovative specialty pharmaceutical companies in dermatology.

NON-MELANOMA SKIN CANCER

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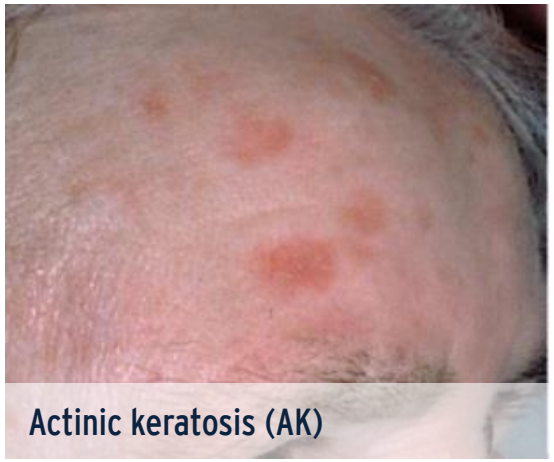
Epidemiology [1]

- BCC: >4 million BCC treatments annually in the U.S.
- AK: >58 million patients in the U.S., particularly the elderly population
- SCC: second most dangerous skin cancer after melanoma

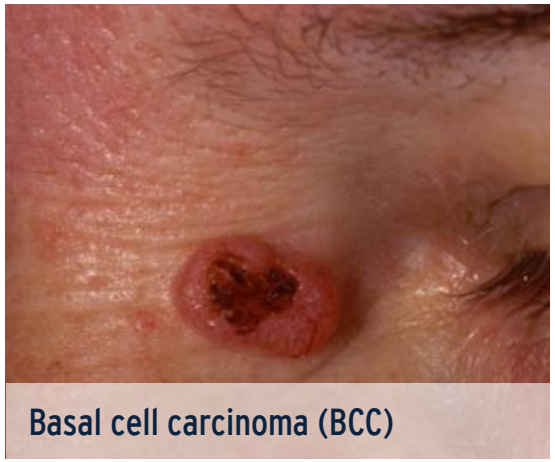
Progression [2,3,4]

- Recent data show that mild or even invisible AK has a higher chance of progression to SCC than severe (with strong hyper-keratosis) AK
- If an AK lesion progresses to SCC, it does so in about 2 years on average



Actinic keratosis (AK)

Squamous cell carcinoma (SCC)



Basal cell carcinoma (BCC)

Sources:

1. http://www.skincancer.org/skin-cancer-information
2. Schmitz et al., J EurAcadDermatolVenereol. 2016 Aug;30(8):1303-7
3. Fernández-Figueraset al., J EurAcadDermatolVenereol. 2015 May;29(5):991-7
4. Fuchs & Marmur, DermatolSurg. 2007 Sep;33(9):1099-101

AMELUZ® IS A GEL FORMULATION FOR TOPICAL USE

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EU Approval*
Basal Cell Carcinoma (BCC)
Actinic Keratosis (AK)
Field Cancerization
Daylight PDT

US Approval**
Lesion- and field-directed treatment of AK

IP
IP protection until 2027*

EU/US
Medical device in the EU; Approved for PDT with Ameluz® in the U.S.

- Treatment of actinic keratosis of mild to moderate severity on the face and scalp (Olsen grade 1 to 2) and of field cancerization in adults. Treatment of superficial and/or nodular basal cell carcinoma unsuitable for surgical treatment due to possible treatment-related morbidity and/or poor cosmetic outcome in adults. Full EU SmPC can be found at http://www.ema.europa.eu/docs/en_GB/document_library/EPAR_-_Product_Information/human/002204/WC500120044.pdf

** Ameluz® gel, a porphyrin precursor, in combination with photodynamic therapy using BF-RhodoLED® lamp, is indicated for the lesion-directed and field-directed treatment of actinic keratoses of mild-to-moderate severity on the face and scalp. Full US prescribing information for Ameluz® and the U.S. User manual for BF-RhodoLED® can be found at https://www.accessdata.fda.gov/drugsatfda_docs/nda/2016/208081Orig1s000LBL.pdf

* Pending in the U.S.

META-ANALYSIS OF ALL AK TREATMENT OPTIONS AVAILABLE IN EUROPE

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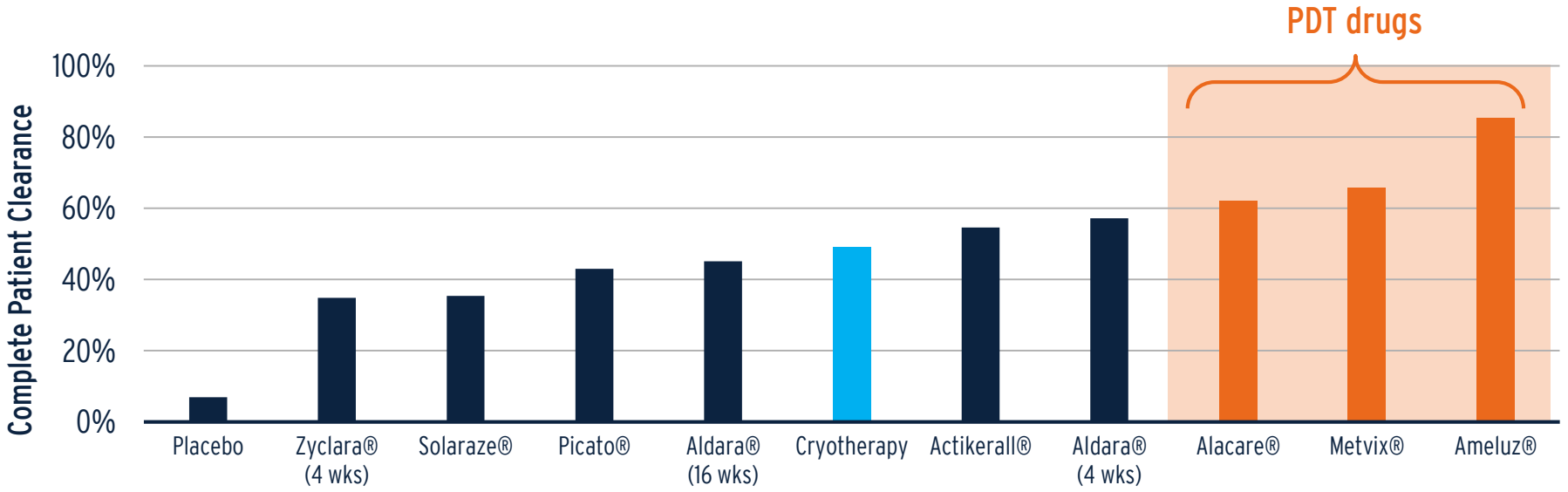
Significant superiority of Ameluz® over Metvix® was proven in phase III trials and is documented in the EMA approved Ameluz® SmPC (PI)



- European meta-analysis included 25 randomized, controlled studies (5,562 patients)
- Clinical endpoint: total patient clearance rates in mild to moderate AK on face or scalp
- All included PDTs were performed with LED lamps

- The relative efficacy of different treatment options for mild to moderate actinic keratosis (including cryotherapy, topicals and PDT options) was analyzed in a European meta-analysis (Vegter & Tolley 2014).
- Although this study was a meta-analysis of placebo-controlled trials, rather than a head-to-head comparison of treatments, we believe this data shows significant support for PDT with Ameluz® as the best available treatment for mild to moderate actinic keratosis on the face and scalp.

Source: Vegter & Tolley, PlosOne 2014, June, Vol. 9, Issue 6

AMELUZ® VS. LEVULAN®

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FDA-approved prescribing information of both drugs		Ameluz® / LED lamps (ITT)*	Levulan® / Blu-U® (ITT)**
Efficacy	Patient clearance: 3 months after last of 1 or 2 PDTs	84-91%	66-69%
	Patient clearance scalp	65-82%	50%
	Patient clearance: 12 (Ameluz) or 10-12 (Levulan) months after last of 1 or 2 PDTs	53-69%	31%
Convenience	Formulation (easier and faster application of gel)	Gel (tube)	Liquid (stick)
	Illumination time	10 min	16 min + 40 sec
	Incubation time	3 hrs	14-18 hrs
Indications & potential	Skin rejuvenation	Phase III data	No phase III data
	Approved treatment area	Field and lesion	Lesion
		Head and scalp	Head, scalp, upper extremities
	Superficial and nodular BCC	High efficacy in phase III	No data

* three phase III studies
** two phase III studies and one open-label study

POSITION AMELUZ® AS THE #1 PDT DRUG AND EXPAND THE PDT MARKET

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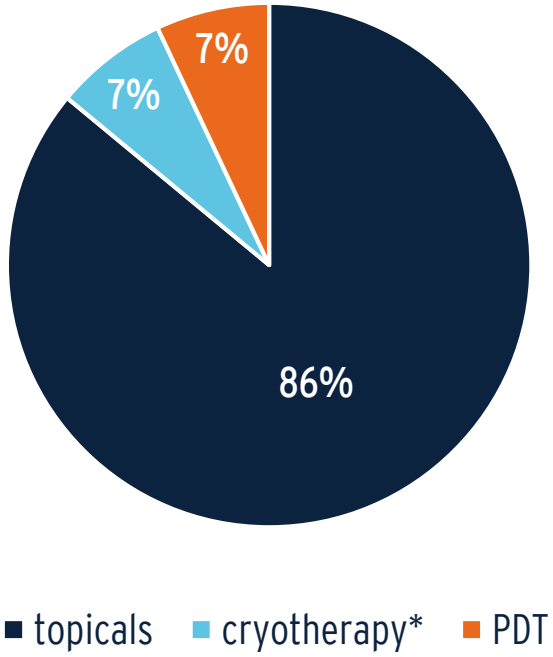
EU - Strategy

- Position Ameluz® as the **#1 PDT drug** (achieved in Germany and Spain)
- **Expand the PDT market through daylight PDT** to compete with topical drugs
  - Average ex-factory price per tube of Ameluz®: EUR 150
  - Dermatologists in Europe have favored topical prescriptions due to lack of reimbursement for procedures such as PDT
  - Recent approval to market Ameluz® for use in combination with daylight PDT enables patients to obtain reimbursement more easily
  - Cryotherapy is unpopular due to perceived poor efficacy, high recurrence rates, bad cosmetic outcome and lack of reimbursement



Estimated market size: 2.1 million prescriptions for AK p.a.**

* Share of cryotherapy estimated since no reliable data available
**IMS data 2016

POSITION AMELUZ® AS THE #1 PDT DRUG AND EXPAND THE PDT MARKET

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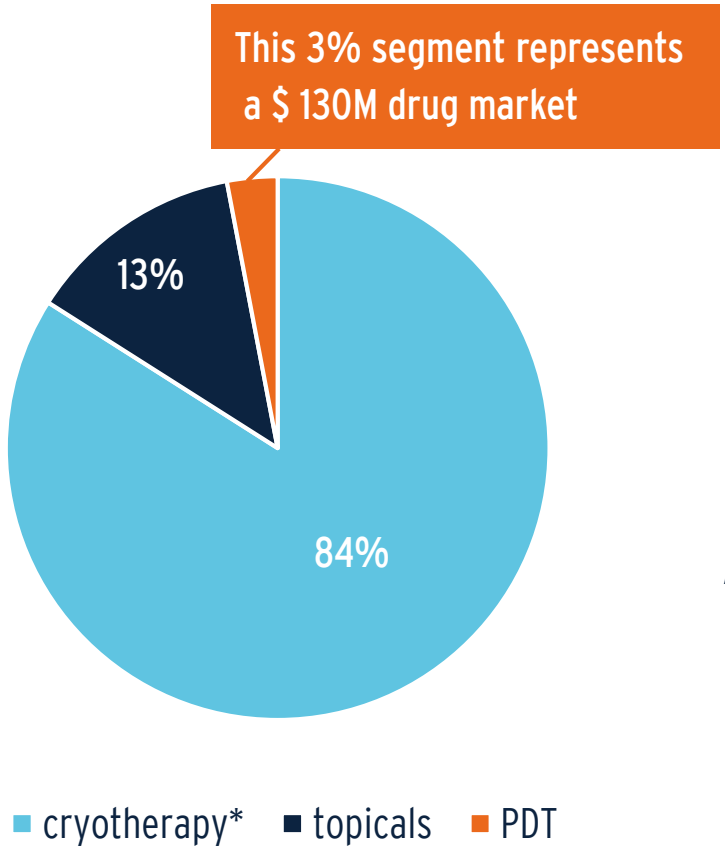
US - Strategy

- Position Ameluz® as the **#1 PDT drug**
- **Expand PDT market by taking away market share** from topicals and cryotherapy
  - List price per tube of Ameluz®: US$ 285
  - 3% PDT treatments of the AK market represent annual PDT drug sales of estimated US$ 130 million
  - Most U.S. dermatologists have traditionally preferred cryotherapy due to more favorable reimbursement
  - New CPT codes and medical need for field therapy is now more favorable for PDT



Estimated market size:
12.6 million
AK treatments p.a.*

* based on Biofrontera review of 2016 publicly available information

REIMBURSEMENT OF PDT WITH AMELUZ®

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CPT-codes (Jan 2019)

Avg. payment to dermatologist in USD

Efficacy rates	Avg. payment to dermatologist
PDT performed by other health care workers	$126
PDT without debridement, by qualified health care professional (corresponding to USPI of Levulan)	$205
PDT with debridement (i.e. targeted curettage, abrasion), by qualified health care professional (USPI of Ameluz®)	$261
Cryotherapy capped at >14 lesions	$155

The Centers for Medicare and Medicaid Services (CMS) have assigned new CPT-codes, which make the use of PDT financially more rewarding for doctors.

Qualified health care professionals are MDs, PAs, and NPs

XEPI™ IS THE FIRST NEW TOPICAL ANTIBIOTIC TO ENTER THE US-MARKET IN OVER 10 YEARS

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Licensed from Ferrer
Xepi™ offers a brief five-day treatment course with only two doses daily

FDA approved in 2018
Topical antibiotic used to treat impetigo

IP
IP protection until 2032

Extended US-product portfolio through acquisition of Cutanea Life Sciences in March 2019.

XEPI™ advantages:

1) Activity on and FDA-approval for drug resistant strains (MRSA)
2) Advantageous side effect profile

XEPI™: TOPICAL ANTIBIOTICS MARKET IN THE U.S.

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Short-term strategy:

1) Position Xepi™ (ozenoxacin) as the #1 choice for topical antibiotic prescribed by dermatologists

2) Take away market share from generic topical antibiotics

- Dermatologists write 10% of all prescriptions for generic topical antibiotics.
- Dermatologists issue ~ 1 million prescriptions annually; most prescriptions per patient among all specialty physicians.
- Pediatric dermatologists serve as opinion leaders for pediatricians.

Long-term strategy:

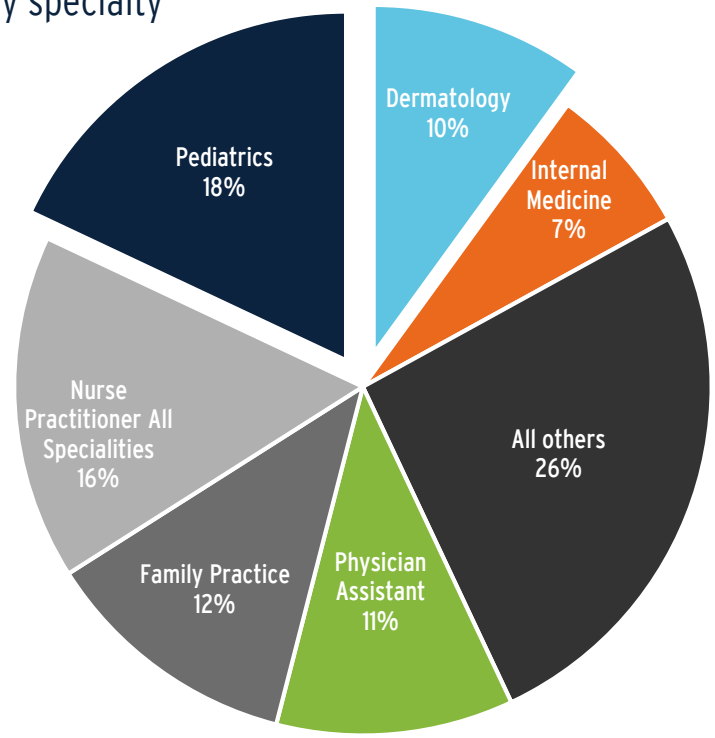
1) Focus on pediatricians with ~ 1.7 MM prescriptions annually

2) Establish Xepi™ as the first choice in skin and soft tissue infections

3) Expand Xepi™ label beyond Impetigo through clinical program

Estimated market size:
10.8 million prescriptions annually

Generic mupirocin (topical antibiotic) prescription share by specialty



Data Source: IMS – NPA MAT July 2018

DEVELOPMENT PIPELINE

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Biofrontera's strategy is to optimize the market potential and market positioning of Ameluz® before investing in the development of additional products.

Product	Indication / comments	Territory	Pre-clinical	Clinical Phase I	Clinical Phase II	Clinical Phase III	Submitted	Status
Ameluz®	Actinic keratosis (AK), field cancerization	EU, CH, IL	●	●	●	●	●	On market
Ameluz®	AK, lesion- and field-directed	US	●	●	●	●	●	On market
Ameluz®	Basal cell carcinoma	EU	●	●	●	●	●	On market
Ameluz®	AK: Daylight PDT	EU/CH	●	●	●	●	●	On market
Ameluz®	AK: Trunk & extremities	EU/US	●	●	●	●	●	Phase III completed
Ameluz®	Basal cell carcinoma	US	●	●	●	●		Phase III ongoing
Ameluz®	Squamous cell carcinoma in situ	EU/US	●	●	●			Phase III in preparation
Ameluz®	Acne	EU/US	●	●	●			Phase II in preparation

PRODUCT SALES

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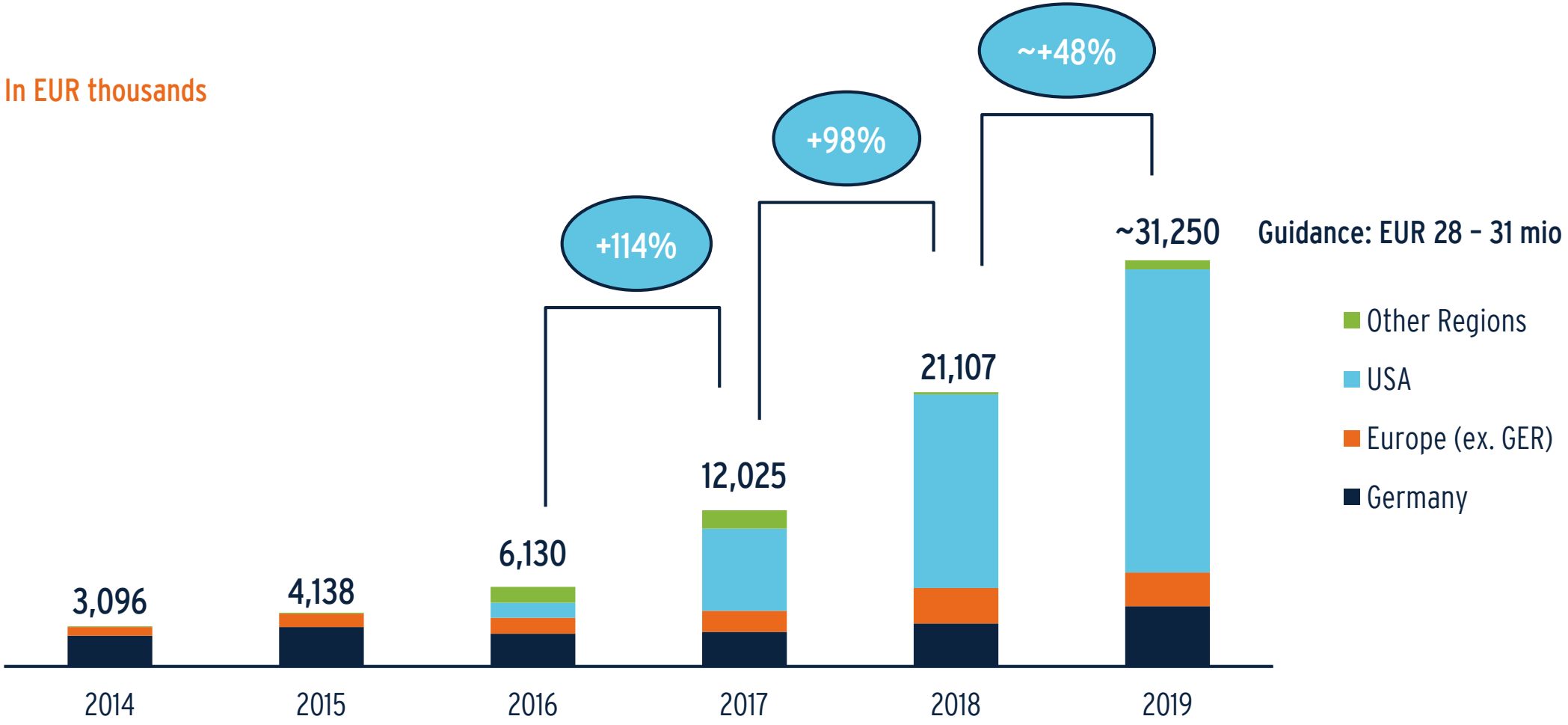
In EUR thousands



BIOFRONTERA SHARES

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Key stock information

Listing	Frankfurt	Nasdaq
Ticker Symbol	B8F	BFRA
Price per Share (as of Jan 7, 2020) 1 ADS = 2 common shares	€4.85 per share	US$ 10,34 per ADS
52 Week High-Low	€8.02 - €4.05	$18.32 - $9.00
Shares Outstanding	44,849,365	
Market Cap (as of Jan 7, 2020)	~US$ 243 M	

Analyst coverage

Financial Institution	Analyst
Benchmark & Co	Bruce Jackson
Lake Street Capital	Thomas Flaten
sc-consult GmbH	Holger Steffen

2019 share price development: B8F

SHAREHOLDER STRUCTURE

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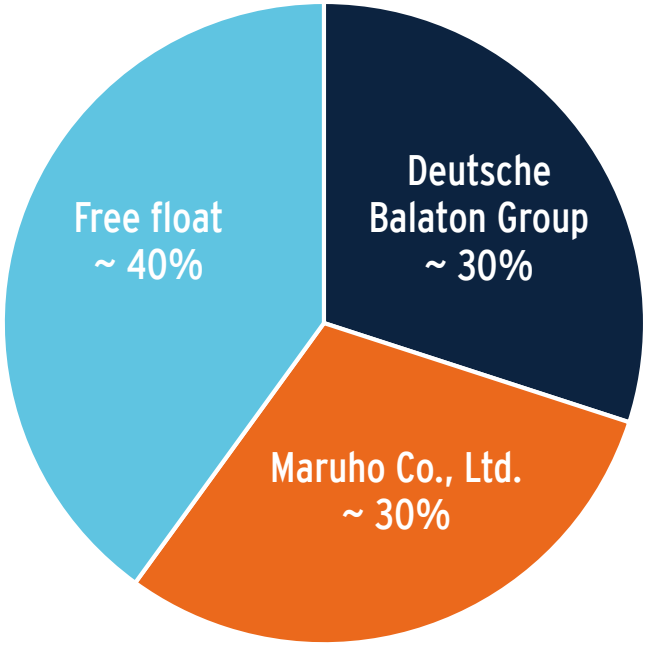

Shares outstanding: 44,849,365

Shareholder structure:

- Two major investors, each holding about 30%
- About 40% free float, including institutional investors and family offices in Europe and the U.S.

INVESTMENT OPPORTUNITY

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Our goal is to optimize the positioning and market potentials of Ameluz® and Xepi™, while becoming a leading specialty pharmaceutical company in dermatology.

PRODUCTS	PIPELINE	COMMERCIALIZATION	FINANCIAL PERFORMANCE	STOCK MARKET
Ameluz®: superior PDT drug for non-melanoma skin cancer Xepi™: first new topical antibiotic on the US-market in over 10 years	Very low development risk due to approved products Additional indications with similarly high market potentials possible	Commercialization of Ameluz® in major pharmaceutical markets Multi-billion $ market opportunity with Ameluz® and Xepi™ in the U.S. alone	Strong revenue growth and healthy balance sheet	Solid share price development Listings on major global stock markets

CONTACT DETAILS

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