

# INVESTOR PRESENTATION

Prof. Dr. Hermann Lübbert, CEO  
September 2020

# FORWARD-LOOKING STATEMENTS AND RISKS

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.

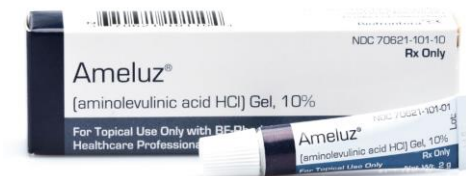
These risks include, without limitation, unanticipated delays or disruptions in clinical trials, potential need to expand, add or extend clinical trials, potentially unfavorable trial results, delays in regulatory submissions and approvals, potential denials of regulatory approval, changes in regulatory 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, insufficient operative and financial performance, insufficient financing (including short-time liquidity) and 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 such as the decline in sales due to the COVID-19 pandemic. 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

HEADQUARTERS	PRODUCTS	SALES FORCE	FINANCIAL PERFORMANCE	STOCK MARKET
Headquartered in Leverkusen, Germany  US-headquarters in Woburn, MA	Biofrontera's Photodynamic Therapy (PDT) drug Ameluz® is approved in the U.S., EU and Switzerland  In the U.S. Biofrontera also markets the new topical antibiotic Xepi™	Dedicated sales teams in the U.S., Germany, Spain and the UK	Revenue growth from EUR 4.1 million in 2015 to EUR 31.3 million in 2019	Listed on the Frankfurt Exchange (B8F) and Nasdaq (BFRA)



Both products, Ameluz® and Xepi™, serve potential multi-billion dollar markets



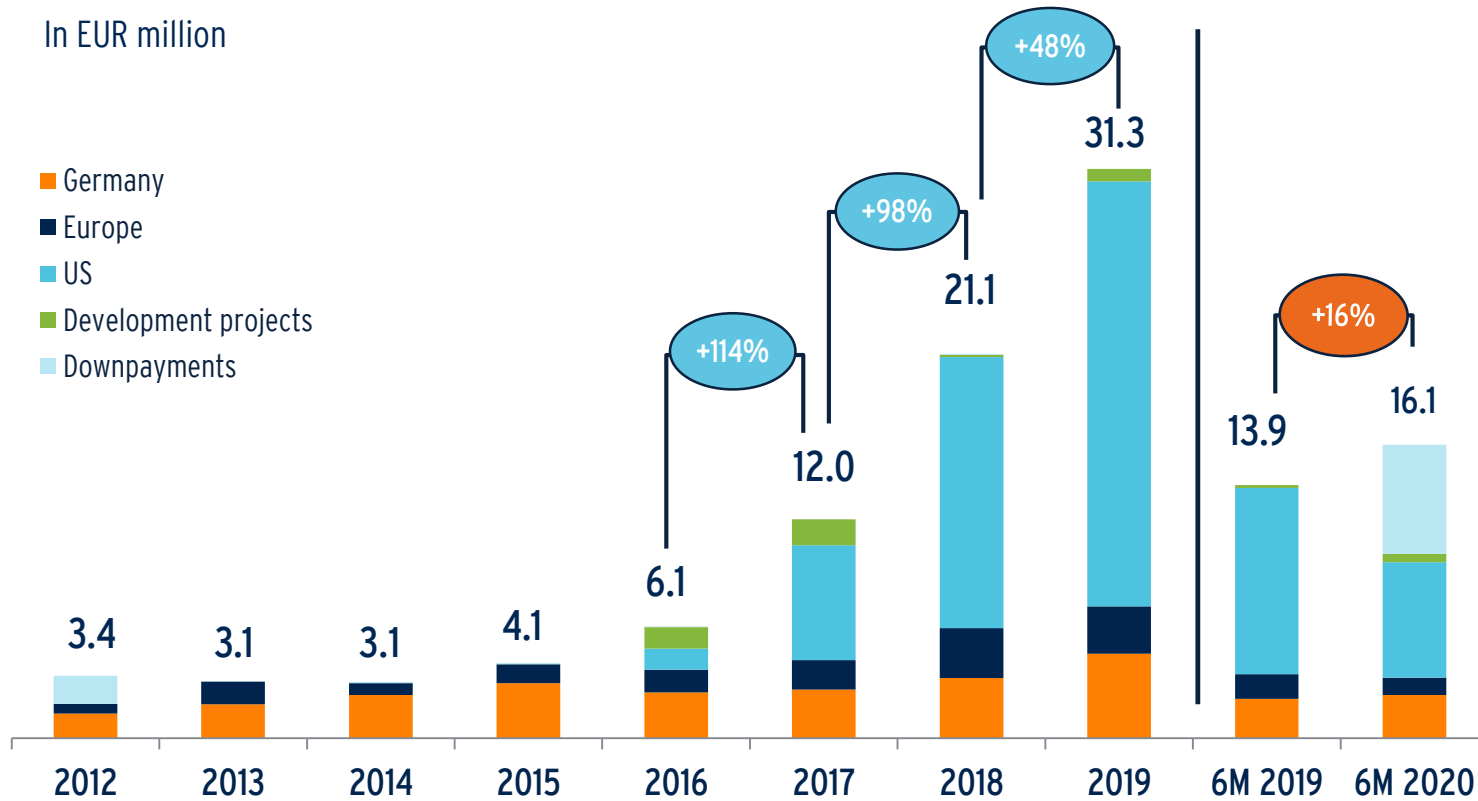
## BIOFRONTERA GROUP FINANCIAL RESULTS

In million EUR (IFRS)

	2014	2015	2016	2017	2018	2019	6M 2019	6M 2020
<b>Total revenue</b>	3.1	4.1	6.1	12.0	21.1	31.3	13.9	16.1
<b>Product sales</b>	3.1	4.1	5.0	10.6	21.0	30.6	13.7	9.7
<b>thereof US revenues</b>	0	0	1.2	6.3	14.9	23.3	10.2	6.3
<b>Operating income</b>	(9.6)	(10.2)	(11.8)	(13.9)	(18.5)	(23.4)	(12.9)	(4.3)
<b>Net income</b>	(10.7)	(11.2)	(10.6)	(16.1)	(8.9)	(7.4)	9.0	(5.6)
<b>Cash &amp; cash equivalents</b>	8.5	4.0	15.1	11.1	19.5	11.1	21.6	10.6
<b>Financial debt</b>	11.7	12.3	3.9	12.5	13.6	23.3	22.7	23.6

Does not include financing in late August 2020 with gross proceeds of EUR 7.9 million

# REVENUE GROWTH 2012-2019



- Lower H1 2020 product sales negatively due to pandemic compensated by one-time payment from licensing agreement
- 2020 forecast for sales revenue between EUR 34 to 38 million
- Expectation to be back on positive growth trajectory in 2021

# WHERE DO WE WANT TO BE IN 5 YEARS?

- 1** Revenue: between EUR 200 million and EUR 400 million in 2025
- 2** Ameluz<sup>®</sup> has become the PDT and Xepi<sup>™</sup> the topical antibiotic “standard of care”
- 3** Market penetration gains achieved for PDT in the actinic keratosis and non-melanoma skin cancer market
- 4** Acne indication with Ameluz<sup>®</sup> launched in 2025

# HOW DO WE WANT TO ACHIEVE OUR GOALS?

Biofrontera's strategy is to optimize the market potential and market positioning of its current product portfolio.

## Growth

With our two prescription drugs Ameluz® and Xepi™ Biofrontera is ideally positioned for continued independent growth.

## Core Markets

We focus on our core markets in the EU and the US.

## R&D

Our research efforts for further development (indication expansions, etc.) are focused on our core drugs Ameluz® and Xepi™.

## Licensing

We seek licensing agreements for Ameluz® with reliable partners in other regions of the world (e.g. Maruho Co., Ltd. for East Asia and Oceania).

## Opportunity

Albeit not part of the core strategy, in-licensing of or research on additional products when opportunities arise will be taken into consideration.

# AK: BEFORE AND AFTER AMELUZ<sup>®</sup> PDT



**Before treatment**



**6 weeks post treatment**

US dermatologists have traditionally preferred cryotherapy based on speed of treatment and good remuneration.

### Benefits of Ameluz<sup>®</sup> PDT vs. cryotherapy:

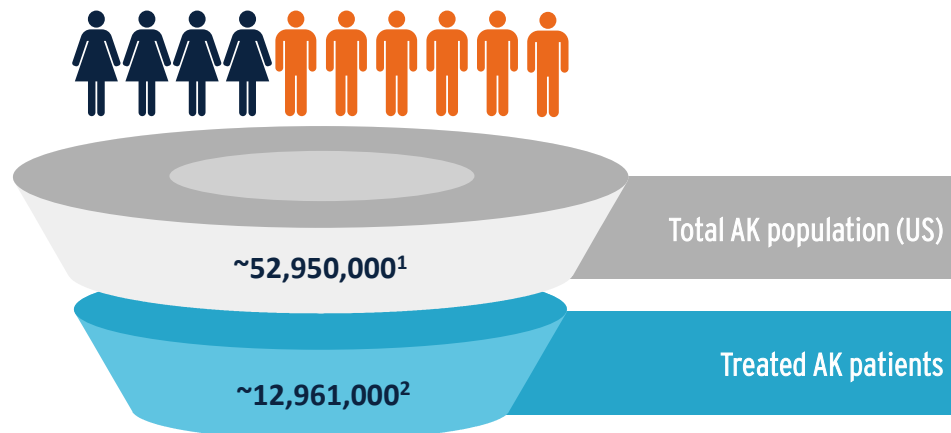
- Higher efficacy with better clearance and recurrence rates
- Serves medical need for field therapy
- Better cosmetic results: Rejuvenating effect of PDT as opposed to scars or white spots after cryotherapy
- New CPT codes make PDT financially more rewarding for doctors (PDT: up to \$274, cryotherapy: up to \$162)

Source:  
Gilly S. Munavalli, MD, MHS, FACMS  
Wake Forest University  
School of Medicine  
Department of Dermatology  
Charlotte, NC, USA

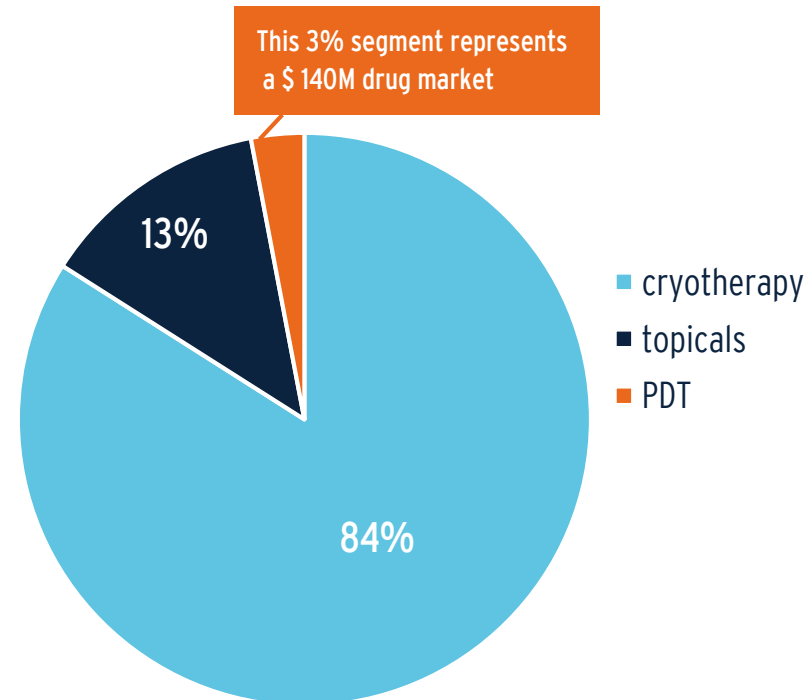


# AMELUZ<sup>®</sup> MARKET POTENTIAL FOR ACTINIC KERATOSIS

## The US is Biofrontera's largest market



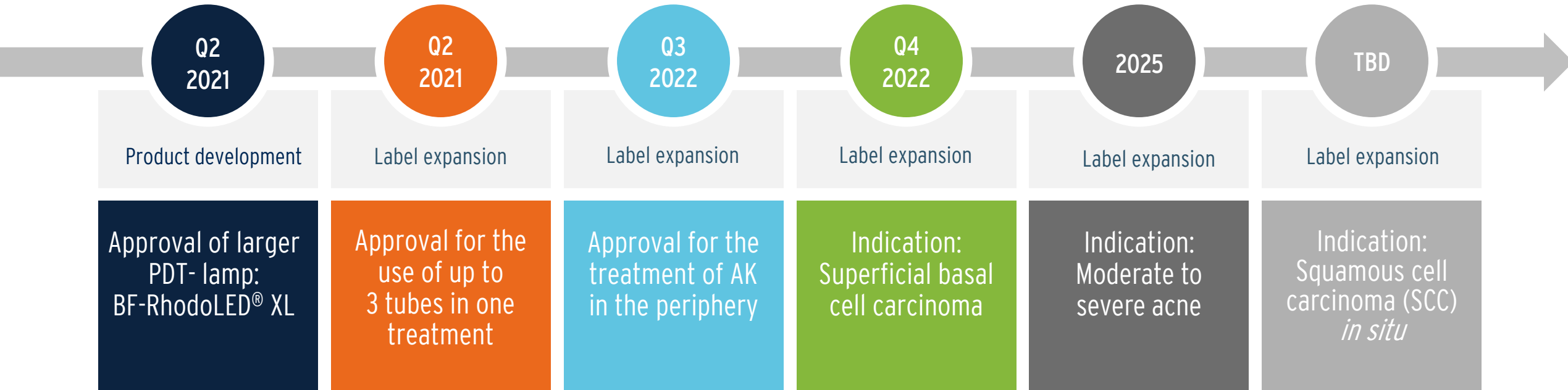
 **24%<sup>2</sup>** of AK patients are treated



2019 total PDT<sup>3</sup>: 370,000 to 400,000 PDTs  
 2019 Ameluz<sup>4</sup>: ~95,000 tubes sold in the US  
 2020 pricing : \$299/tube  
**Goal 2025:** 400,000 to 800,000 tubes in the US

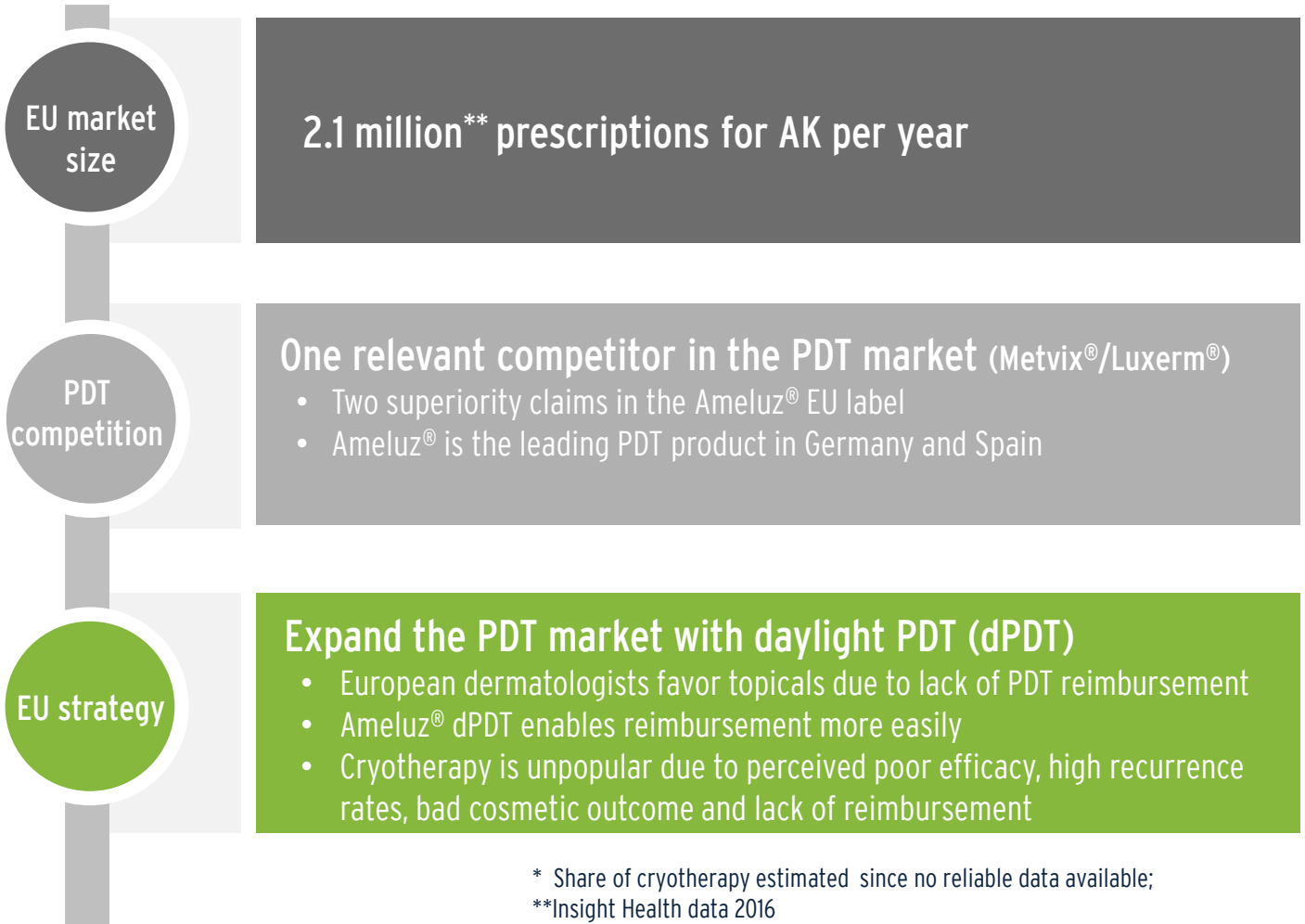
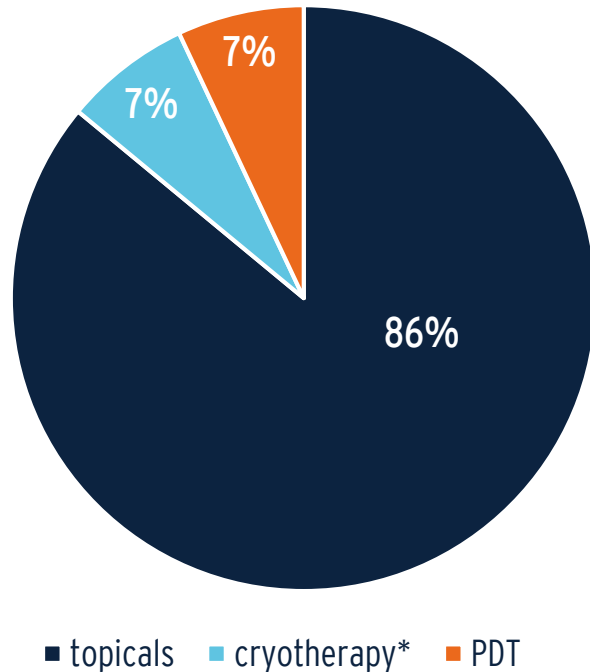
Sources:  
 1) US census  
 2) IQVIA data  
 3) IQVIA reimbursement data  
 4) Sales data

# OPTIMIZING THE MARKET POTENTIAL OF AMELUZ<sup>®</sup> IN THE USA



# ACTINIC KERATOSIS MARKET IN THE EU

## AK market by treatment option



\* Share of cryotherapy estimated since no reliable data available;

\*\*Insight Health data 2016

# IMPETIGO: BEFORE AND AFTER XEPI™ TREATMENT



Before treatment



After 5-day treatment

## XEPI™ Advantages\*

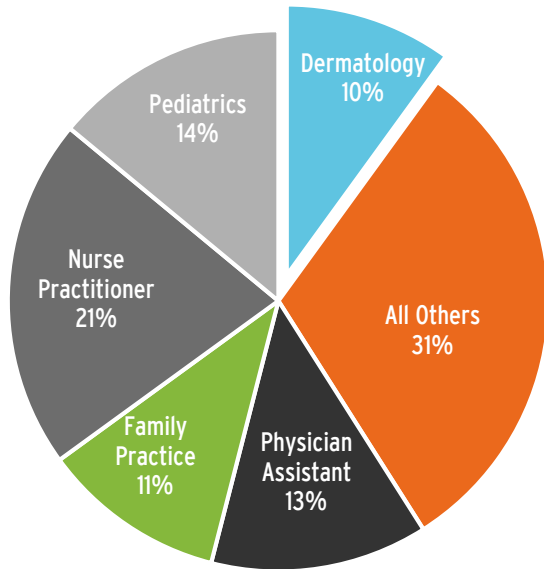
- Approved for impetigo due to *Staphylococcus aureus* or *Streptococcus pyogenes*, including antibiotic resistant strains such as MRSA
- Approved for adults and pediatric patients 2 months of age and older
- Reduced risk of resistance development due to dual mechanism of action

Source:  
Lawrence A. Schachner, MD; Adelaide A Hebert, MD; Pearl Kwong, MD

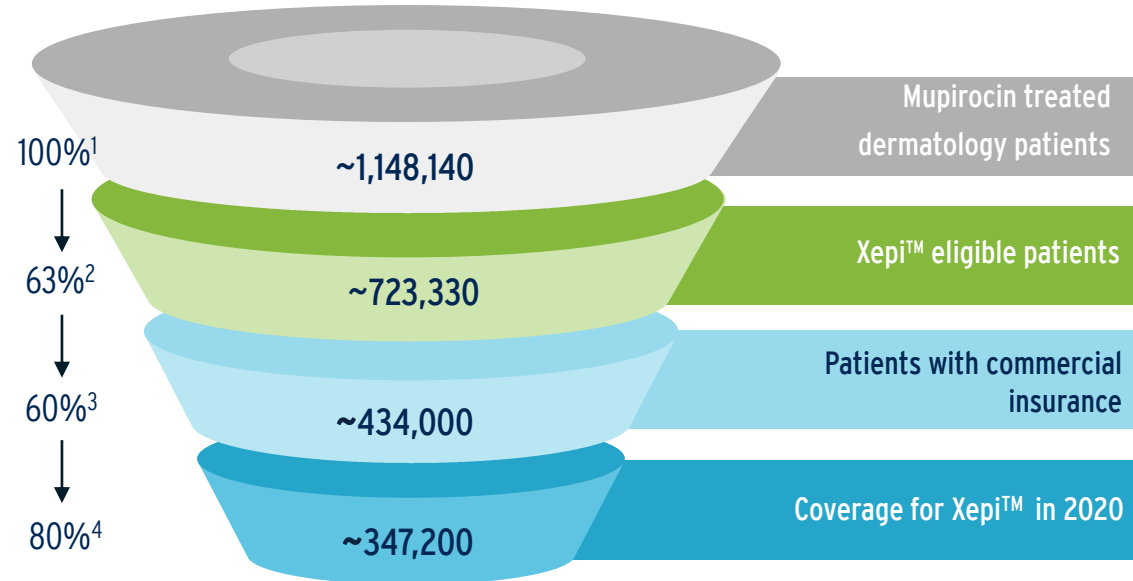
\*See full prescribing information at [xepicream.com](http://xepicream.com)

# MARKET POTENTIAL OF XEPI™ IN DERMATOLOGY ALONE

## Generic Mupirocin: Utilization by specialty



## Xepi™ dermatology patients



Pricing 2020:  
\$297/tube

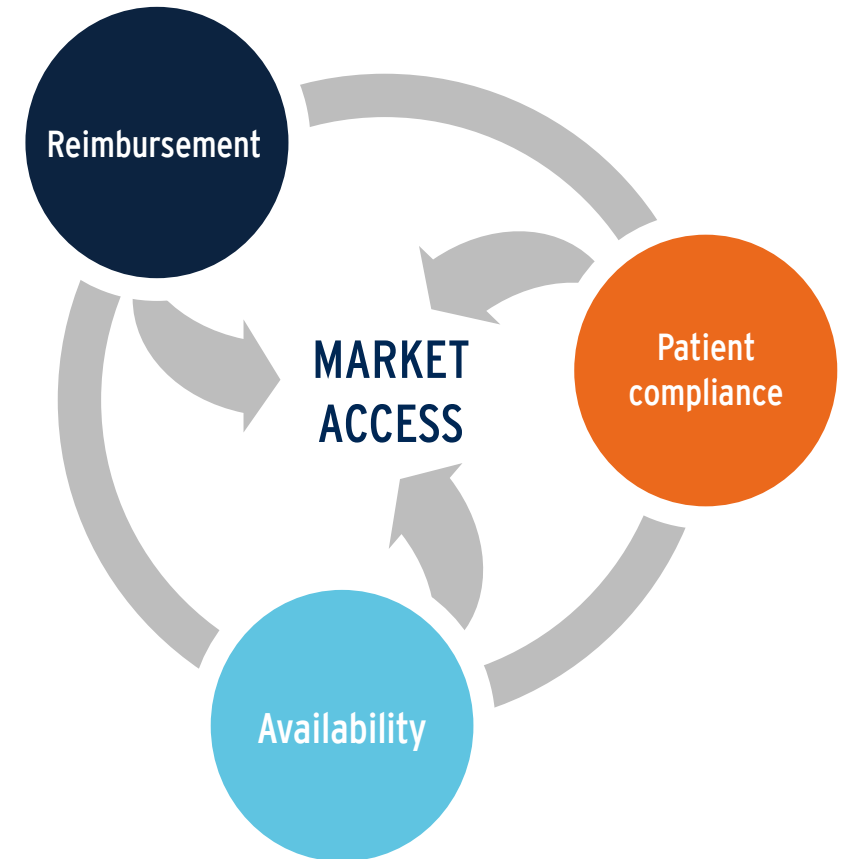
Goal 2025:  
200,000 to 300,000 tubes

Sources:

- 1) IQVIA Xponent data 2019
- 2) Head Group Quantitative Research Study 2020
- 3) MMIT network
- 4) Data on file

# OPTIMIZING XEPI™ MARKET ACCESS

Payors	Copay card	Distribution
<p>Unrestricted access.</p> <p>Over 150 M lives covered (80% of people with commercial insurance).</p>	<p>Program redesigned - effective April 1, 2020:</p> <ul style="list-style-type: none"><li>• rebalances cost-sharing</li><li>• improves profitability</li><li>• minimizes patient abandonment.</li></ul>	<p>Independent Community Pharmacies (ICP) are being added where needed.</p> <p>Alternate distributors in areas underserved are being vetted.</p>



## BIOFRONTERA SHARES

## Key stock information

Listing	Frankfurt	Nasdaq
Ticker symbol	B8F	BFRA
Price per share (as of Sep 22, 2020) 1 ADS = 2 common shares	€3.47 per share	\$8.28 per ADS
52 week high-low	€6.60 - €2.28	\$55.00 - \$5.27
Shares outstanding	44,849,365	
Market cap (as of Sep 22, 2020)	~\$185 M	

## Analyst coverage

Financial institution	Analyst	Rating
Benchmark & Co	Bruce Jackson	buy
Lake Street Capital	Thomas Flaten	buy
sc-consult GmbH	Holger Steffen	hold

CONTACT US

## CONTACT DETAILS



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