Biofrontera

Deep in dermatology

INVESTOR PRESENTATION

Prof. Dr. Hermann Lübbert, CEO

September 2020

FORWARD-LOOKING STATEMENTS AND RISKS

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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, 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

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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, 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	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

WHERE DO WE WANT TO BE IN 5 YEARS?

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1. Revenue: between EUR 200 million and EUR 400 million in 2025
2. Ameluz® has become the PDT and Xepi™ 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® launched in 2025

HOW DO WE WANT TO ACHIEVE OUR GOALS?

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

Growth	Core Markets	R&D	Licensing	Opportunity
With our two prescription drugs Ameluz® and Xepi™ Biofrontera is ideally positioned for continued independent growth.	We focus on our core markets in the EU and the US.	Our research efforts for further development (indication expansions, etc.) are focused on our core drugs Ameluz® and Xepi™.	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).	Albeit not part of the core strategy, in-licensing of or research on additional products when opportunities arise will be taken into consideration.

GROWTH MILESTONES 2016 - 2020

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Approved indication extensions for Ameluz®

- ☑ FDA approval of Ameluz® for the lesion- and field-directed treatment of AK on the face and scalp (May 2016)
- ☑ Treatment of basal cell carcinomas (BCC) in Europe (January 2017)
- ☑ Daylight-PDT for actinic keratosis (AK) in Europe (March 2018)
- ☑ Treatment of AK on extremities and trunk/neck in Europe (March 2020)

Optimize market penetration and positioning

- ☑ Continued revenue growth; 10-fold increase since 2014
- ☑ Establish Ameluz® as the top PDT product in Germany and Spain
- ☑ Include second superiority claim in the Ameluz® EU label (March 2020)
- ☑ Building Biofrontera Inc. and market launch of Ameluz® in the U.S. (2016)
- ☑ Addition of Xepi™ to US-product portfolio through acquisition of Cutanea Life Sciences, Inc. (March 2019)
- ☑ Increased reimbursement coverage for Xepi™ (2019 and ongoing)
- ☑ Ameluz® licensing agreement with Maruho Co., Ltd. for East Asia and Oceania (April 2020)

AMELUZ® IS A GEL FORMULATION FOR TOPICAL USE

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

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

IP
IP on nanoemulsion technology and device

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

AK: BEFORE AND AFTER AMELUZ® PDT

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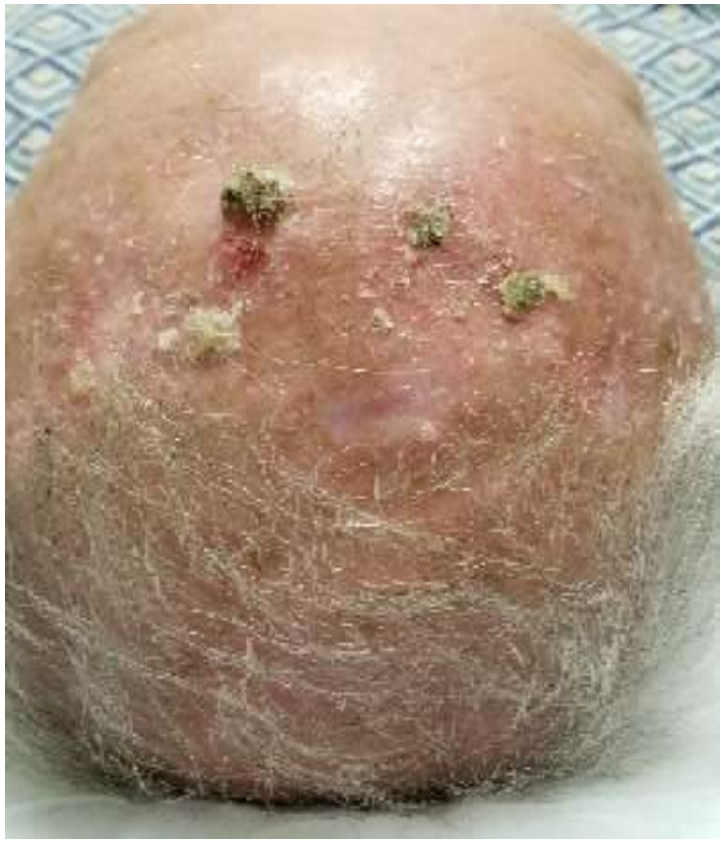
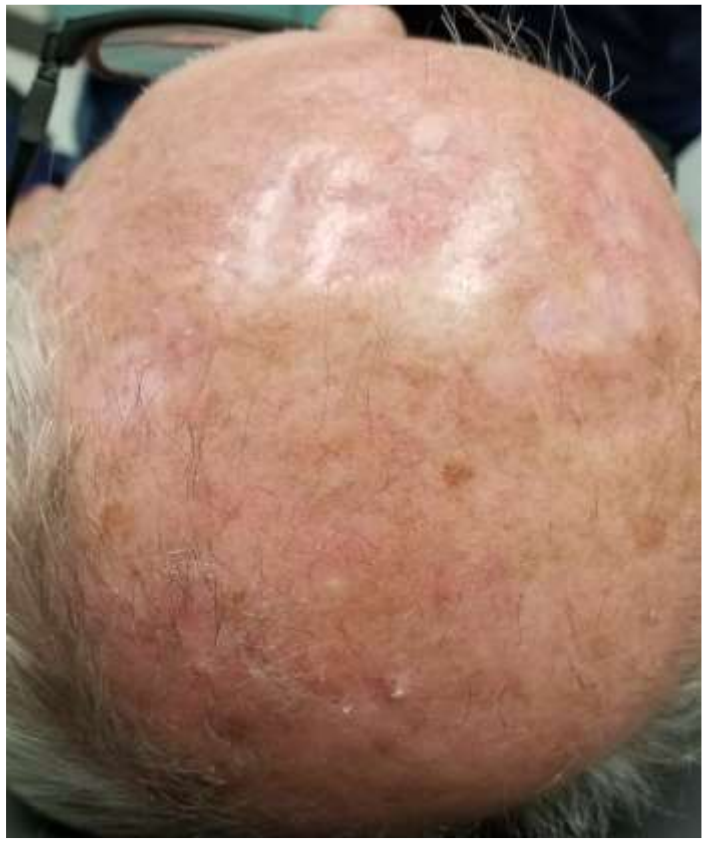


Before treatment



6 weeks post treatment

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

Benefits of Ameluz® 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® MARKET POTENTIAL FOR ACTINIC KERATOSIS

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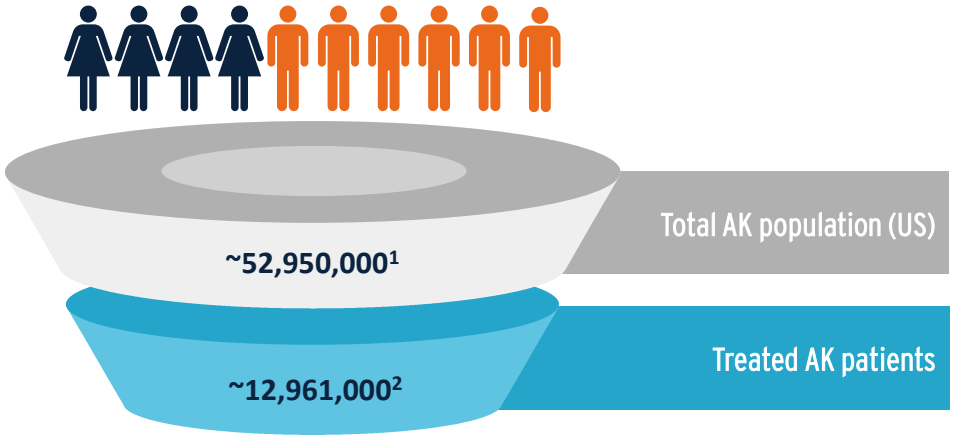
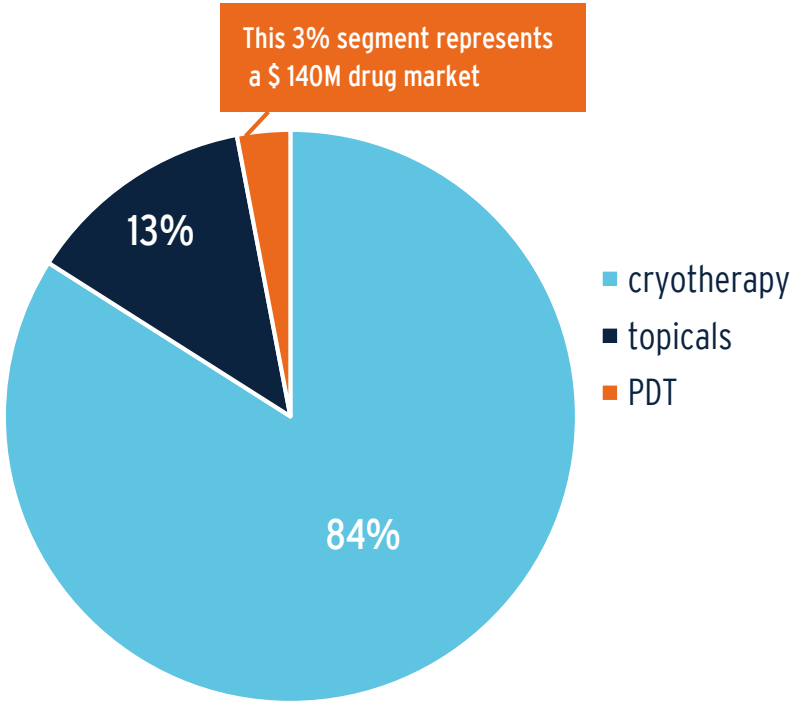
The US is Biofrontera's largest market



24%[2] of AK patients are treated



2019 total PDT[3]:	370,000 to 400,000 PDTs
2019 Ameluz[4]:	~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

COMPETITIVE LANDSCAPE IN THE US

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Only PDT drug approved for field therapy.
Better efficacy.
More convenient application.

Competitive advantages

AMELUZ® [aminolevulinic acid HCl] gel, 10% with BF-RhodoLED®

Competition

One competitor in the PDT market, approved for lesion-directed AK therapy only.

(Levulan Kerastick® by Sun Pharma/Dusa Pharmaceuticals)

US strategy

Achieve broader label and better clinical results than competitor.

Expand PDT market by taking away market share from cryotherapy.

OPTIMIZING THE MARKET POTENTIAL OF AMELUZ® IN THE USA

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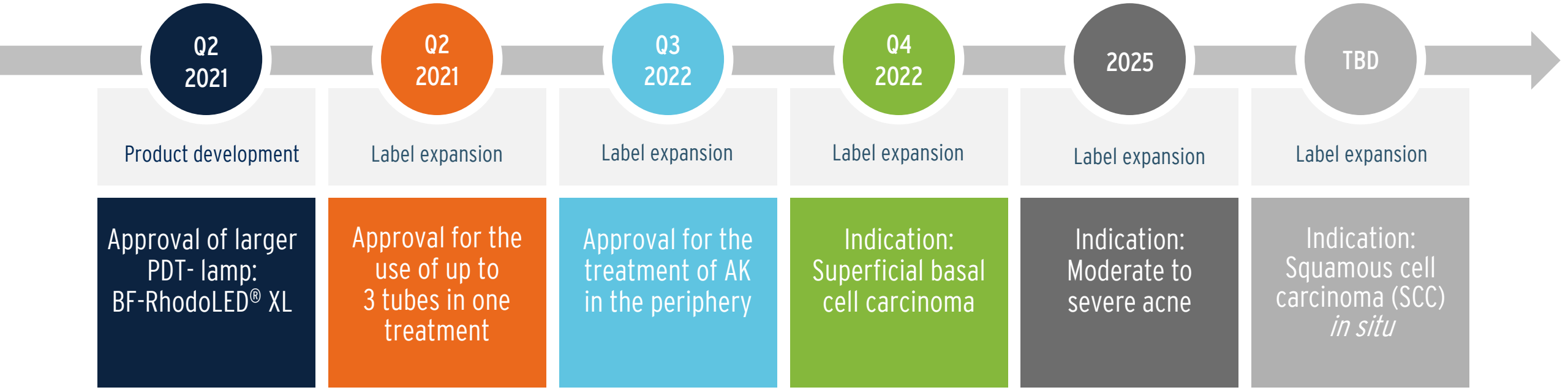

ACTINIC KERATOSIS MARKET IN THE EU

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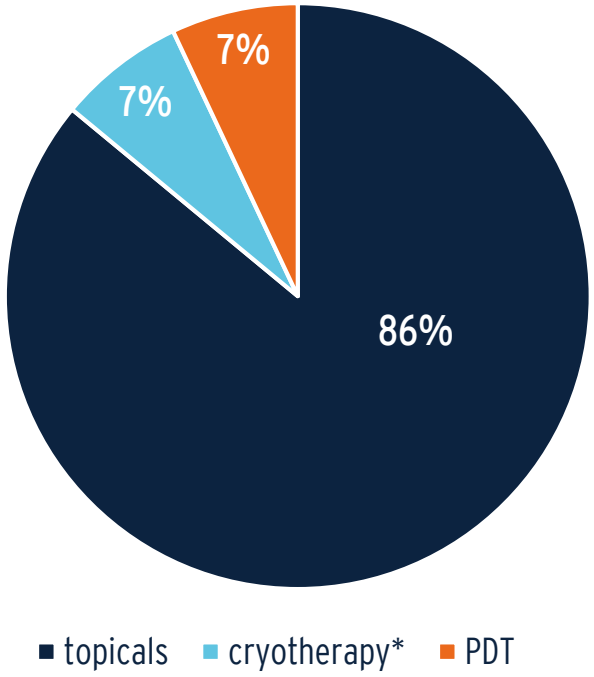
AK market by treatment option



EU market size

2.1 million** prescriptions for AK per year

PDT competition

One relevant competitor in the PDT market (Metvix®/Luxerm®)

- Two superiority claims in the Ameluz® EU label
- Ameluz® is the leading PDT product in Germany and Spain

EU strategy

Expand the PDT market with daylight PDT (dPDT)

- European dermatologists favor topicals due to lack of PDT reimbursement
- Ameluz® dPDT enables reimbursement more easily
- Cryotherapy is unpopular due to perceived poor efficacy, high recurrence rates, bad cosmetic outcome and lack of reimbursement

* Share of cryotherapy estimated since no reliable data available;
**Insight Health data 2016

DEVELOPMENT PIPELINE

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Product	Indication / comments	Territory	Clinical Phase			Submission	Approval	Status
			I	II	III			
Ameluz®	Actinic keratosis (AK), field cancerization	EU/CH	●	●	●	●	●	On market
Ameluz®	AK, lesion- and field-directed	US	●	●	●	●	●	On market
Ameluz®	Basal cell carcinoma	EU/CH	●	●	●	●	●	On market
Ameluz®	AK: Daylight PDT	EU/CH	●	●	●	●	●	On market
Ameluz®	AK: Trunk & extremities	EU	●	●	●	●	●	On market
Xepi™	Impetigo including MRSA	US	●	●	●	●	●	On market
Ameluz®	AK: 3-tube pharmacokinetic study	US	●					FDA submission in H2/2020
BF-RhodoLED® XL	Treatment of larger body regions	US/EU				●		FDA submission in H2/2020
Ameluz®	Basal cell carcinoma	US			●			Phase III ongoing
Ameluz®	Moderate to severe acne	EU/US						Phase II in preparation
Ameluz®	AK: Trunk & extremities	US						Phase III in preparation
Ameluz®	Squamous cell carcinoma *in situ*	EU/US						Phase III in preparation

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

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Exclusive license from Ferrer Internacional SA
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, Inc. in March 2019.

IMPETIGO: BEFORE AND AFTER XEPI™ TREATMENT

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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

XEPI™ COMPETITOR GENERIC MUPIROCIN: MARKET SIZE AND GROWTH

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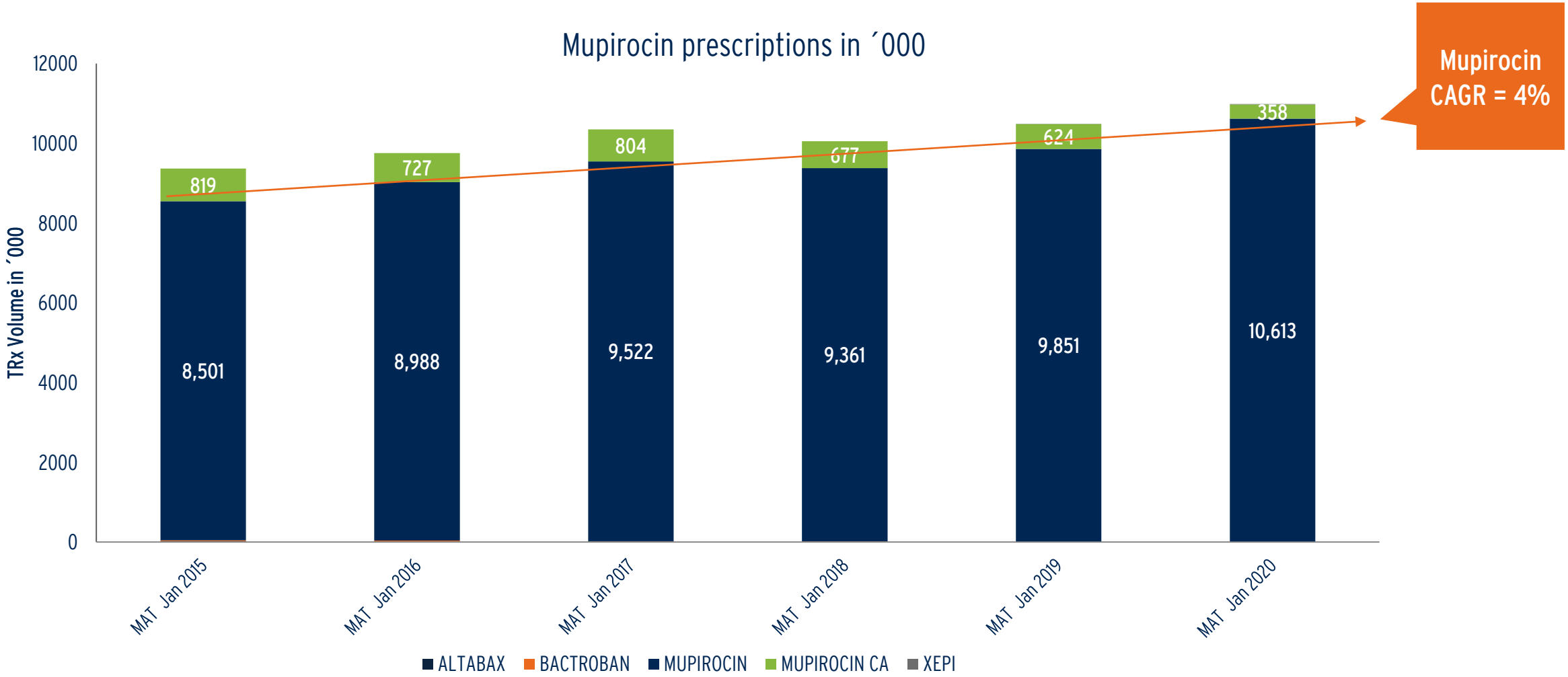

MAT=Moving Annual Total CAGR=Compound Annual Growth Rate

Monthly Module Views- Rx (NPA) - Rx View

MARKET POTENTIAL OF XEPI™ IN DERMATOLOGY ALONE

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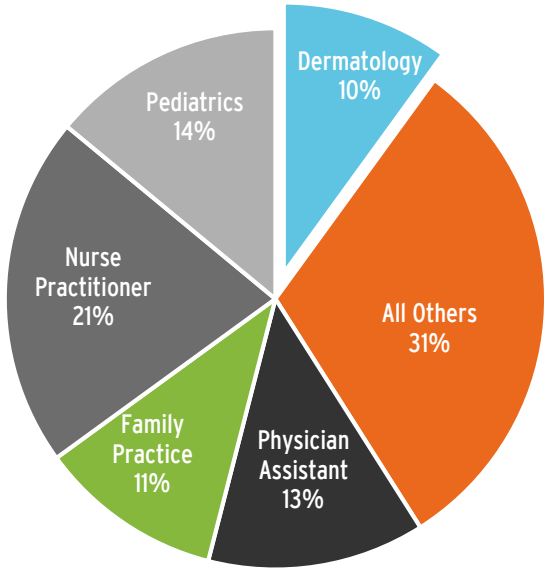
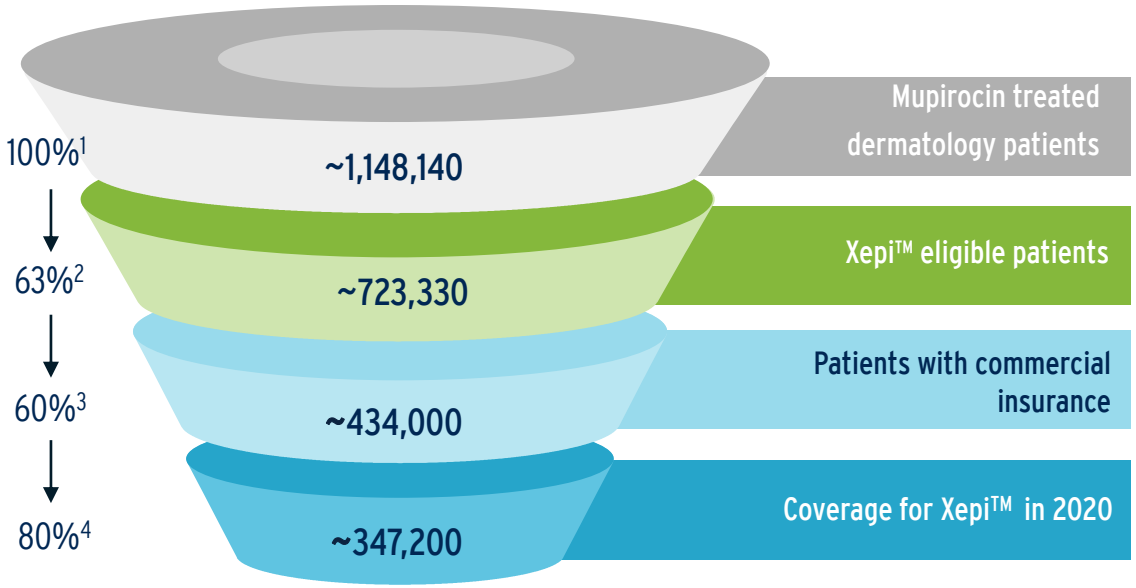
Generic Mupirocin: Utilization by specialty



Xepi™ dermatology patients



Xepi™

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

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Payors

Unrestricted access.

Over 150 M lives covered (80% of people with commercial insurance).

Copay card

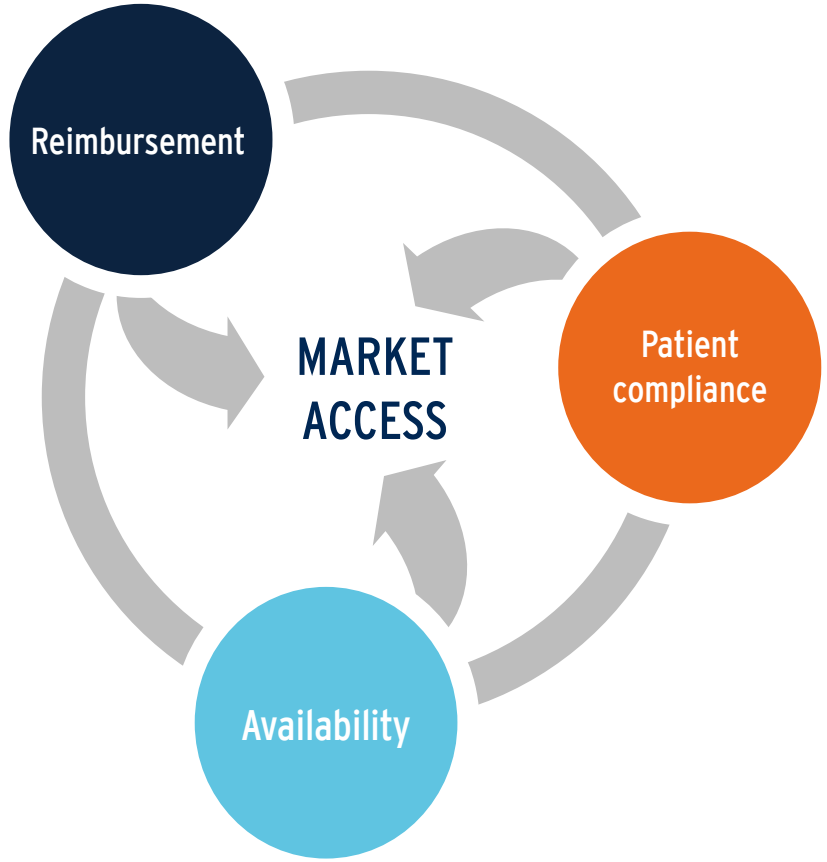
Program redesigned – effective April 1, 2020:

- rebalances cost-sharing
- improves profitability
- minimizes patient abandonment.

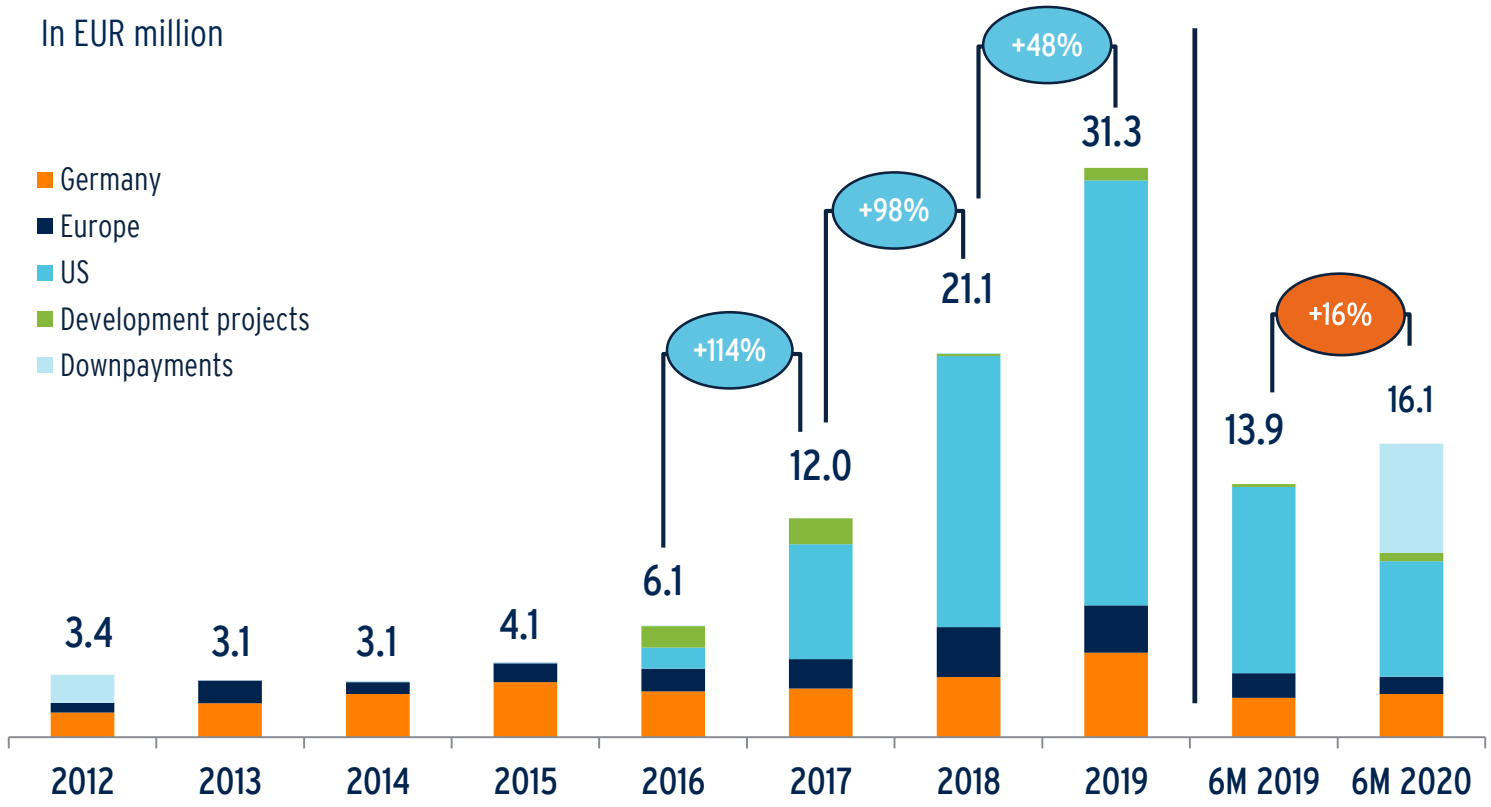
Distribution

Independent Community Pharmacies (ICP) are being added where needed.

Alternate distributors in areas underserved are being vetted.



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

BIOFRONTERA GROUP FINANCIAL RESULTS

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In million EUR (IFRS)

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

BIOFRONTERA SHARES

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Key stock information

Listing	Frankfurt	Nasdaq
Ticker symbol	B8F	BFRA
Price per share (as of Sep 14, 2020) 1 ADS = 2 common shares	€3.67 per share	$6.55 per ADS
52 week high-low	€6.60 - €2.28	$55.00 - $5.27
Shares outstanding	44,849,365	
Market cap (as of Sep 14, 2020)	~$209 M	

Analyst coverage

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

SHARE PRICE PERFORMANCE 2016-2020

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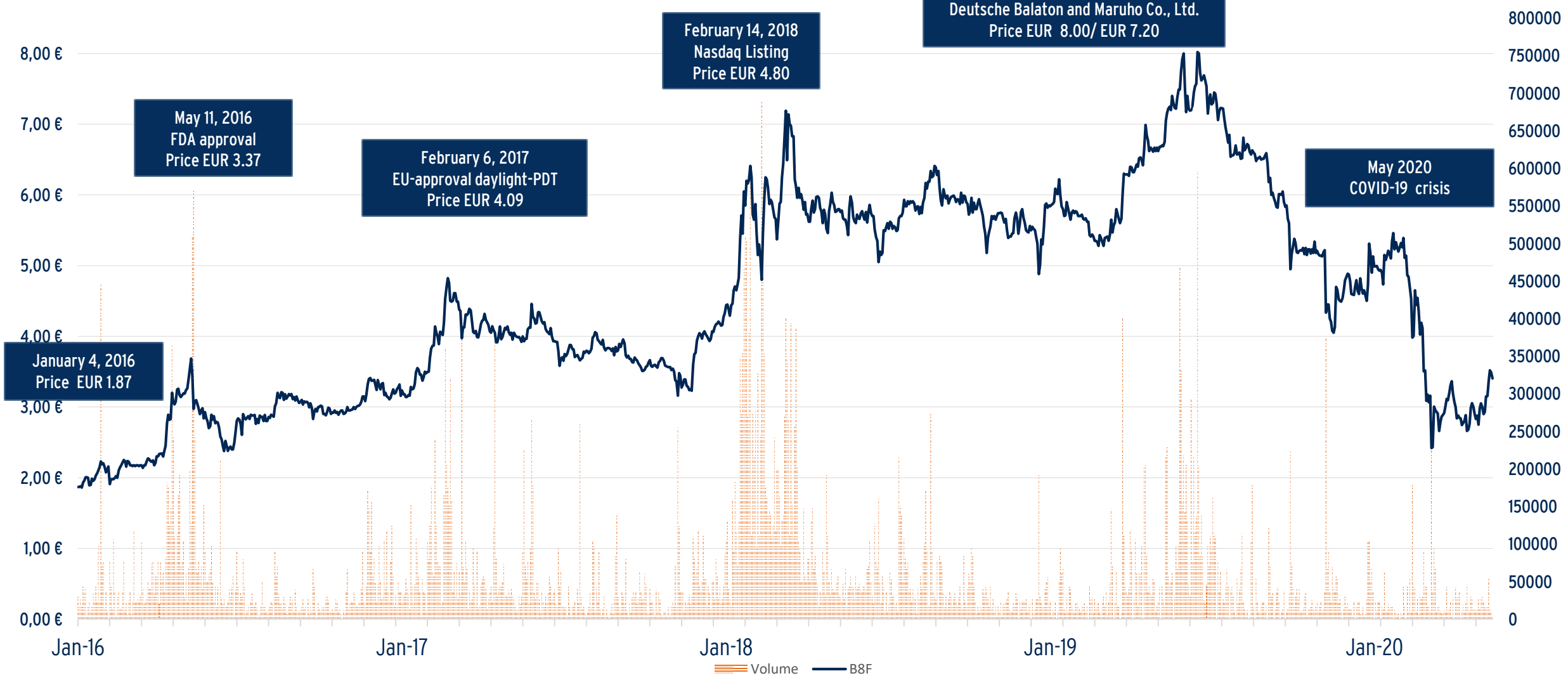

SHAREHOLDER STRUCTURE

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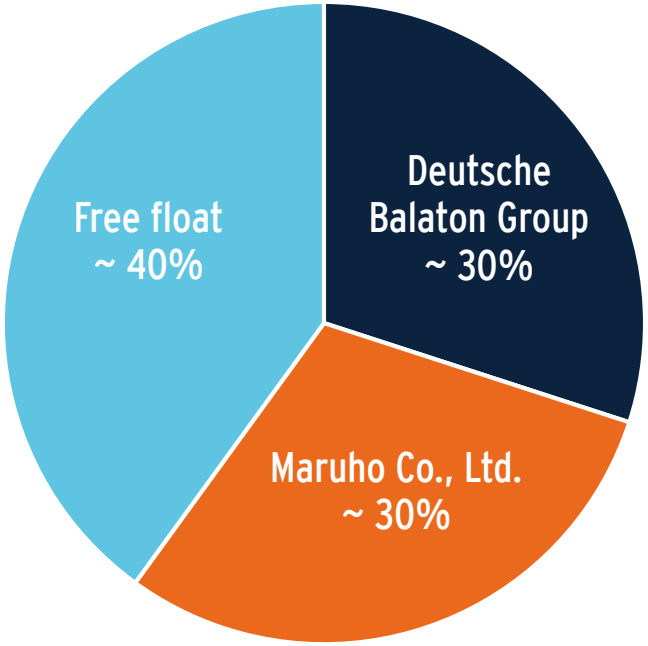

Shares outstanding: 44,849,365

Shareholder structure:

- Two major investors, one institutional and one strategic, each holding just below 30%
- About 40% free float, including institutional investors, family offices and retail investors in Europe and the US

SENIOR LEADERSHIP TEAM

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Prof. Hermann Lübbert, PhD
CEO & Founder

- Founded Biofrontera in 1997
- Extensive experience in academic research in the U.S. and Europe
- 10 years in research management at Sandoz Pharma and Novartis Pharma

Thomas Schaffer
CFO

- 25 years of experience in finance and venture capital
- CFO positions in small and multi-billion dollar businesses in technology and pharmaceuticals

Erica Monaco, CPA
CFO USA

- 15 years experience in finance, accounting and tax
- Previous positions within public accounting, non-profit and pharmaceutical leadership

Christopher Pearson
CCO USA

- 22 years experience in sales, marketing, corporate strategy and business development
- Held leadership positions in global pharmaceutical and biotech companies

Montserrat Foguet, PhD
Senior VP Reg. Affairs and Production

- Over 30 years in the pharmaceutical industry
- Founding member of Biofrontera
- PhD of the University of Basel, Switzerland

CONTACT DETAILS

Biofrontera
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