

- English convenience translation -

Employees' Opinion

**pursuant to Section 27 (2) of the German Securities Acquisition and Takeover Act
(WpÜG)**

concerning the voluntary public tender offer in the form of a partial offer

by

Deutsche Balaton Biotech AG and DELPHI Unternehmensberatung Aktiengesellschaft

Heidelberg, Deutschland,

to the shareholders of

Biofrontera AG

to acquire up to 500,000 ordinary registered shares against payment of a cash consideration of EUR 7.20 as well as the transfer of a warrant pursuant to the terms of the offer document

On 27 June 2019, the employees of Biofrontera AG and, to the extent specified below, of its subsidiaries, issued their own employees' opinion pursuant to Section 27 (2) of the German Securities Acquisition and Takeover Act (WpÜG) concerning the public purchase offer in the form of a partial offer ("**Offer**") of Deutsche Balaton Biotech AG and of DELPHI Unternehmensberatung Aktiengesellschaft (hereinafter referred to together as the "**Bidder**", or with its affiliated companies as the "Deutsche Balaton Group") to the shareholders of Biofrontera AG ("Biofrontera"), or with its associated companies as the "Biofrontera Group") for the partial purchase of up to 500,000 ordinary registered shares of Biofrontera AG.

We comment on the Offer as follows:

Last year, the employees of Biofrontera AG and its German subsidiaries had already commented on the then tender offer of the Deutsche Balaton Group and rejected the Offer in its entirety. We continue to reject the renewed offer, as well as the intended changes to the Supervisory Board and thereby indirectly the changes to the Management Board of Biofrontera AG, which the Deutsche Balaton Group is striving for, in their entirety. We refer to the reasons given in our opinion in 2018 to the first offer. Once again, we call on Mr. Zours and the German Balaton Group to refrain from further tricks with the aim of taking control of Biofrontera.

In our previous statement on last year's partial tender offer of the Deutsche Balaton Group in 2018, we have already stated that we are convinced that the actions of Mr. Zours and his

companies in the Deutsche Balaton Group contradict the respectful and value-oriented corporate philosophy that we cultivate within the Biofrontera Group. This assessment was clearly confirmed last year, not least by the events at our Annual General Meeting. In particular by the absolutely contemptuous, arrogantly condescending and thereby shameful treatment of employee shareholders by the representatives of the Deutsche Balaton Group.

In our opinion, the ongoing public defamation of individual Management Board members and the questioning, without identifiable expertise, of business decisions only follows the goal of destabilizing the Company. We continue to strictly reject these activities on the part of the Deutsche Balaton Group under the direction of Mr. Zours, which in our opinion have sometimes been conducted on the margins of legality with the aim of acquiring control. It can be assumed that the loss of expertise induced by Zours/Deutsche Balaton Group will lead to commercial failure and ultimately to the destruction of the Company. In our view, the successful establishment of the company by committed employees and members of the Management Board, as well as the resulting long-term creation of shareholder value, would be discontinued if Zours/Deutsche Balaton Group were to assert itself. This is especially the case now that Biofrontera AG has its sights set on becoming break-even and is on its way to become profitable.

A cooperation with the Deutsche Balaton Group is completely out of question for a considerable proportion of the employees, with the consequence of a mass exodus of highly qualified employees, which would jeopardize Biofrontera as a going concern. In particular, the loss of important key personnel, which must be covered professionally in a pharmaceutical company of any size, is at risk of occurring.

Many employees of the Biofrontera Group are shareholders themselves. None of the signatories to this Opinion, who are also shareholders of Biofrontera AG, will accept the Offer of the Deutsche Balaton Group. At the Annual General Meeting we will vote for the management's resolutions and against the Deutsche Balaton Group's resolutions.

We, who help to shape the work and success of the Biofrontera Group on a daily basis, continue to stand behind the active members of the Management Board. For this reason, we appeal to all shareholders of our company to support us and NOT to accept the Deutsche Balaton Group's Offer.

We confirm this with our signatures below.

Leverkusen, 27 June 2019

Name/signature	Employee of (please state the employing company)
100% of the employees*	Biofrontera AG
100% of the employees*	Biofrontera Bioscience GmbH
100% of the employees in Germany*	Biofrontera Pharma GmbH

*The lists of the signatures are available to the Company.