

Supplement No. 1

of 1 November 2016

to the

Securities Prospectus dated 31 October 2016 for the public offering in Germany and Luxembourg of

5,012,950 no-par registered shares

- each with a notional participation in the registered share capital of EUR 1,00 per no-par share and with dividend rights from 1 January 2016 on -

and

for the admission to the regulated market of the Düsseldorf Stock Exchange and to the regulated market with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (“Prime Standard”) of the Frankfurt Stock Exchange

of

up to 5,012,950 no-par registered shares

- each with a notional participation in the registered share capital of EUR 1,00 per no-par share and with dividend rights from 1 January 2016 on -

of

Biofrontera Aktiengesellschaft

Leverkusen

International Securities Identification Number (ISIN): DE0006046113

German Securities Identification Number (WKN): 604611

Stock Ticker Symbol: B8F

Supplement

pursuant to section 16(1) WpPG

of Biofrontera AG, Hemmelrather Weg 201, 51377 Leverkusen („**Issuer**“) of 1 November 2016 („**Supplement No. 1**“) to the securities prospectus dated 31 October 2016 regarding the public offer of shares and admission of shares to a regulated market („**Prospectus**“). The Prospectus was published on 31 October 2016 on the website of the Issuer under www.biofrontera.com.

Subject of the Prospectus is an public offering in Germany and Luxembourg of 5,012,950 no-par registered shares from the capital increase of the Issuer resolved on 31 October 2016, each with a notional participation in the registered share capital of EUR 1,00 per no-par share and with dividend rights from 1 January 2016 on (“**New Shares**”), and the admission to the regulated market of the Düsseldorf Stock Exchange and to the regulated market with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange of up to 5,012,950 New Shares.

Right to withdraw

Pursuant to section 16(3) WpPG, investors who have already agreed to subscribe for New Shares under the Prospectus, have the right to withdraw their declaration of subscription within a period of two working days from the date of publication of this Supplement No. 1, provided that the new factor, mistake or inaccuracy referred to in Section 16(1) WpPG arose before the final closing of the offer to the public and the delivery of the securities. Timely dispatch of notice is sufficient to comply with the notice period.

The withdrawal must be declared in text form to Bankhaus Gebr. Martin Aktiengesellschaft, Kirchstraße 35, 73033 Göppingen, Germany, Telefax +49 (0)7161 969317, acting as settlement agent for Lang & Schwarz Broker GmbH, Breite Str. 34, 40213 Düsseldorf, Germany.

Important Notice

This Supplement No. 1 shall only be distributed in connection with the Prospectus (as supplemented).

The Issuer and Lang & Schwarz Broker GmbH, Breite Strasse 34, 40213 Düsseldorf, hereby confirm that the Prospectus (as supplemented) contains all information which is material, that the information contained therein is accurate in all material respects and is not misleading; that there are no other facts, the omission of which would make the Prospectus (as supplemented) as a whole or any such information misleading in any material respect and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

Save as disclosed herein and in the Prospectus (as supplemented), there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus (as supplemented) since the date of this Supplement No. 1.

Reasons giving rise to this Supplement No. 1

The reasons giving rise to this Supplement No. 1 are:

1. Offer of convertible bonds

After the approval of the Prospectus, on 31 October 2016, the management board of the Issuer has resolved, with the approval of the Supervisory Board, to issue up to 49,990 subordinate convertible bonds with a nominal amount of EUR 100 each and in a total nominal amount of EUR 4,999,000.

2. Backstop agreements

After the approval of the Prospectus, on 31 October 2016, the Isser has received binding commitments from investors, under which they will undertake to acquire New Shares and/or Bonds in a total amount of EUR 14.8 million.

Replacement Information pertaining to the Prospectus

These new factors result in the following amendments to the Prospectus:

1. Offer of convertible bonds

- a. Supplemental and replacement information pertaining to element B.11 of the summary of the Prospectus*

In element B.11 of the summary of the Prospectus, p. 11, the following information

“In particular, the Issuer’s management is currently in negotiations with several investors regarding the subscription of convertible bonds in a total amount of approximately EUR 10 million. At the date of this prospectus, the Issuer’s management is optimistic that such bonds can be placed with new investors and existing shareholders. However, no binding purchase / subscription orders have yet been made.”

should be replaced as follows:

“In particular, the Issuer has resolved on 31 October 2016 to issue a convertible bond for a total issue price of EUR 4,999,000. The Issuer’s management is furthermore in negotiations with Investors regarding the subscription of convertible bonds in a further amount of approximately EUR 5 million.”

b. Supplemental and replacement information pertaining to element B.6 of the German language translation of the summary of the Prospectus:

In element B.6 of the German language translation of the summary of the Prospectus, p.35, the following information

„Insbesondere ist der Vorstand der Emittentin derzeit in Verhandlungen mit mehreren Investoren betreffend die Abnahme von Wandelanleihen in einem Gesamtbetrag von ca. EUR 10 Mio. Zum Datum dieses Prospekts ist der Vorstand optimistisch, dass solche Anleihen bei neuen Investoren und bestehenden Aktionären platziert werden können. Es wurden bislang allerdings noch keine bindenden Kauf- oder Bezugsvereinbarungen geschlossen.“

should be replaced as follows:

“Insbesondere hat die Emittentin am 31. Oktober 2016 beschlossen, eine Wandelanleihe in einem Gesamtausgabebetrag von EUR 4.999.000 zu begeben. Der Vorstand der Emittentin ist derzeit darüber hinaus in Verhandlungen mit mehreren Investoren betreffend die Abnahme von Wandelanleihen in einem weiteren Gesamtbetrag von ca. EUR 5 Mio.“

c. Supplemental and replacement information pertaining to heading 7.4 of the Prospectus:

Under the heading 7.4, Working capital statement, p. 130 of the prospectus, the following information

„The Issuer will strive to cover the remaining part of the shortfall with equity or debt capital measures. In particular, the Issuer’s management is currently in negotiations with several investors regarding the subscription of convertible bonds in a total amount of approximately EUR 10 million. At the date of this prospectus, the Issuer’s management is optimistic that such bonds can be placed with new investors and existing shareholders. However, no binding purchase / subscription orders have yet been made.“

should be replaced as follows:

“In particular, the Issuer has resolved on 31 October 2016 to issue a convertible bond for a total issue price of EUR 4,999,000. The bonds mature on December 31, 2020. Each Bond may, subject to the terms and conditions of the Bonds, be converted into ordinary shares of the Company at a calculatory participation in the registered capital of EUR 1.00 and dividend rights from the year of the issue. The conversion price will initially be EUR 3.00 per share, from January 1, 2017 EUR 4.00 per share and from January 1, 2018 EUR 5.00 per share.

The Issuer’s management is furthermore in negotiations with Investors regarding the subscription of convertible bonds in a further amount of approximately EUR 5 million.“

2. Backstop agreements

Under the heading 5.11, Intentions of major shareholders, p. 92 of the prospectus, the following information

„The Issuer is not aware of the extent to which major shareholders intent to participate in the capital increase, or whether any person intends to subscribe for more than 5 % of the Offer.“

should be replaced with

“Several investors, including a shareholder, intend to participate in the capital increase, and have committed to subscribe for more than 5 % of the capital increase.”

Signature Page

Leverkusen, November 2016

Biofrontera AG

(signed) Prof. Dr. Hermann Lübbert

Chairman of the Management Board

Biofrontera AG

(signed) Thomas Schaffer

Member of the Management Board

Biofrontera AG

(signed) Christoph Dünwald

Member of the Management Board

Düsseldorf, November 2016

Lang & Schwarz Broker GmbH

(signed) Peter Zahn

Managing Director