

**Supplement No. 2**

of 7 February 2018

to the

Securities Prospectus dated 29 January 2018 for the public offering in Germany and Luxembourg of

**6,000,000 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 2017 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 7 February 2018 („**Supplement No. 2**“) to the securities prospectus dated 29 January 2018 regarding the public offer of shares and admission of shares to a regulated market („**Prospectus**“). The Prospectus was published on 29 January 2018 on the website of the Issuer under www.biofrontera.com.

Subject of the Prospectus is an public offering in Germany and Luxembourg of 6,000,000 no-par registered shares from the capital increase of the Issuer resolved on 29 January 2018, 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**”).

#### **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. 2, 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. 2 shall only be distributed in connection with the Prospectus (as supplemented).

The Issuer hereby confirms 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. 2.

## **Reasons giving rise to this Supplement No. 2**

The reason giving rise to this Supplement No. 2 is:

### **Lawsuit by Deutsche Balaton AG**

On 23 January 2018, the Issuer was informed by the Cologne District Court that Deutsche Balaton AG has initiated a proceeding pursuant to sec. 142 paragraph 2 AktG to appoint a special auditor. A description of the lawsuit had been included into a registration document which the Issuer has published in the US on 6 February 2018, after the publication of the Prospectus. The Issuer wishes to avoid inconsistencies between the US registration document and the German prospectus.

## **Replacement Information pertaining to the Prospectus**

This factor results in the following amendments to the Prospectus:

1. Supplemental information pertaining to heading 9.15 - Legal and arbitration proceedings - of the Prospectus

Under heading 9.15 – Legal and arbitration proceedings – of the Prospectus, the following paragraph should be amended after the second paragraph:

“On 23 January 2018, the Issuer was informed by the Cologne District Court that Deutsche Balaton AG has initiated a proceeding pursuant to sec. 142 paragraph 2 AktG to appoint a special auditor. The subject of a special audit can only be specific business management measures and determinations if the management has committed a breach of duty in this regard. The subject of this special audit would be the collaboration and partnership agreement between Biofrontera Group and Maruho entered into in July 2016. The Issuer’s annual shareholders meeting held in May 2017 had already rejected a similar action for a special audit brought forward at that meeting. The court may only appoint the special auditor if, according to the court's assessment, facts exist that justify the suspicion that dishonesty or gross violations of the law or of the articles of association have occurred. If any conclusions are reached by a special auditor, they primarily may be the legal basis for a liability of management with respect to the Issuer. Under certain circumstances the special auditor may also inquire into the liability of the company with respect to third parties. Regarding the present request for a special auditor, the Issuer has no indication of any breach of duty by the management board and, therefore, although there can be no assurance, expects no material impact on Biofrontera Group’s financial position or profitability in connection with such request, whether or not it is granted by the court.”