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Bidding process pursuant to Section 10, 29, 35 of the German Securities Acquisition and Takeover Act (WpÜG)

Heidelberger Beteiligungsholding AG: Takeover Bid

Heidelberger Beteiligungsholding AG ./ Biofrontera AG

Heidelberg (pta027/28.01.2020/20:05) - THE INFORMATION PROVIDED IN THIS DOCUMENT IS NOT INTENDED FOR COMPLETE OR PARTIAL DISTRIBUTION, PUBLICATION, OR TRANSMISSION TO, WITHIN, OR FROM COUNTRIES IN WHICH DISTRIBUTION, PUBLICATION, OR TRANSMISSION OF THIS KIND WOULD REPRESENT A VIOLATION OF THE RELEVANT LEGAL PROVISIONS OF THESE COUNTRIES.

Publication of the decision to submit a public takeover bid pursuant to Section 10 (1) in conjunction with Sections 29 (1), 34 of the German Securities Acquisition and Takeover Act (WpÜG).

Bidder:

Heidelberger Beteiligungsholding AG
Ziegelhäuser Landstraße 1
69120 Heidelberg, Germany

entered in the Commercial Register at Mannheim District Court under HRB 338007
ISIN: DE000A2NB502, WKN: A2NB50
ISIN: DE000A254294, WKN: A25429 (following technical implementation of the capital reduction)

Target company:

Biofrontera AG
Hemmelrather Weg 201
51377 Leverkusen, Germany

entered in the Commercial Register at Mannheim District Court under HRB 49717
ISIN: DE0006046113, WKN 604611

Heidelberger Beteiligungsholding AG ("Heidelberger") today resolved to make an offer to all shareholders of Biofrontera AG ("Biofrontera") to acquire the Biofrontera shares registered in their name within the scope of a voluntary public takeover bid in the form of an exchange offer (the "offer"). Subject to the final determination of the minimum price in the offer document, Heidelberger intends to offer the shareholders (following technical implementation of the capital reduction) around 0.0588 Heidelberger shares per Biofrontera share. This corresponds to a share exchange ratio of one Heidelberger share (following technical implementation of the capital reduction) to 17 Biofrontera shares.

The capital reduction entered in the Commercial Register of Heidelberger Beteiligungsholding AG on January 24, 2020 will be technically implemented on the stock exchange in the next few days. In other words, 5 shares in Heidelberger will be merged to one share in Heidelberger, and this will be implemented on the stock exchange in the next few days.

The new shares in Heidelberger to be created as a result of the takeover bid will have dividend rights as of January 1, 2020. The Heidelberger shares offered are to be created by way of an increase in capital stock, using the authorized capital of Heidelberger pursuant to Section 4 of the articles of association (by means of a resolution of the Executive Board at Heidelberger and consent of its Supervisory Board).

The offer is likely to be subject to a minimum acceptance quota, whereby at least 3% of the shares in Biofrontera AG must be submitted in order to qualify for the offer.

The American Depositary Shares (ADS) issued by Biofrontera are expressly not included in the offer. Holders of ADS must ensure that their ADS are exchanged for Biofrontera shares, so that they can then take up the offer using their exchanged Biofrontera shares.

The final conditions of the offer are set out in the complete offer document.

In addition to this, Heidelberger has today concluded a voting trust agreement with selected shareholders in Biofrontera, Deutsche Balaton AG, DELPHI Unternehmensberatung AG, Deutsche Balaton Biotech AG, SPARTA AG, Prisma Equity AG, and ABC Beteiligungen AG with regard to joint exercising of voting rights resulting from shares in Biofrontera.

The offer document and further communications concerning the offer are all available on the internet at

<https://www.heidelberger-beteiligungsholding.de/uebernahmebiofrontera/>.

Important note

This communication represents neither an offer to purchase nor a request to submit an offer to purchase Heidelberger or Biofrontera shares. The final conditions and further provisions affecting the offer will be provided in the offer document once publication approval has been granted by the German Federal Financial Supervisory Authority (BaFin).

Investors and holders of Biofrontera shares are strongly encouraged to read the offer document, as well as all other announcements in the context of the offer as soon as these have been declared, as they contain important information.

Subject to the exceptions described in the offer document, as well as any potential exemptions to be issued by the respective supervisory authorities, an offer will not be made either directly or indirectly in those jurisdictions in which this would represent a violation of the respective national law.

The Heidelberger shares which are to be transferred as consideration to Biofrontera shareholders (the "offer shares") have not been and will not be registered in accordance with the United States Securities Act of 1933 in the respective applicable version ("Securities Act")

or in accordance with the applicable securities laws of a state, district, or indeed any other law of the United States of America. The offer shares must not be offered, sold, or delivered either directly or indirectly to Biofrontera shareholders that are based in the United States of America ("US shareholders") or to representatives, nominated persons, trustees, depository banks, or any other persons acting for the account or benefit of US shareholders, insofar as they are not registered pursuant to the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with the applicable state securities laws of the United States of America, or are within the scope of a transaction that is not subject to these. The offer shares are offered in the United States of America in connection with the exemption from the registration requirements provided in Rule 802 of the Securities Act.

The offer is made in accordance with the applicable regulatory, disclosure, and procedural requirements pursuant to German law, including rights of withdrawal, the offer schedule, and the settlement process, which deviate from those provided in the US takeover regulations and laws.

Holders of Biofrontera shares should be aware that Heidelberger reserves the right, insofar as this is permitted under applicable law and is performed in accordance with German market practice, to acquire securities either directly or indirectly from Biofrontera or to conclude corresponding agreements beyond the scope of the offer during or after expiry of the standard or extended acceptance period. This also applies equally to other securities that grant a direct conversion/exchange right or an option right to Biofrontera shares. These acquisitions can be performed over the stock exchange at market prices or outside the stock exchange at negotiated conditions. All information on these acquisitions is published, insofar as this is required by the law of the Federal Republic of Germany or any other relevant and applicable legal order.

The transaction described in this document refers to securities of German companies. Information that is disseminated in the context of the transaction is subject to the disclosure requirements of the Federal Republic of Germany, which differ from those in the United States of America.

It can be difficult for the shareholders to assert their rights and entitlements resulting from the US securities laws, as Biofrontera is located in a non-US jurisdiction and both its executives and board members can be based in non-US federal states.

Insofar as this document contains forward-looking statements, these do not represent facts and are characterized by terms/expressions such as 'likely to', 'anticipate', 'believe', 'estimate', 'intend', 'consider', 'strive for', 'assume that', and similar. These statements are used to express the intentions, viewpoints, or current expectations and assumptions of Heidelberger and the persons acting jointly with it. The forward-looking statements are based on current planning, estimates, and forecasts that Heidelberger and the persons acting jointly with it have produced to the best of their knowledge. However, no assurance of any kind is given that such statements will prove accurate in future. Forward-looking statements are subject to risks and uncertainties that are typically difficult to predict and generally do not fall in the sphere of influence of Heidelberger or the persons acting jointly with it. It should therefore be noted that the actual results or consequences encountered can deviate significantly from the events stated or described in the forward-looking statements.

Heidelberg, January 28, 2020

Heidelberger Beteiligungsholding AG
Executive Board

Type of announcement:

Decision to submit a takeover bid (Section 10 (1), 29 of the German Securities Acquisition and Takeover Act (WpÜG))

Bidder company:

Heidelberger Beteiligungsholding AG
Ziegelhäuser Landstraße 1
69120 Heidelberg, Germany

Target company:

Biofrontera AG
DE0006046113

Publication-related disclosures:

Day of the decision: January 28, 2020

Offer document on the internet:

<http://www.heidelberger-beteiligungsholding.de/uebernahmebiofrontera>

Voting right share:

0.00002%

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Stock exchanges:	Regulated market in Frankfurt, Munich; Open market in Düsseldorf, open market in Stuttgart; open market in Berlin
ISIN(s):	DE0006046113 (target company), DE000A2NB502 (share)