MagForce AG announces successful capital increase of the subsidiary MagForce USA, Inc.

Berlin, Germany, and Nevada, USA, August 8, 2018 - MagForce AG (Frankfurt, Scale, Xetra: MF6, ISIN: DE000A0HGQF5), a leading medical device company in the field of nanomedicine focused on oncology, today announced the successful completion of a capital increase of its subsidiary MagForce USA, Inc. The capital increase was carried out by exercising 700,000 subscription rights of MagForce USA, Inc. and by issuing 166,666 new shares in MagForce USA, Inc. The subscription rights were issued in 2014 to US investors as part of a growth financing round and had a term limit of four years. There are no outstanding subscription rights remaining after the exercise. The issuance of a total of 866,666 new shares will generate gross proceeds of approximately USD 9.0 million for MagForce USA, Inc. The new MagForce USA, Inc. shares were subscribed by a new US investor.

Following the issue of the new shares, MagForce AG holds 67.9 percent of the shares in MagForce USA, Inc. and will continue to retain a majority ownership position in the US subsidiary. Post transaction ownership structure MagForce USA, Inc.: MagForce AG 67.9 percent, Lipps & Associates 17.0 percent, other US investors 15.1 percent.

Proceeds from the capital increase will be used to finance the initiated pivotal clinical trial in the USA with NanoTherm Therapy for focal tumor ablation in intermediate risk prostate cancer and associated business operations.

“The exercise of the subscription rights shows our US investors’ trust in MagForce’s NanoTherm therapy. This funding will allow MagForce USA, Inc. to demonstrate that NanoTherm therapy can be successfully applied with minimal side effects for focal prostate cancer ablation. The aim is to destroy carcinogenic lesions, thus allowing patients to remain in ‘Active Surveillance Programs’ and avoid definitive treatments, such as surgical resection or radiation of the entire prostate, which are accompanied by its well-known side effects. The inclusion of the first patient in the pivotal clinical trial that we recently announced was a very important milestone. I am very optimistic regarding the US market, which offers great market potential for the treatment of prostate cancer,” commented Ben J. Lipps, CEO of MagForce AG and Managing Director of MagForce USA, Inc. “Upon successful completion of the trial, the first commercial treatment of prostate cancer patients with our NanoTherm therapy is projected to begin in late fourth quarter of 2019.”

About Active Surveillance Programs
Within the past two decades, Active Surveillance Programs have been developed in the USA to follow the slow growth of Prostate Cancer in order to avoid the side effects of definitive therapy (radiation or surgery), for as long as possible. Currently, there are over 250 Active Surveillance Programs in the USA. Active Surveillance is the merging of watchful waiting and active management into a program that is interactive for the patient,
ultimately allowing a man diagnosed with Prostate Cancer to monitor his disease and have the highest quality of life possible while delaying or even completely avoiding invasive treatments.

For the past decade, these Active Surveillance Programs have been seeking a focal therapy which would ablate the small tumors that have progressed to the intermediate risk stage because approximately 60% of the patients in Active Surveillance Programs who have participated in these programs for an extended period of time require definitive therapy such as whole gland surgery or radiation.

About MagForce AG and MagForce USA, Inc.
MagForce AG, listed in the Scale segment of the Frankfurt Stock Exchange (MF6, ISIN: DE000A0HGQF5), together with its subsidiary MagForce USA, Inc. is a leading medical device company in the field of nanomedicine focused on oncology. The Group’s proprietary NanoTherm® therapy enables the targeted treatment of solid tumors through the intratumoral generation of heat via activation of superparamagnetic nanoparticles.

NanoTherm®, NanoPlan®, and NanoActivator® are components of the therapy and have received EU-wide regulatory approval as medical devices for the treatment of brain tumors. MagForce, NanoTherm, NanoPlan, and NanoActivator are trademarks of MagForce AG in selected countries.

For more information, please visit: [www.magforce.com](http://www.magforce.com)
Get to know our Technology: [video (You Tube)](https://www.youtube.com)

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