

Corporate News

June 08, 2015

MagForce AG Publishes its Second Shareholder Letter 2015

Berlin, Germany, and Nevada, USA, June 08, 2015 - MagForce AG (Frankfurt, Entry Standard, XETRA: MF6, ISIN: DE000A0HGQF5), a leading medical device company in the field of nanomedicine focused on oncology, today published its second Shareholder Letter 2015:

"Dear MagForce Shareholders,

I am pleased to report that we continue to make progress toward achieving our 2015 targets.

Brain Cancer NanoTherm™ Therapy at MagForce AG

Installation of additional NanoActivator® devices in Germany to treat Brain Cancer: The installation process of NanoActivator® devices in the world class hospitals in Frankfurt and Cologne has been completed. The installation of the sixth NanoActivator® at the University Hospital at Göttingen is on schedule and expected to be operational in the third quarter of 2015. At the end of the year we will have six devices operational in Germany and additional centers trained to perform the instillation of the nanoparticles, giving us sufficient capacity to complete enrollment in our Post Marketing Glioblastoma Study and as well as to accomplish our commercial treatment targets through 2017.

Commercial NanoTherm™ treatments have been performed at three of the NanoActivator® clinics so far, providing the opportunity for the medical staff at these sites to determine the optimum medical application of NanoTherm™ for the treatment of brain tumors. NanoTherm™ therapy has CE certifications for the treatment of all Brain Cancers in contrast to the Post Marketing Study, which focuses on recurrent Glioblastoma, a single and highly malignant form of brain tumor. At the beginning of commercial treatments, our medical colleagues do rightfully proceed with caution as they apply the NanoTherm™ therapy to patients. We expect to treat a limited number of patients during the first half of 2015 but accelerate as 2015 progresses.

In summary, we will have completed our target of installing and operating six NanoActivators® in Germany during the third quarter of 2015. This accomplishment will provide an operational clinical NanoTherm™ therapy structure to demonstrate expected medical value of NanoTherm™ therapy for the treatment of brain tumors as well as to continue the Post Marketing Study.

The MagForce clinical team in Germany is focused solely on the treatment of brain tumors with NanoTherm™ therapy at the six world class German hospitals. During the second half of 2015, MagForce AG will expand its efforts to establish a reimbursement structure for commercial NanoTherm™ brain therapy in addition to that of private pay.

With respect to our expansion phase outside Germany, MagForce USA, Inc. plans to submit an Investigate Device Exemption (IDE) for the treatment of brain cancer with NanoTherm™ therapy after the approval has been granted for its IDE for the NanoTherm™ treatment of Intermediate Risk Prostate Cancer.

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Prostate Cancer Therapy at MagForce USA, Inc.

Regarding the application of our NanoTherm™ therapy for the focal treatment of Prostate Cancer, our unique technology is viewed as a very promising complement to current treatment approaches. In January 2015 an in-person meeting was held with the U.S. Food and Drug Administration's (FDA) Center for Devices and Radiological Health to discuss FDA's response to our NanoTherm™ Prostate Cancer Therapy Pre-Submission of November 2014. We received very constructive feedback on our submission and have an understanding of the pathway to market in the USA of our therapy to focally ablate Prostate Cancer. MagForce USA, Inc. has recently filed an Investigational Device Exemption (IDE) with the USA Food and Drug Administration (FDA). The study treatment uses MagForce's proprietary NanoTherm™ technology to completely ablate Prostate Cancer lesions.

The purpose of the proposed study, that will enroll up to 120 men, is to demonstrate that NanoTherm™ can ablate cancer lesions for patients who have Gleason Score 7 Prostate Cancer and are under active surveillance. By ablating the lesions, patients will be able to maintain active surveillance and avoid surgery and other treatments all with well-known side effects like impairment of urinary and sexual functions. Dr. Ian M. Thompson, Jr., Director, Cancer Therapy and Research Center, a National Cancer Institute-designated Cancer Center at the University of Texas Health Science Center at San Antonio and Dr. Dan W. Lin, Chief of Urologic Oncology and Professor in the Department of Urology at the University of Washington School of Medicine in Seattle have agreed to be Co-Principal Investigators. Larry Kessler, Sc.D., Professor and Chair of the Department of Health Services, School of Public Health at the University of Washington is also a Co-Investigator overseeing the regulatory submission and registration processes.

This is indeed a significant milestone for MagForce USA, Inc. and MagForce AG. Men enrolled in active surveillance programs could potentially benefit from this focal therapy after registration in the USA. We believe the registration clinical trial will prove that NanoTherm™ therapy can fulfill the desired outcome. We look forward to working with the FDA and advancing the registration process in the USA.

Investor Relations

Since we published our first shareholder letter of 2015 in February, we have presented at: Morgan Stanley European MedTech & Services Conference in London, 27th Annual ROTH Conference in Dana Point, USA, Bank of America Merrill Lynch 2015 Health Care Conference in Las Vegas, Berenberg European Conference USA in Tarrytown, and 19th MKK – Munich Capital Market Conference in Germany. We have also conducted roadshows in: Paris, Frankfurt, London, Vienna, Munich.

In June and during the second half of 2015, we will present at: Deutsche Bank dbAccess German, Swiss & Austrian Conference 2015 in Berlin, Berenberg & Goldman Sachs European Medtech & Healthcare Services Conference 2015 in London, Berenberg and Goldman Sachs Fourth Annual German Corporate Conference in Munich and at the German Equity Forum in Frankfurt.

Additionally, Berenberg and Hauck & Aufhäuser have presented updates and GBC AG initiated

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research coverage. All reports are listed on our website www.magforce.com. The published research reports have price targets ranging from 8.25 – 13.2 euros/share. To keep our shareholders informed, we plan to institute a regular shareholder conference call during the second half of 2015. Please inform my office at bread@magforce.com if you would like to attend the first conference call targeted for September 2015.

Dear Shareholders, in summary, we are successfully moving forward on our exciting and challenging path to develop NanoTherm™ therapy into a globally valued therapy for the treatments of Glioblastoma and Prostate Cancer. 2015 continues to be a very important and exciting year for MagForce's development.

I would like to thank our talented and dedicated staff who are creating the successes. Again, thank you for your interest and support of MagForce.

Sincerely,

Dr. Ben Lipps

Chief Executive Officer &
Chairman of the Management Board"

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About MagForce AG and MagForce USA, Inc.

MagForce AG, listed in the entry standard 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. Mithril Capital Management, a growth-stage technology fund founded by Ajay Royan and Peter Thiel, along with MagForce AG, are investors and strategic partners in MagForce USA, Inc.

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.

Get to know our Technology: [video \(You Tube\)](#)

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Disclaimer

This release may contain forward-looking statements and information which may be identified by formulations using terms such as "expects", "aims", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or "will". Such forward-looking statements are based on our current expectations and certain assumptions, which may be subject to a variety of risks and uncertainties. The results actually achieved by MagForce AG may substantially differ from these forward-looking statements. MagForce AG assumes no obligation to update these forward-looking statements or to correct them in case of developments, which differ from those, anticipated.

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