

Corporate News

September 30, 2015

MagForce AG Publishes Financial Results for the First Half of 2015 and Operative Highlights

- **Installation of further NanoActivator devices at University hospitals in Cologne and Frankfurt**
- **Start of commercial treatments at three renowned clinics in Germany and expansion of commercial brain therapy recruitment**
- **Pre-Submission meeting with the US FDA for MagForce's NanoTherm focal therapy for Intermediate Risk Prostate Cancer and filing of Investigational Device Exemption (IDE)**
- **Extension of outlicensing NanoTherm therapy in the territories Mexico and Canada leads to proceeds of EUR 3.0 million**
- **Outlook for 2015 confirmed**

Berlin, Germany, and Nevada, USA, September 30, 2015 – MagForce AG (Frankfurt, Entry Standard, XETRA: MF6, ISIN: DE000A0HGQF5), a leading medical device company in the field of nanomedicine focused on oncology, published today financial results for the first half of 2015, ending on June 30, 2015, and operative highlights.

"I am pleased to report that we continue to make progress toward achieving our 2015 targets and setting the stage for a successful year 2016. At the end of this year we will have six NanoActivator 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. Although we expect to meet our 2015 financial target as forecasted to date, we have achieved less revenue from commercial patients than planned. Clearly this is below my target, but we have taken measures to accelerate this pace to achieve our 2016 objectives. We are in the process of expanding our commercial brain therapy recruitment. In addition, we have expanded the opportunity for NanoTherm therapy to treat primary Glioblastoma Brain Tumors in combination with surgery and radiation. These and other measures will enable an increasing number of patients to benefit from NanoTherm therapy," **commented Dr. Ben J. Lipps, CEO of MagForce AG and MagForce USA, Inc.** "Regarding the application of our NanoTherm therapy for the focal treatment of Prostate Cancer, MagForce USA, Inc. has filed an IDE with the USA Food and Drug Administration (FDA) in May. This is a significant milestone for MagForce USA, Inc. and MagForce AG. The study treatment uses MagForce's proprietary NanoTherm technology to completely ablate Prostate Cancer lesions. We believe the registration clinical trial will prove that NanoTherm therapy can fulfill the desired outcome and we are now working with the FDA to advance the registration approval in the USA."

Corporate News

MagForce AG • Max-Planck-Straße 3 • 12489 Berlin • Germany • www.magforce.com

For further information:

Anne Hennecke
MC Services AG

anne.hennecke@mc-services.eu

T +49 211 529252 22

F +49 211 529252 29

M +49 151 12 555 759

Results of operations, net assets and financial position

In the first half of 2015, MagForce has started commercialization and reached further important milestones. This led to revenues of EUR 1.3 million from the sale of the NanoTherm therapy to commercial patients and the sale of two NanoActivator devices to MagForce USA, Inc. Net profit was EUR 0.5 million (previous year: EUR 3.8 million), mainly due to the extension of the outlicensing of NanoTherm therapy in the territories of Mexico and Canada which led to proceeds amounting to EUR 3.0 million. The previous year's net profit was mainly due to the outlicensing of NanoTherm therapy in the US territory for the treatment of Prostate Cancer which led to proceeds of EUR 6.9 million. Adjusting for these outlicensing effects, net loss for the period was reduced by EUR 0.6 million compared to the previous year's loss. Other operating expenses decreased by EUR 0.6 million primarily due to lower legal and consulting costs and the reduction of patent costs. Other operating income amounted to EUR 3.6 million (previous year: EUR 7.1 million) and is mainly due to the outlicensing of the US rights to MagForce Ventures GmbH.

Cash outflows from operating activities amounted to EUR -3.8 million (previous year: EUR -3.5 million), mainly as a result of accelerating the operating business. The available liquidity at the end of the period was EUR 5.5 million (December 31, 2014: EUR 9.1 million).

Financial outlook 2015

The financial outlook for the year 2015, as reported in the 2014 annual report published on June 30, 2015, was reaffirmed by management. Those forecasts and statements therefore continue to apply.

Given the rollout plan and the ongoing clinical study, the Company expects the net loss for the fiscal year 2015 to be higher than in 2014. This increase in net loss is due to the reduction of special measures taken in 2014 from the out-licensing of distribution rights and to increased commercialization efforts, which can be seen in the context of the corresponding focus of the Company on key strategic value drivers. However, management expects revenues from commercial patients to start in 2015. For the fiscal year 2015, MagForce AG is forecasting a lower negative operating cash flow, which is partly due to increased cash revenue from product sales.

Investor Relations

Shareholders have been informed about current developments via a quarterly letter to shareholders, and four analysts are now covering MagForce AG. Additionally, research updates were presented by Berenberg (EUR 8.65) and Hauck & Aufhäuser (EUR 12.40). Furthermore, GBC AG initiated research coverage and presented an update. The target price in the update was increased from EUR 13.20 to EUR 14.30. All reports are listed on the Company's website www.magforce.com.

For a detailed overview of our Investor Relations activities, conferences and roadshows, please see the chapter "Shares and Investor Relations" of the full half year report.

Corporate News

MagForce AG • Max-Planck-Straße 3 • 12489 Berlin • Germany • www.magforce.com

For further information:

Anne Hennecke
MC Services AG

anne.hennecke@mc-services.eu

T +49 211 529252 22

F +49 211 529252 29

M +49 151 12 555 759

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 \(You Tube\)](#)

Stay informed and subscribe to our [mailing list](#).

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.

Corporate News

MagForce AG • Max-Planck-Straße 3 • 12489 Berlin • Germany • www.magforce.com

For further information:

Anne Hennecke
MC Services AG

anne.hennecke@mc-services.eu

T +49 211 529252 22

F +49 211 529252 29

M +49 151 12 555 759