

Corporate News

March 17, 2016

MagForce AG Publishes its First Shareholder Letter 2016

Berlin, Germany, and Nevada, USA, March 17, 2016 - 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 first Shareholder Letter 2016:

“Dear MagForce Shareholders,

The year 2015 was a very active and productive year for MagForce AG and MagForce USA. During 2015, MagForce AG installed three additional NanoActivators® in Germany and qualified two of these NanoActivator® devices for treatment of brain tumors.

We begin 2016 with six operational NanoActivator® clinics in Germany participating in our Post Marketing Study. Four of these NanoActivator® clinics are also providing the NanoTherm™ treatment of brain tumors to commercial patients. However, our commercial treatment rate was slow in 2015.

Since we had sufficient installations in place during the back half of 2015, we have expanded our Commercial Patient Program with the recruitment of an experienced commercial development team with the primary focus on countries near Germany.

With the initiation of our new Commercial Patient Program and the expansion of our website to offer patient information in seven languages, our patient inquiries per month have significantly increased but are still at about 30% of our monthly target for 2016. As we continue to implement our commercial marketing plans, we expect the inquiry gap to close.

During 2016, MagForce AG expects to advance the reimbursement status for the NanoTherm™ therapy for the treatment of brain tumors (both primary and recurrent brain tumors), beyond the single case, charity funding and self-pay used in 2015.

In summary, MagForce AG has successfully moved into the commercial phase of its development and we are optimistic that we can achieve the next level of success with this very valuable therapy for the treatment of Brain Tumors.

MagForce USA has also made significant progress toward adapting NanoTherm™ therapy as a focal treatment for prostate cancer. Our NanoTherm™ therapy for the focal treatment of prostate cancer is viewed as a very promising complement to current treatment approaches. MagForce USA, Inc. has filed an Investigational Device Exemption (IDE) with the USA Food and Drug Administration (FDA).

The purpose of the proposed registration 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.

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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 are working with the FDA to advance the IDE approval and in parallel, are developing the clinical treatment sites. The first clinical treatment site is operational and will be used in the short-term to provide, as needed, the required preclinical study data.

Investor Relations

In the first half of 2015 we 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, as well as 19th MKK – Munich Capital Market Conference and Deutsche Bank dbAccess German, Swiss & Austrian Conference 2015 in Berlin in Germany. We have also conducted roadshows in Paris, Frankfurt, London, Vienna and Munich.

In September, we presented at Berenberg & Goldman Sachs European Medtech & Healthcare Services Conference 2015 in London, as well as, Berenberg & Goldman Sachs Fourth Annual German Corporate Conference in Munich. In November, we presented at the German Equity Forum in Frankfurt.

We, at MagForce, are very excited to announce the expansion of our In-House Investor Relations Team focused on serving our Investors. As of March, long time Investor Relations professional, Barbara von Frankenberg, joined our team as Vice President Communications & Investor Relations. She will be your contact for Investor Relations related questions. Please contact her in German or English at bfrankenberg@magforce.com or by phone (+49 30 30 83 80 0) or in the USA at (001) 657-261-3212.

In summary, we are successfully moving forward on our exciting and challenging path to develop NanoTherm™ therapy into a valued therapy for the treatments of brain cancer and prostate cancer. The year 2016 continues to be a very important, challenging but another 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.

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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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