Dear MagForce Shareholders,

I am pleased to report that we are on target to achieve our 2013 plans:

**Brain Cancer Therapy:** Our main objective for 2013 is to initiate our post-marketing clinical study in recurrent Glioblastoma patients with the placement of NanoActivators® in three world class hospitals in Germany. During September and October we installed our second NanoActivator® at Münster University Hospital. We expect to install the third NanoActivator® by year end and the fourth will be installed in early 2014. Initiation of the new Glioblastoma clinical study is on schedule to start in 2013. In addition, we are preparing our registration path for the USA. In the near future, we intend to concentrate on recurrent Glioblastoma Multiforme (GBM) in Germany, EU27 and the USA, which represents approximately 30% of the approximately 133,000 new GBM cases diagnosed annually. Parallel to the study we also expect to treat patients commercially already in 2014, as not every patient with GBM qualifies for the study, but can of course already profit from our approach. Global healthcare expenses for GBM treatments are estimated to exceed **2 billion Euros** per year.

**Prostate Cancer Therapy:** With respect to the application of MagForce’s NanoTherm® Therapy (NTT) to the treatment of prostate cancer, our unique technology is viewed as a very promising compliment to current prostate cancer treatments. Our short-term task is to define the optimum regimen with our NanoTherm® Therapy technology and the path to commercialization. As I discussed in my letter to you in July, we plan to have the path defined and start the execution process by the end of Q4, 2013. We are on target to accomplish this 2013 goal also. Of the 900,000 new diagnosed prostate cancer cases each year, approximately 57% are diagnosed in the combined regions of the USA, Germany and EU27 countries. The combined healthcare expenditure to treat prostate cancer in these regions is estimated to exceed **10 billion Euros**.

**Financial:** Our spending is on target; however, as I indicated in my letter to you with the half-year results, we expect the net loss from operating activities to be higher than in 2012, largely due to the start of the new clinical Glioblastoma study and to preparations for market entry in other countries.
**Investor Relations:** As we are defining our corporate goals and path to achieve them, I would like to point out that we will continue to present at conferences as in the past. Our first presentation is Tuesday, November 12th in Frankfurt at EIGENKAPITALFORUM. Investors who are attending the event are cordially invited to join my presentation. I am very much looking forward to the personal discussion with you.

**Personnel:** I am very pleased to reiterate that we have a management team and employees who are very dedicated and very talented. I am particularly pleased that the Supervisory Board of MagForce AG has approved the distribution of MagForce stock options to every employee! In detail, we have 1,790,499 options outstanding under the 2013 plan. The term is 6 years with an earliest exercise after 4 years which assumes we are fully aligned with our shareholders and focus on sustainable shareholder value.

Dear Shareholders, in summary we have a challenging path to develop and expand our NanoTherm® Therapy into a valued therapy for the treatment of GBM and prostate cancer and achieve our **5 year financial target** which calls for **annual revenues between 100-150 Million Euros**. We are enthusiastically making progress step by step. Again, thank you for your interest and support of MagForce AG.

Sincerely,

Dr. Ben Lipps

Chief Executive Officer &
Chairman of the Management Board
About MagForce AG

MagForce AG is a leading medical device company in the field of nanomedicine in oncology, listed in the entry standard (MF6). The Company'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.

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.