MAGFORCE AG
FIGHTING CANCER WITH NANO MEDICINE

Ben J. Lipps
Chief Executive Officer & Chairman of the Management Board

May 2017
AGENDA

• EXECUTING A DEFINED STRATEGY
• MID- & LONG-TERM FINANCIAL TARGETS
• SUMMARY
• INVESTOR RELATIONS CONTACT INFORMATION
EXECUTING A DEFINED STRATEGY
NANOTHERM™ THERAPY

TUMOR THERAPY FROM THE INSIDE OUT:

Therapy components

NanoTherm™

NanoPlan®

NanoActivator®

Mode of action

Step 1
- NanoTherm™ magnetic fluid injected directly into tumor tissue
- Nanoparticles remain in place due to their special coating

Step 2
- The simulation takes into account the tumor size, distribution of the NanoTherm™ particles and tumor location
- Simulated temperature distribution: 40°C (blue line) to 50°C (red line)

Step 3
- Magnetic field causes NanoTherm™ particles to oscillate and produce heat
- Heat destroys or makes cells susceptible to concomitant radio- or chemotherapy
FOCUS ON APPLICATION OF NANOTHERM™ THERAPY FOR TREATMENT OF BRAIN TUMORS (GERMANY & EU 27) AND TREATMENT OF INTERMEDIATE RISK PROSTATE CANCER (USA)

PREVIOUS EUROPEAN CLINICAL TREATMENT EXPERIENCE

<table>
<thead>
<tr>
<th>Indication</th>
<th>Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glioblastoma Multiforme</td>
<td>80</td>
</tr>
<tr>
<td>Prostate Cancer</td>
<td>29</td>
</tr>
<tr>
<td>Esophageal Cancer</td>
<td>10</td>
</tr>
<tr>
<td>Pancreatic Cancer</td>
<td>7</td>
</tr>
<tr>
<td>Other Indications</td>
<td>~20</td>
</tr>
</tbody>
</table>

MagForce AG has CE mark in Germany and in the EU27 to treat brain cancers with NanoTherm™ therapy
SIGNIFICANT MARKET POTENTIAL IN THE TREATMENT OF BRAIN AND PROSTATE CANCERS WITH REGIONAL EXPANSION

Total numbers of cancer incidence in selected tumor indications¹

<table>
<thead>
<tr>
<th>Tumor</th>
<th>Germany</th>
<th>USA</th>
<th>EU27</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brain</td>
<td>6,200</td>
<td>19,627</td>
<td>37,000</td>
<td>214,100</td>
</tr>
<tr>
<td>Prostate</td>
<td>70,800</td>
<td>186,320</td>
<td>323,800</td>
<td>899,100</td>
</tr>
</tbody>
</table>

Projected Annual Medical Treatment Expense
- > 10 Billion Euros
- > 2 Billion Euros

¹ Source: GLOBOCAN 2008, IARC 29. Apr. 2013; total numbers of estimated cancer incidence, all ages, both sexes; cartoon adapted to numbers of incidence in log scale
UNIQUE CANCER TREATMENT WITH NANOTHERM™ THERAPY – BOTH HYPERTHERMIA AND THERMOABLATION –

**PATH 1**

**COMBINATION THERAPY - HYPERTHERMIA**

- Tumor heating to temperatures 42-45° C
- Synergistic effort with Radiation Therapy (RT)
  - Mechanism: inhibition of correction of radiation-induced DNA damage
  - No specific side effects
- Synergistic effect with Chemotherapy
  - Can reduce Multi Drug Resistance (MDR) of cancer cells

**PATH 2**

**MONOTHERAPY - THERMOABLATION**

- Tumor heating with temperatures of > 50° C
- Destroys cancer cells directly and is effective alone

Both, Hypothermia and Thermoablation Therapy options are in Commercial Stage for Treatment of Brain Tumors. Oncologists select Treatment Option based on Individual Patient Requirements. 90 Patients have been Treated to date including the Registration Studies.
NEXT GENERATION NANOTHERM™
TEMPERATURE DEPENDENT CYTOTOXIC DRUG RELEASE SYSTEM FOR SOLID TUMOR CARCINOMA THERAPY

• Intratumoral, interstitial (reverse biopsy)
• Minimize systemic side effects and concentrates cytotoxic effect in solid tumor

NanoTherm™ Iron-Oxide Particles (AS1) Particles

Cytotoxic Drug Phase

Thermosensitive Polymer Coating
EXECUTING A DEFINED STRATEGY

PATH 1: TREATMENT OF BRAIN CANCER IN EUROPE

PATH 2: TREATMENT OF INTERMEDIATE RISK PROSTATE CANCER IN THE USA
Brain Cancer Treatment
NANOTHERM™ THERAPY FOR THE TREATMENT OF GLIOBLASTOMA & BRAIN TUMORS – GERMANY / EU

STATUS: COMMERCIAL IN GERMANY/EU27 FOCUSED ACTIVITIES GOING FORWARD

1) Accelerate patient inquiries by extending our relationship with local patient contact agencies in the targeted countries to reach targeted inquiry level.

2) In addition to Private Pay, Charity Funded and single patient reimbursement, we plan to establish a more efficient reimbursement process in Germany and targeted countries for NanoTherm™ therapy in combination with surgery, radiation or chemotherapy.

3) Prepare to install commercial NanoActivators® outside Germany in 2017.
NANOTHERM™ THERAPY FOR TREATMENT OF GLIOBLASTOMA AND BRAIN TUMORS – GERMANY/EU

4) Raise necessary non-equity funding.

5) Initiate placement of NanoActivators® (capability of treating brain tumors and prostate) in Poland, Switzerland, Italy, France, and Czech Republic.

6) Establish pathways to obtain reimbursement for NanoTherm™ therapy for treatment of glioblastoma and brain metastasis.

7) Initiate clinical studies required to obtain CE mark for treatment of Intermediate Risk Prostate Cancer based on USA Registration Protocol.

### Approximate Number of Yearly GBM Cases

<table>
<thead>
<tr>
<th>Country</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>6,000</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>422</td>
</tr>
<tr>
<td>Poland</td>
<td>2,251</td>
</tr>
<tr>
<td><strong>Sub-Total/year</strong></td>
<td><strong>8,673</strong></td>
</tr>
<tr>
<td>Italy</td>
<td>2,484</td>
</tr>
<tr>
<td>Switzerland</td>
<td>290</td>
</tr>
<tr>
<td>France</td>
<td>2,403</td>
</tr>
<tr>
<td><strong>Total per year</strong></td>
<td><strong>13,850</strong></td>
</tr>
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</table>
Prostate Cancer Treatment
PROSTATE CANCER TREATMENT

APPLICATION OF NANOTHERM™ THERAPY FOR THE TREATMENT OF INTERMEDIATE RISK PROSTATE CANCER IN USA

USA ACTIVE SURVEILLANCE (AS) PROGRAMS

- Diagnosis at an early stage, when the tumor is still local, by prostate-specific antigen (PSA) screening
- In the US, 100,000 men are organized in around 250 active surveillance programs
- Regular monitoring of patients; extend and growth is classified by the internationally recognized Gleason score
- If the diagnostic results show progression to Intermediate Risk Definitive Treatments* or Focal Therapy must be considered

*) Definitive Treatments: Surgery/Radical, Prostatectomy, Brachytherapy, Radiation Therapy, or Cryotherapy

NanoTherm™ focal prostate cancer therapy to maintain patients in active surveillance as long as possible before starting definite treatment with the well-known side effects
NANOTHERM™ THERAPY FOR THE TREATMENT OF INTERMEDIATE RISK PROSTATE CANCER – MAGFORCE USA, INC.

STATUS:

1) Modified Nano Activator® MFH® 300F to US standards and increased its capability to provide NanoTherm™ therapy for both brain and prostate cancer for US clinical studies.

2) Filed FDA Pre-Submission for Focal Prostate Cancer Therapy.

3) Filed Investigational Device Exemption (IDE) to conduct pivotal clinical trials in the US.

4) During 2016 and 2017, we participated in frequent meetings with the FDA to determine preclinical study data required beyond the German pre-clinical and clinical studies with whole gland hyperthermia (conducted 8 years ago) to initiate clinical focal ablation studies in the USA.

5) After Seattle Washington, CHRISTUS Santa Rosa Hospital was identified as second clinical treatment site. CHRISTUS Santa Rosa Health is an international Catholic, not-for-profit health system, and comprised of over 500 service facilities, including more than 50 hospitals an 275 clinics and outpatient centers and thus an ideal partner for MagForce.
NANOACTIVATOR® PLACEMENT – UNIVERSITY OF WASHINGTON

OPERATIONAL

Will be used for pre-clinical and clinical studies.

PLUS

CHRISTUS Santa Rosa – NanoActivator will be installed soon.
FOCUSED ACTIVITIES GOING FORWARD

1) Obtain FDA approval to conduct clinical study for Focal Prostate Cancer Ablation in the US.

2) Initiate development of ambulatory NanoActivator® for focal treatment of prostate cancer utilizing the Berlin MT MedTech staff, whom have very extensive experience in designing and operating the NanoActivators®.

3) Install 2 more large hospital based NanoActivator® devices (total of 3), in the U.S. for clinical studies.

MID- & LONG TERM FINANCIAL TARGETS
MID- & LONG TERM FINANCIAL TARGETS

Accelerated Strategy with MagForce USA

2019

150m

100m

Treatment of Brain Cancer
- Private pay & EU-based patients for recurrent Glioblastoma and other Brain Tumors treated primarily in Germany and Europe

Treatment of Prostate Cancer
- Private pay & Medicare patients in the US for focal Prostate Cancer treatment after 2017

2019 Financial Target: Annual Revenues of EUR 100-150 Million
FINANCING

Management is pursuing non/low dilutive financing options to reach the European expansion goals.

In addition, in order to bolster liquidity and facilitate new product development beyond 2017, a **three-year convertible note** was issued beginning of March 2017.

Product development includes laying the groundwork for expanding MagForce's therapy to additional tumors, like brain metastasis, and to also use our nano-particles as a drug delivery mechanism.

**Convertible note:**
- **Amount:** EUR 5 million
- **Interest rate:** 5%
- **Conversion price:** 5,00 EUR/share

The note has been issued to an investment vehicle managed by Lansdowne Partners Austria.
SUMMARY
SUMMARY

Achievements

• First and only nanotechnology device approved for the treatment of Brain Cancer (EU) – therapeutic potential and proof-of-principle for other solid tumors
• NanoActivators® installed in Germany for treatment of Brain Tumors/Glioblastoma
• Initiated commercial treatments in Germany for Glioblastoma treatment and will accelerate to other European Countries
• Filed Investigational Device Exemption with FDA for focal treatment of Prostate Cancer

Going forward

• Estimated annual healthcare expenses just to treat Brain and Prostate Cancers in Germany, the US & EU 27 exceeds 12 billion euros – significant opportunity
• MagForce has solid intellectual property protection and has the technical capability to establish NanoTherm™ therapy as a valued combined or monotherapy for the treatment of Brain and Prostate cancers with the medical community
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