Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “I. Research under MiFID II”

15/10/2020 – GBC Management interview with Dr. Ben Lipps, CEO of MagForce AG

Company: MagForce AG*5a,5b,11
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**catalogue of potential conflicts of interests on page 5*

In its current letter to shareholders, MagForce AG reports a sustained positive development in the number of treatments for brain tumor patients (glioblastoma) in Europe. After the preparatory work for the commercialization of the MagForce technology has been completed in recent years, significant treatment revenues are expected to be generated for the first time in 2020. GBC analyst Cosmin Filker spoke with MagForce CEO Dr. Ben Lipps:

Cosmin Filker: Dr. Lipps, already at the beginning of fiscal year 2020, you reported a very positive development in patient inquiries. Obviously, this is reflected in an increase in the number of treatments. What are the reasons for this success?

Dr. Ben Lipps: During 2015 to 2018, we evaluated the NanoTherm procedure, which was originally developed from 2007 to 2010, and developed with our clinical colleagues an improved medical procedure which is more effective and easier to apply. Our partner clinics are convinced of NanoTherm Therapy and use it with great commitment for the benefit of their patients in the treatment of glioblastoma. We therefore assume that the number of treatments will continue to increase sustainably.

All company activities in Europe are aimed at further increasing awareness of the NanoTherm therapy system and making the therapy available to patients: For example, our 'NanoTherm Therapy School', a practice-oriented, unique and versatile application training course for the use of NanoTherm therapy for the treatment of glioblastoma, which was developed in close cooperation with leading experts, continues to be very successful. The goal of the comprehensive application training, which is aimed at physicians and medical professionals in the field of neuro-oncology, is to certify surgeons in the use of the Company's innovative NanoTherm technology - only last week, another unit was included in the training, and interest in NanoTherm Therapy is greater than ever before.

I would like to remind you that the global opportunity for treating glioblastoma is approximately 160,000 patients per year. This procedure has a significant global market opportunity of approximately 4 billion Euros per year for this treatment.

Cosmin Filker: The MagForce technology for the treatment of malignant brain tumors is currently available at two locations in Germany and at one location in Poland. What are your further expansion plans?

Dr. Ben Lipps: Our expansion activities, such as installations of NanoActivator devices in partner hospitals in Spain and Italy, which were planned for the second half of 2020, will be further delayed due to the enormous impact that the COVID-19 pandemic is unfortunately currently having again in these countries. However, we are seeing interest from other European countries and will continue our roll-out strategy in the coming months. In addition, we are planning to open at least one further NanoTherm Therapy Center in Germany, which records around 3,000 new incidences of glioblastoma patients annually. Last but not least, the latest NanoTherm treatment center will be opened in the next few days at the Hufeland Klinik in Mühlhausen - following the installation work, the official approvals have now also been successfully completed. All this will help us to achieve our treatment goal for 2021 and triple the number of commercial treatments compared to 2020.

Cosmin Filker: Covid-19 has delayed your European roll-out. The planned installations in Spain and Italy have been postponed. What are your current plans for these regions?

Dr. Ben Lipps: Of course, we are still in contact with potential partner clinics in Italy and Spain - but due to the COVID 19 pandemic, they are extremely involved in its effects. Consequently, we are approaching other European countries - the interest in these countries is definitely still there and we are in such close contact that we will take further concrete steps as soon as possible.

Cosmin Filker: How quickly can new locations be developed, also with regard to the production of new treatment devices?

Dr. Ben Lipps: The development of the container plug-and-play solution, which has become the delivery standard in Germany as well as in European countries, has significantly shortened the time to start patient treatment in new centers. On site, only a point source for the installation of the double-deck container on the campus of the clinic and a standard three-phase current connection are required, which takes about 8 days in total. The pre-installed containers will be transported to the clinic by truck. The time for installation and commissioning on site is another 14 days. MagForce delivers complete regulatory and technic documentation to the clinic administration in advance so that official approvals can be issued quickly. Currently, we do not expect more than 3 months from the date of order placement to commission a new NanoTherm treatment center in Germany or other European countries. For the production of new NanoActivators, we currently still have material in stock for the new production of three additional devices, which will be manufactured on schedule if required.

Cosmin Filker: Finally, a question on the current development of the approval for the treatment of prostate cancer in the USA. According to the letter to shareholders, the initial results of the current stage of the pivotal study confirm that treatment with MagForce technology has few side effects. So will the approval be granted in 2021 as expected?

Dr. Ben Lipps: Correct, the treatment results in the current stage of the study, with the streamlined procedure, also show only minimal treatment-related side effects that are tolerable and similar to those of biopsies. The ablation analysis showed a very well-defined ablation and cell death in the area of the nanoparticle depot, as observed in previous preclinical studies.

This is what we expected, but is nevertheless very encouraging, as patients can be treated much faster. It is obvious that the streamlined study protocol will benefit patients by completing the entire treatment within one day, thus minimizing the burden of repeat-

ed visits to the treating physician - a significant advantage especially in times of COVID-19.

We continue to expect to have sufficient data in the fourth quarter of 2020 to confirm that our streamlined procedure continues to have minimal side effects for patients and to gain the necessary 80 percent confidence that the clinical objectives can be met.

The plan is that while we are completing the study, we will already begin preparations for commercialization, which is still expected to begin in mid or second half of 2021 - visibility is currently low due to COVID-19. The three clinical centers participating in our study are already fully equipped with NanoActivator devices and can immediately start commercial treatment of patients once FDA approval is obtained. Upon completion of the study, we plan to have two additional proprietary treatment centers in place. Additional centers will then be opened in strategic locations in the U.S. to enable the treatment of patients locally. MagForce is already in contact with the most important "Active Surveillance Programs" throughout the country to ensure that treatment is consistently delivered once the therapy is launched.

Particularly in the last few weeks, we have seen the advantages of the structure we implemented in the U.S., which enables us to conduct the clinical registration study despite COVID-19 - even though we cannot, of course, work completely detached from effects of the pandemic.

Considering the potential global market for an effective treatment with minimal side effects over 500,000 patients could be treated per year and benefit from such a therapy. Therefore, the market potential is between 3.5 and 12.5 billion dollars per year depending on the business model.

Cosmin Filker: Dr. Lipps, thank you for the interview.

ANNEX

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