MagForce AG
Fighting Cancer with Nano Medicine
Bank of America Merrill Lynch 2013 Health Care Conference
May 2013
Prof Hoda Tawfik
COO, co-CEO
Disclaimer

Forward Looking Statements

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Content

• Company Overview
• NanoTherm® Therapy
• Clinical Overview
• Next Generation NanoTherm®
• Financials
Company Overview
Executive Summary

Company Profile
- Headquartered in Berlin, Germany
- Operating office in Martinsried, Germany
- Management Team: H. Tawfik, C. von Volkmann
- 26 dedicated employees, 75% with advanced degrees
- Frankfurt Stock Exchange (Entry Standard: MF6)
- Shares outstanding: 23.9 million

Achievements
- **First and only** Nanotechnology device approved for the treatment of brain cancer (EU) - therapeutic potential and proof of principle for other solid tumors
- First commercial unit at Charité University Medical Center in Berlin
- KOLs support post marketing approval clinical trials
- Network of distribution partners established to develop new markets
- Preclinical data suggest additional therapeutic effects of nanoparticles conjugates with chemotherapeutic, radionuclide, and biological agents ➔ intratumoral drug release approach
- Preclinical research agreement with Mayo Clinic in gastrointestinal cancer
- Raised EUR 33.5 million in March 2013
NanoTherm Therapy – Product Approved and Market Ready (Plus More Applications in the Pipeline)

<table>
<thead>
<tr>
<th>Production</th>
<th>Patent</th>
<th>Development</th>
<th>Approval</th>
<th>Reimbursement</th>
<th>Track Record</th>
<th>Roll Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brain cancer (Glioblastoma)</td>
<td>• Final controlled production process for NanoTherm and NanoActivator in place and approved by the authority</td>
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<td>• Thorough and comfortable patent coverage for all products until 2020 at least</td>
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<td>• Feasibility Phase 1: 14 patients treated, completed</td>
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<td>• Safety/Efficacy Phase 2: 66 patients treated, completed</td>
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<td>• European Market Authorization received (27 countries)</td>
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<td></td>
<td>• Registration in CIS (former Soviet Republics) and Turkey underway</td>
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<td>• Reimbursement via individual case submission</td>
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<td>• Reimbursement assured in Germany via §2 (1a) SGB V (Nikolausbeschluss) for recurrent GBM</td>
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<td>• 3 major public health insurance companies in Germany did fully reimburse</td>
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<td></td>
<td>• Start of post-marketing study: H1/2013</td>
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<td></td>
<td>• Establishment of NanoTherm therapy in the German market starting H1/2014</td>
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<td>• Launch in other countries in cooperation with sales partners: 2014/2015</td>
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Tracker Record

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<td>Pancreas cancer</td>
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MagForce is about to Enter Market for Brain Cancer Treatment
NanoTherm® Therapy
Tumor Therapy from the Inside Out: NanoTherm® Therapy

**NanoTherm®**
- NanoTherm® magnetic fluid injected directly into tumor tissue
- Nanoparticles remain in place due to their special coating

**NanoPlan®**
- After the injection the treating physician plans a therapy session based on a simulation with NanoPlan®
- The simulation takes into account the tumor size, distribution of the NanoTherm® particles and tumor location

**NanoActivator™**
- Magnetic field causes NanoTherm® particles to oscillate and produce heat
- Heat destroys or makes cells susceptible to concomitant radio- or chemotherapy
Video presentation of the NanoTherm® Therapy
Clinical Overview
MagForce Clinical Development for NanoTherm®

<table>
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<tr>
<th>Indication</th>
<th>Feasibility</th>
<th>Efficacy</th>
<th>Status</th>
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<tbody>
<tr>
<td>Brain tumors</td>
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<td>EU approval</td>
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<tr>
<td>GBM post-marketing</td>
<td></td>
<td></td>
<td>EC and BfArM approval</td>
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<tr>
<td>Prostate carcinoma</td>
<td></td>
<td></td>
<td>Recruitment completed</td>
</tr>
<tr>
<td>Pancreatic carcinoma</td>
<td></td>
<td></td>
<td>Recruitment completed</td>
</tr>
<tr>
<td>Hepatocellular carcinoma</td>
<td></td>
<td></td>
<td>Completed</td>
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</table>

**Clinical Development Status/Targets:**

- **Brain tumors:** post-marketing study to establish NanoTherm® therapy in the medical community
- **Prostate carcinoma:** focus on early to intermediate stage disease to prolong active surveillance period, support organ preservation, and enhance quality of life
- **Pancreas carcinoma:** provide additional therapy to expand currently limited treatment options, increase efficacy of available chemotherapy and prolong survival
- **Potential additional indications include:** hepatocellular carcinoma, head and neck cancer, oesophageal carcinoma

Significant therapeutic potential in a variety of solid tumor indications.
Nanotherm Therapy is a Unique Method to Treat Glioblastoma

Phase II study results

<table>
<thead>
<tr>
<th>After diagnosis of first tumor recurrence</th>
<th>After diagnosis of primary tumor</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2</td>
<td>13.4</td>
</tr>
<tr>
<td>Historical control</td>
<td>+8.6 months of patient life</td>
</tr>
</tbody>
</table>

Clinical study highlights

Results of phase-II study with 59 patients published (recurrent GBM)

- Approval received in Europe for treatment of all (primary and recurring) brain tumors
- Concurrent therapy to radiotherapy
- Good safety profile and efficacy shown in clinical trials
- Viable treatment option for recurring GBM
- Well tolerated treatment with only low to moderate side effects
- Positive risk-benefit profile

NanoTherm will First be Used as Additional Treatment for Recurring Glioblastoma and has Potential to Later Substitute Radiotherapy

1 Maier-Hauff et al. (2010), Journal of Neurooncology 103(2): 317-324
2 Stupp et al. (2009), Lancet Oncology 10:459-466
3 Stupp et al. (2005), N Engl J Med 352:987-996
Lead Indication: Glioblastoma with Significant Market Potential

Medical Need
- Less than 10% of patients are still alive 5 years after diagnosis
- **Limited treatment advancements in the last 20 years**

Current Status
- Glioblastoma multiforme (GBM) is the most malignant brain tumor
- 40,000 cases per year in the major markets: USA, Japan and EU 27

Current Treatment
- Current standard therapy for GBM includes surgery, radio- and chemotherapy
- Temozolomide (Temodal®/Temodar®, Merck & Co.) is the standard chemotherapeutic drug (annual sales in 2010 > $1 billion)
- Thermotherapy has synergistic effect on concurrent treatment
Prostate Carcinoma: Clinical Studies

Thermotherapy of prostate cancer using magnetic nanoparticles: **Feasibility, imaging** and **three-dimensional temperature distribution**

**Feasibility** and **safety study** with NanoTherm® therapy in combination with **125I-Brachytherapy** in intermediate prostate cancer patient

**Proof-of-concept** of NanoTherm® **mono therapy** in **early to intermediate** prostate cancer

**completed**

**recruitment ended**

**planned for** H2 2013
Pancreas Carcinoma: Development Status

Feasibility and safety study with NanoTherm® therapy in combination with standard chemotherapy in patients with non-resectable pancreatic cancer

Recruitment finalized, follow-up ongoing

Preclinical proof-of-concept of NanoTherm® therapy in animal model for pancreatic cancer

Research project with Mayo Clinic / Rochester, USA

Ongoing
Characteristics of current NanoTherm Technology

Advantages
1. Thermotherapy with magnetic nanoparticles in combination with percutaneous radiotherapy is feasible and safe
2. Therapeutic temperatures can be reached in the treatment area
3. Promising therapeutic effect
4. Moderate side effect profile
5. Positive risk/benefit ratio
6. Enhances existing therapies

Impairments
1. Metallic bodies within 40 cm/15.7” from the treatment area are not allowed
2. MRI cannot be used for further diagnosis due to artifacts

No other imaging procedures are affected – alternate procedures e.g. CT, PET, PET-CT
Next Generation NanoTherm®
Expansion of Therapeutic Potential Through Linkage of Therapeutics and Biologicals

- Next generation nanoparticles with improved heating performance
- Temperature dependent drug release system successfully shown in vitro using linker molecule connected to surface of nanoparticle
- Nanoparticles can be used as carriers for radiotherapeutics, drugs and biologicals
- Surgical pads containing NanoTherm® for treating remaining tumor cells after tumor resection

➢ Co-development with strategic partner
Financials
Successful Capital Increase in March 2013: Investment Rationale

Innovative and Approved Product Ready for Global Roll-Out

- The product is approved in Europe and market-ready
- NanoTherm therapy is a unique approach to treat cancer close to the oncology community
- Key opinion leaders within the medical community support the NanoTherm post marketing trial

IP Protected Sustainable Business Model & Top Tier Management Team

- MagForce operates an integrated operational set-up that leverages its IP best for investors
- MagForce is managed by a new high-profile team

Unique Investment Opportunity

- Aim is to grow MagForce into a global med-tech Co. with approval in various indications and global reach
Successful Capital Increase in March 2013: Key Facts

- No. of shares before capital increase: 5,316,158
- No. of new shares: 18,606,553
  - Out of it shares against cash: 9,750,846 shares
  - Out of it debt-to-equity swap: 8,855,707 shares
- No. of shares after capital increase: 23,922,711
- Subscription Price: EUR 1,80
- Use of proceeds:
  - Debt redemption
  - Post marketing study
  - Expanding into further indications
- Mag Force is now debt free
- EUR 17.5 million current cash balance
Additional market potential lies in the treatment of further cancer forms and regional expansion.

### 2012 Estimated total number of cancer incidence per year in selected tumor indications

<table>
<thead>
<tr>
<th>Tumor Indication</th>
<th>Germany</th>
<th>EU27</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prostate</td>
<td>70,800</td>
<td>323,800</td>
<td>899,100/year</td>
</tr>
<tr>
<td>Head &amp; Neck</td>
<td>15,600</td>
<td>95,400</td>
<td>634,800/year</td>
</tr>
<tr>
<td>Pancreas</td>
<td>14,700</td>
<td>69,700</td>
<td>278,700/year</td>
</tr>
<tr>
<td>Brain</td>
<td>6,200</td>
<td>37,000</td>
<td>214,100/year</td>
</tr>
</tbody>
</table>

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.
**Contact Details**

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