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”

27/05/2020 – 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

At the end of April 2020, MagForce received FDA approval to start the next stage of the clinical trial for the treatment of patients with prostate cancer. Until the end of 2020, the promising results achieved so far, should be confirmed within the treatment of additional 100 patients. In the recently published letter to shareholders, the company also reported on the successful development in the treatment of brain tumors in Europe. GBC analyst Cosmin Filker spoke with MagForce CEO Dr. Ben Lipps about recent developments and future prospects:

Cosmin Filker: Now that FDA approval has been received for the next stage of the clinical trial in prostate patients in the USA, the next step towards approval in the USA can now be taken. What is the timetable for this?

Dr. Ben Lipps: We are very pleased to have received FDA approval for the next stage of our pivotal U.S. prostate cancer study; we are now initiating the treatments with three well-respected urological centers in Texas, Washington and Florida who actively enrolled patients in Stage 1. Initial findings shown in Stage 1 were encouraging demonstrating a favorable safety and tolerability profile as well as well-defined ablation and cell death in the region of the nanoparticle deposit. Our positive experience from this initial phase resulted in a streamlined trial protocol for the next stage of our trial.

The approved next stage of our study will be conducted in phases to ensure early on that the minimal side effects observed in Stage 1, with a drawn-out procedure, are maintained in the streamlined one-day procedure. Treatment of the first 5 to10 subjects should be sufficient to affirm the minimal side effects as expected. This streamlined procedure will allow patient treatment to be completed within one day at one of MagForce’s three out-patient treatment facilities. Which further means, that we can treat patients much faster than in Stage 1. During Stage 1, each step, instillation and activation took several weeks. Now, both steps will be completed on the very same day, which should favorably affect the duration of the trial. I therefore see a good chance of completing the patient treatments still this year, as originally planned.

Cosmin Filker: What is the study objective that needs to be achieved to meet this timetable?

Dr. Ben Lipps: The purpose of the focal ablation registration study, which will enroll up to 120 men in a single arm study, is to demonstrate that NanoTherm therapy system can focally ablate cancer lesions with minimal side effects for patients who have progressed to intermediate risk prostate cancer stage and are under active surveillance. By destroy-

ing these cancer lesions, it is anticipated that patients will be able to remain in Active Surveillance Programs and avoid definitive therapies such as surgery or whole gland radiation with their well-known side effects as long as possible.

The American Society of Clinical Oncology reports that in 2019, it was estimated that there were 174,000 new cases of prostate cancer in the United States and in spite of advances in diagnosis and treatment an estimated 31,000 deaths occurred. Clearly, early diagnosis and MagForce's Focal Therapy has a strong chance to reduce the death rate for prostate cancer.

Cosmin Filker: Do you see any restrictions from the current Covid-19 situation on the approval process in the USA?

Dr. Ben Lipps: While there are many restrictions that have been applied such as "Shelter at Home" and eliminating state to state travel via car or via plane; however, MagForce is still working diligently with its physician investigators. Exemptions exist for healthcare workers, such as MagForce's USA staff at MagForce USA clinical facilities. Clearly MagForce USA can conduct the trial in its out-patient facilities and has developed COVID-19 infection control procedures for staff and study subjects. All this effort has caused a certain delay but MaForce is confident the next stage of the clinical trial will not be unduly delayed since MagForce USA will conduct the trial from its own facilities.

We are still hopeful that the COVID-19 pandemic will not cause significant delay beyond 2020 to complete this single-arm clinical trial.

Cosmin Filker: MagForce AG's NanoTherm technology has already been approved in Europe for the treatment of malignant brain tumors. In the current letter to shareholders, you reported a strong increase of 700% in treatment numbers. How do you explain this dynamic development?

Dr. Ben Lipps: Over the last 20 years, there was no significant progress in survival of glioblastoma patients - which is also evidenced by various publications. After years of development, MagForce has a significantly improved clinical procedure. Our dedicated staff, especially the whole commercial team, has turned the "Commercial Glioblastoma Corner". Of course, it is clear that this growth rate is based on a comparatively low level, but we now have partner hospitals that are convinced of NanoTherm therapy and use it with great commitment for the benefit of their patients in treatment. We therefore expect the number of treatments will continue to increase sustainably.

Cosmin Filker: The treatment of malignant brain tumors must generally begin without delay, so Covid-19 should not have any influence on the therapy. Are there any possible restrictions in Europe due to the current pandemic?

Dr. Ben Lipps: That's right, brain tumor treatments must be carried out as quickly as possible, even in times of COVID-19. The corresponding safety regulations exist in the hospitals. Fortunately, the course of the pandemic, especially in Germany, has so far been such that patient care in hospitals is always possible and our partner hospitals in Zwickau, Munster and Lublin are continuing to offering NanoTherm therapy to treat brain tumor patients, also during the COVID-19 crisis.

Our expansion activities, including NanoActivator installations in Spain and Italy with partner hospitals, which were planned for H2 of 2020, will be delayed by six to nine months; however, we plan to install two more activators in Germany, which has about 3,000 new glioblastoma cases per year.

Cosmin Filker: Is there a current development regarding the reimbursement of treatment in Europe?

Dr. Ben Lipps: In Poland, the financing of NanoTherm Therapy treatment is still well covered by private payers and crowd funding. In addition, a "Health Technology Assessment" (HTA) is currently being carried out, which should lead to reimbursement by the health care system. In Germany, in addition to reimbursement by private health insurers, costs are currently reimbursed from the budgets of the hospitals themselves. The hospitals will continue to submit applications for reimbursement this year, which will be negotiated and decided on at the turn of the year. This support from the hospitals is very helpful for MagForce, as it clearly shows the hospitals' interest in NanoTherm therapy.

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

ANNEX

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