Targeting a paradigm shift in stroke rehabilitation

Martin Jamieson | CEO & Chairman of the Board | Nexstim

Nordic Life Science Days, Stockholm, 15 September 2016
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Nexstim’s NBS System is cleared by the FDA for assessment of the motor and speech cortices for pre-procedural planning. The NBT System is not cleared for commercial distribution in the United States.

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Introducing Nexstim – The Navigated Brain Stimulation Company

- CE mark & FDA clearance for e-field based navigation
- Continued growth in Pre-Surgical Mapping
- NBT® future focus on high potential therapeutic applications
- Experienced management team & international Board
- High margins for systems & consumable
- Strong IP – technology and software
- Targeted growth in Europe, US & Asia
- Continued growth in Pre-Surgical Mapping
Navigated Brain Stimulation (NBS) Overview

- Maps the Motor and Speech Cortex prior to tumour surgery
- Application in epilepsy
- The NBS system links
  - Brain anatomy (MRI)
  - Location of the TMS (navigation)
  - Muscle response (EMG)
- Navigation is the key – NBS system visualizes the precise area of the brain that is affected
NBS vs. Direct Cortical Stimulation (DCS) motor mapping

Nexstim’s NBS

Non-invasive
Mapping possible days or weeks prior to surgery

DCS - Current “gold standard”

Invasive
Mapping during surgery
NBS (Navigated Brain Stimulation) Pre-Surgical Mapping makes the difference to clinical outcome

Progression-free Survival (Months)

Direct Cortical Stimulation

NBS + Direct Cortical Stimulation

46% Increase in PFS in Low Grade Gliomas

NBT® has potential for multiple therapeutic applications due to precise navigation.

- **Primary motor cortex** (stoke rehabilitation therapy)
- **Primary motor/sensory cortex** (pain therapy)
- **Dorsolateral prefrontal cortex** (depression therapy)
- **Temporoparietal cortex** (therapy for auditory verbal hallucinations in schizophrenia)
- **Broca’s area** (aphasia therapy)
- **Auditory cortex** (tinnitus therapy)
NBT® (Navigated Brain Therapy) for stroke rehabilitation – how it works

Validated e-Field Navigation gives Competitive Edge

Using a patient’s own MRI scan as a guide, Nexstim provides precisely targeted, personalized, magnetic stimulation to temporarily inhibit the healthy side of the brain, normalising the balance between the hemispheres.

Because the injured side is no longer dominated by the healthy side of the brain, it is more responsive to the physiotherapy. This results in limb movement being potentially restored more quickly to better functionality.
Market opportunity in stroke rehabilitation

2015 Incidence of stroke
- USA: 0.8 M
- Europe: 1.2 M
- China: 2.5 M

2015 Stroke survivors
- USA: 6.5 M
- Europe: 8.0 M
- China: 15 M
(7.5 M)*

2025 Incidence of stroke
- USA: 1.0 M
- Europe: 1.5 M
- China: 3.0 M

*Published data

- Target patients with upper limb paralysis
- Focus on the period over 3 months post stroke
Status of Regulatory Development for Stroke

- CE mark for stroke rehabilitation
- Nexstim submitted 510(k) De Novo documentation to the FDA based on the clinical data in June 2016
- The Pre-submission includes full data from a total of 173 patients from the Phase III multi-centre clinical trial. Positive data from the control group explained by active sham coil
- Feedback meeting with FDA September 14th, 2016
  - Agreed to a limited size supplementary trial
  - Estimated trial design approval by the FDA in H1 2017
  - An established financing plan is in place for supporting trial
- Preparation for SFDA and PMDA filing
Nexstim Strategic Actions

- Focus on therapeutic applications
- 510(k) De Novo submission for stroke
- Geographic expansion to include key Asian territories
- Exploit CE marked approval in Stroke
- Develop partner agreements for key geographic territories and therapeutic applications
- Move to full distributor model for Pre-surgical mapping
Nexstim Funding

- Agreed a two year funding arrangement with Bracknor Investment and Finnish Innovation Fund Sitra

- Funding arrangement is a combination of EUR 5 million of convertible bonds, EUR 6.5 million stand-by equity facilities, EUR 0.5 million direct share issue and EUR 5 million warrants

- Costs aligned to therapy strategy, targeting annual savings of EUR 2.3 million
Thank you
Clinical evidence from NICHE, Phase III multi-center trial

- The clinical Phase III multi-center stroke trial was stopped after 138 patients at end of March 2016
- Significant and clinically meaningful responses from both active and sham patient groups
- Dr. Richard Harvey\(^2\) (RIC) “The overall level of functional improvement in NICHE is high for this post-acute stroke patient population. This degree of therapeutic response is a very positive step forward for arm and hand recovery in patients with stroke. Further exploration of this technology to enhance the current rehabilitation outcomes to this extent is a next step to pursue.”
- No safety concerns were observed with any of the 199 patients enrolled in the trial
- Nexstim submitted the 510(k) De Novo documentation to the FDA based on the clinical data in June 2016. The submission includes full data from a total of 173 patients

*Dr. Richard Harvey, Medical Director, Center for Stroke Rehabilitation, Rehabilitation Institute of Chicago (RIC)*
Nexstim Active NICHE coil vs. SHAM coil

- **Nexstim Active Coil** creates a cone-like magnetic field to induce the stimulating electric field. This allows NBT to be accurate with stimulation area and dose to be titrated to evoke MEP’s from pyramid tracts in the motor cortex.

- This is the normal TMS coil/magnetic field shape and there are 8,000+ publications with similar coils.

- **Nexstim SHAM coil** creates a donut-like magnetic field to induce a weak stimulating electric field which is around 30% of the Active coil e-field with same simulator output.

- The donut-like field, when navigated to be exactly around target on the motor cortex, may induce a stimulating field leading to surround inhibition on the pyramid tracts located in the void in the middle.
## The Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Education</th>
<th>Relevant experience</th>
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<tbody>
<tr>
<td>Martin Jamieson, Chairman</td>
<td>UK</td>
<td>University of the Arts (CDT) London Higher National Diploma - Business Studies (1979)</td>
<td>Currently board member of C-Major Ltd, LightPoint Medical Ltd and Medway NHS Foundation Hospital Trust. Previously Managing Director Smiths Medical International and CEO at Rayner Group.</td>
</tr>
<tr>
<td>Dr Johan Christenson, Deputy</td>
<td>Sweden</td>
<td>4 years of clinical specialist training at Karolinska Institute, PhD at Karolinska Institute (1991) in neuroscience</td>
<td>Partner at HealthCap and positions on several private company boards. Previously supervised health care portfolio at SEB Företagsinvest.</td>
</tr>
<tr>
<td>Ken Charhut</td>
<td>US</td>
<td>BSc at Cornell (1980) and MBA from U.Chicago (1988)</td>
<td>Member of the Board at two medical industry companies. CEO at Compellon. Previously CEO at other medtech firms.</td>
</tr>
<tr>
<td>Rohan Hoare</td>
<td>Australia</td>
<td>Ph.D. in Physics from Harvard University where he was a Fulbright Scholar</td>
<td>Most recently the President, Neuromodulation at LivaNova. At Cyberonics, Rohan was the COO. Numerous leadership positions at St Jude Medical culminating in President, Neuromodulation Division.</td>
</tr>
<tr>
<td>Juliet Thompson</td>
<td>UK</td>
<td>Chartered Accountant ACA; Chartered Institute for Securities (ASCI); BSc Economics (Bristol University)</td>
<td>Experience includes senior roles (Managing Director, Head of Corporate Finance and Partner) at Stifel Financial Corp, Nomura Code Securities, WestLB Panmure, ICI PLC, Deloitte and Touche and HM Treasury.</td>
</tr>
<tr>
<td>Juha Vapaavuori</td>
<td>Finland</td>
<td>MSc at U.Helsinki (1978)</td>
<td>Chairman of the Board of Directors of FIT Biotech and member of the Board of Directors of KC-Holding 3.</td>
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# Management team

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Current position (Nexstim since)</th>
<th>Education</th>
<th>Relevant experience</th>
</tr>
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<tbody>
<tr>
<td>Henri Hannula</td>
<td>Finland</td>
<td>VP, Sales Europe 2001</td>
<td>MSc in technology from Helsinki U. of Technology (2001)</td>
<td>Various roles at Nexstim starting 2001 and VP, Sales Europe since 2013. Comes from position as director of sales.</td>
</tr>
<tr>
<td>Rainer Harjunpää</td>
<td>Finland</td>
<td>VP, Quality Assur. and Regulatory Affairs, After Sales/Services , 2010</td>
<td>MSc in biomedical engineering from Tampere U. of Technology (1993)</td>
<td>Current position since 2013, previously as director and manager of quality and regulatory affairs</td>
</tr>
<tr>
<td>Mikko Karvinen</td>
<td>Finland</td>
<td>CFO 2014</td>
<td>MSc in economics at Helsinki School of Economics (2001)</td>
<td>Previously held CFO and deputy CEO positions at two Nasdaq OMX listed tech-firms.</td>
</tr>
<tr>
<td>John Liedtky</td>
<td>US</td>
<td>VP, Commercialization, General Manager US, 2016</td>
<td>MBA in marketing at San Diego State University and BA in economics at Indiana University</td>
<td>Previously held Global Marketing Vice Presidency Roles at DJO Global, COVIDIEN and BREG Inc.</td>
</tr>
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