

A photograph of two women smiling. The woman on the left is older, with short white hair, wearing a light green button-down shirt over a white top and large feather earrings. The woman on the right is younger, with long brown hair, wearing a dark blue t-shirt and a thin necklace. They are both looking towards the camera in a bright, indoor setting.

# Nexstim. Personalised depression treatment.

Mikko Karvinen | CEO | Nexstim Plc

Nexstim Plc Corporate Presentation, ProHearings, Stockholm 27 November 2020

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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. Nexstim has launched its NBT® system in the US for the treatment of Major Depressive Disorder (MDD) following clearance from the FDA for marketing and commercial distribution for this indication. The NBT® system is CE marked in Europe for the treatment of major depression and chronic neuropathic pain.

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**Nexstim has a unique proprietary neuronavigated TMS technology that delivers best in class mapping and treatment for patients with brain diseases and disorders.**

**We are well positioned to a disruptive shift in depression treatment and therapy delivery.**

**With improving economics, driven by record revenue and increasing operational efficiencies, Nexstim is a unique investment opportunity.**

# Personalised Transcranial Magnetic Stimulation (TMS)

SmartFocus® Technology with a Highly Sophisticated 3D Navigation

## Unique & Proprietary Technology

- Commercial-stage med tech company with a unique, proprietary navigated neuro-stimulation technology for diagnostic and therapeutic applications

## World Leading Centers Rely on Nexstim Device

- Diagnostic application well established with compelling clinical data and global installed base of 170 systems (e.g. Mayo Clinic, MD Anderson, Karolinska, Charite)

## Competitive Advantage in an Attractive Market

- Nexstim's navigation technology promises improved efficacy of TMS depression treatment
- TMS treatment of depression is covered by US Medicare and is rapidly gaining traction as treatment modality

## Well Positioned for Future Development

- Therapy system and IP well support the new current 3 min Theta Burst Protocol (iTBS) and potential accelerated iTBS treatment protocols



# Proprietary Navigated TMS System

Only TMS technology with ability to take the uniqueness of a patient's brain into consideration for therapeutic and diagnostic applications

Use	System	Application	Europe	US	Commercial Status
Therapeutic	Navigated Brain Therapy (NBT®)	Depression	CE marked	FDA approved with existing reimbursement	Multiple systems installed globally
		Chronic pain	CE marked	Additional clinical trials evaluated	Multiple systems installed in Europe
Diagnostic	Navigated Brain Stimulation (NBS)	Pre-surgical mapping	CE marked	FDA approved	Installed base of over 170 systems globally

# Nexstim SmartFocus<sup>®</sup> TMS in Depression

Entering a rapidly growing market with a differentiated product

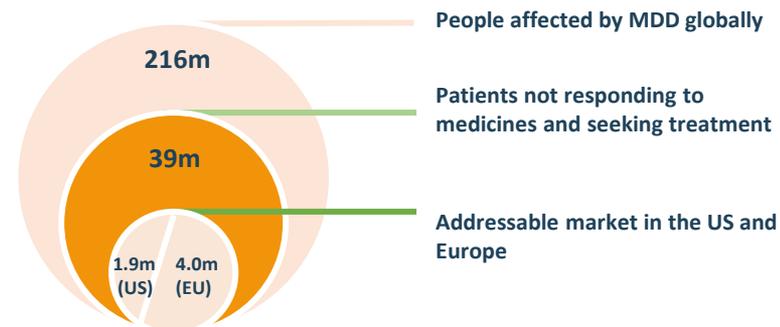


# NBT<sup>®</sup> for Depression

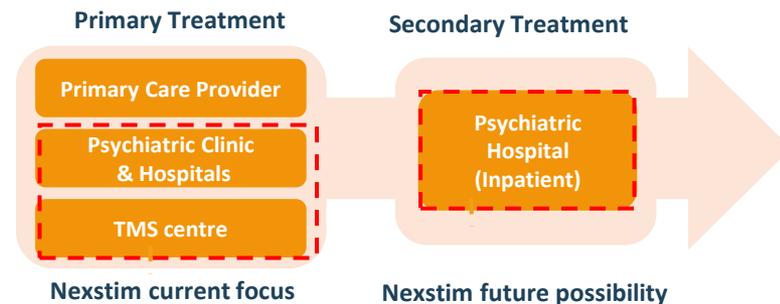
## Nexstim depression business opportunity

- Major depressive disorder affects 2-5% of the population in developed countries<sup>1</sup>
- Existing psychotherapy and pharmacological treatment options are suboptimal
- Addressable market for NBT treatment of depression of 6 million patients represents a total treatment value of over EUR 40B<sup>2</sup>
- Reimbursement for TMS is already available in US and some EU markets
- 2020 H1 NBT revenue EUR 0.7M (18% Growth)
- Active installed base of 28 NBT therapy systems at end of June 2020 in clinics and hospitals globally
- Nexstim has in September 2020 started a pilot study in treating severe depression patients with accelerated iTBS therapy treatment protocols

## Market size estimate<sup>2</sup> (patients)



## Patient treatment pathway in the US for MDD



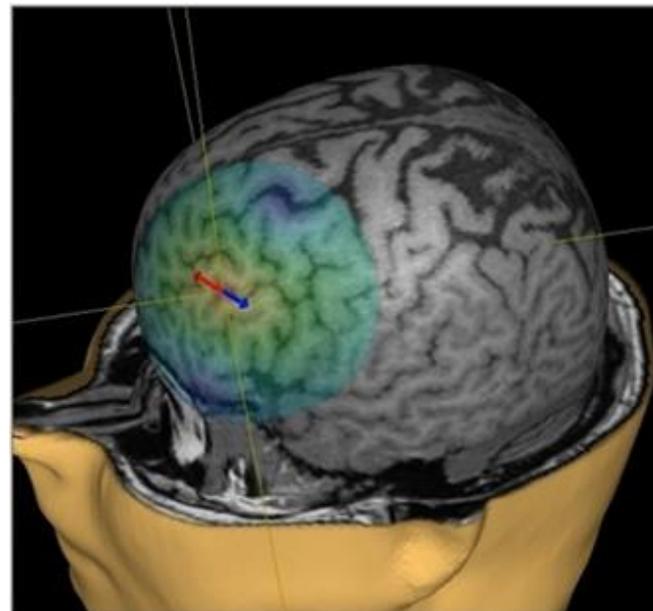
1) Vos, T., et al. (2016) Global, regional, and national incidence, prevalence, and years lived with disability for 310 diseases and injuries, 1990–2015: a systematic analysis for the Global Burden of Disease Study 2015;

2) PMSI Consulting analysis and estimates

# Promising Clinical Outcomes

## Patients completing SmartFocus® rTMS Treatment of MDD

- First 108 patients in Nexstim's patient registry have completed SmartFocus® rTMS therapy for treatment of MDD at clinical sites in the US
- 42% of the patients completing the treatment achieved clinical remission and 74% obtained a clinical response at the end of treatment
- These outcomes are higher than what is usually reported for MDD: In a well-conducted multisite study, the patient-reported remission rates were 26.5-28.7 % and response rates were 41.5-56.4 % <sup>1</sup>



1) Carpenter L. et al. Transcranial magnetic stimulation (TMS) for major depression: a multisite, naturalistic, observational study of acute treatment outcomes in clinical practice. *Depress Anxiety*. 2012 Jul;29(7):587-96. Epub 2012 Jun 11.

# **Nexstim SmartFocus® TMS in Chronic Neuropathic Pain**

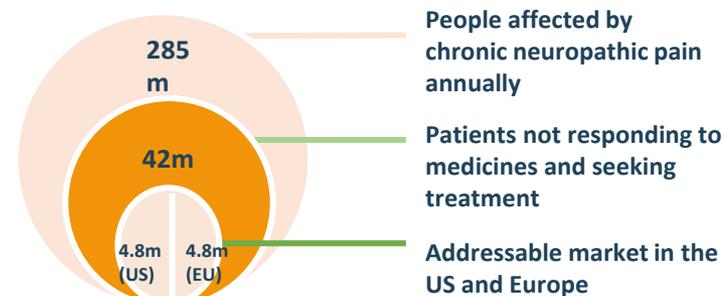


# NBT<sup>®</sup> for Chronic Neuropathic Pain

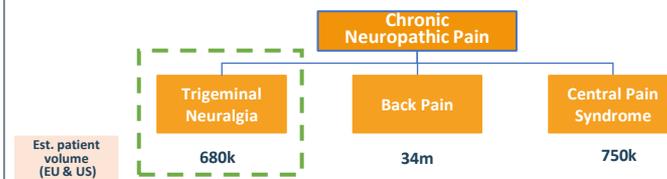
## Nexstim neuropathic pain business opportunity

- There are about 10 million addressable neuropathic pain patients in the US and Europe<sup>1</sup>
- 40-50% of neuropathic pain patients are without effective pain relief
- Study conducted by The Walton Centre, UK stated that 44% of patients undergoing NBT therapy reported clinically meaningful pain relief of at least 3 weeks' duration
- The Walton Centre is currently conducting a follow up study to measure the long-term pain relief
- First TMS entrant into the chronic neuropathic pain with multiple hospitals in Europe using a Nexstim system for pain treatment including three University hospitals in Finland
- Nexstim has started a pilot study in treating chronic pain patients with accelerated iTBS therapy treatment protocols

## Market size of estimate<sup>2</sup>



## Selected types of chronic neuropathic pain<sup>2</sup>



“ We see patients with facial pain as well. Facial pain is probably the best target for TMS in terms of effectiveness. ”

Professor Nurmikko, Walton Centre

“ About 40% of all our patients have neuropathic facial pain... About 50% of our patients benefit from this treatment –this is a lot, because these are patients with Chronic Pain, on whom all types of medication have been tried before. ”

Dr Vaalto, University of Helsinki

1) Global Industry Analysts; Yawn, Barbara P. et al. (2009) The Prevalence of Neuropathic Pain: Clinical Evaluation Compared with Screening Tools in a Community Population; Fayaz A, Croft P, Langford RM, et al. (2016) Prevalence of chronic pain in the UK: a systematic review and meta-analysis of population studies

2) PMSI Consulting analysis, expert interview and estimates

# Nexstim SmartFocus® TMS in Diagnostics

Proprietary technology enabling substantial increase  
in progression-free survival in brain cancer surgery,  
commercially validated



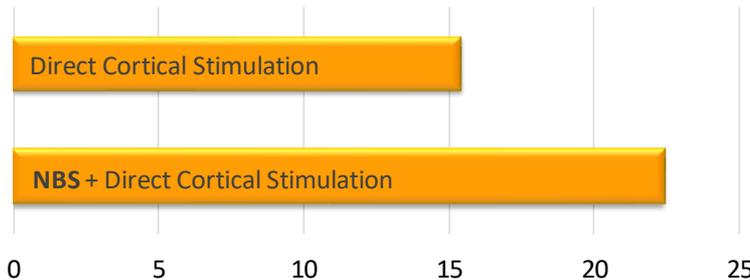
# NBS for Pre-surgical Mapping (Diagnostic)

Only available technology on the market today

## NBS Significantly Improves Clinical Outcomes in Neurosurgery

NBS helps surgeons to prepare better and to be more aggressive with the tumor resection:

46% increase in progression-free survival in low grade gliomas<sup>1</sup> (months)



## World-leading Centers Rely on Nexstim's Pre-surgical Mapping Technology NBS

Selected institutions out of the 170 ones currently using Nexstim's technology

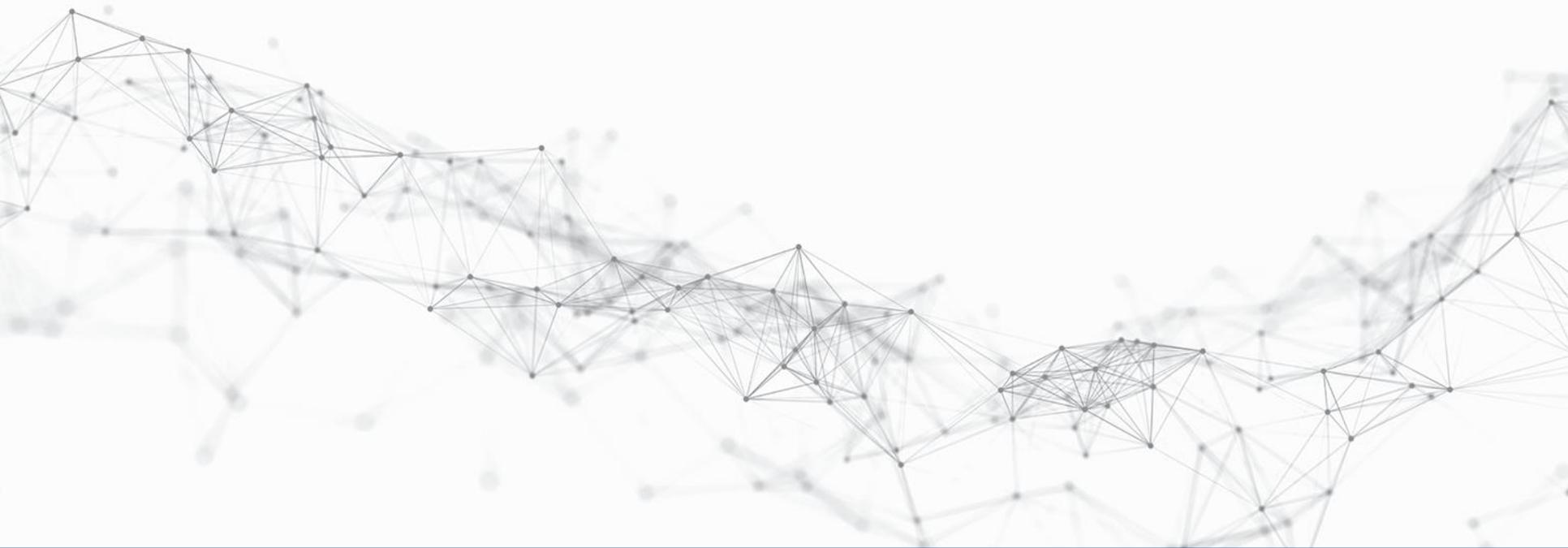


“nTMS makes surgery safer, the resection rates are higher and—in the end—the outcomes are better.”

Bernhard Meyer, MD, Professor & Chair, Department of Neurosurgery, Technical University of Munich<sup>2</sup>

1) Dietmar Frey, Peter Vajkoczy, and Thomas Picht (2014) Navigated transcranial magnetic stimulation improves the treatment outcome in patients with brain tumors in motor eloquent locations  
 2) Company website

# **Nexstim Business Update & Key Financials**



# Nexstim Business Update H1 2020

- Focused on minimizing the effect of COVID-19 pandemic as well as updating Company strategy
- Strong progress considering the difficult business environment
  - **Four new NBS systems sold** (three in the US and one in Europe)
  - Total of **five new NBT® systems installed** to clinics in the US and Europe, across multiple sites, for the treatment of MDD
- 2020 H1 was historically the **Company's best first half** to date
  - Total net sales = EUR 1.6M (2019 H1: EUR 1.2M)
  - Operating result = EUR -1.8 million (2019 H1: EUR -3.4M)
  - Result for the period = EUR -1.2M (2019 H1: EUR -3.7M)
- NBS net sales grew by 47% in 2020 H1 to EUR 0.9M (2019 H1: EUR 0.6M) and the NBT® net sales grew by 18% in 2020 H1 amounting to EUR 0.7M (2019 H1: EUR 0.6M)
- The successful rights issue executed in the spring was oversubscribed and raised a total of **EUR 2.2M of new equity**
- Business Finland decided on a partial debt cancellation of three R&D loans granted for stroke rehabilitation including accrued interests (**total of EUR 0.9 million of loan capital will not be collected**)

# Key Performance Indicators H1 2020

(EUR in thousands)	1-6/2020 6 months	1-6/2019 6 months	1-12/2019 12 months
Net sales	1,614.5	1,217.4	3,348.1
Personnel expenses	-1,597.3	-2,079.1	-4,713.0
Other operating expenses	-1,363.7	-1,968.2	-3,647.5
Depreciation and amortization	-189.2	-205.3	-524.6
Operating profit / -Loss	-1,836.5	-3,362.0	-6,517.5
Profit / -Loss for the period	-1,169.1	-3,664.9	-6,782.6
Earnings per share (EUR)	-0.01	-0.29	-0.25
Cash flows from operating activities	-1,560.6	-3,679.0	-6,681.5
Cash in hand and at banks	4,754.2	6,378.6	4,266.2
Total equity	288.2	-495.2	-740.1
Equity ratio (%)	4.65	-3.94	-8.49
Number of shares in the end of the period (pcs)	439,622,756	35,400,873	62,786,630
Average number of shares during the period (pcs)	93,873,959	12,835,277	27,611,274
Diluted number of shares in the end of the period (pcs)	479,636,776	52,450,118	64,080,578
Diluted average number of shares during the period (pcs)	99,280,934	17,817,551	36,392,323

- All time high H1 Net Sales
- Total Net Sales increased by +33%
- NBS sales EUR 0.9M (+47%)
- NBT sales EUR 0.7M (+18%)
  - 100% recurring revenue

- Successful COVID cost saving measures
- Personnel Expenses (-23%)
- Other OPEX (-31%)

- All time best H1 result
- Operating loss decreased by -45%
- Loss for the period decreased by -68%

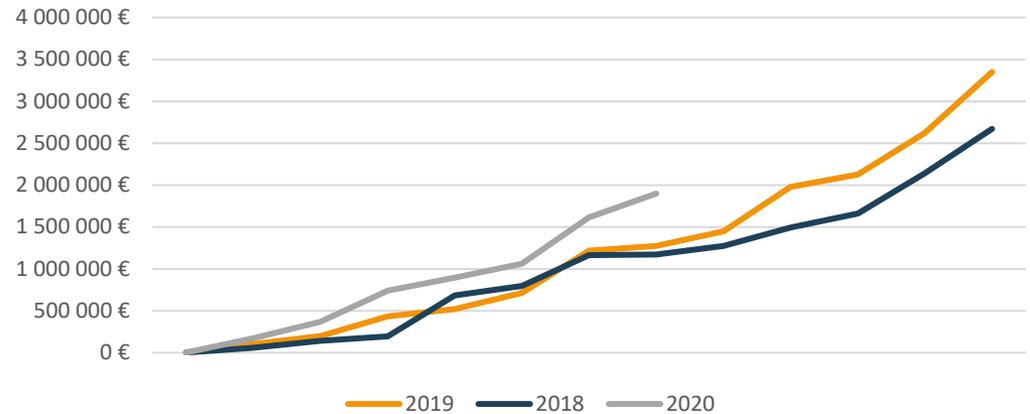
- Negative CF from Operating Activities decreased by -58%
- Cash Balance EUR 4.8M
- Sufficient runway until end of Q1 2021

- 2020 Future Outlook: Net Sales to grow and Operating loss to decrease in comparison to 2019

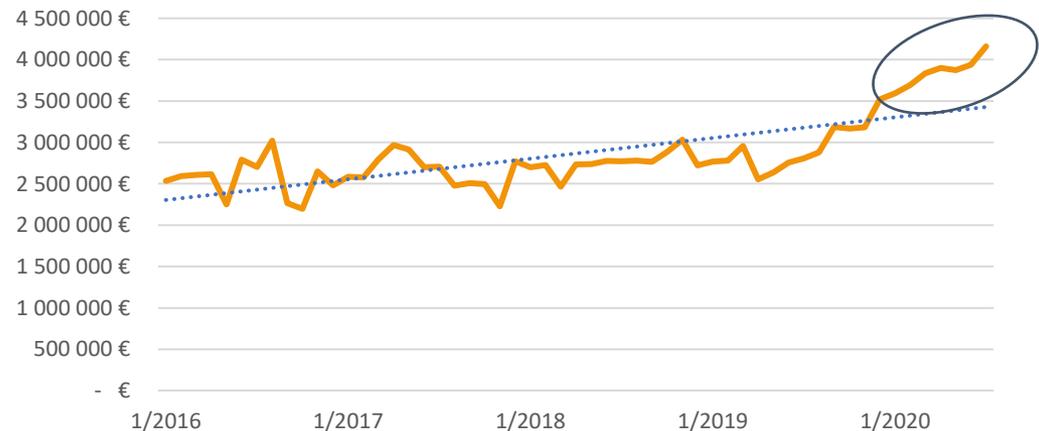
# NBT<sup>®</sup> / NBS Revenue – Existing Business

- Steadily growing business, showing all time high figures in H1 2020
- Rolling 12 months revenue has been staying well above the growing trendline through 2020
- Rolling 12 months average therapy revenue per system was approx. EUR 70k at end of June 2020
- NBT<sup>®</sup> business provides strong recurring revenue to secure and accelerate growth
- As recurring therapy revenue is representing a larger portion of the sales mix, the gross margin -% is also continuously growing
  - High gross margins at up to 95%
  - 66% of total therapy revenue during 2019
  - 100% of therapy revenue in 2020 H1
- Aiming for profitable growth through increasing recurring revenue driven by high system utilization

Cumulative YTD Total Revenue 2018-2020



Rolling 12 months Revenue



# Additional Revenue Opportunities

## Accelerated iTBS protocol revenue

- Entry to the large untapped hospital inpatient TMS market in severe depression as well as post-remission outpatient maintenance therapy
- Nexstim E-field navigated TMS system required for best outcomes in general (also protected by IP)
- Clinical outcomes provide superior economic benefits and compelling incentive to hospitals
  - Approx. \$22,000 savings per patient treated
- Product launch expected during current strategy period ending 2024

## US Nexstim clinics revenue

- Partnership business model opportunity with path to near-term profitability
- Nexstim outcomes available to more patients sooner (including possible future in accelerated iTBS)
- Moving deeper into the patient treatment value chain to extract more margin and develop profitability
- Significant value proposition to partner
- Ongoing advanced discussions with first clinic

# Near-term Objectives / Milestones

1	Decrease the operating loss with focus on achieving profitable revenue growth and strict management of operating expenses. Full year 2020 net sales are estimated to increase, and operating loss is expected to decrease in comparison to year 2019
2	Started two new pilot studies in treating severe depression (Kuopio University Hospital) and chronic pain patients (Helsinki University Hospital) with accelerated iTBS therapy treatment protocols
3	Develop and execute a deeper profitable partnership business model in the key therapy markets together with valued partners
4	Patient data registry of first 108 completed MDD treatment sessions – 42% remission and 74% response rates
5	Continue developing the NBS pre-surgical mapping reimbursement process for the US and strategic partner search for the diagnostic business
6	Obtain funding to achieve the Company's strategic vision from capital markets and/or through strategic partnerships

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# Thank you!

