

**Nexstim.  
World leader in  
personalised, navigated,  
non-invasive brain  
stimulation therapy and  
diagnosis.**

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Nexstim Plc Corporate Presentation, September 2018



**Nexstim**

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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<sup>®</sup> 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<sup>®</sup> system is CE marked in Europe for the treatment of stroke, major depression and chronic neuropathic pain.

## FORWARD-LOOKING STATEMENTS

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# Nexstim – advanced transcranial magnetic stimulation

Nexstim

## Unique and 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 150 systems (e.g. Mayo Clinic, MD Anderson, Karolinska, Charite)

## Competitive Advantage in an Attractive Market

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

## Experienced Management Team

- Management team highly experienced in commercialisation of medical devices

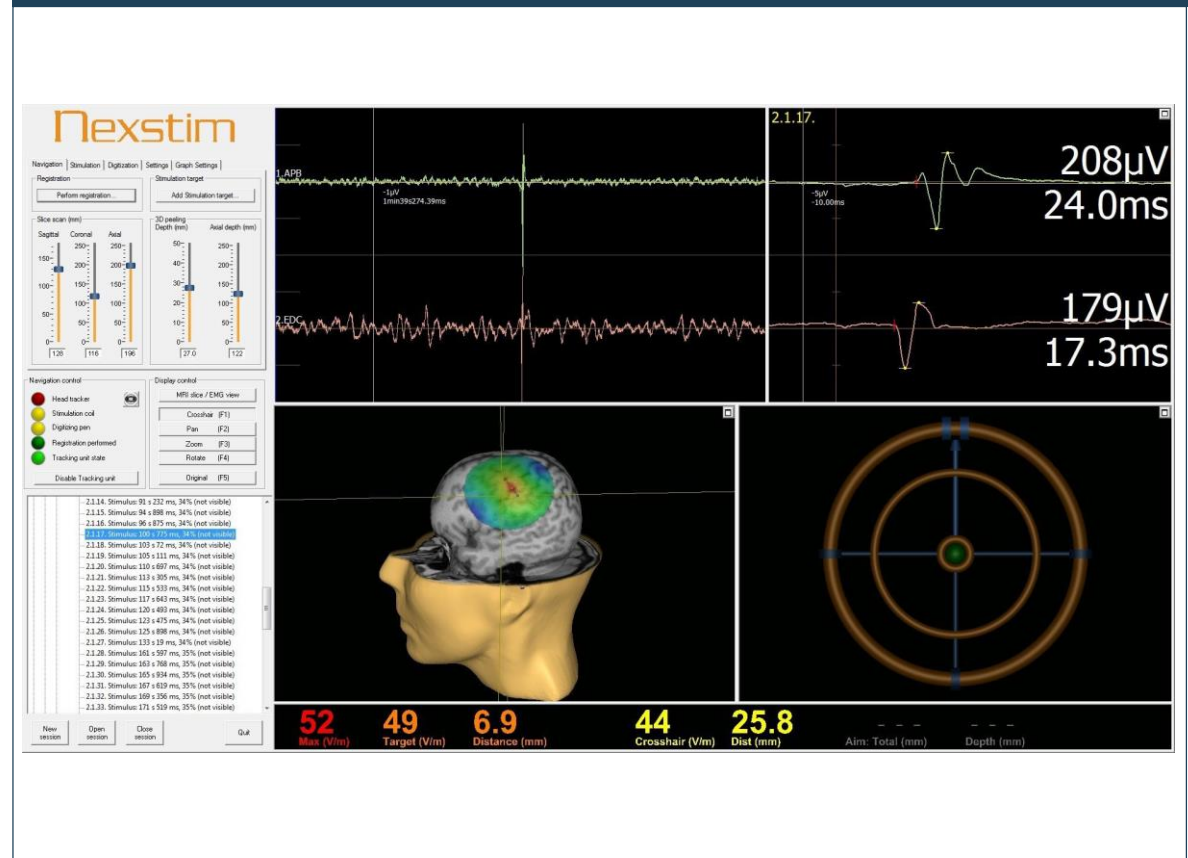


# Nexstim's TMS system differentiated by E-Field Navigation

## Leading transcranial magnetic stimulation technology

- Nexstim's device facilitates highly accurate pre-surgical mapping
  - Unique e-field induced modelling
  - 3D MRI visualisation and stereotactic navigation
  - Measurement of Electromyography response
- ...and promises improved efficacy in therapeutic applications
  - Highly accurate targeting
  - Precise dosing
  - Repeatable over multiple treatment sessions

## User Interface of Nexstim TMS system



# Unique navigated TMS system for diagnostic and therapeutic applications

Use	Application	Europe	US	Commercial Status
Diagnostic – Navigated Brain Stimulation (NBS)	Pre-surgical mapping	CE marked	FDA approved	Installed base of over 150 systems
	Depression	CE marked	FDA approved	Multiple systems installed in the EU & US
Therapeutic – Navigated Brain Therapy (NBT®)	Chronic pain	CE marked	Phase II clinical trials evaluated	Multiple systems installed in the EU

# Navigated Brain Stimulation

**Proprietary technology enabling substantial patient benefit in brain cancer surgery, commercially validated**

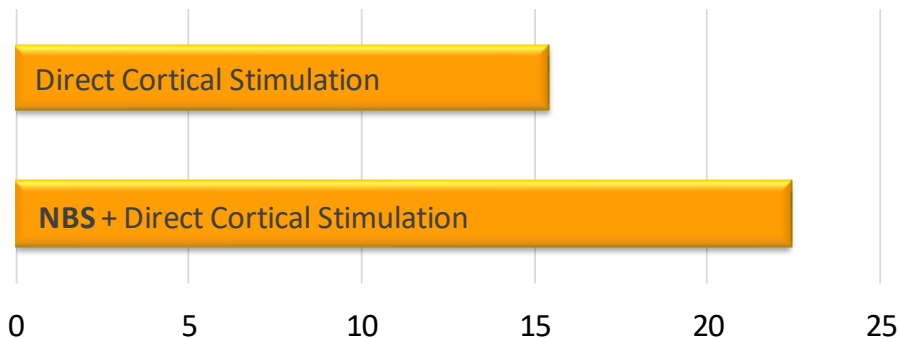


# Nexstim's NBS is the only available pre-surgical mapping technology

## NBS Significantly Improves Clinical Outcomes

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 150 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

# Navigated Brain Therapy<sup>®</sup>

Smart, focused and drug-free





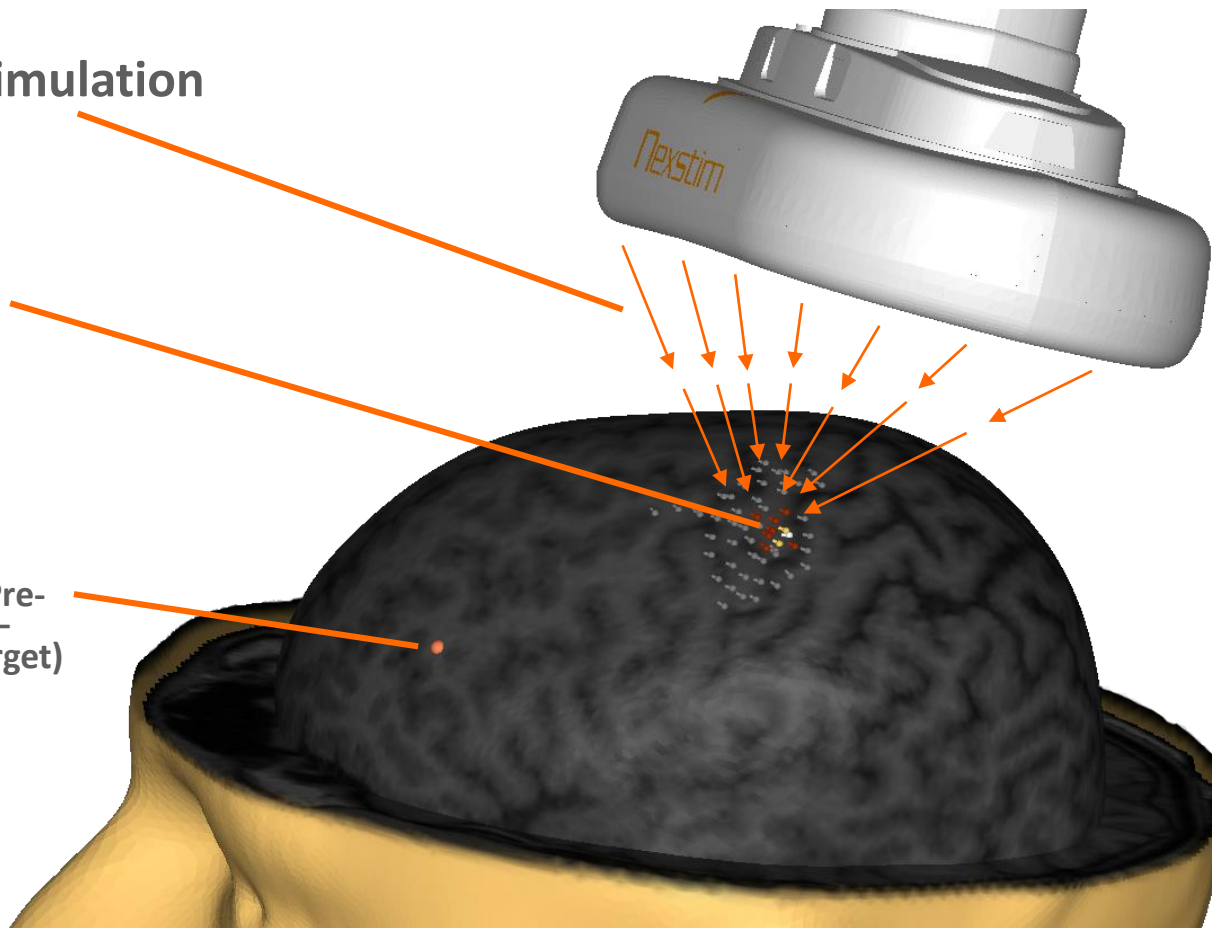
# NBT<sup>®</sup> - personalised method of treatment

Magnetic Stimulation

Max e-field stimulation response

**DLPFC**

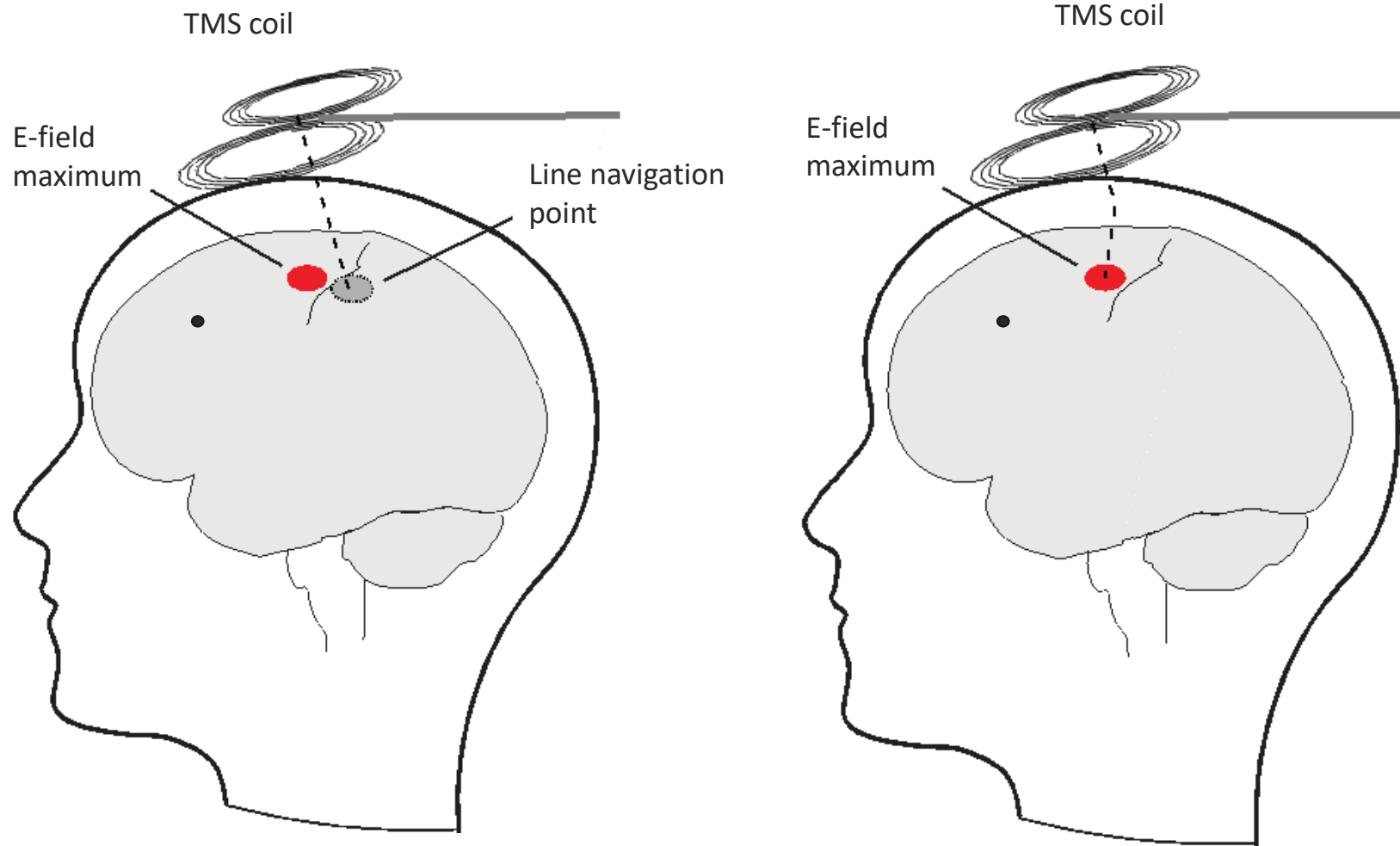
Dorso Lateral Pre-frontal Cortex – (depression target)



Process:

- Map the motor cortex:
  - e-field modeling ensures navigation accuracy
  - The point of Max stimulation response is measured through EMG (hot spot)
  - Establish motor threshold (MT) at hot spot
  - **Depression: 10Hz** stimulation pulses at 120%MT
  - **Pain: 10 Hz** stimulation pulses at 80-100%MT

# Nexstim E-field navigation vs. line navigation



- Line navigation is inaccurate as it doesn't account for the distortion caused by bone and brain matter
- Nexstim's E-field navigation accounts for that distortion
- Non-navigated TMS hits the Dorso Lateral Pre Frontal Cortex in just 30% of cases vs. 100% for Nexstim NBT®

# Navigated Brain Therapy<sup>®</sup> in Depression

Entering a rapidly growing market with a differentiated product



# NBT<sup>®</sup> for Depression

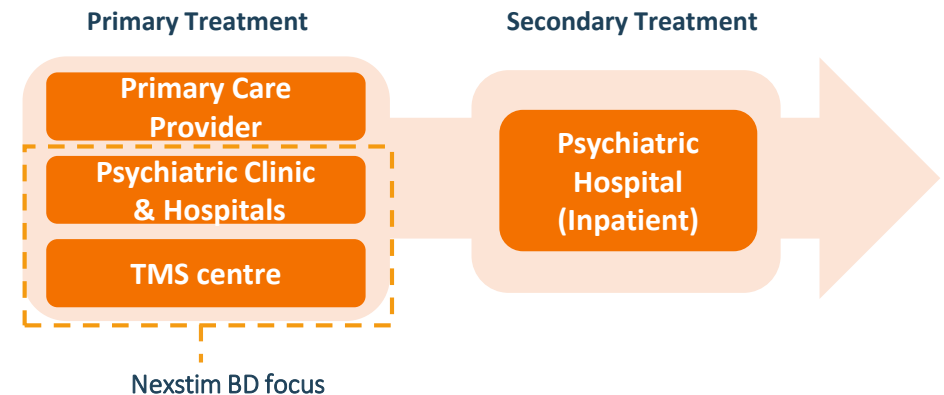
## Nexstim depression business opportunity

- 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 40 billion<sup>2</sup>
- Reimbursement for TMS is already available in US and EU markets
- Successful US commercial launch of NBT in depression in May 2018, with multiple systems delivered to customers

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



## Patient treatment pathway in the US for MDD



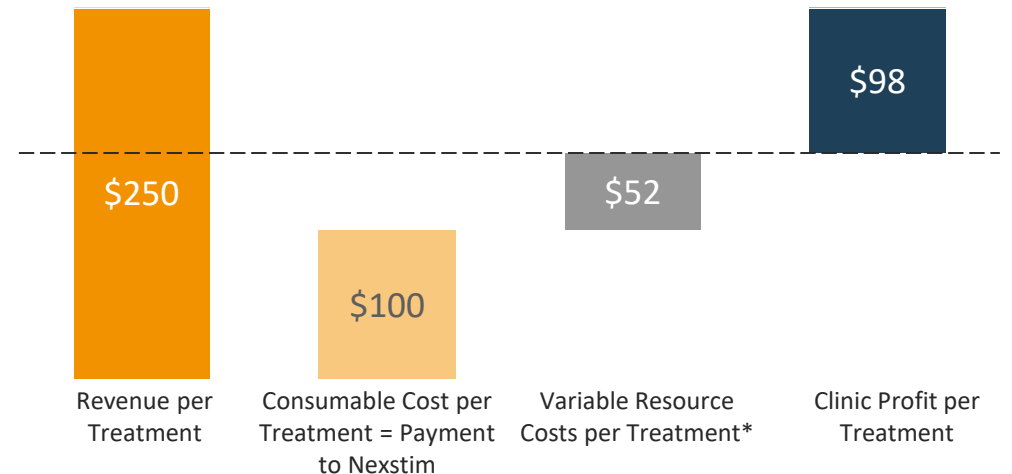
1) Vos, T., et al. (2016) Global, regional, and national incidence, prevalence, and years lived with disability for 310 diseases and injuries, 1990–2015: a systematic analysis for the Global Burden of Disease Study 2015; 2) PMSI Consulting analysis and estimates

# Existing reimbursement for depression treatment and private pay represent compelling opportunity in the US

## Commercialisation approach

- Most major commercial payers now reimburse TMS treatment for depression in the US and 100% Medicare coverage
  - There are CPT codes available for both therapeutic repetitive TMS treatment and subsequent delivery and management per session
- Key target groups are TMS centres and high volume psychiatric clinics and hospitals
- Business model targets a high annual revenue stream per system with high utilization rates
- The company offers compelling pricing options and programs for customers
  - Pay-per-use Lease
  - Monthly Unlimited Use Lease
  - Capital Sale + Headtracker Sales + Service Contract

## Economic Benefit to US TMS Centre or Psychiatric Clinic (Pay-per-use lease)<sup>1</sup>



- In a pay-per-use lease, no initial investment is required for clinics so **clinics make profit from first patient**
- A clinic could achieve annual profit of **\$147,500**, assuming 30 treatments per patient and 50 patients per year
- Nexstim can make a revenue of **\$150,000** for contracted clinic in pay-per-use lease

\*includes estimated cost of facilities and technician for 45 minutes per treatment, MD cost (NOTE: 3 times per patient, 45 minutes biweekly) and MRI cost of \$500 per patient divided by amount of treatments. 40% overhead applied

1) Company analysis and estimate

# NBT<sup>®</sup> geographic focus for depression in the US

Build a direct sales field organization comprised of sales, clinical support and operations distributed across existing US NBS geography and recruit sophisticated and well connected distributor for Canadian channel

## CALIFORNIA<sup>2</sup>

**Population: 39.5 million**  
**Practices using TMS: 129**  
TMS Groups: 60  
TMS Centers: 21  
Group Psychiatric: 13  
Solo Psychiatric: 28  
Other: 7

## TEXAS<sup>2</sup>

**Population: 28.3 Million**  
**Practices using TMS: 13**  
TMS Centers: 2  
Solo Psychiatric: 8  
Other: 3

## SOUTHEAST STATES<sup>2</sup>

**Population: 58 Million**  
**Practices using TMS: 126**  
TMS Groups: 15  
TMS Centers: 32  
Group Psychiatric: 25  
Solo Psychiatric: 32  
Other: 22

## NORTHEAST STATES<sup>2</sup>

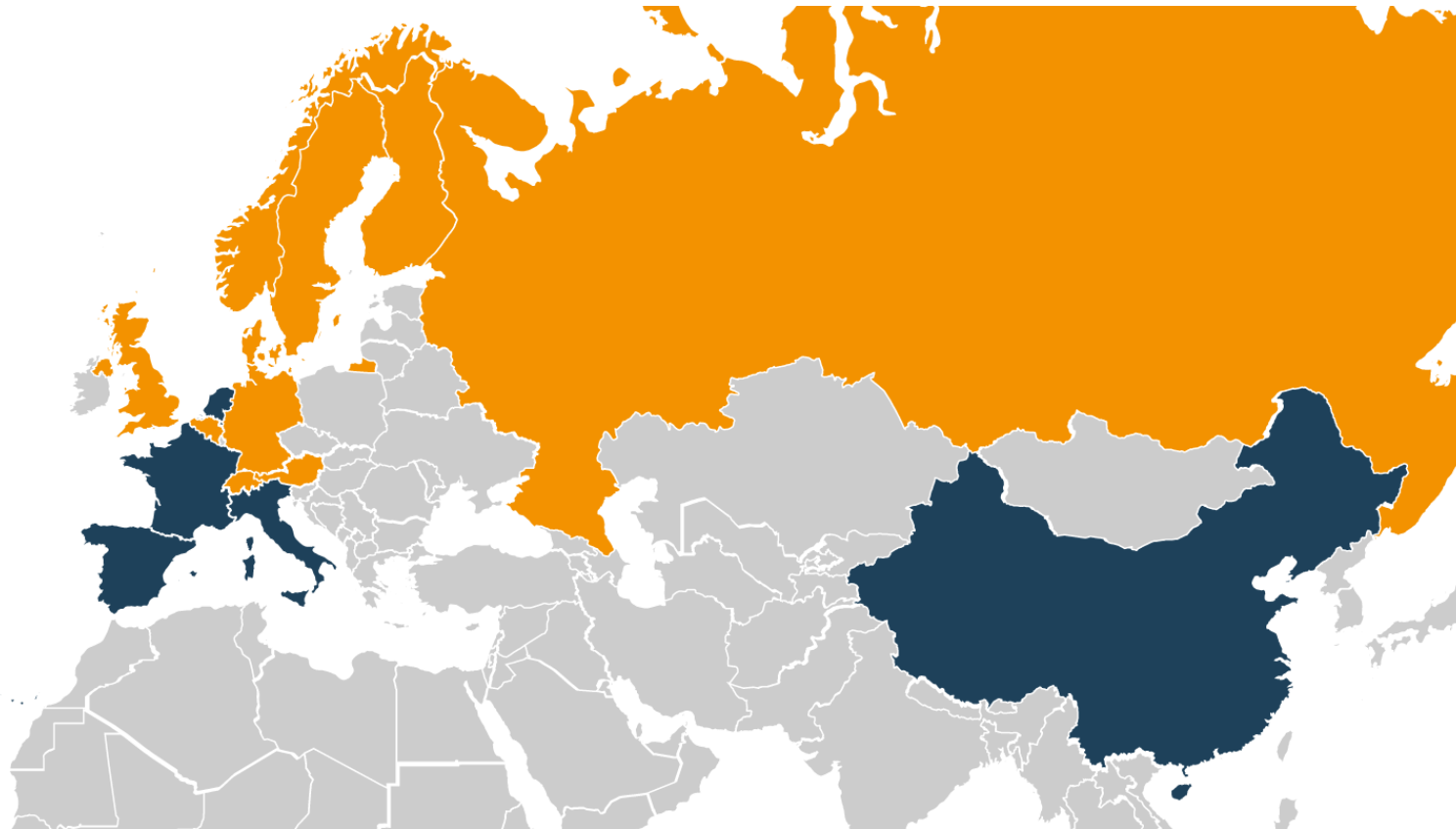
**Population: 67 Million**  
**Practices using TMS: 196**  
TMS Groups: 47  
TMS Centers: 46  
Group Psychiatric: 22  
Solo Psychiatric: 46  
Other: 35

“ Our new Nexstim machine is an incredible upgrade in precision. We have a significant amount of patient interest and several started. Excited to have some single case results soon. ”

Island Psychiatry, Long Island<sup>1</sup>

1) Company twitter; 2) PMSI Consulting analysis and estimates; Company management estimate

# Nexstim Brain Therapy - Commercialization and Go-To Market Approach – Europe & Asia



■ Markets with NBS<sup>®</sup> or NBT<sup>®</sup> systems   ■ Markets to be developed

## Actions on established markets

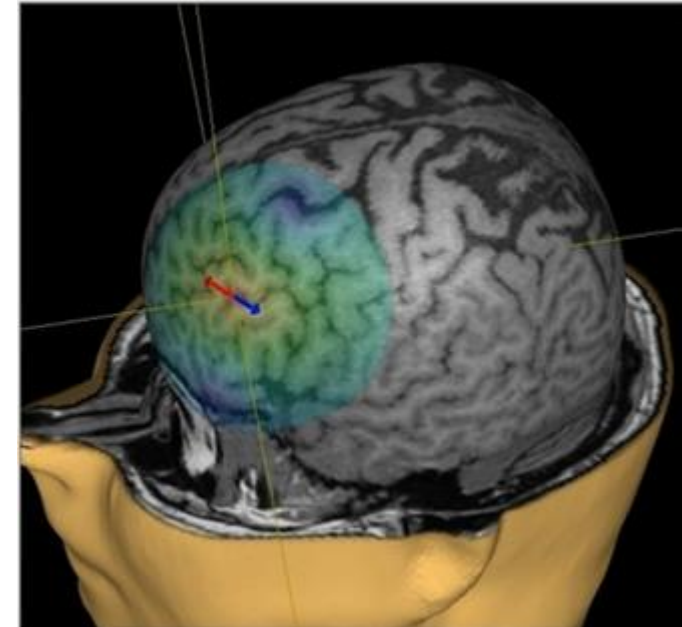
- Strong distributor organization
- Cross-selling NBS with NBT<sup>®</sup>
- Five university hospitals in Finland using a Nexstim system for both depression and pain treatments
- Patient registry established
- Strong KOL network

## Markets to be developed

- Hong Kong distributor appointed and delivery of the first depression therapy system
- Chinese partner candidates currently being evaluated
- France, Netherlands, Italy and Spain targeted with distributors

# Development Actions for NBT<sup>®</sup> for Depression

- Technology
  - Automatic identification of the DLPFC to increase effectiveness of the therapy treatment process
  - Advanced user interface for NBT<sup>®</sup> system
  - System cost reduction programme
  - Wireless EMG
- Business Development
  - Patient treatment registry
  - File 510k to include Thetaburst allowing a 3 minute therapy treatment time and DASH allowing a 19 minute therapy treatment time
  - Further development of commercial customer service organisation specifically in the US

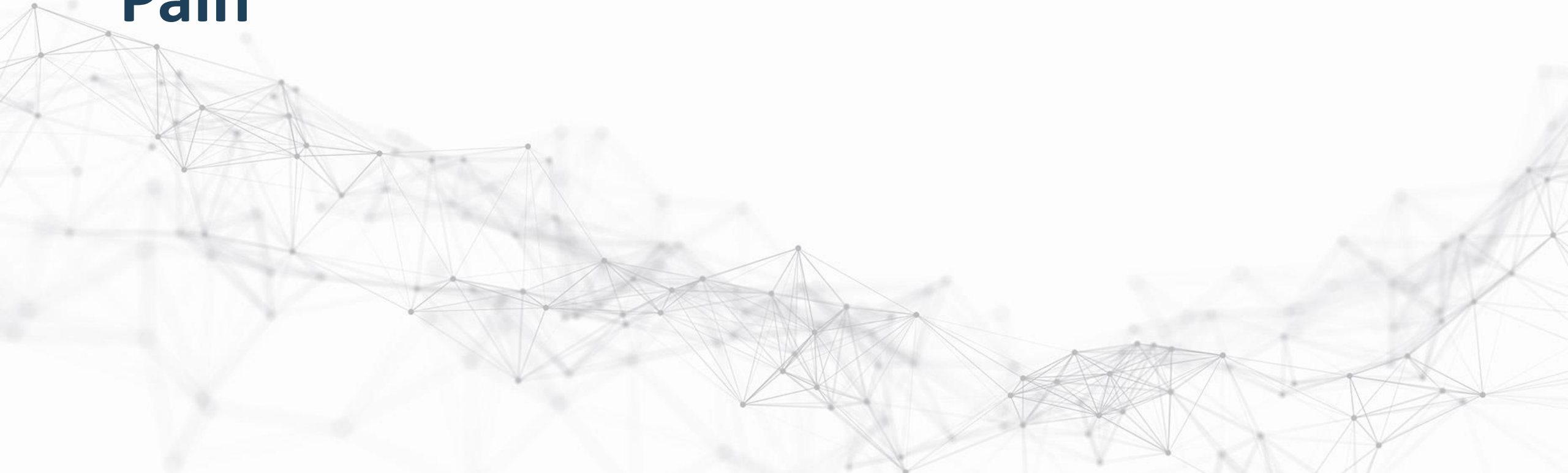




# Nexstim Brain Therapy – Building the commercial organization

- Direct sales team for the US and a mix of both direct and distributor partnerships for other geographies
- Depression advisory panel established. Leverage strong neurosurgical KOL network
- The current US commercial organization of eight is doubling within a year
  - Account Managers – focused on new potential accounts and closing capital placements
  - Clinical Applications Specialists – responsible for training and driving utilization at clinics
  - Customer Service Specialists – responsible for installations and continuous support
  - Reimbursement team – assisting customers in conducting benefit investigations for patients
  - Product management – managing marketing campaigns and events

# Navigated Brain Therapy<sup>®</sup> in Neuropathic Pain

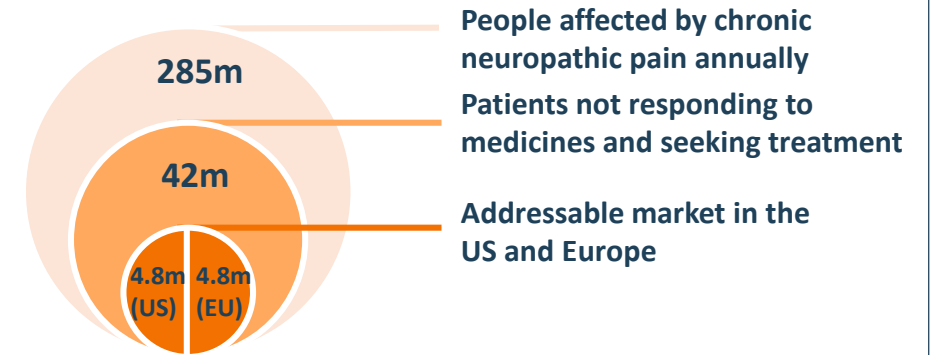


# NBT® for Chronic Neuropathic Pain

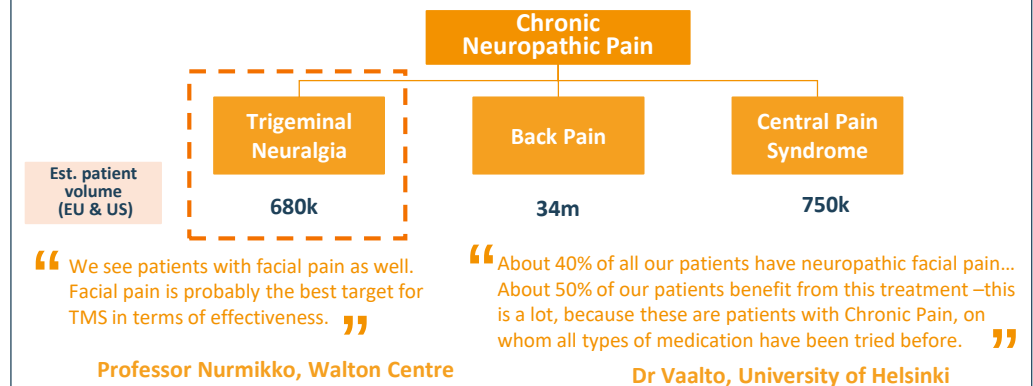
## Nexstim neuropathic pain business opportunity

- 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 is evaluating possible clinical trials for chronic neuropathic pain

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



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



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

# Business summary

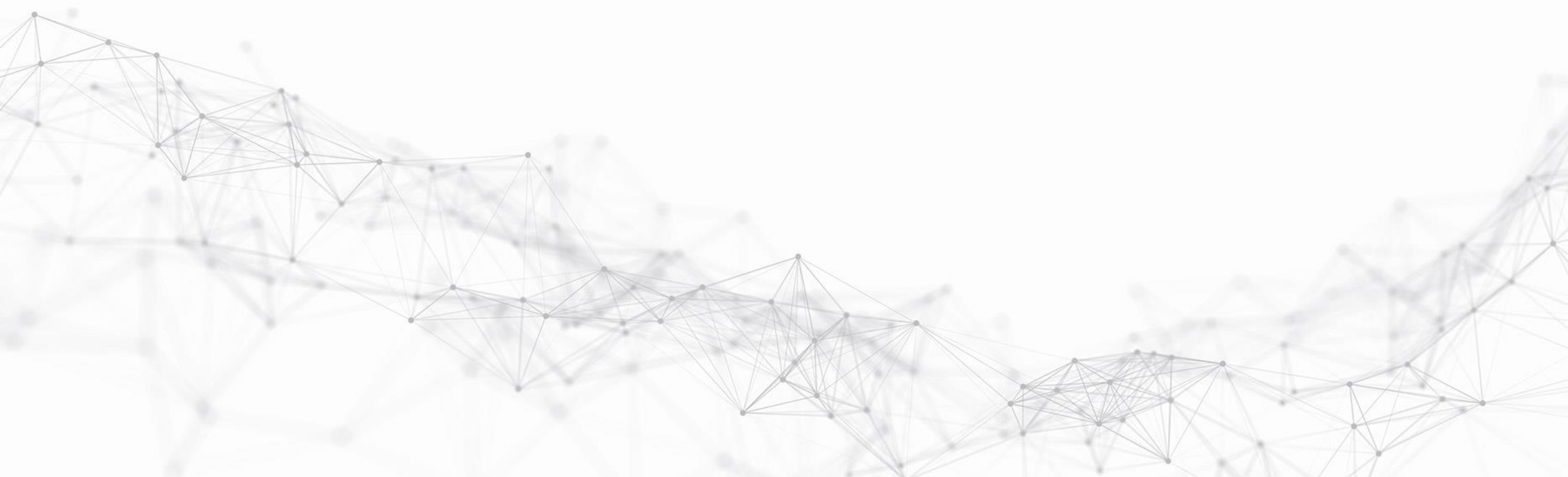
1 Only TMS system to provide accurate, personalised targeting of key areas of treatment

2 Commercially validated in pre-surgical mapping with systems installed in more than 150 hospitals






3 First installations for depression in multiple sites across three continents

4 Focused strategy for commercial roll out of depression systems in the US








**Thank you!**



# The Board of Directors

	Name Nationality		Education	Relevant experience
	Martin Jamieson, Chairman UK	2015 Independent	University of the Arts (CDT) London Higher National Diploma - Business Studies (1979)	Currently board member of C-Major Ltd, LightPoint Medical Ltd and Schuco Ltd. Martin was a NED at Medway NHS Hospital Foundation Trust. Previously Managing Director Smiths Medical International and CEO at Rayner Group.
	Ken Charhut US	2013 Independent	BSc at Cornell (1980) and MBA from U.Chicago (1988)	Member of the Board at two medical industry companies. CEO at Compellon. Previously CEO at other medtech firms.
	Rohan Hoare Australia	2016 Independent	Ph.D. in Physics from Harvard University where he was a Fulbright Scholar	President and CEO of EndoStim. Previous positions include the President, Neuromodulation at LivaNova and COO at Cyberonics. Numerous leadership positions at St Jude Medical culminating in President, Neuromodulation Division.
	Tomas Holmberg Finland	2017 Independent	Master of Laws from the University of Helsinki	Following his work at Nokia Networks, Nokia Ventures Organization and as partner at Hannes Snellman Attorneys, Tomas became an independent advisor. Active in the Nordic-China corridor with Shanghai based M&A and strategy advisor E. J. McKay & Co.
	Juliet Thompson UK	2015 Independent	Chartered Accountant ACA; Chartered Institute for Securities (ASCI); BSc Economics (Bristol University)	Currently Chairman of Premier Vet Group. 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.

# Management team

	Name Nationality	Current position (Nexstim since)	Education	Relevant experience
	Martin Jamieson UK	CEO & Chairman of the Board 2016	University of the Arts (CDT) London Higher National Diploma - Business Studies (1979)	Currently board member of C-Major Ltd, LightPoint Medical Ltd and Schuco Ltd. Martin was a NED at Medway NHS Hospital Foundation Trust. Previously Managing Director Smiths Medical International and CEO at Rayner Group.
	Henri Hannula Finland	VP, Sales Europe 2001	MSc in technology from Helsinki U. of Technology (2001)	Various roles at Nexstim starting 2001 and VP, Sales Europe since 2013. Comes from position as director of sales
	Gustaf Järnefelt Finland	VP, R&D 2008	MSc at Helsinki U. of Technology (1988)	R&D director 2008-2014. Previously held managerial positions at GE Healthcare Finland
	Mikko Karvinen Finland	CFO 2014	MSc in economics at Helsinki School of Economics (2001)	Previously held CFO and deputy CEO positions at two Nasdaq OMX listed tech-firms
	Hanna Kotola Finland	VP, Legal Affairs 2017	Candidate of Laws, University of Helsinki, Finland(1997), Arcada - University of Applied Sciences, International Business Management Master degree (2016)	Previously held Group Corporate Counsel, Senior Legal Counsel and Legal Counsel roles at Polar Electro Oy, Digita Oy and Nokia Oyj.
	Jarmo Laine Finland	VP, Medical Affairs 2008	MBA at Helsinki U of Technology (2007) and PhD at U.Helsinki (1995), MD U. Helsinki (1991)	Director of clinical operations 2008-2013. Held several directorial positions at Finnish Red Cross Blood Service
	Steve Beller USA	VP and General Manager, North America 2018	BA in political science at Texas A&M University (1993)	Most recently Area Vice-President at Abbott Neuromodulation in the Western half of the US. Prior to this held Senior Director and Regional Sales Director roles at St Jude Medical Neuromodulation, before it was acquired by Abbott.

# Key Performance Indicators

EUR in thousands

	H1 2018 6 months	H1 2017 6 months	FY 2017 12 months	
Net sales	1,079.3	1,058.4	2,645.3	NBS system, net sales grew by 2%
Personnel expenses	-1,523.8	-1,475.3	-3,334.7	Includes EUR - 1,733 thousand of financial expenses that were mainly currency exchange rate losses related to intra-group loans
Depreciation and amortisation	-154.4	-165.1	-341.3	
Other operating expenses	-1,801.3	-1,759.0	-4,118.1	
Profit/ -Loss for the period	-2,440.6	-3,433.9	-7,327.9	
Earnings per share (EUR)	-0.03	-0.05	-0.09	
Cash flows from operating activities	-3,123.0	-2,791.2	-5,402.9	Achieved FY 2017 targeted lower cash burn
Cash in hand and at banks	10,305.6	9,239.3	8,473.6	The current cash balance, plus cash generated from sales, finance the Company until end of Q2 2019
Total equity	3,680.8	7,089.2	5,520.8	
Equity ratio (%)	31.23	65.19	52.77	
Number of shares in the end of the period (pcs)	97,531,529	86,053,694	93,173,604	
Average number of shares during the period (pcs)	93,661,249	70,330,185	79,476,965	
Diluted number of shares in the end of the period (pcs)	141,024,519	118,903,768	132,947,261	
Diluted average number of shares during the period (pcs)	133,547,163	105,089,658	114,676,433	