



# Nexstim. Personalised depression treatment.

Mikko Karvinen | CEO | Nexstim Plc

Nexstim Plc Corporate Presentation Webinar, 15 May 2020

**Nexstim**

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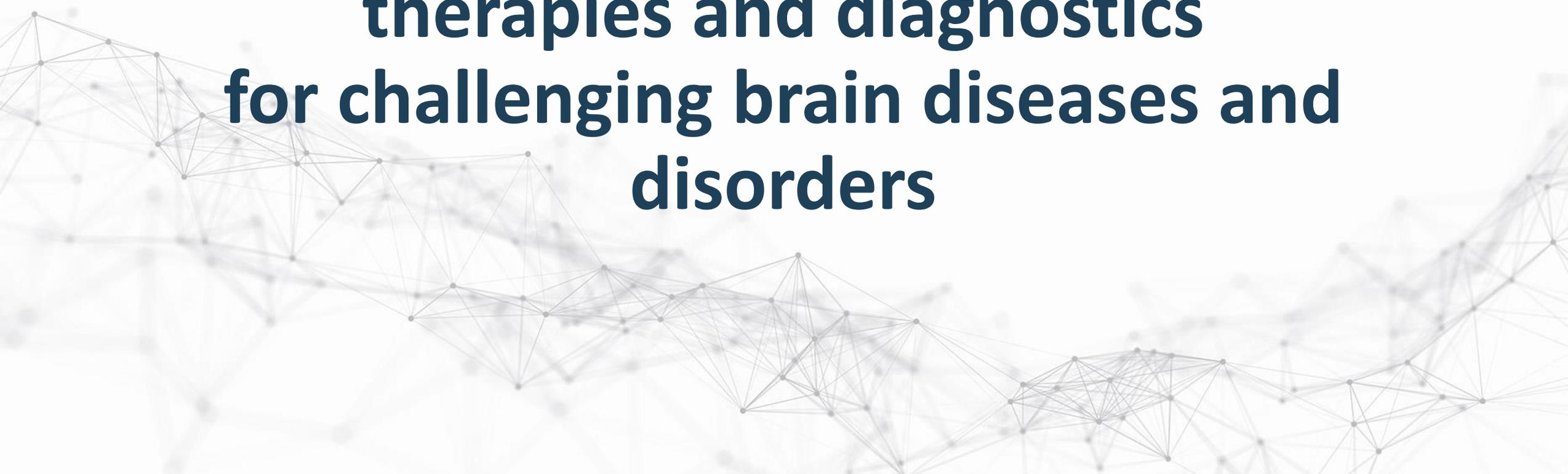
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Nexstim's NBS System is cleared by the FDA for assessment of the motor and speech cortices for pre-procedural planning. Nexstim has launched its NBT<sup>®</sup> system in the US for the treatment of Major Depressive Disorder (MDD) following clearance 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 major depression and chronic neuropathic pain.

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**We enable personalised and effective  
therapies and diagnostics  
for challenging brain diseases and  
disorders**



# Nexstim – personalised transcranial magnetic stimulation (TMS)

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 170 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

## Well positioned also for the future development

- Therapy system and IP well support the new accelerated iTBS treatment protocols

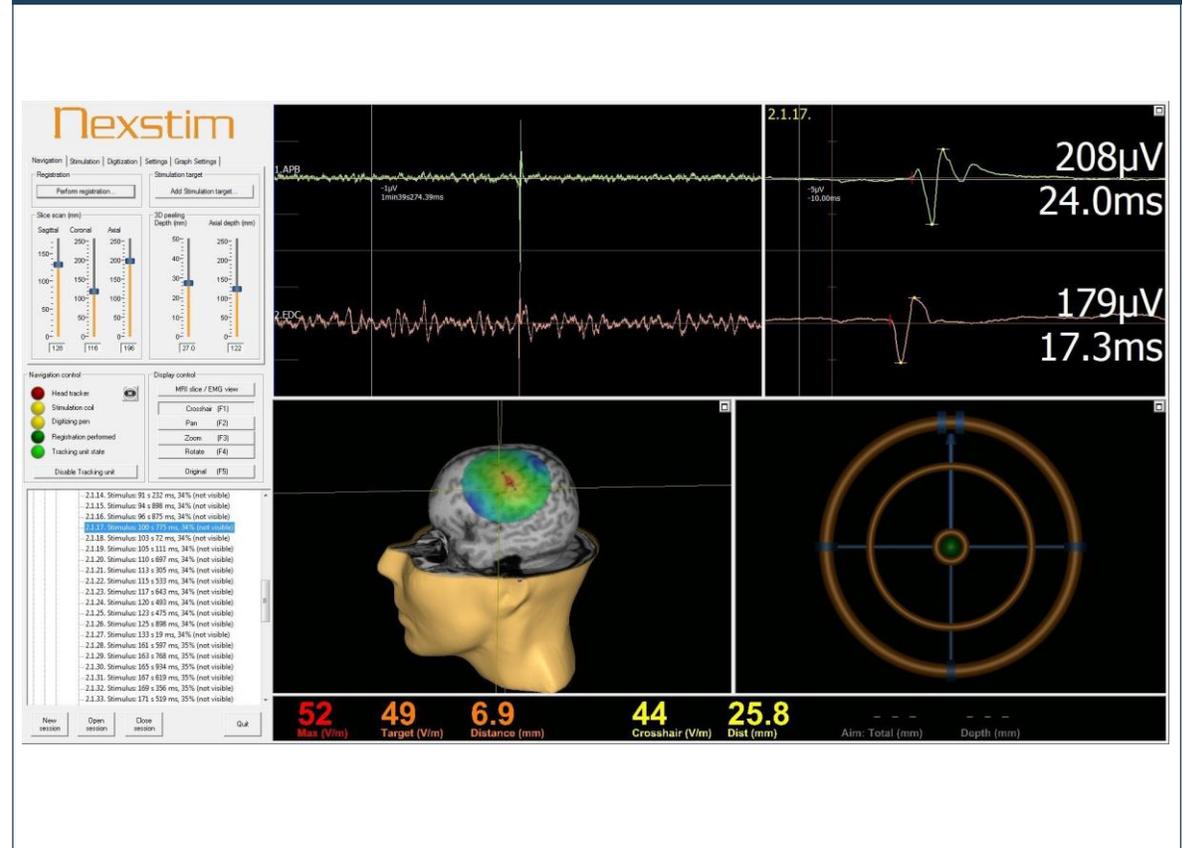


# Nexstim's TMS system differentiated by E-Field Navigation

## 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 170 systems
	Depression	CE marked	FDA approved	Multiple systems installed in the EU & US
Therapeutic – Navigated Brain Therapy (NBT®)	Chronic pain	CE marked	Additional clinical trials evaluated	Multiple systems installed in the EU

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

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

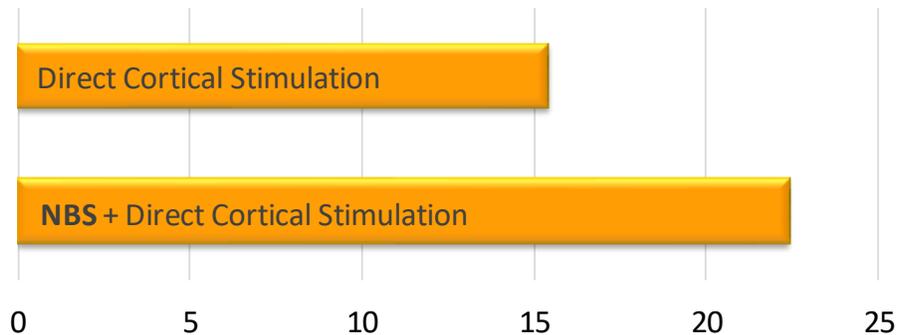


# Nexstim's NBS is the only available pre-surgical mapping technology

## 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)**



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

## 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. ”**

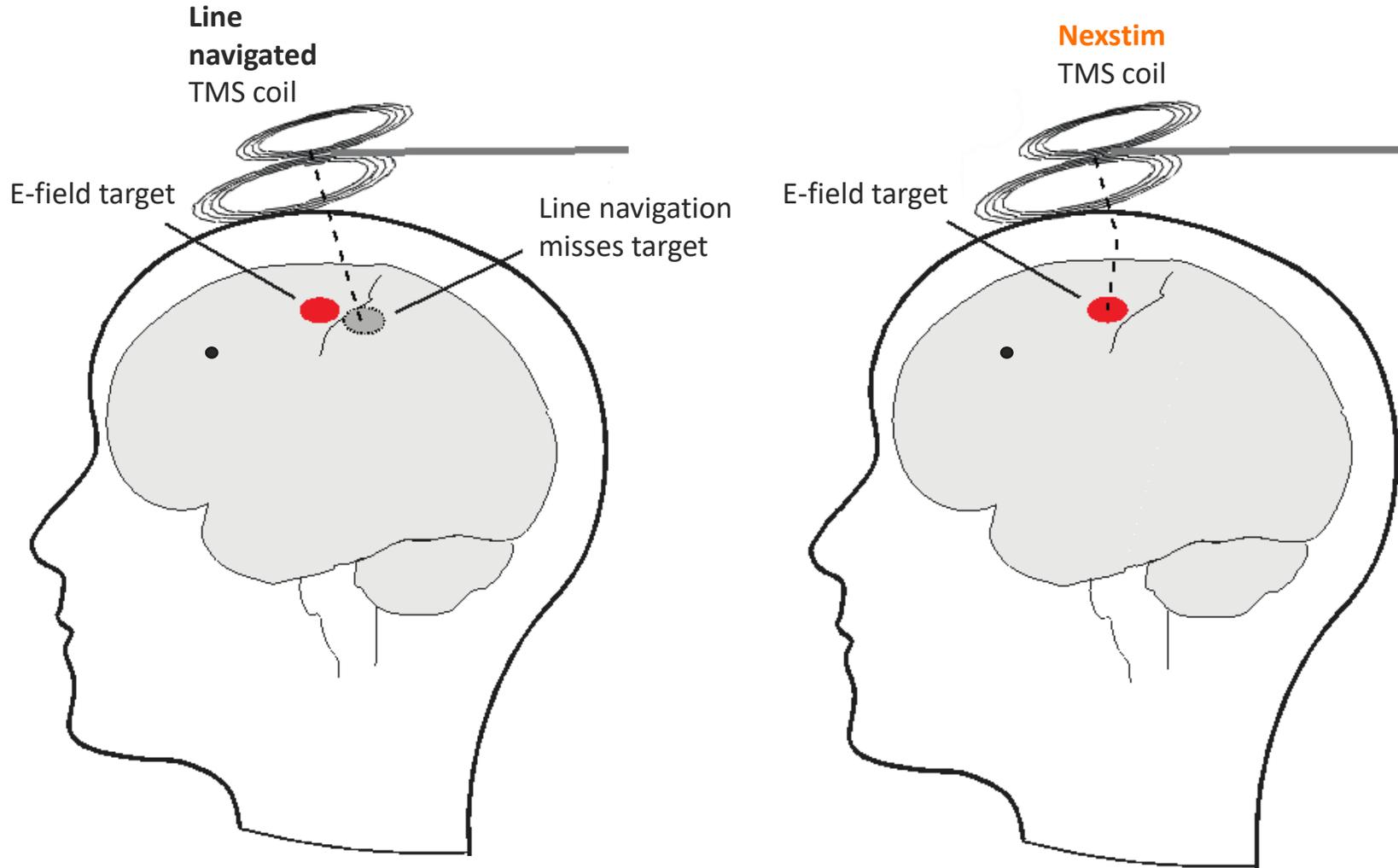
**Bernhard Meyer, MD, Professor & Chair, Department of Neurosurgery, Technical University of Munich<sup>2</sup>**

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

**Smart, focused and drug-free**



# 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®

# Nexstim SmartFocus® TMS in Depression

**Entering a rapidly growing market with a differentiated product**



# TMS in Depression Treatment

- In depression, **activity of the left dorsolateral prefrontal cortex (DLPFC) is reduced\***
- Stimulation of the DLPFC with rTMS **increases the activity of neurons in this region\***
- **2<sup>nd</sup> or 3<sup>rd</sup> line therapy** for patients not responding to anti-depressants or psychotherapy
- **Alternative method** for patients who can't take medication

## Overview of a patient's treatment options

### Depression:



(\*e.g. George et al, 1995)

# NBT<sup>®</sup> for Depression

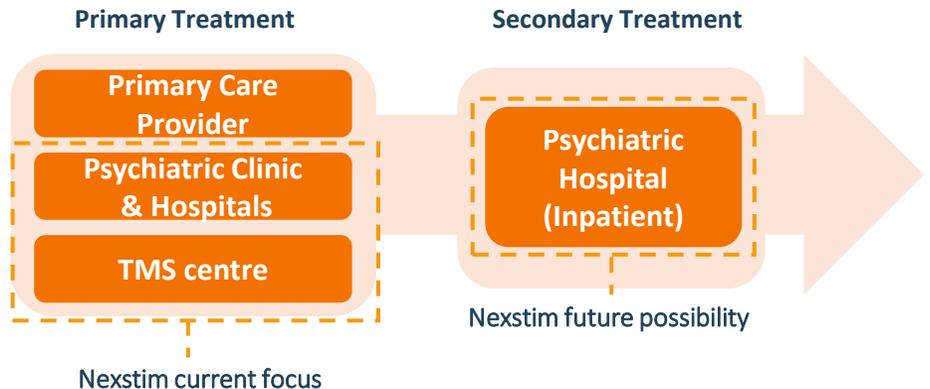
## Nexstim depression business opportunity

- 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 some EU markets
- Year 2019 NBT revenue growth of 131%
- An active installed base of 23 NBT therapy systems at end of year 2019 in clinics and hospitals globally

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



## Patient treatment pathway in the US for MDD



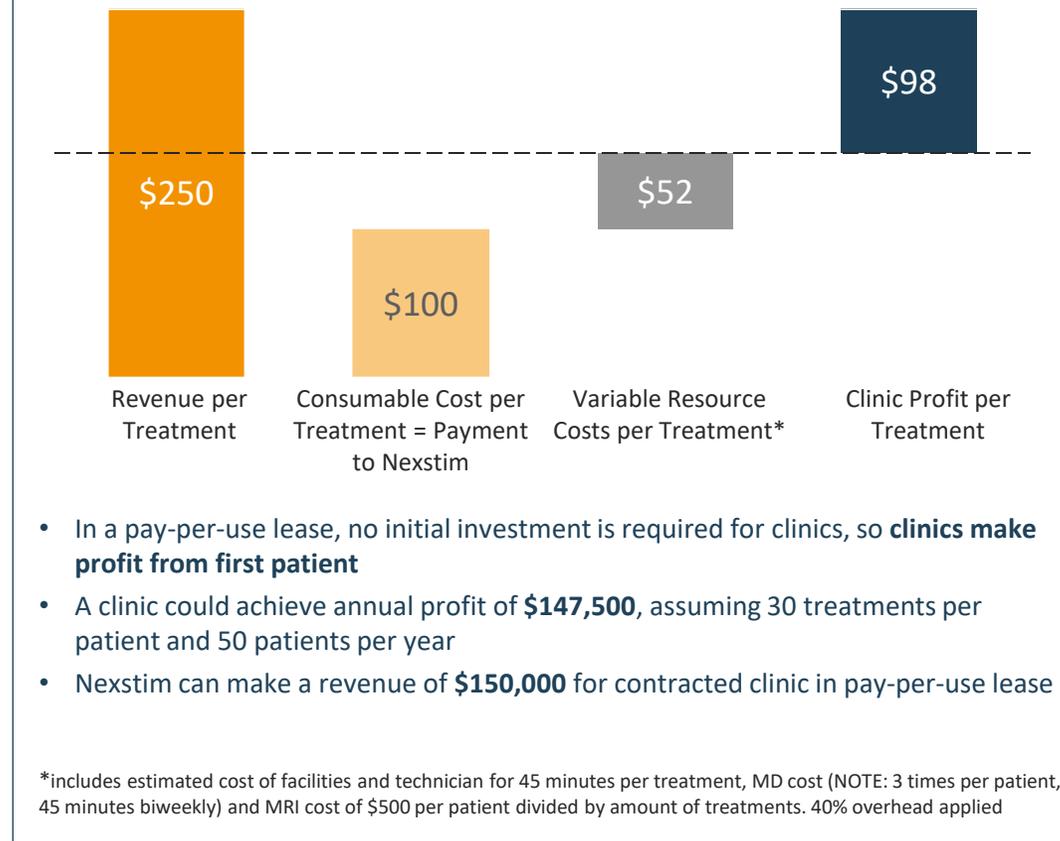
1) Vos, T., et al. (2016) Global, regional, and national incidence, prevalence, and years lived with disability for 310 diseases and injuries, 1990–2015: a systematic analysis for the Global Burden of Disease Study 2015; 2) PMSI Consulting analysis and estimates

# 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 recurring revenue stream per system with high utilization rates. Recurring revenue (total therapy sales less NBT® capital system sales) was about 66 percent of the total therapy revenue during year 2019.
- Nexstim offers compelling pricing options and programs for customers
  - Pay-per-use Lease
  - Monthly Unlimited Use Lease
  - Capital Sale + Headtracker Sales + Service Contract

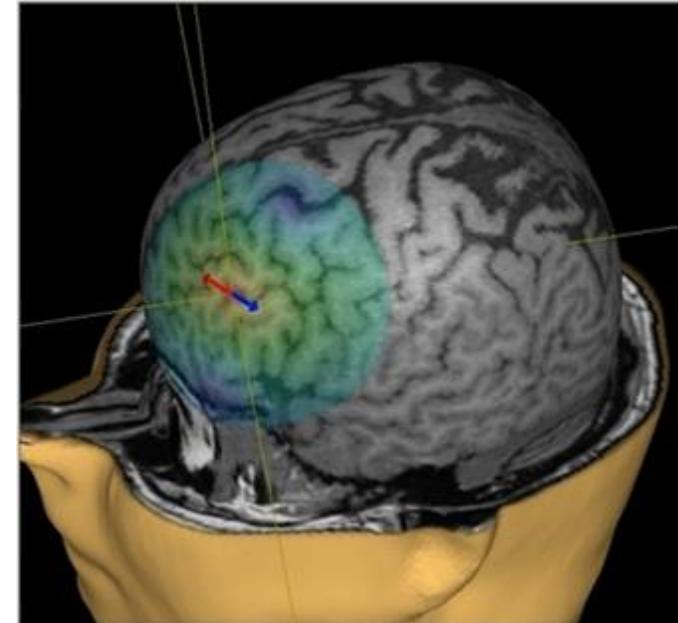
## Economic Benefit to US TMS Centre or Psychiatric Clinic (Pay-per-use lease)<sup>1</sup>



1) Company analysis and estimate

# Promising Clinical Outcomes - Patients Completing SmartFocus® rTMS Treatment of MDD

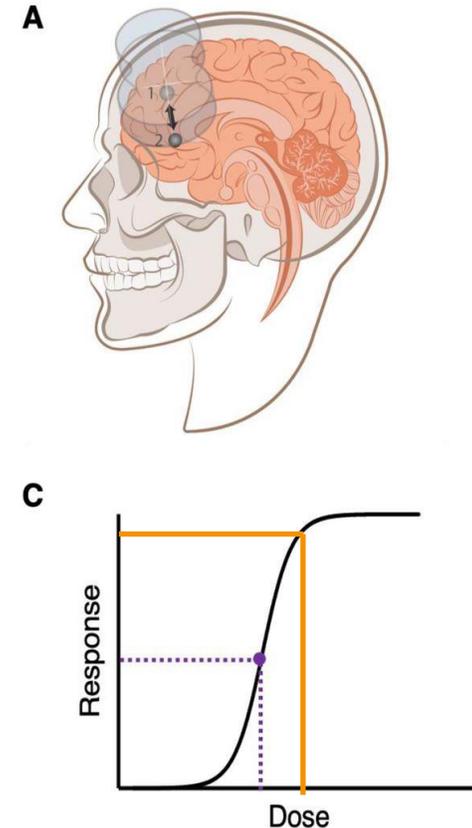
- First 55 patients in Nexstim's patient registry have completed SmartFocus® rTMS therapy for treatment of MDD at clinical sites in the US.
- 40% of the patients completing the treatment achieved clinical remission and 71% obtained a clinical response at the end of treatment.
- These outcomes are higher 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.

# Accelerated iTBS therapy published\* by the Stanford Nexstim team is a perfect match for Nexstim's accurate targeting

- Accelerated iTBS combines patient-specific individualized targeting of rTMS (A), accelerated delivery of hourly sessions (B) and high pulse-dose [both per session (B) and overall (C)].
- A) Resting state fMRI is used to target the region of the DLPFC (1) functionally most anticorrelated with deeper sgACC structure (2).
- B) Cyclic once per hour delivery of 10 sessions of 1800 pulses per day for 5 days
- C) The highest overall pulse-dose of any published study to date shifts the response rate up compared with conventional rTMS
- Nexstim's SmartFocus technology allows optimally accurate and consistent stimulation of any target
- The therapy can be provided with Nexstim NBT system today



Day 1	Day 2	Day 3	Day 4	Day 5
iTBS 1800				
50 minute ISI				
iTBS 1800				
50 minute ISI				
iTBS 1800				
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\*=Cole E, et al. Stanford Accelerated Intelligent Neuromodulation Therapy for Treatment-Resistant Depression (SAINT-TRD). Am J Psych (published April 2020)

# 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
- A growing patient registry
- Strong KOL network

## Markets to be developed

- EU market developed mainly through distributors
- Nexstim NBT<sup>®</sup> system authorized for commercial distribution in Australia
- Hong Kong and mainland China markets developed through distributor partnerships

# Nexstim SmartFocus® TMS in Chronic Neuropathic Pain



# NBT® for Chronic Neuropathic Pain

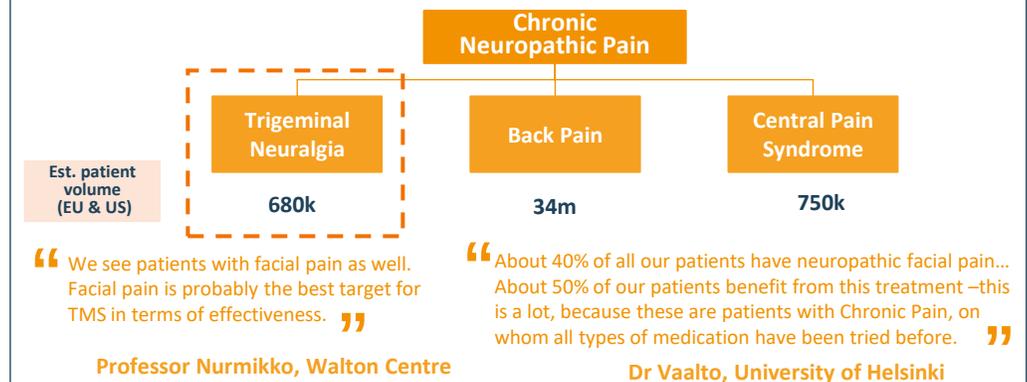
## Nexstim neuropathic pain business opportunity

- 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

- The company's NBT<sup>®</sup> therapy system installed base grew to a total of **23 systems** at end of year 2019
  - The US NBT<sup>®</sup> system installed base was a total of 10 systems and in Europe and rest of the world a total of 13 NBT<sup>®</sup> systems
- Therapy **revenue grew by 131 percent** to EUR 1.5 million (FY 2018: EUR 0.7 million).
- The total revenue (including NBS system sales) grew by 25 percent to EUR 3.3 million (FY 2018: EUR 2.7 million)
- **Recurring revenue was 66 percent** of the total therapy revenue during 2019.
- During year 2019 Nexstim reached an **average therapy revenue per NBT<sup>®</sup> system of EUR 85 thousand.**

# Key Performance Indicators and Outlook for 2020

EUR in thousands	FY 2019 12 months	FY 2018 12 months	
Net sales	3,348.1	2,672.1	Net sales grew by 25%. Therapy business net sales grew strongly (131%) in 2019 amounting to EUR 1,522.9 thousand (2018: EUR 659.9 thousand)
Personnel expenses	-4,713.0	-3,937.5	The increase in personnel expenses was mainly due to the recruitment of new personnel to the US commercial team.
Other operating expenses	-3,647.5	-3,985.9	
Depreciation and amortisation	-524.6	-424.0	
Operating profit (loss)	-6,517.5	-6,315.6	Updated Future Outlook published on 3 April 2020: <b>Full year 2020 operating loss is expected to decrease in comparison to year 2019</b>
Profit/ -Loss for the period	-6,782.6	-6,154.3	
Earnings per share (EUR)*	-0.25	-1.93	
Cash flows from operating activities	-6,681.5	-6,192.5	
Cash in hand and at banks	4,266.2	7,175.2	In order to finance our growth strategy, Nexstim raised a total of EUR 6.6 million of new capital in share offerings in 2019.
Total equity	-740.1	-294.3	
Equity ratio (%)	-8.49	-0.98	The Company estimates that with the cost saving measures announced on 26 March 2020 in place and loan repayments made according to earlier agreed schedules, <b>the current working capital suffices then until end of Q3 2020.</b>
Number of shares in the end of the period (pcs)*	62,786,630	3,253,751	
Average number of shares during the period (pcs)*	27,611,274	3,187,487	
Diluted number of shares in the end of the period (pcs)*	64,080,578	4,431,575	
Diluted average number of shares during the period (pcs)*	36,392,323	4,577,627	

\*The number of shares has been adjusted to take account the effect of the reverse share split on 26 November 2018, where the number of shares was decreased 30-fold.

1

COVID-19 triggered cost saving measures will reach savings of approximately EUR 0.8 million during Apr-Jun 2020. Development of the business environment will be closely monitored

2

Decision pursuant to the authorisation granted by the AGM on 30 April 2020, to arrange a rights issue of approximately EUR 2.3 million – 28 % commitment received for the share offering

3

Support existing NBS Pre-surgical mapping business by ensuring installed base service business and supporting sales growth

4

NBT business revenue growth mainly through better utilization of existing system installed base

5

Start new pilot clinical trials in the area of possible new accelerated treatment protocols in both severe (suicidal) depression and chronic neuropathic pain

# Nexstim Rights Issue 2020

## Summary of the Offering

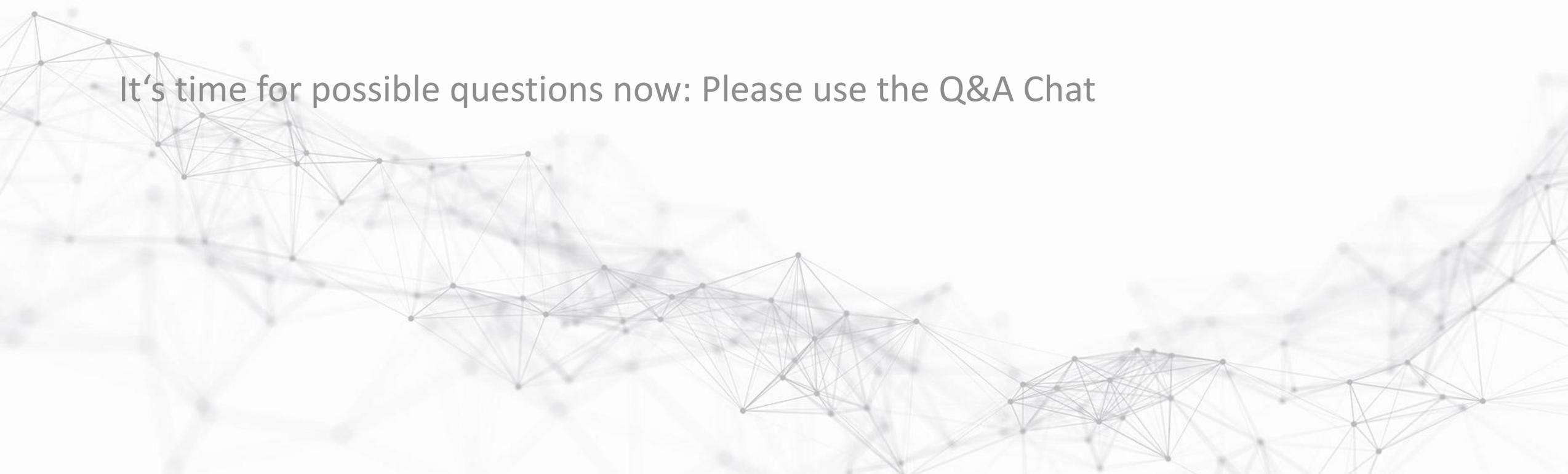
Number of shares:	Maximum of 376,719,780
Size of Offering:	Maximum of EUR 2,260,319
Subscription price:	€0,0060 or SEK 0,06
Underwriting commitments:	Approximately EUR 0,634m
Subscription rights:	The company gives one (1) subscription right per one share (1) held on the record date. One (1) subscription right entitles the holder to subscribe for six (6) new shares
Pre-money market capitalisation:	EUR 4,3m
Trading period for subscription rights:	11 May – 20 May 2020
Trading period for temporary shares starts (estimated):	11 May 2020
The Subscription Period for the offering Finland:	11 May – 27 May 2020
The Subscription Period for the offering Sweden:	11 May – 25 May 2020
Announcement of preliminary outcome of the offering (estimated):	1 June 2020
Announcement of the final outcome of the offering (estimated):	10 June 2020



All parties investing in Nexstim are advised to acquaint themselves with the Basic Details Document which is available at [www.nexstim.com/investors/rights-issue-2020](http://www.nexstim.com/investors/rights-issue-2020)

# Thank you!

It's time for possible questions now: Please use the Q&A Chat



# The Board of Directors

	Name Nationality		Education	Relevant experience
	Leena Niemistö, Chair Finland	2019 Independent	MD and a PhD from the University of Helsinki (specialised in physical and rehabilitation medicine). Dr. Admin. Sc. hc from Vaasa University	Currently Niemistö is a board member of four publicly listed companies in Finland. She is also an active investor in health-tech growth companies. Niemistö's investment company is the largest shareholder of Nexstim. In addition, she has worked as a CEO in a private healthcare company Dextra and as a deputy CEO in the social and healthcare company Pihlajalinna.
	Rohan Hoare, Deputy Chair Australia	2016 Independent	Ph.D. in Physics from Harvard University where he was a Fulbright Scholar	President and CEO of Salient Medical. Previous positions include President and CEO of EndoStim, the President, Neuromodulation at LivaNova and COO at Cyberonics. Numerous leadership positions at St Jude Medical culminating in President, Neuromodulation Division.
	Martin Forss Finland	2019 Independent	M.Sc.(Econ.) Accounting and Finance, Åbo Akademi, Ekonomisk-Statsvetenskapliga fakulteten, Turku (1990)	Entrepreneur, investor and board professional in small and mid-sized companies. Forss is also known as an experienced service business executive: His latest operative responsibility was as CEO of the private dentistry company Oral Hammaslääkärit.
	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.

# Management team

	Name Nationality	Current position (Nexstim since)	Education	Relevant experience
	Mikko Karvinen Finland	CEO 2020 (2014)	MSc in economics at Helsinki School of Economics (2001), EMBA at Aalto University, Helsinki (2018)	Previously CFO at Nexstim since 2014. Held CFO and deputy CEO positions at two Nasdaq OMX listed tech-firms. Current Board Member at Buddy Healthcare Oy.
	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
	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.