



# Nexstim

## Targeting a paradigm shift in stroke rehabilitation

Janne Huhtala | CEO | Nexstim Plc

Mikko Karvinen | CFO | Nexstim Plc

Financial Results 2014 – Feb 26 2015

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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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# Nexstim – Targeting a paradigm shift in stroke rehabilitation

- World-leading medical technology and software with game changing potential in stroke rehabilitation

## Nexstim's Navigated Brain Therapy® (NBT) solution for stroke rehabilitation



## Targeting a blockbuster market...

(market for post-acute stroke treatment)

**2.1 million strokes** each year in US and Europe  
**712,000 patients** is Nexstim's target # of patients

**\$1.8 billion** market potential for Nexstim

**Few effective alternatives...**

**...still \$8.5bn currently spent on stroke rehab in the US**



**Huge unmet need and commercial opportunity**



## ...with a potential game-changer technology

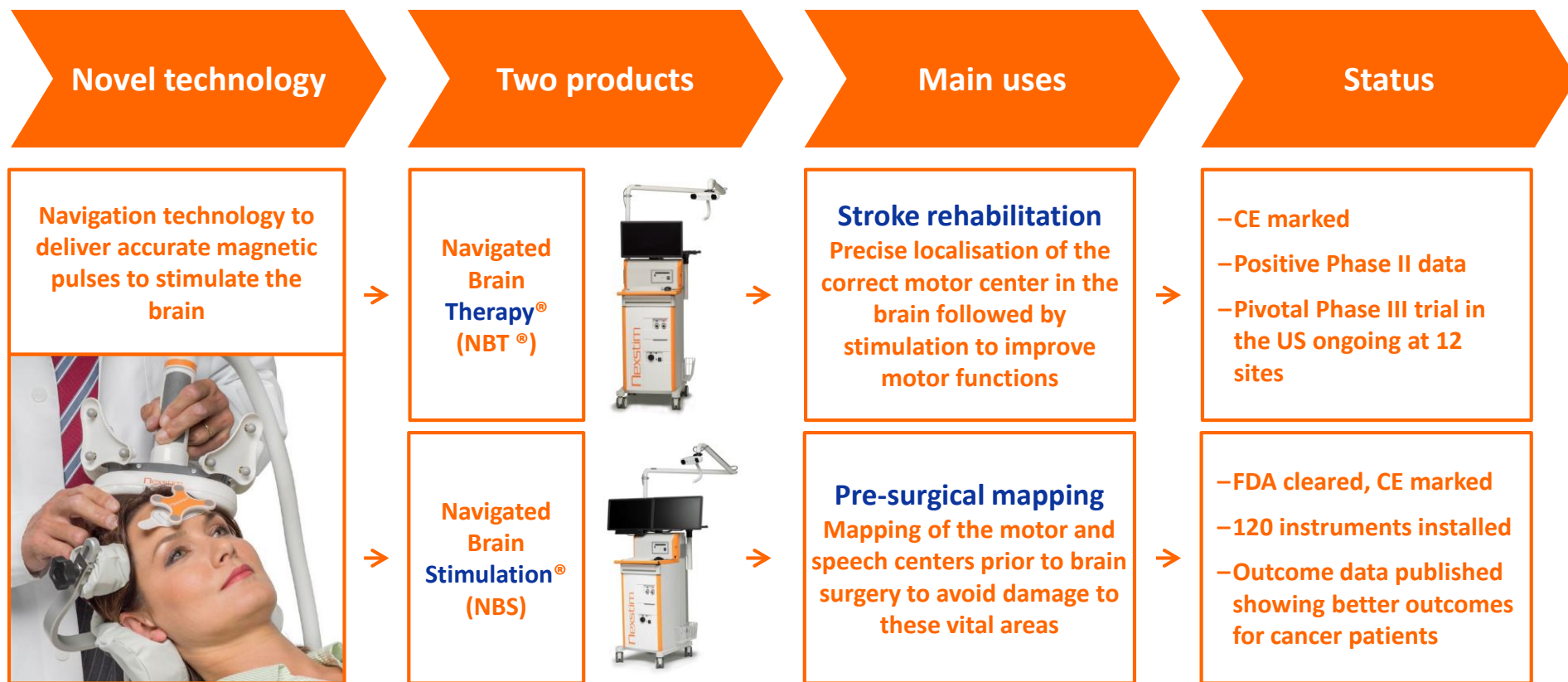
**Promising efficacy** demonstrated in completed Phase II clinical trial

**Technology already validated** – Pioneered the technology to map motor and speech centers, with 120 devices installed worldwide and FDA clearance – same technology now applied in stroke rehabilitation

## Company Highlights, July – December 2014

- Phase III multi-centre trial in the US for stroke therapy is progressing according to plans, first milestone interim analysis from the Phase III stroke therapy trial expected in Q3 2015
- Successful listing of the company's shares to Nasdaq First North Finland and Nasdaq First North Sweden raising new equity of EUR 15.3 million
- July – December 2014 revenue growth of 31.0 percent compared to second half of 2013
- First successful reimbursements for Navigated Brain Stimulation (NBS) in Germany

# Technology platform applied in stroke and brain surgery



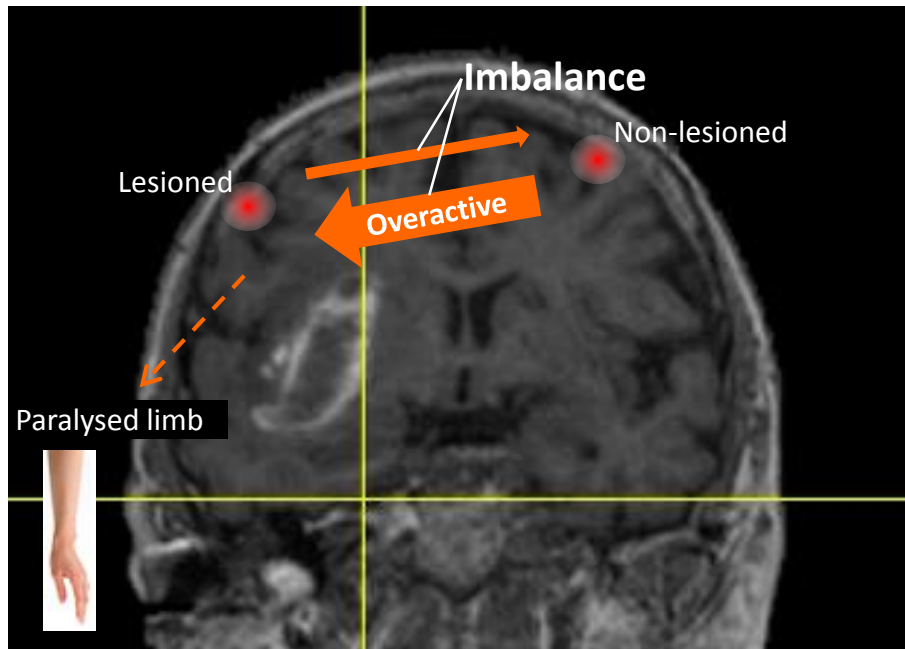
Navigation accuracy using Nexstim's proprietary e-field based navigation software is the key differentiator  
– already proven for pre-surgical mapping (NBS) and now ready for paradigm shift in stroke therapy (NBT®)

(1) rTMS = repetitive transcranial magnetic stimulation

# NBT® for stroke rehabilitation – How it works

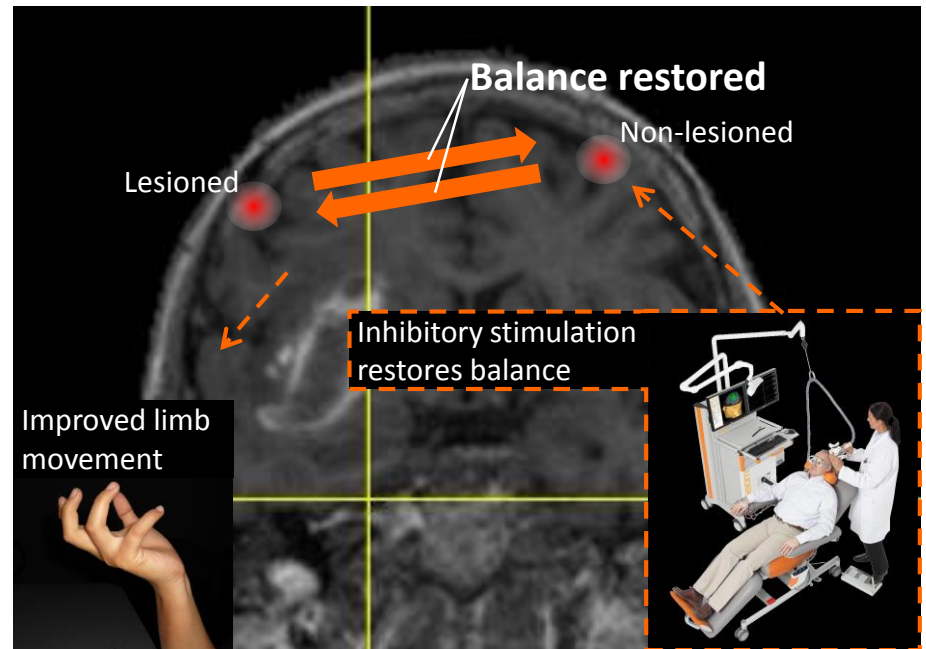
## Problem post stroke:

Overactive inhibition from the non-damaged side interferes when the patient tries to move paralyzed limb



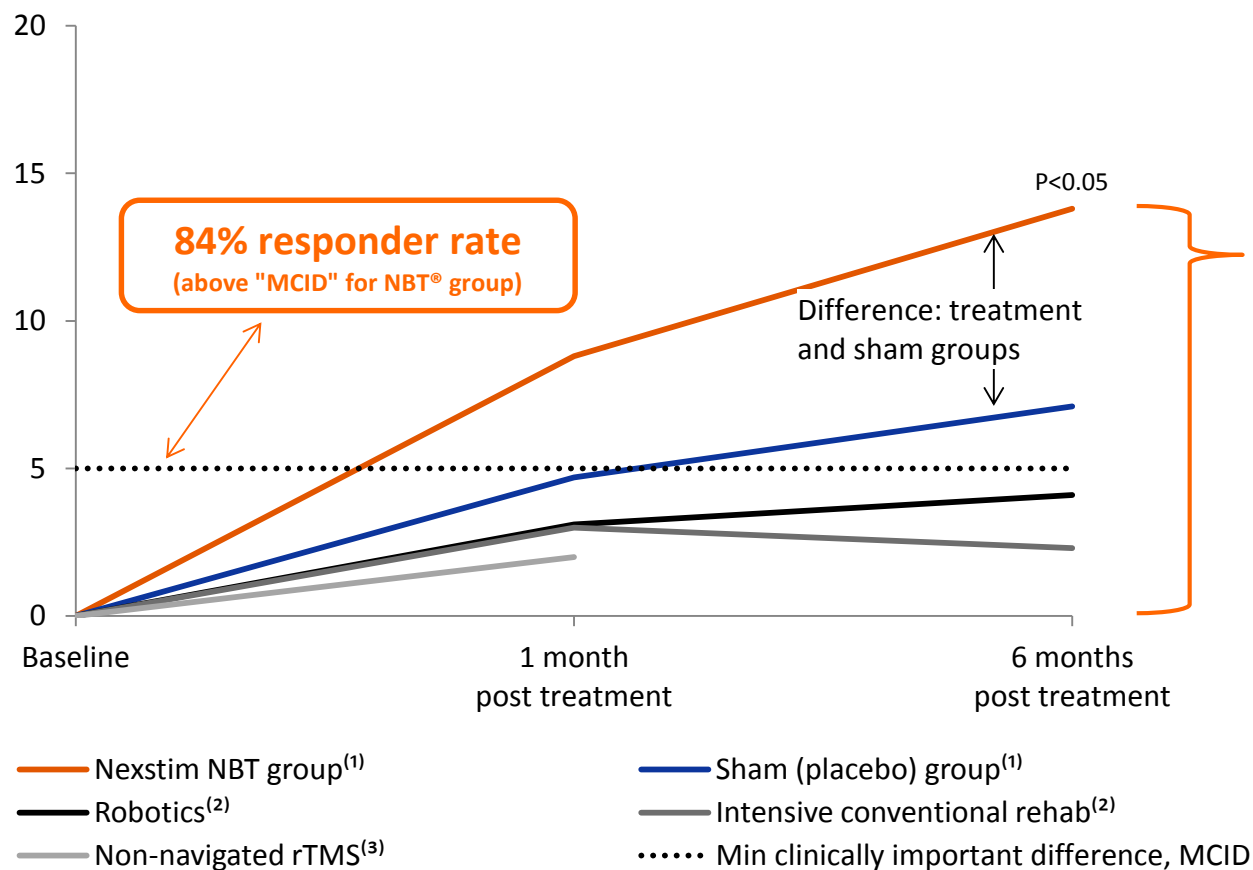
## Nexstim's solution:

Repeated inhibitory stimulation to non-damaged side restores balance, removing barriers for improvement

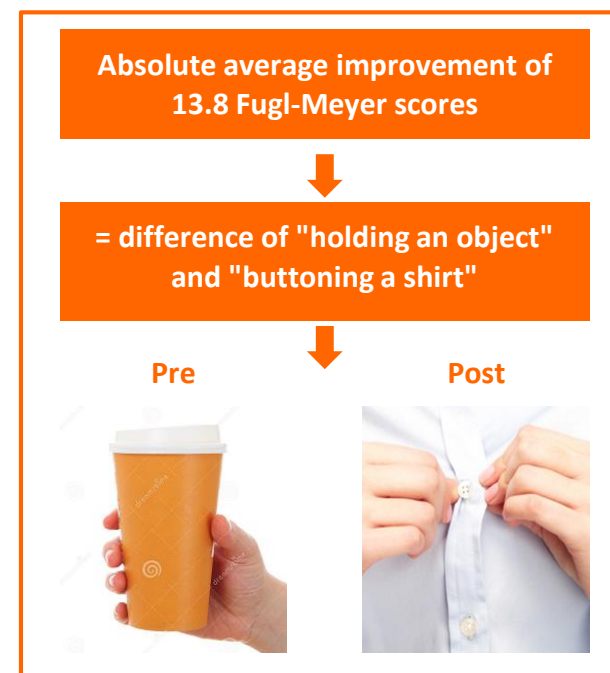


# Efficacy demonstrated in Phase II trial

## Change in upper extremity Fugl-Meyer score from baseline



## Trial outcome:



## The Phase II clinical trial in brief:

- Single centre at Rehabilitation Institute of Chicago (#1 rehabilitation hospital in US for 24 consecutive years)
- 29 patients of which 19 (10) in treatment (sham) group
- End-point = 6 months post treatment

Note: "Robotics", "Intensive conventional rehab" and "Non-navigated rTMS" data come from different studies. While not directly comparable, included in the above chart for illustrative purposes. | (1) Data for "Treatment group" and "Sham group" from Nexstim Phase II clinical trial (Harvey et al, 2013) – per protocol figures. | (2) Data for "Robotics" and "Intensive conventional rehab" from published multi-center trial (Lo et al, NEJM 2010) | (3) Data for "Non-navigated rTMS" from published multi-center trial (Kakuda et al, J Neuroeng Rehab 2012), 6 month follow-up not done. Responder rate = % of group that had improvements above the 5 point minimal clinically important difference threshold.

# Nexstim's unique technology provides distinct benefits

## Integration of TMS and navigation



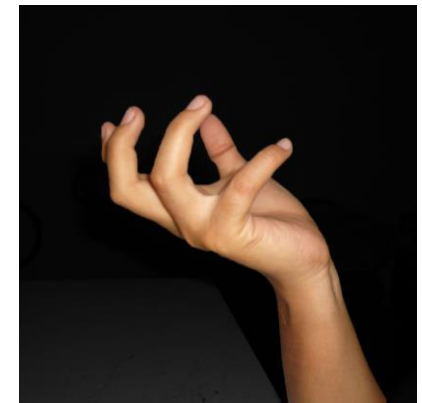
- **TMS-navigation integration:** Nexstim combines non-invasive transcranial magnetic stimulation (TMS) with unique proprietary electric field modeling-based navigational capabilities
- **Navigation is the key differentiator**

## Several distinct benefits



- **Improved accuracy:** Accurate localisation of the target muscle representation area on the cortex
- **Dosing precision:** Optimised stimulating electric field location, direction and dose
- **Repeatability:** Accurate and repeatable stimulation
- **Non-invasive procedure**

## Enhanced limb move



- **Substantially improved hand movement after treatment** demonstrated in Nexstim's Phase II trial



# Phase III trial - Laying the groundwork for commercialisation

## Study in brief

- Establish clinical efficacy of NBT® in upper-limb motor rehabilitation
- Up to 198 patients
- 12 top US rehab sites – RIC is central site (#1 US rehabilitation hospital for 24 years)
- Dr. Richard L. Harvey lead investigator – one of the top experts in the field
- FDA reviewed protocol

## Study goals

**Outcome data**

- Document effects/efficacy of NBT® on upper-limb motor rehab

**FDA clearance**

- Obtain FDA De Novo 510(k) clearance for right to market and sell NBT® in US

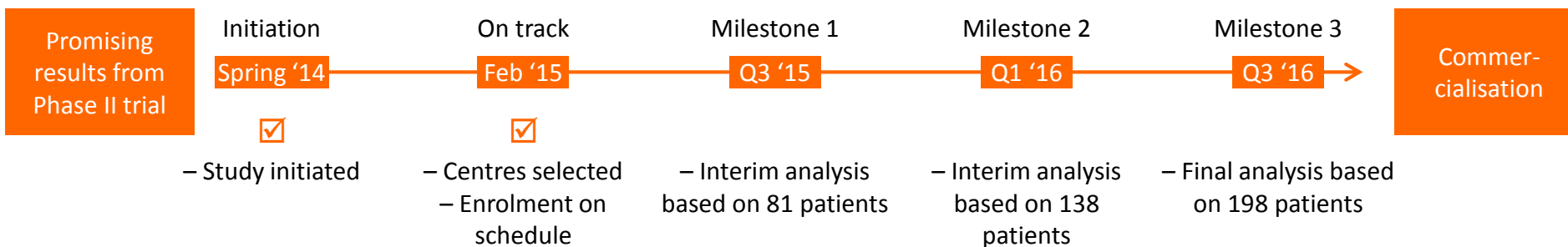
**KOL support**

- Build support from key opinion leaders (KOLs) to support commercialisation

## Conducted at 12 top US rehab sites

	<b>Rehabilitation Institute of Chicago (central site)</b>
	TIRR Memorial Hermann Hospital (Houston)
	Spaulding Rehabilitation Hospital (Boston)
	Ohio State University (Columbus, OH)
	Rancho Los Amigos National Rehabilitation Center
	Burke Rehabilitation Hospital (White Plains, NY)
	Duke University Medical Center (Durham, NC)
	Columbia Cornell New York Presbyterian Hospital
	Shepherd Center (Atlanta)
	University of Cincinnati
	Indiana University Indianapolis
	Mayo Clinic (Phoenix, AZ)

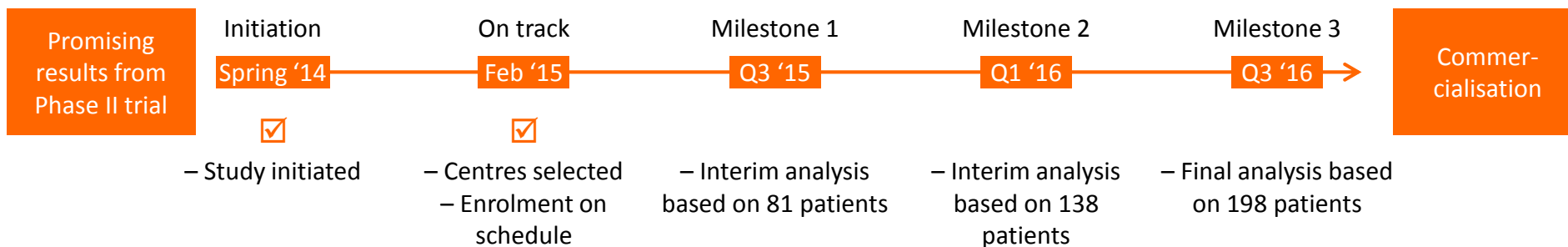
## Simplified timeline



## Status of Clinical Development

- The clinical Phase III multi-centre trial is progressing according to plans. The next interim analysis milestones are estimated to be reached Q3 2015 and Q1 2016 and the clinical evidence is assumed to be ready by the end of 2016
- In addition, chronic neuropathic pain trial in co-operation with The Walton Centre is progressing according to plans

### Simplified timeline Phase III multi-centre stroke therapy trial



# Highlights in Stroke Rehabilitation (NBT®)

## Huge unmet need

- 2.1m strokes each year in the US and Europe
- Stroke is the leading cause of long-term disability in Western world

## Few effective alternatives

- While current standard treatment of physical/occupational therapy is not very effective, \$8.5bn is still currently spent on stroke rehab in the US

## Potential blockbuster market

- \$1.8bn is estimated value of Nexstim's target market (US and Europe)

## Promising, validated technology

- Statistically significant efficacy in stroke rehabilitation vs. sham treatment (standard therapy)
- Navigation already validated by NBS

## Clear execution strategy

- Phase III trial on track: Establish efficacy in Phase III to obtain FDA clearance and KOL support
- Commercialisation strategy: Convince users of benefits, providers of economic benefits and obtain reimbursement coverage from payers

## IP position

**61 granted patents**

**70 pending patents**

**Right to software:** Nexstim owns rights to its NBT<sup>®</sup> and NBS Systems' e-field based navigation software developed

**Creating hurdles for competitors:** by e.g. seeking patent protection on different parts of the products and making it more difficult for potential competitors to create competing products

**Core algorithms kept as trade secrets:** Not patenting the core algorithms to avoid publicity and loss of trade secrets

# Key Performance Indicators

EUR in thousands

	<b>H2 2014</b> <b>6 months</b>	<b>H2 2013</b> <b>6 months</b>	<b>FY 2014</b> <b>12 months</b>	<b>FY 2013</b> <b>12 months</b>
Net sales	1,796.5	1,371.7	2,210.4	1,871.0
Personnel expenses	-2,018.3	-1,492.5	-3,660.2	-3,043.4
Depreciation and amortisation	-252.1	-96.0	-377.4	-237.7
Other operating expenses	-3,826.2	-1,403.8	-5,498.5	-2,472.0
Profit/ -Loss for the period	-5,318.1	-1,966.7	-10,445.4	-4,514.9
Earnings per share (EUR)*	-1.02	-0.68	-2.37	-1.63
Diluted earnings per share (EUR)*	-0.92	-0.64	-2.16	-1.51
Cash flows from operating activities	-5,277.1	-2,124.5	-7,785.2	-3,983.7
Cash in hand and at banks	11,483.7	1,010.0	11,483.7	1,010.0
Total equity	8,589.9	-2,382.1	8,589.9	-2,382.1
Equity ratio (%)	65.29	-30.23	65.29	-30.23
Number of shares in the end of the period (pcs)*	7,130,758	3,189,004	7,130,758	3,189,004
Average number of shares during the period (pcs)*	5,237,468	2,880,550	4,406,572	2,767,995
Diluted number of shares in the end of the period (pcs)*	7,917,698	3,401,454	7,917,698	3,401,454
Diluted average number of shares during the period (pcs)*	5,799,236	3,093,000	4,826,140	2,980,445

*\*The number of shares and subscription price have been adjusted to take account the effect of the merging of the share classes and share split on 29 September 2014, where the number of shares was increased 14-fold*

## Summary and Outlook

- World-leading medical technology and software with game changing potential in stroke rehabilitation
- Good progress since IPO – business on track
- Based on its business forecast and sensitivity analysis the company expects its net sales from the sale of NBS Systems (Pre-Surgical Mapping, PSM) to grow during financial year 2015 and operating profit to be positive during second half of the financial year 2017 at the earliest



# Nexstim

Targeting a paradigm shift in stroke  
rehabilitation