

# Nexstim



## Nexstim as an Investment - Personalized Brain Diagnostics and Therapy

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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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# Content of the Presentation

1. Nexstim story
2. Megatrends that support our growth
3. Business and products
4. Why invest in Nexstim?
5. Business update and financial key figures
6. Strategic objectives
7. Technology development and future research

Nexstim is a Finnish, globally operating growth-oriented medical technology company.



## MISSION

- We enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders.
- Our innovations create a possibility for a better life.



## VISION

- With our technological know-how and superior services,
- we ensure the best treatments for our patients,
- deliver the greatest value for our customer hospitals, clinics and business partners,
- and long-term growth in shareholder value for our investors.



## VALUES

- Science and clinical evidence
- Financial success
- Passion and commitment
- Ethics and responsibility



# Megatrends that Support our Growth

Nexstim's unique proprietary neuronavigated TMS-technology for both diagnostic and therapy applications.

1

## Aging population

- Population aging and a significant decline in the working-age and able population in Western countries
- Brain diseases increase with aging

2

## Technological development in healthcare

- Technological developments and active research enable wider and new applications in the treatment of challenging brain diseases and disorders

3

## Healthcare cost pressures

- The need for more effective and faster rehabilitation



# Our Business and Products

| Business                    | System                                   | Commercial Status                      | Application          | Europe    | United States                            |
|-----------------------------|--|--|----------------------|-----------|--|
| <b>Diagnostics Business</b> | <b>NBS (Navigated Brain Stimulation)</b> | Over 210 systems sold                  | Pre-surgical mapping | CE marked | FDA approved                             |
| <b>Therapy Business</b>     | <b>NBT® (Navigated Brain Therapy)</b>    | Over 60 systems incl. therapy software | Depression           | CE marked | FDA approved with existing reimbursement |
|                             |  |  | Chronic pain         | CE marked | Additional clinical trials evaluated     |



# Why Invest in Nexstim? 1/2

1

## NEXSTIM IS A MEDICAL TECHNOLOGY GROWTH COMPANY IN A DEFENSIVE INDUSTRY

Nexstim is a Finnish, globally operating medical technology company.

We focus on diagnostic and therapy applications for challenging brain diseases and disorders.

2

## UNIQUE SCALABLE TECHNOLOGY PLATFORM

Our neuronavigated TMS technology enables accurate brain mapping and treatment of patients with challenging brain diseases and disorders.

Our technology platform scales to a variety of applications where accuracy and repeatability are required.

3

## COMMERCIAL PRODUCT PORTFOLIO IN A STRONGLY REGULATED INDUSTRY

We operate in a highly regulated business environment with strong competitive entry barriers.

Our systems are approved by key authorities.

Our systems have been sold to hospitals and clinics around the world.

Stanford & Harvard (USA), Karolinska (SWE), Charité (GER) and all university hospitals in Finland use our technology.

4

## MEGATRENDS SUPPORT OUR GROWTH

We work to improve treatment outcomes for severe brain diseases and disorders.

As we age, brain diseases increase, and societies have a need for more effective and faster rehabilitation.

Technological developments enable new forms of treatment in the treatment of mental health and chronic pain, among other things.

# Why Invest in Nexstim? 2/2

5

## FOCUS IN THE LONG-TERM SHAREHOLDER VALUE

Nexstim is an investment opportunity due to increased operational efficiency and improved economy.

Successful scaling of the technology platform:

- Two strong business areas.
- From 2018, we built a therapy business alongside the diagnostics business.

6

## RECURRING REVENUE SUPPORTS OUR GROWTH

Our business is built on a solid base and our systems have key regulatory approvals.

Our recurring revenue is growing, which creates stability and a new kind of predictability for us.

Our goal is financial success and minimizing future capital needs - we want to develop and evolve.

7

## STRONG ORGANIZATION AND COMMITTED TEAM OF EXPERTS

Our Board and management team have extensive experience in the industry and strong evidence of both research and business development.

We are a desired employer among the experts in our industry.



- Nexstim's historically best half year measured by net sales and operating profit
- H1 2022 was the first positive Operating result in the history of the company
- Business has continued to grow rapidly despite the tense global political situation caused by the war in Ukraine
- System sales were EUR 1.8M (H1 2021: EUR 1.6M), an increase of 11.1%. Recurring revenue accounted for EUR 1.5M (H1 2021: EUR 1.4M), an increase of 9.0%. Licensing business accounted for EUR 3.5M (H1 2021: EUR 0.0M)
- H1 2022 was the **Company's best reported half year** to date
  - Net sales = EUR 6.8M (H1 2021: EUR 3.0M), an increase of 129.6%
  - Operating result = EUR 2.3M (H1 2021: EUR -0.9M), first operating profitable result
  - Result for the period = EUR 3.2M (H1 2021: EUR -0.9M), second profitable half year
- Diagnostics Business (NBS) net sales grew by 19.3% in H1 2022 to EUR 2.1M (H1 2021: EUR 1.8M) and the Therapy Business (NBT®) net sales grew by 290.4% in H1 2022 amounting to EUR 4.7M (H1 2021: EUR 1.2M)
- Rapid growth rate was mainly due to the sale of a technology license related to the NBT® system to Magnus Medical and the agreement signing fee of around EUR 3.5 million, which was recognized as revenue during H1 2022.
- Nexstim established a private equity company in the United States. The purpose of the new company is to further expand Nexstim's network of partner clinics in the United States.

# H1 2022 Key Financials

## Key Financials of the Group

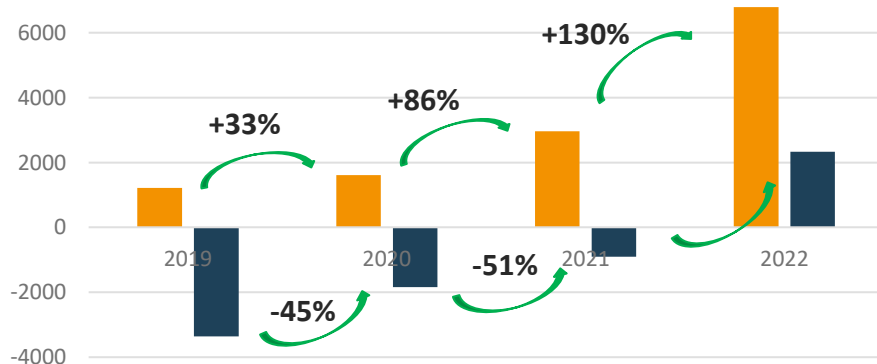
| EUR in thousands                     | 1-6/2022<br>6 months | 1-6/2021<br>6 months | Change-%     | 1-12/2021<br>12 months |
|--------------------------------------|----------------------|----------------------|--------------|------------------------|
| <b>Net Sales</b>                     | <b>6,793.0</b>       | <b>2,958.6</b>       | <b>129.6</b> | <b>6,397.5</b>         |
| Gross margin                         | 6,140.2              | 2,391.8              | 156.7        | 5,262.0                |
| Gross margin-%                       | 90.4%                | 80.8%                |              | 82.3%                  |
| Personnel expenses                   | -2,495.4             | -2,028.2             | 23.0         | -4,347.8               |
| Other operating expenses             | -1,787.6             | -1,555.0             | 15.0         | -3,083.3               |
| <b>Operating result</b>              | <b>2,333.4</b>       | <b>-902.8</b>        |              | <b>-1,452.2</b>        |
| Result for the review period         | 3,209.4              | -946.3               |              | -832.1                 |
| Cash flows from operating activities | 2,414.0              | -1,918.7             |              | -2,109.0               |
| Cash in hand and at banks            | 6,580.3              | 6,690.8              | -1.7         | 5,194.7                |
| Total equity                         | 5,593.1              | 3,796.7              | 47.3         | 3,202.7                |
| Equity ratio (%)                     | 54.1%                | 38.9%                |              | 34.7%                  |

|                        |                    |
|------------------------|--------------------|
| <b>Total net sales</b> | <b>6.8M€ +130%</b> |
| • NBS net sales        | 2.1M€ +19%         |
| • NBT net sales        | 4.7M€ +290%        |
| • System sales         | 1.8M€ +11%         |
| • Recurring revenue    | 1.5M€ +9%          |
| • <b>Licensing</b>     | <b>3.5M€</b>       |

|   |             |
|---|-------------|
| • Personnel expenses  | -2.5M€ +23% |
| • Other OPEX  | -1.8M€ +15% |
| Changes in organization, compensation levels as well as personnel expenses related accruals |             |

|  |
|--|
| <b>First ever positive Operating result</b>  |
| • Subsidiary loans related exchange rate gains have a positive impact on the result for the period due to stronger USD |

|   |       |
|---|-------|
| • Cash position   | 6.6M€ |
| • Positive result increased Total equity                |       |
| • Nexstim not planning new funding rounds at the moment |       |



### H1 Net sales and Operating result development

- Profitable revenue growth plays a key role in our efforts to minimize our future capital needs on our journey to profitability

Future outlook: The Company expects its revenue to continue to grow during year 2022 and the operating result for the year to be positive

# Nexstim Key Strategic Objectives 2022

1

Continued profitable net sales growth, leading into our first operating profit-making financial year, while also minimizing future capital needs

2

Expansion of Nexstim's network of exclusive neuroscience center partner clinics, especially in the United States

**Future outlook:** The Company expects its revenue to continue to grow during year 2022 and the operating result for the year to be positive.



Further Developing our Integrated Platform for Future Brain Diagnostics and Therapy



## TARGETING

- Stereotactic
- E-Field navigation
- Brain network connectivity
  - DTI
  - Connectome
  - Atlas based
- ---



## ACTIVATION

- TMS
  - Multi-locus
  - Combined with Peripheral Nerve Stimulation
- tDCS
- Focused Ultrasound
- ---



## MEASUREMENT

- EMG
- EEG
- ECG
  - HRV
- ---

# Research – Preparing for Possible Future Indications

Developing the future clinical usage possibilities of Nexstim's unique proprietary neuronavigated TMS-technology for both diagnostic and therapy applications.





# Thank you!

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