# NEUROPACE

Personalized, data-driven treatment for epilepsy

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## 3.4 Million People in the U.S. Living with Epilepsy<sup>1</sup>

4<sup>th</sup> Most Common Neurological Disorder in the U.S.<sup>2</sup>

### **Impact on Society**

- ~\$28 billion direct medical costs in the U.S.<sup>2</sup>
- 2-3X higher unemployment among epilepsy patients<sup>3</sup>

### Impact on Drug-Resistant Patients

- Increased risk of mortality
- Reduced quality of life
- Social stigmatization
- Loss of independence

1. U.S. Center for Disease Control, August 10, 2017. 2. Examining the Economic Impact and Implications of Epilepsy, AJMC, February 13, 2020 3. "Epilepsy Across the Spectrum 12.4.26: https://www.ncbi.nlm.nih.gov/books/NBK100603/"



# Annual Core U.S. Market Opportunity >\$1 Billion at CECs

## ~50K New DRE Patients<sup>1</sup>

Admitted to CECs Annually



1. DEFINITIVE HEALTHCARE CLAIMS DATABASE for Epilepsy Patients who received Inpatient VEEG in 2019, https://www.defhc.com 2. Hauser, et al., 1993. Incidence of Epilepsy and Unprovoked Seizures in Rochester, Minnesota: 1935-1984. Epilepsia 34, 453– 458. 3. DEFINITIVE HEALTHCARE CLAIMS DATA, DRE Patient breakdown between adults and <18years. https://patientfinder.defhc.com as of 12/31/20.



# RNS System: Brain-Responsive Neuromodulation System with Unique Window to the Brain





## Impressive Seizure Reductions Improve Over Time



**Median % Reduction in Seizures** 

#### Original FDA Study Results:<sup>1</sup>

- Statistically greater seizure reduction than sham therapy at 5 months
- 75% median seizure reduction at 9 years
- 28% of patients achieved <u>>6</u> months of seizure freedom

#### Real World & FDA Post Approval Study Results:

- 67% median seizure reduction at 1 year<sup>2,3</sup>
- 82% median
  seizure reduction
  at 3+ years<sup>3</sup>
- ~1 in 3 patients with > 90% reduction in seizures<sup>3</sup>

## Improvements shown in: Cognitive Function | Quality of Life | Mental Health | SUDEP

1. Morrell, M, et al. Neurology, 2011. 2. Nair, D, et al., Neurology, 2020 and Heck et al., Epilepsia, 2014. 3. Szaflarski, JP, et al., Presented at American Epilepsy Society, 2019 4. Razavi, B, et al., Epilepsia, 2020.



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# Stereo EEG Distribution Agreement with DIXI Medical

- Intracranial monitoring is used to determine epilepsy seizure onset location in order to guide interventional therapy including RNS Therapy
  - Intracranial EEG electrode market in the US was \$25-\$40M in 2019<sup>1</sup>
- DIXI pioneered development of stereo EEG intracranial electrodes in Europe and entered the US market in 2018
  - Stereo EEG is a less invasive approach that has faster patient recovery
  - Stereo EEG has become the predominate approach used for intracranial monitoring in the US
- NeuroPace expects to begin exclusive distribution of DIXI's products in the US in Q4 2022<sup>1</sup> with ~\$1.5M of revenue in the quarter
  - Expected to be accretive in 2023





# RNS Platform Provides Significant TAM Expansion Opportunities

#### Focal Epilepsy, <18 yrs

- ~\$6B U.S. Opportunity<sup>1,2</sup>
- Enrolling patients

#### **Generalized Epilepsy**

- ~\$22B U.S. Opportunity<sup>1,2</sup>
- FDA Breakthrough designation
- IDE approved
- Enrolling patients



#### **International Expansion**



#### **Beyond Epilepsy\***

- Depression
- Impulse control
- PTSD
- Other neurological disorders

1. Hauser, et al., 1993. Incidence of Epilepsy and Unprovoked Seizures in Rochester, Minnesota: 1935-1984. Epilepsia 34, 453–458.

2. DEFINITIVE HEALTHCARE CLAIMS DATABASE for Epilepsy Patients who received Inpatient VEEG in 2019, https://www.defhc.com

NOVEMBER 2022<sup>\*</sup> Indications beyond epilepsy are outside of our current indication



## NeuroPace Summary

- Novel and differentiated closed loop, brain-responsive neuromodulation system with a unique data-driven window to the brain
- **Compelling clinical evidence** demonstrating improved outcomes over time
- ~\$26 billion U.S. addressable market<sup>1</sup>
- Favorable reimbursement supporting commercial growth
- Efficient commercial model with targeted customer base
- **\$45.2 million** revenue in 2021
- Indication expansion into younger patients and generalized epilepsy



<sup>1.</sup>U.S., Center for Disease Control, August 10, 2017; Chen, Z., et al., JAMA Neurology, 2017; Hauser, et al., 1993. Incidence of Epilepsy and Unprovoked Seizures in Rochester, Minnesota: 1935-1984. Epilepsia 34, 453–458; DEFINITIVE HEALTHCARE CLAIMS DATA, https://patientfinder.defhc.com as of 12/31/20