



Investor Presentation

November 2023



Disclaimer

In addition to background and historical information, this presentation contains “forward-looking statements” based on NeuroPace’s current expectations, estimates, forecasts and beliefs, including financial results for the third quarter ended September 30, 2023, information about NeuroPace’s market opportunity, growth drivers and market penetration, commercial strategy, future pipeline, estimates of market opportunity and forecasts of market and revenue growth, indication and TAM expansion opportunities, performance, assumptions and expectations relative to the DIXI Medical partnership, clinical trial timelines, and the statements under the captions “Current Patient Population Focus,” “Annual Core U.S. Market Opportunity,” “Closing the Treatment Gap,” “Expanded Patient Eligibility,” “Increased Therapy Utilization,” “Distribution of DIXI Stereo EEG Products Leads to Earlier Patient Engagement,” “Strategy to Drive Long-Term Growth,” and “Financial Performance” in the slides that follow. These forward-looking statements are subject to inherent uncertainties, risks, and assumptions that are difficult to predict. Additional risks and uncertainties include those described more fully in the section titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and elsewhere in NeuroPace’s public filings with the U.S. Securities and Exchange Commission (the “SEC”), including its Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 02, 2023, and its Quarterly Report for the quarter ended September 30, 2023 on Form 10-Q to be filed with the SEC, as well as any reports that it may file with the SEC in the future. Forward-looking statements contained in this presentation are based on information available to NeuroPace as of the date hereof. NeuroPace undertakes no obligation to update such information except as required under applicable law. These forward-looking statements should not be relied upon as representing NeuroPace’s views as of any date subsequent to the date of this presentation and should not be relied upon as predictions of future events. In light of the foregoing, investors are urged not to rely on any forward-looking statement in reaching any conclusion or making any investment decision about any securities of NeuroPace.

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NEUROPACE MISSION

**Transform the lives of people
suffering from epilepsy
by reducing or eliminating the
occurrence of debilitating seizures.**

NeuroPace Investment Highlights

Large, underpenetrated market	>\$55B annual core U.S. addressable market; \$2B original market within Comprehensive Epilepsy Centers with additional upside from new site expansion opportunity
Unique technology	closed loop, brain-responsive neuromodulation system
Compelling clinical evidence	Differentiated outcomes that continue to improve over time
Operating execution	accelerating revenue growth and reduced cash burn
Healthy balance sheet	sufficient capital to continue executing on key priorities through least mid-2025
Future growth opportunities	center expansion approval and generalized epilepsy indication expansion

Management Team



Joel Becker

Chief Executive Officer



Martha Morrell, MD

Chief Medical Officer



Rebecca Kuhn

Chief Financial Officer



Irina Ridley

Chief Legal Officer



Kelley Nicholas

Vice President, Sales

Previous Experience





Drug-Resistant Epilepsy (DRE) is a Devastating, Highly Undertreated Disease with Significant Unmet Need

**Epilepsy is a disorder in which abnormal electrical
activity in the brain causes seizures**

4th most common neurological disorder in the U.S.¹

~\$28B direct medical costs in the U.S.¹

2-3X higher unemployment among epilepsy patients²

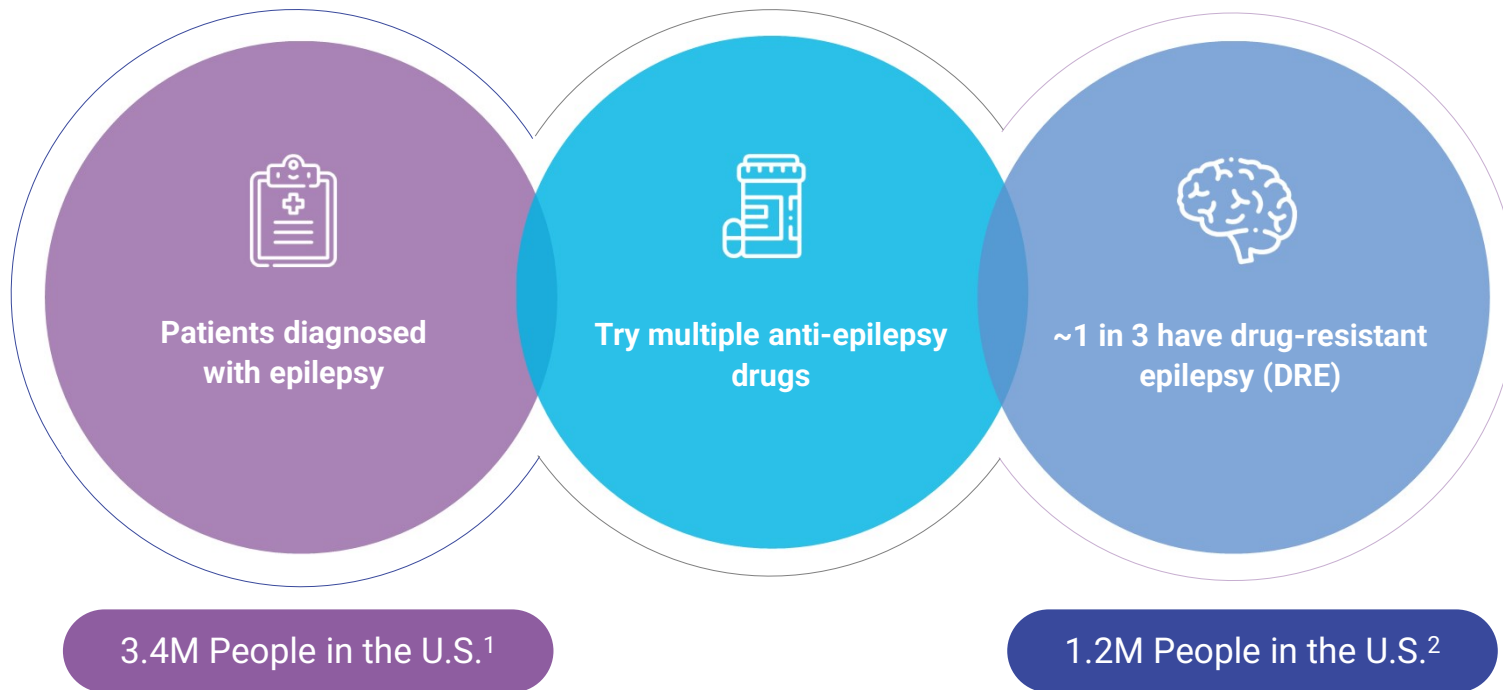
**Drug therapy is unable to control seizures for
1 in 3 patients^{3,4}**

¹Examining the Economic Impact and Implications of Epilepsy, AJMC, February 13, 2020. ²Epilepsy Across the Spectrum 12.4.26: <https://www.ncbi.nlm.nih.gov/books/NBK100603/> ³U.S. Center for Disease Control, August 10, 2017. ⁴Chen, Z., et al., JAMA Neurology, 2017.

One Third of Epilepsy Patients are Drug Refractory

U.S. Prevalence

DIAGNOSIS & FIRST LINE TREATMENT



RNS System - Novel Therapy to Address Unmet Need

Brain-Responsive Neuromodulation System Provides Unique Window to the Brain



Monitors

Brain activity Continuously



Recognizes & Responds

To patient-specific seizures patterns



Records

Ongoing iEEG data for physicians to review

Epilepsy Treatment that is

- Personalized
- Targeted
- Data-driven



Implantable Device with nearly 11-year battery



Physician Programmer

Patient Remote Monitor



Patient Data Management System

RNS System Data

Allows Physicians to Actively Manage and Customize Ongoing Patient Care

Identify Seizure Triggers

See Effects of Therapy Changes

Therapy change



Inform Future Surgeries

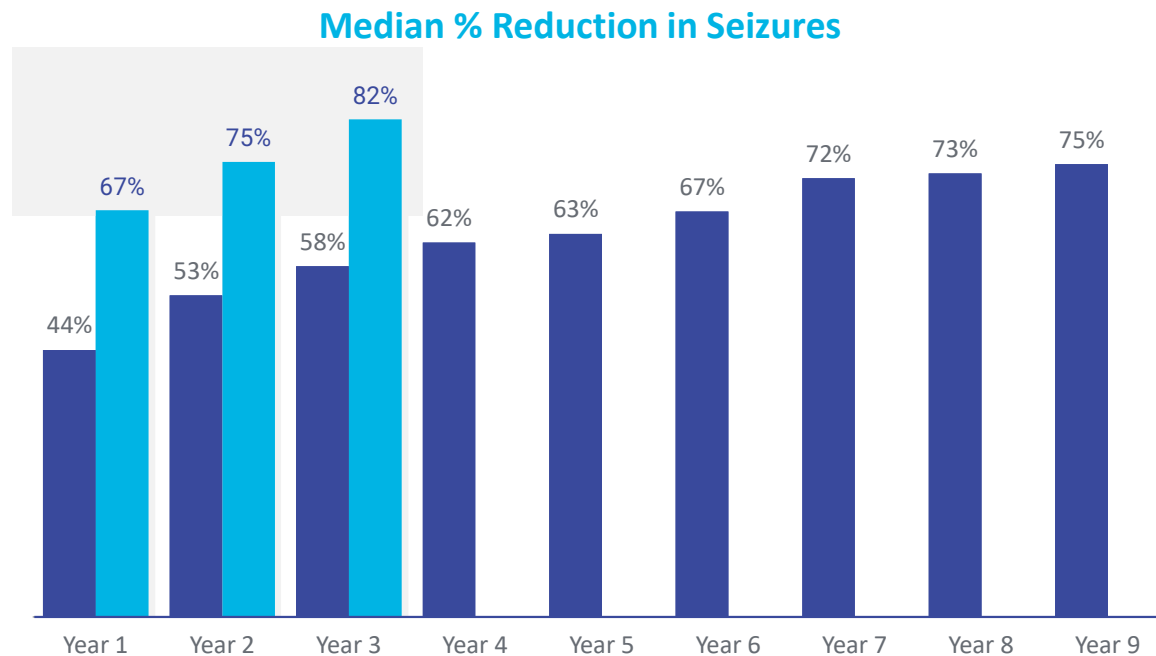
Monitor Patient Progress



Electrographic seizures

Reveal Seizure Cycles

Impressive Seizure Reductions Improve Over Time



Improvements shown in:

Cognitive Function | Quality of Life | Mental Health | SUDEP

Original FDA Study Results:^{1,2}

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

Real World & FDA Post Approval Study Results:

- 67% median seizure reduction at 1 year^{3,4}
- 75% median seizure reduction @ 2 years⁴
- 82% median seizure reduction at 3+ years⁴
- ~1 in 3 patients with > 90% reduction in seizures⁴

Alternative Treatment Options Have Significant Risks and Side Effects

Epilepsy Surgery

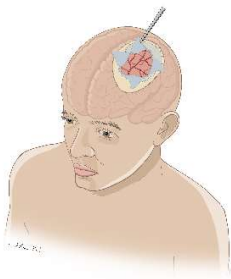
Irreversible destructive procedure

Carries neurocognitive risks: impaired memory, reduced naming ability, and loss of some part of their visual field

~20% of patients are ideal candidates¹

Resection

Laser Ablation



Neuromodulation Competitors

Fixed anatomical target

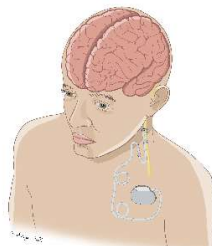
Not responsive to brain activity

Lengthy stimulation cycles result in side effects: depression, memory impairment, and sleep disruption

No detailed iEEG recordings or event trending

VNS

DBS



RNS Therapy

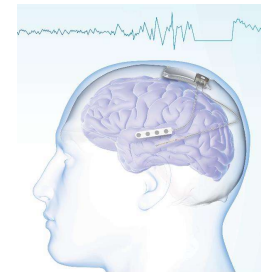
Therapy at seizure source only when needed

Responds to patient specific abnormal events

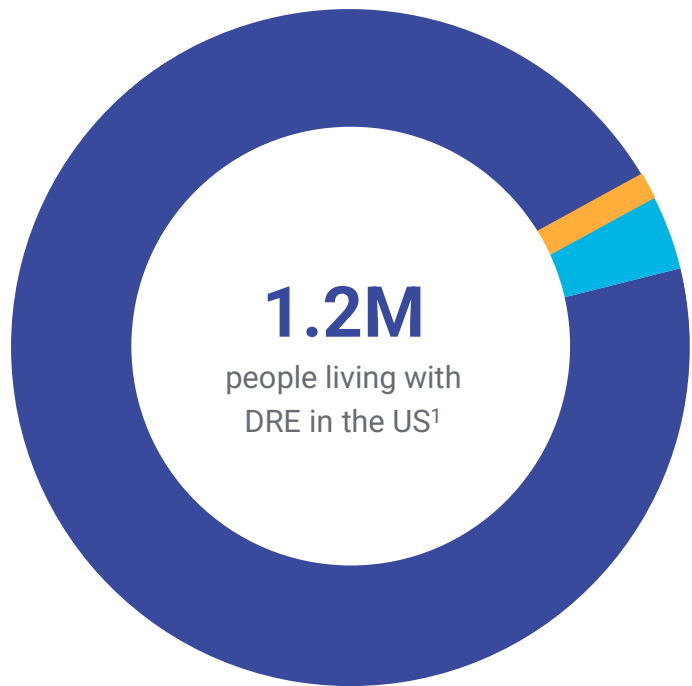
No stimulation related side effects

Reduced risk of SUDEP

Detailed iEEG recordings and event trending



Current Patient Population Focus



6.5K

DRE patients get treatment beyond drugs annually³



50K DRE

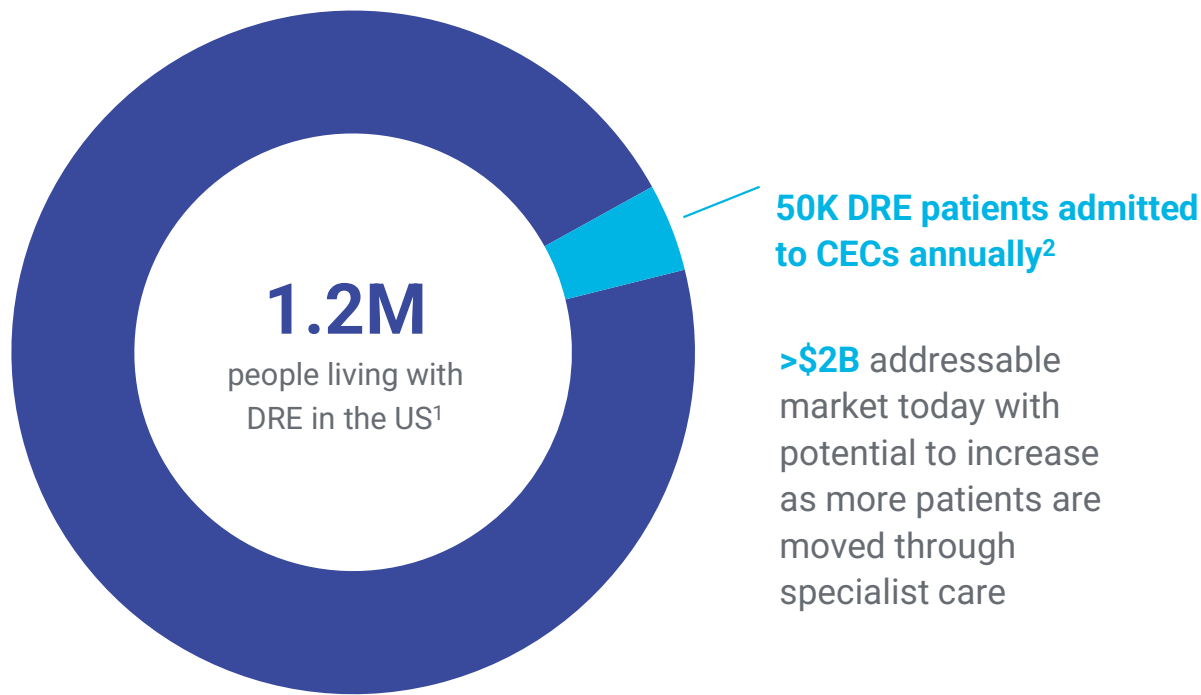
patients admitted to Comprehensive Epilepsy Centers annually²



Significant Opportunity Exists to Close the Treatment Gap!

Closing the Treatment Gap

CEC Growth Opportunity



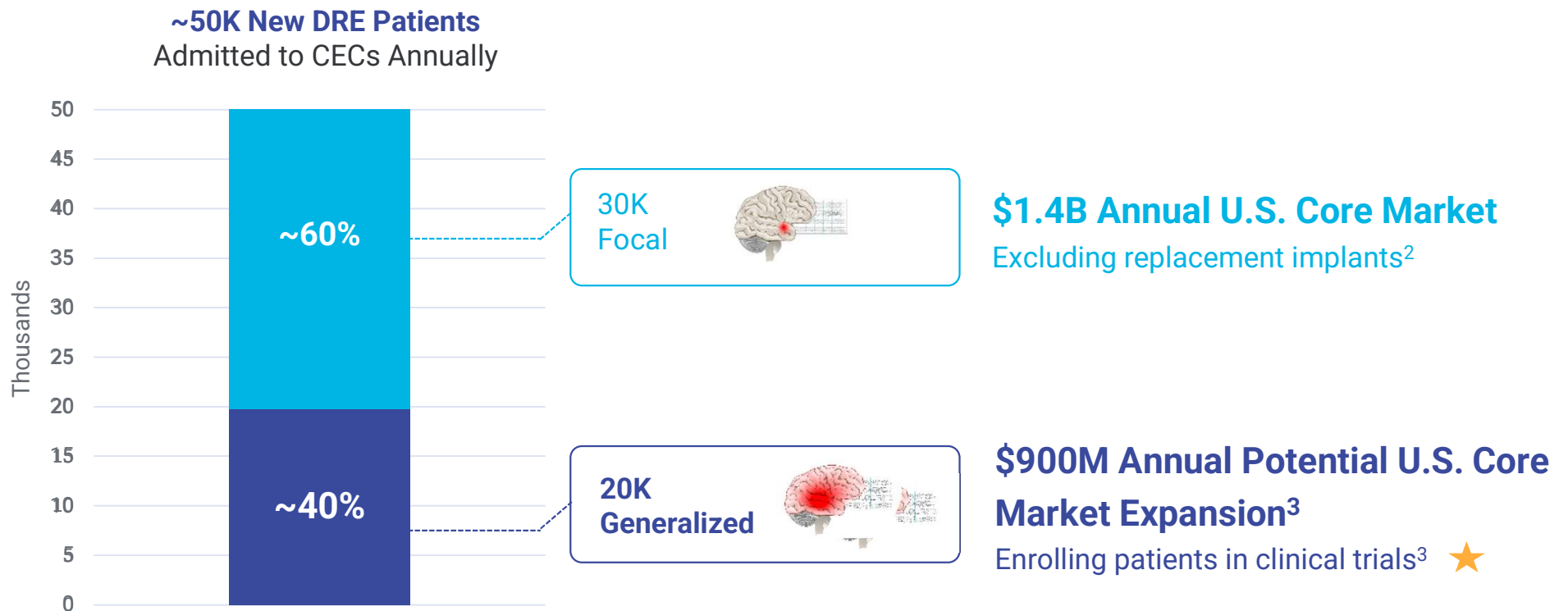
MACRO TRENDS

- Number of CECs increased from 151 in 2012 to 256 in 2019³
- 150% increase in number of epileptologists per capita from 2012 to 2019³
- Epilepsy monitoring unit (EMU) admissions increased 5% per year from 2016 to 2019³
- Patient advocacy groups advocating for increased care
- ILAE treatment recommendations for DRE encourage more/earlier evaluation of interventional treatment⁴
- Improved diagnostics and therapies lowering barriers for patients

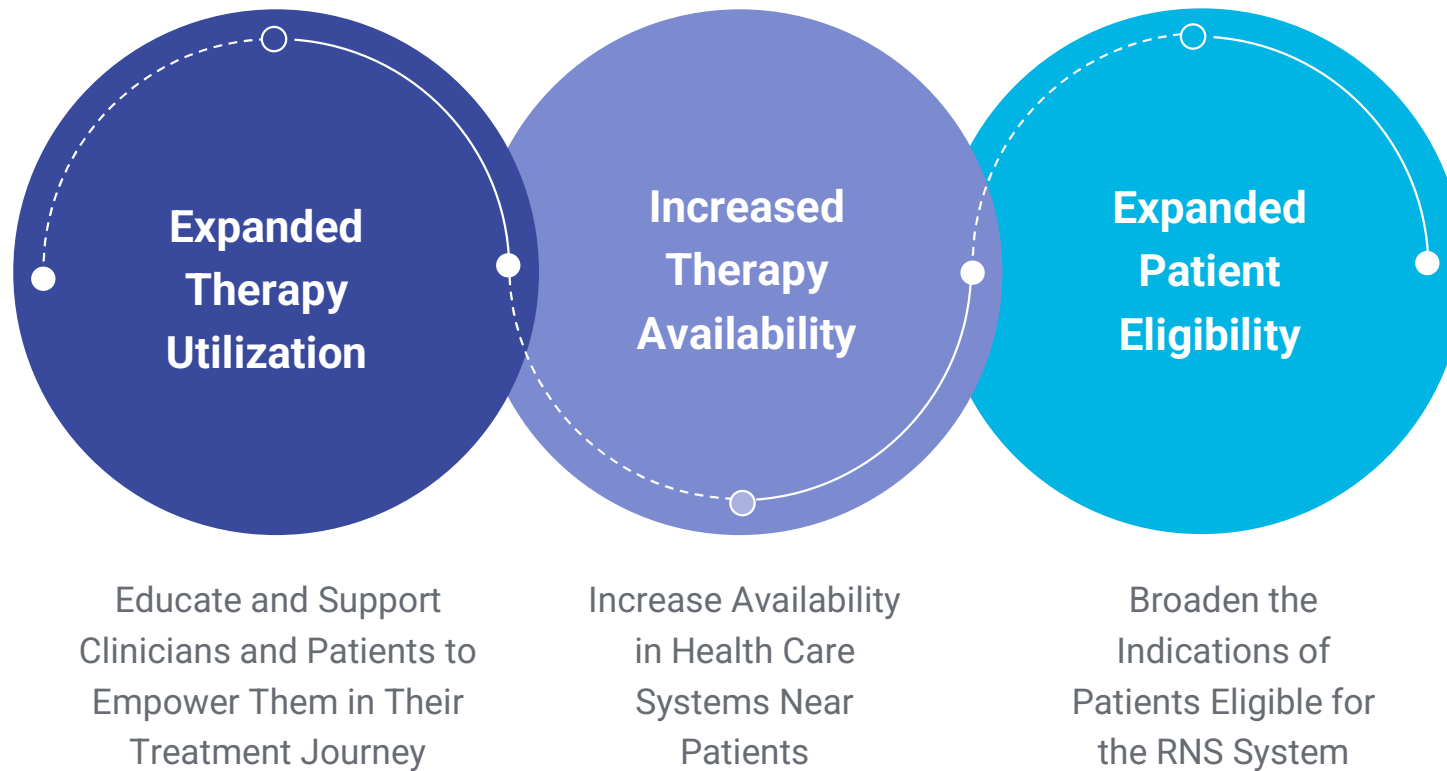
¹Chen, Z., et al., JAMA Neurology, 2017. ²Definitive Healthcare Claims Database for Epilepsy Patients who received Inpatient VEEG in 2019

³Ostendorf, et al, Epilepsia, 2022 ⁴Jehi L, Jette N, Kwon C-S, Josephson CB, Burneo JG, Cendes F, Timing of referral to evaluate for epilepsy surgery: Expert Consensus Recommendations from the Surgical Therapies Commission of the International League Against Epilepsy. Epilepsia. 2022;00:1–16. <https://doi.org/10.1111/epi.17350>

Annual Core U.S. Market Opportunity at CECs >\$2 Billion

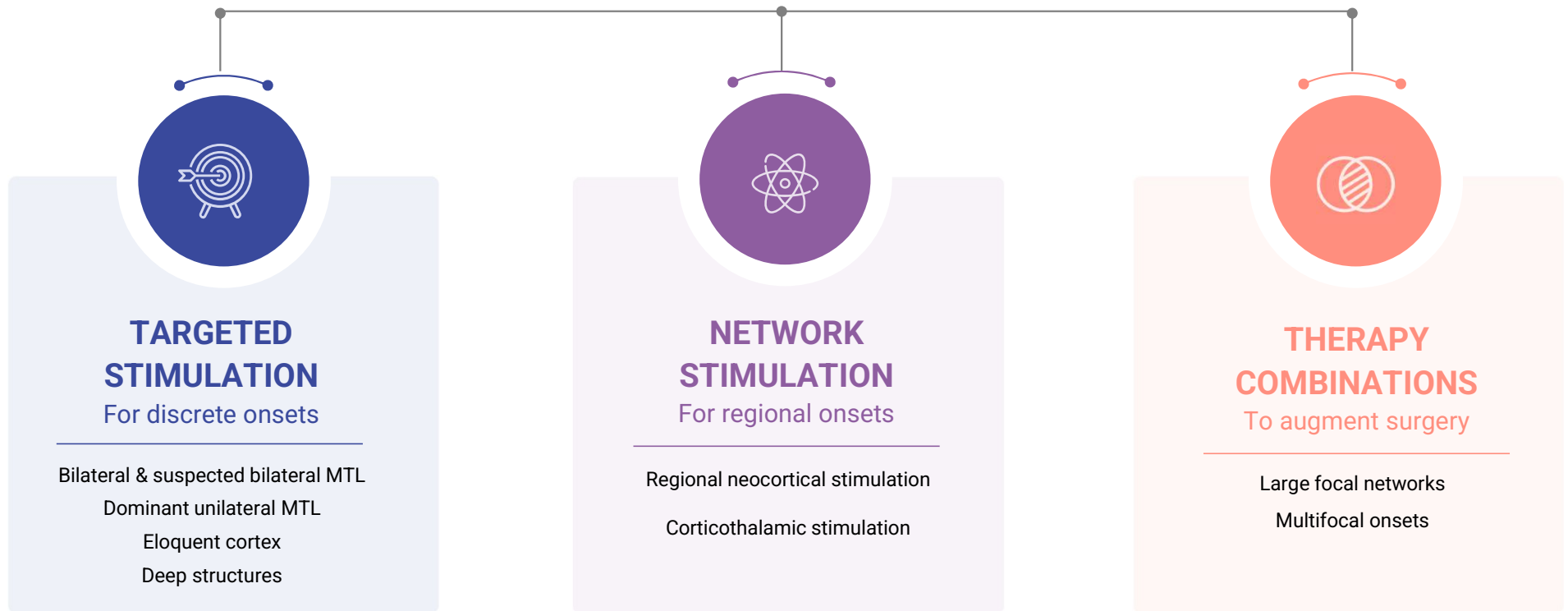


Closing the Epilepsy Treatment Gap Through Expanded Therapy Access



Expanded Therapy Utilization: Strategies for Focal, Refractory Epilepsy

RNS® System Enables Diverse Treatment Approaches



Increased Therapy Utilization: Project CARE – Community Expansion

Community Program Expansion – Availability in Health Care Systems Near Patients

- Expansion to +1,800 Epileptologists and entire functional neurosurgery communities within current indications
- Significant expansion RNS TAM
- 1H, 2024: Site Initiation
- 2H, 2024: Site Expansion

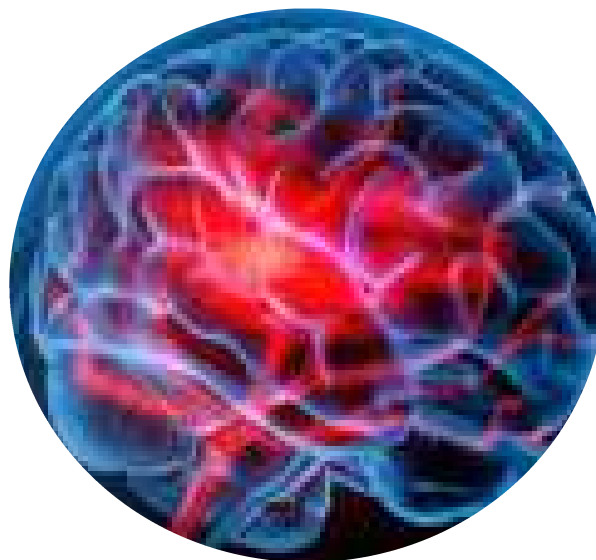
Expanding to Level 3
Centers &
Community
Hospitals

Facilitating Referrals
to Level 4 CECs for
Implants &
Establishing
Programming Only
Centers

Expanded Patient Eligibility: Generalized Epilepsy Indications

Patient Indication Expansion – RNS Access for Generalized Epilepsy

- Planned Enrollment completion - Q1, 2024
- Planned Implant follow up completion – Q1, 2025



Generalized Epilepsy

- NAUTILUS
- Lennox-Gastaut Syndrome
- FDA Breakthrough designation

2023

2024-2025

2025-2026

Closing the Treatment Gap: Enhanced RNS Therapy Access

Patient Indication Expansion: RNS Access for Generalized Epilepsy

- Planned Enrollment completion - Q1, 2024
- Planned Implant follow up completion –1H, 2025
- 40% of DRE Patients

2023

Closing the Treatment Gap: Enhanced RNS Therapy Access

Patient Indication Expansion: RNS Access for Generalized Epilepsy

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- Planned Implant follow up completion –1H, 2025
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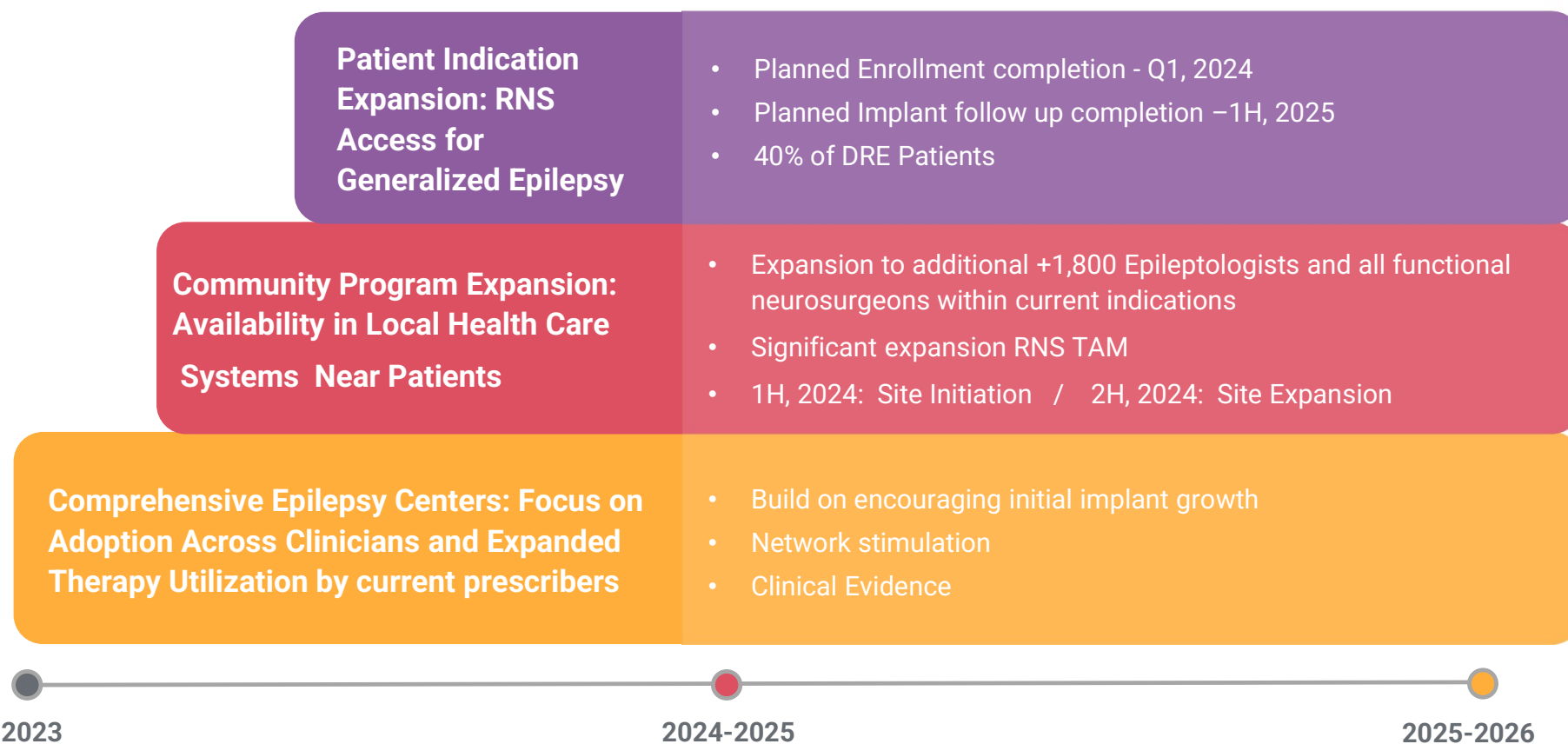
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- Expansion to additional +1,800 Epileptologists and all functional neurosurgeons within current indications
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2023

2024-2025

Closing the Treatment Gap: Enhanced RNS Therapy Access



DIXI Partnership Offers Comprehensive Solution for Seizure Localization



Focal Seizures

Start in specific locations of the brain

Stereo EEG electrodes are used in CECs for seizure localization

- Determine starting location and transmission network of seizure
- Stereo EEG is less invasive, offers faster patient recovery, and has become the predominate approach for intracranial monitoring



Distribution of DIXI Stereo EEG Products Leads to Earlier Patient Engagement



Accelerates core RNS business by helping to inform therapy decisions earlier

- ~2/3 of RNS patients go through intracranial EEG monitoring as part of the diagnostic process
- Most patients that have stereo EEG procedure are not currently getting RNS Therapy – growth potential



Provides visibility into diagnostic evaluation pipeline

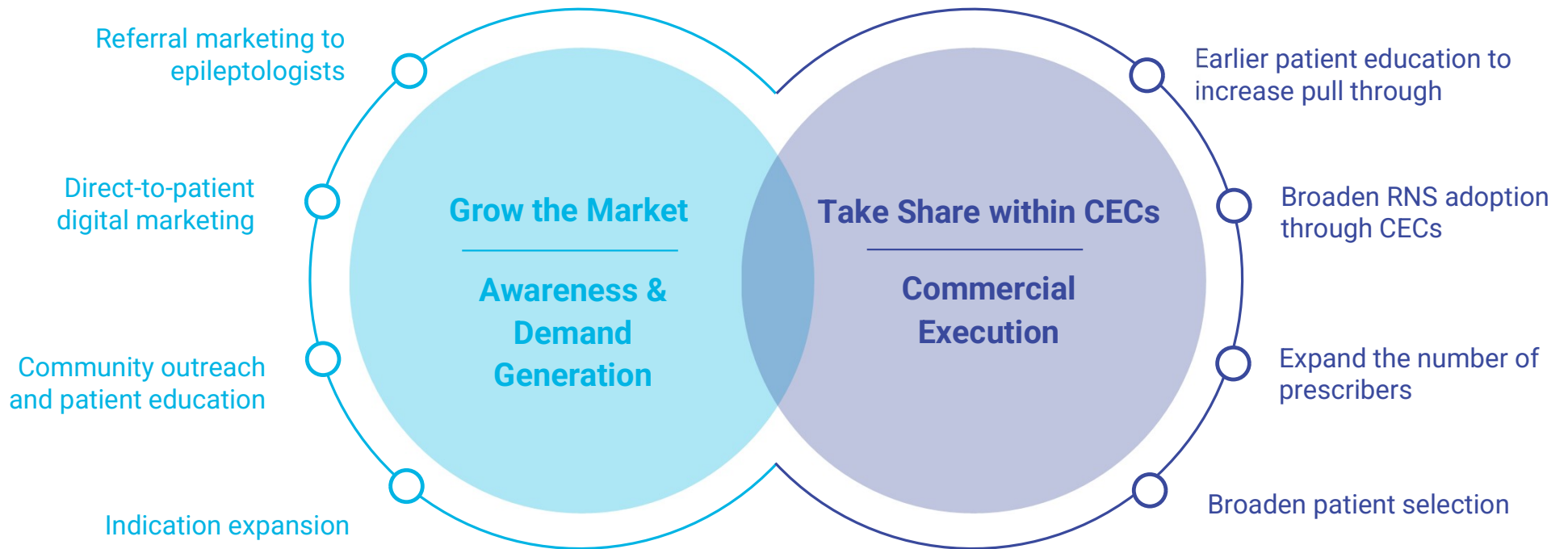
- Typically 2-3 months from stereo EEG procedure to RNS implant



New revenue source leveraging expanded field team

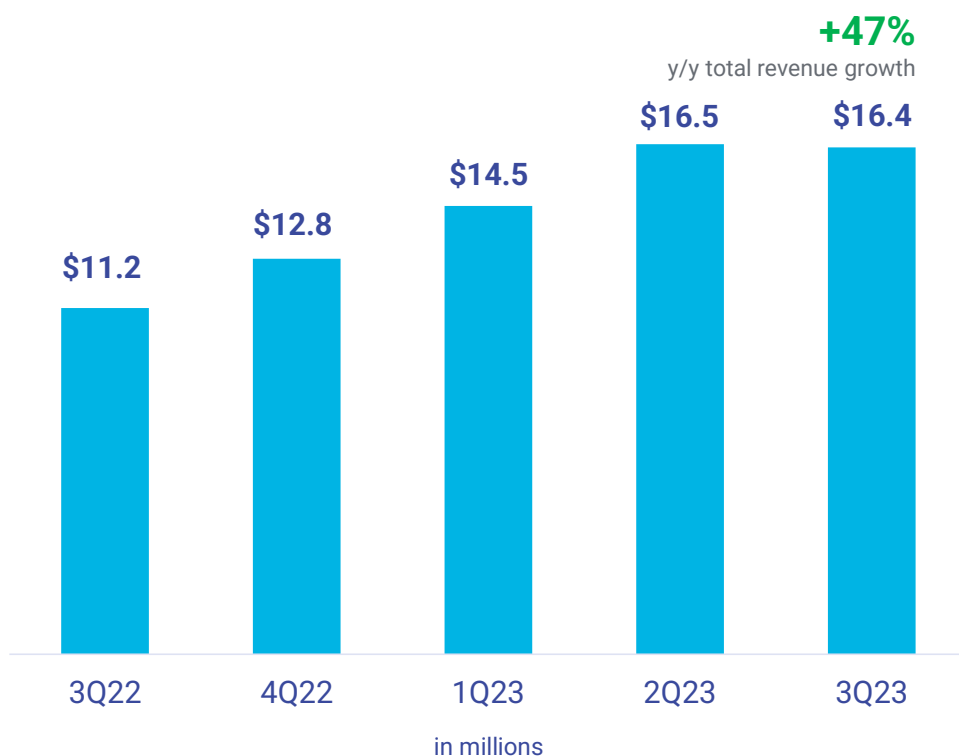
- Same account and physician call point - neurosurgeons and epileptologists at CECs
- Most NeuroPace RNS implanting centers are not currently using DIXI electrodes – growth potential
- Intracranial monitoring market in the United States is estimated to be between \$25 million to \$40 million

Closing the Treatment Gap to Drive Long-Term Growth



Financial Performance

Total September 30, 2023 Cash Balance Of \$61.3 Million Provides Sufficient Capital To Fund Planned Operations Into 2026.



	Actual 3Q23	2023 Guidance ¹	
Revenue	\$16.4 million	\$62.5 - \$63.5 million	↑
Revenue growth (y/y)	47%	37% - 39%	
Gross Margin	74.5%	71% - 73%	↑
Operating Expenses	\$18.2 million	\$75 - \$76 million	

Summary

Positioned for growth and focused on revenue growth, operating discipline, and effective cash management

Prioritizing adoption across clinicians prescribing the RNS System and growing utilization among existing prescribers

Strong clinical evidence both in clinical studies as well as through long-term real-world experience

Sufficient capital to fund key strategic and operating priorities through at least mid-2025.



Transforming the lives of people suffering from epilepsy by reducing or eliminating the occurrence of debilitating seizures.