



electroCore™

# **A Commercial-Stage Bioelectronic Medicine Company**

Nasdaq: ECOR

**Corporate Presentation**

April 2020

# Forward Looking Statement

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In addition to historical information, this presentation may contain forward-looking statements with respect to our business, capital resources, strategy and growth reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are subject to a number of risks, uncertainties and assumptions, and you should not rely upon forward-looking statements as predictions of future events. All forward-looking statements will be based upon current estimates and expectations about future events and financial and other trends. There is no guarantee that future results, performance or events reflected in the forward-looking statements will be achieved or occur. No person assumes responsibility for the accuracy and completeness of the forward-looking statements, and, except as required by law, no person undertakes any obligation to update any forward-looking statements for any reason after the date of this presentation.

Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management's beliefs and assumptions only as of the date they are made and are only predictions that may be inaccurate. You should read the Risk Factors set forth in our reports filed from time to time with the Securities and Exchange Commission, which factors may cause our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those or our situation may change in the future.

Additionally, in an effort to provide additional information management believes is a useful indicator of operating performance for the fiscal quarter ended September 30, 2019, this presentation contains a financial measure not determined by generally accepted accounting principles (GAAP): Adjusted EBITDA net loss from operations. A reconciliation to the most directly comparable GAAP financial measure of Net Loss from Operations is available on the presentation slide entitled "Adjusted EBITDA Reconciliation." The rationale for management's use of non-GAAP information is included in Exhibit 99.1 to the Company's Form 8-K furnished with the SEC on March 23, 2020.

# electroCore At-a-Glance

NASDAQx

ECOR

Headquarters:

Basking Ridge, NJ

Market cap:

~\$14M (3/23/20)

Recent close:

\$0.49 (3/23/20)

Cash & marketable securities (12/31/19): \$24.1M



gammaCore

**Sapphire™**

# Experienced Management Team



**Daniel Goldberger**  
Chief Executive Officer  
35 years



**Peter Staats, MD**  
Chief Medical Officer  
33 years



**Brian Posner**  
Chief Financial Officer  
35 years



**Eric Liebler**  
SVP of Neurology  
30 years



**Michael Ruberio**  
National Sales Director  
30 years



**Mike Romaniw**  
VP of Operations  
30 years



**Iain Strickland**  
Vice President, European  
Operations (UK)  
15 years



# Investment Summary

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## Platform Therapy

FDA cleared, proprietary, non-invasive vagus nerve stimulator positioned to unlock the broad potential of bioelectronic medicine

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## Large Initial Market

Cluster headache and migraine estimated to affect more than 36 million<sup>1</sup> people in the U.S.

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## Attractive Revenue Model

Recurring revenue business model

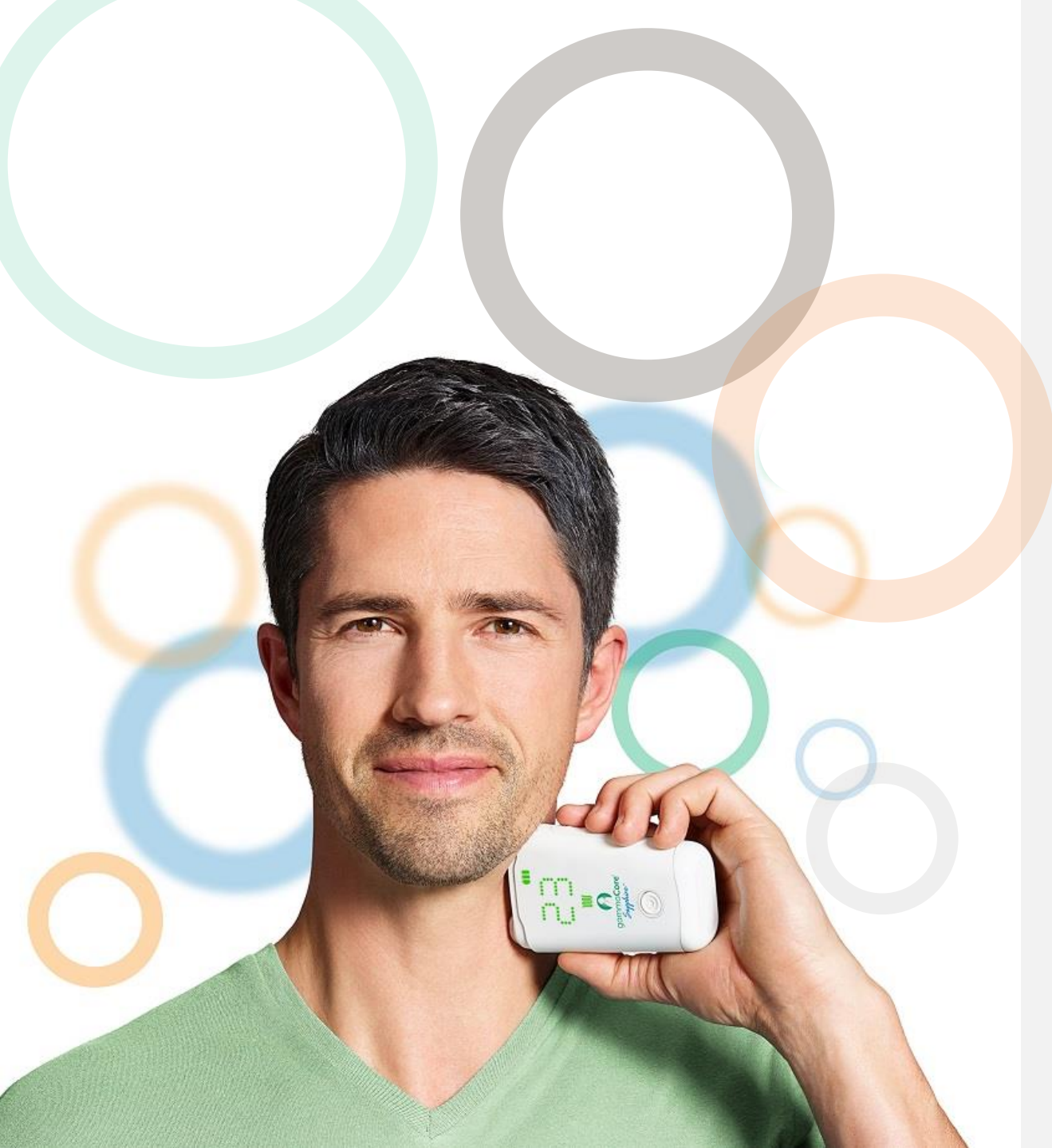
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## Strong IP Portfolio

Key patent coverage extends through 2033

<sup>1</sup> American Migraine Foundation





gammaCore

# **Sapphire™**

1<sup>st</sup> FDA-cleared non-invasive  
vagus nerve stimulator

Fast acting, highly targeted, comfortable, easy to use  
hand-held option

Cleared for the prevention and treatment of cluster  
headache

Also cleared for the prevention of migraine and  
treatment of acute migraine

Recurring revenue model

# nVNS and the Benefits of gammaCore

## Benefits of nVNS

- ✓ The vagus nerve affects multiple organs and systems
- ✓ Activates multiple mechanisms of action
- ✓ Evidence supports possible future treatment for many indications
- ✓ Self-treating and no off-target effects
- ✓ Complementary to existing care

## gammaCore for Headache

- ✓ FDA cleared for prevention and treatment of cluster headache, prevention of migraine and treatment of acute migraine
- ✓ Use alongside existing treatments
- ✓ No drug-drug interactions or drug-like side effects
- ✓ Can decrease the use of medications, resulting in lower cost to treat cluster headache (UK's NICE)
- ✓ May use multiple times per day or month

# Unmet Need in Migraine & Cluster Headache



## MIGRAINE

**36 million U.S. patients<sup>1</sup>**

Triptans represent 80% of prescribed acute therapies

40% of patients are dissatisfied or unresponsive to triptans<sup>2</sup>

More than half of insured migraineurs receive no Rx treatment<sup>2</sup>

gammaCore is FDA-cleared for migraine prevention and treatment of acute migraine



## CLUSTER HEADACHE

**400,000 U.S. patients<sup>3</sup>**

Up to eight 15-180 min attacks per day

Considered one of the most painful conditions known; a “suicide headache”

gammaCore is FDA-cleared for the prevention and treatment of all types of cluster headache (acute and episodic)

1. American Migraine Foundation

2. IMS Pharmetrics Plus.

3. Cephalalgia. 2008 Jun;28(6):614-8. doi: 10.1111/j.1468-2982.2008.01592.x. Epub 2008 Apr 16.



# Reimbursement Pathway

Aligned to stakeholder experience



## PHYSICIANS

Write a prescription for use at home



## PATIENTS

Acquire gammaCore from a specialty pharmacy with simple refill process



## PAYERS

Manage utilization through pharmacy or medical benefit reimbursement

## Commercial Payer Response

### CURRENT PAYER COVERAGE

CVS Caremark, Highmark Blue Cross Blue Shield, North Dakota Blue Cross Blue Shield, Federal Supply Schedule (VA, DoD, Indian Health Service), cash pay

### PAYER ENGAGEMENT

Active discussions and negotiations with multiple national plans

### REIMBURSEMENT PATH

Prescription model with periodic refill; can be reimbursed as pharmacy or medical benefit

# Commercial Progress through PBMs

## **CVS/Caremark**

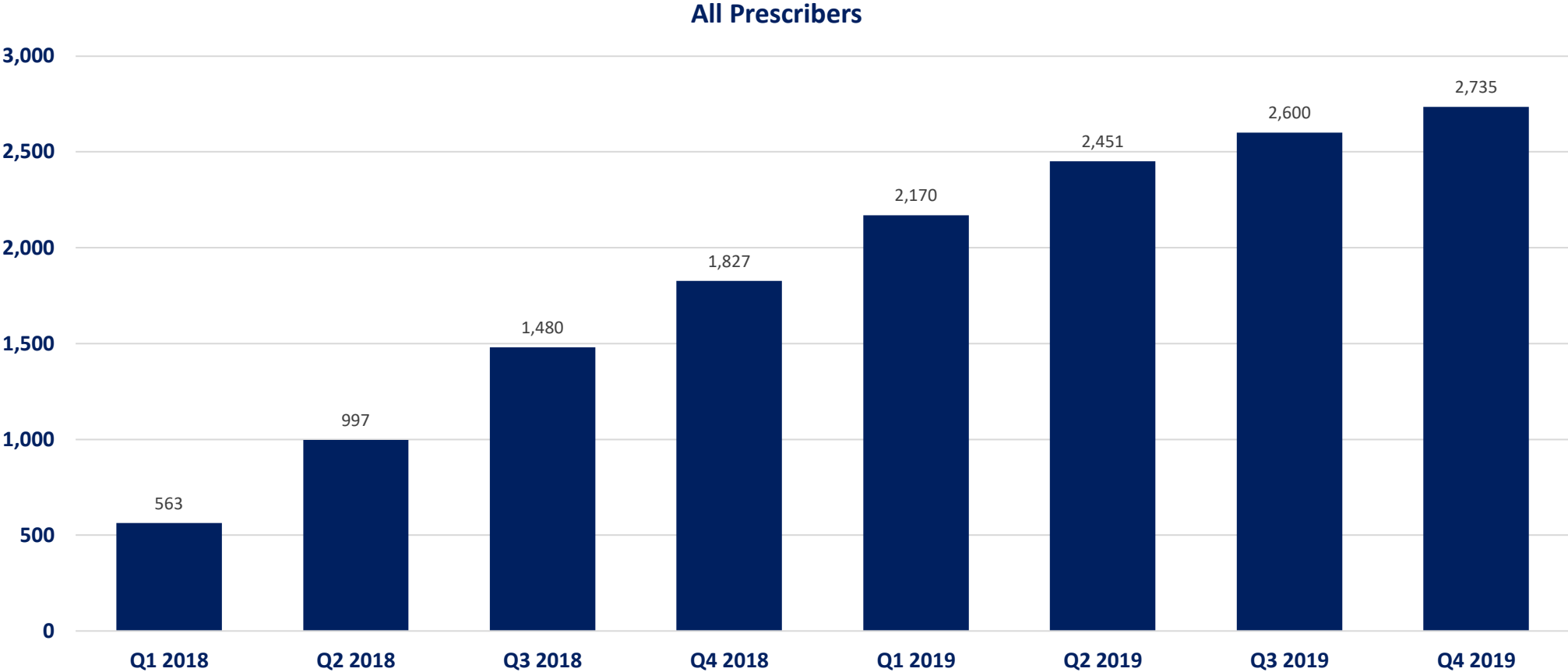
gammaCore is reimbursed by CVS/Caremark at a non-exclusionary co-pay of roughly \$50 - \$75/month for those beneficiaries who have a benefit design that does not differentiate between drugs and devices

Approximately five million CVS/Caremark members currently have a benefit design of this type

## **Express Scripts (ESI)**

gammaCore is reimbursed by ESI on all National Standard Formularies at a preferred copay of roughly \$25 - \$45/month for those beneficiaries who have a benefit design that does not differentiate between drugs and devices

# Growth in gammaCore Prescribers<sup>1</sup>




<sup>1</sup> Represents prescribers who have written at least one prescription

# Active Channels With Revenue Growth Opportunities


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Driving Department of Defense sales through the Veterans Administration and Military Treatment Facilities

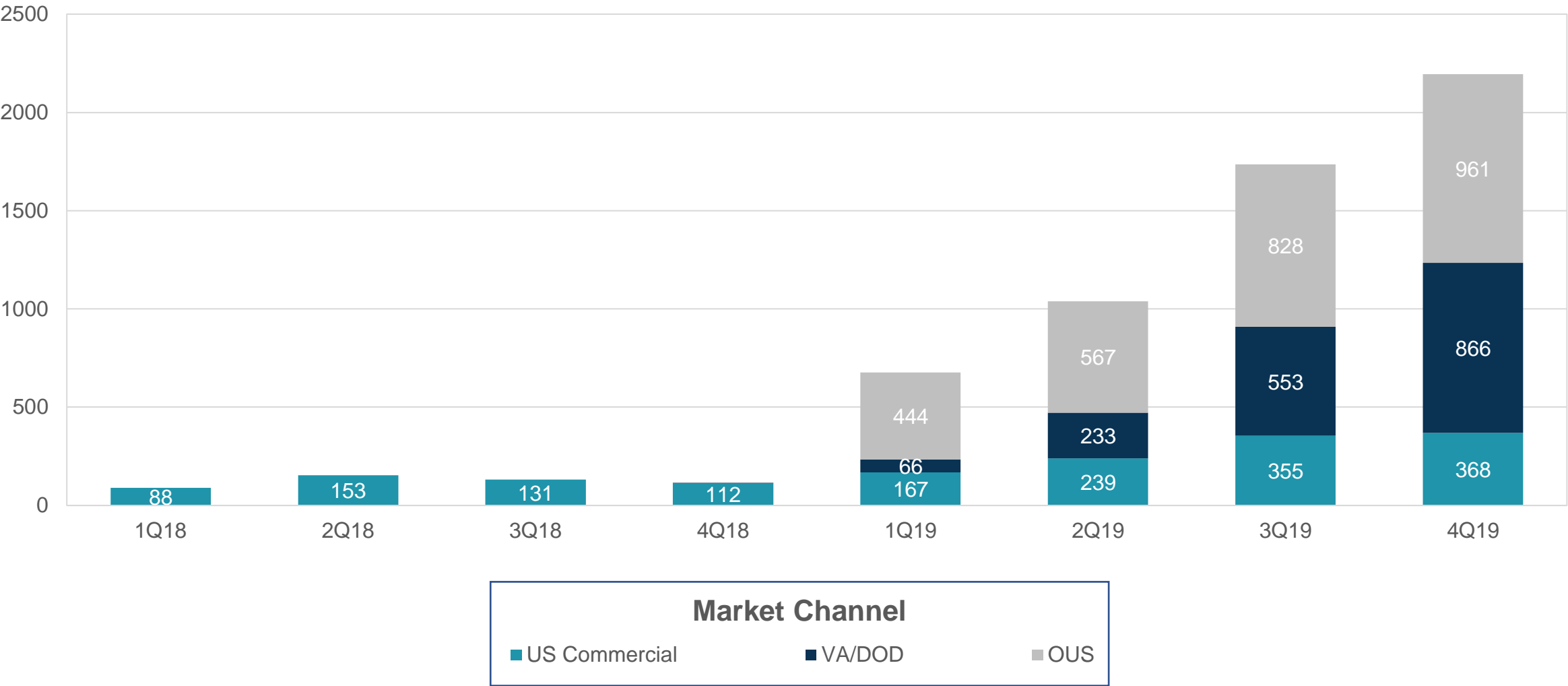


Growth in the UK by leveraging: 1) Innovation Technology Program Award for cluster headache and 2) support from the National Institute for Health and Care Excellence (NICE) for the treatment of cluster headache



Workers Comp and Personal Injury through a relationship with Doctor's Medical, LLC

# Paid Months Of Therapy By Quarter



Data through 12/31/19



# Federal Supply Schedule Opportunity

An efficient call point for direct sales

**>10  
million**

covered lives  
between the Veterans  
Admin., active military  
facilities and the  
Indian Health Service

**~400,000  
patients**

saw VA healthcare  
providers for headache  
in 2018<sup>1</sup>

**Migraine  
grew 10-fold**

in the VA between  
2004-2012<sup>2</sup>

**Survey of 77k**

active duty, reserve  
and National Guard  
members found that  
7% of men and 21%  
of women had  
provider-diagnosed  
migraine<sup>3</sup>



<sup>1</sup> Grinberg et al. Understanding the Prevalence and Geographic Distribution of Headache Disorders within the Veterans Health Administration. Poster presentation, AHS 2019

<sup>2</sup> Altalib et al. Increase in migraine diagnoses and guideline-concordant treatment in veterans, 2004-2012 Cephalalgia 2017;37:3-10

<sup>3</sup> Jankosky et al. Headache disorders in the millennium cohort: epidemiology and relations with combat deployment. Headache 2011;51:1098-1111

# gammaCore – Platform Technology with Vast Potential

## NEUROLOGY / PAIN

Cluster Headache<sup>1</sup>

Migraine<sup>1</sup>

Post-traumatic<sup>2</sup>  
headache

Traumatic Brain Injury

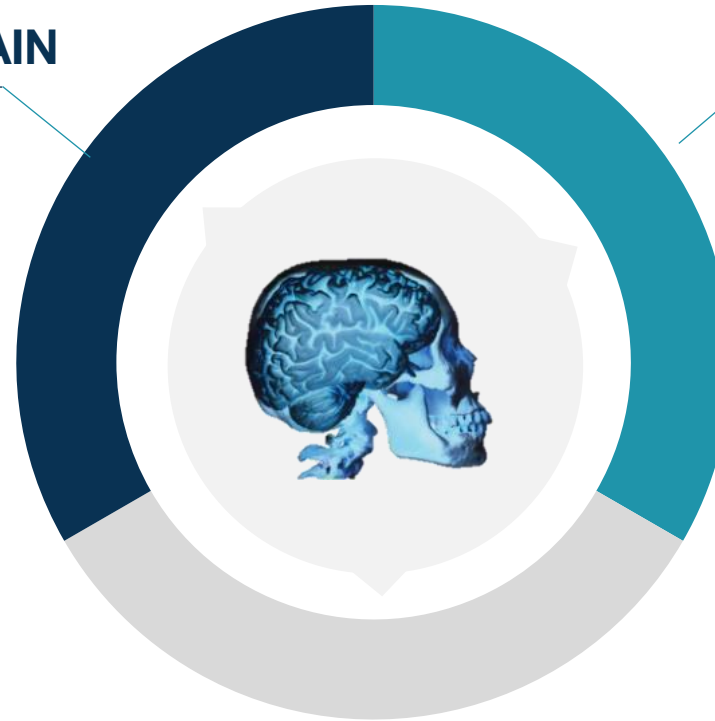
Subarachnoid  
hemorrhage

Stroke

## INFLAMMATION

Rheumatoid Arthritis<sup>2</sup>

Sjogren's Syndrome<sup>2</sup>



## GASTROENTEROLOGY

Gastroparesis

Ulcerative colitis

Post-operative Ileus

gammaCore is the  
only FDA cleared  
non-invasive VNS  
therapy

<sup>1</sup> Approved indications

<sup>2</sup> Corporate funded studies

# Broad Intellectual Property Portfolio

electroCore owns all intellectual property on which the technology relies

## Expansive pioneering IP coverage of non-invasive, transdermal neuro-stimulation in the neck

We have key patent coverage extending out through 2033, including:

- High-frequency burst signals capable of passing comfortably through the skin
- Low-pass signal filtration that reduces signal harmonics that cause pain

# >165

PATENTS AND PATENT APPLICATIONS

~100 issued U.S. patents

>25 U.S. patent applications

>40 International patents

# Summary Financials

\$ In thousands	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
GAAP revenue	368	410	623	683	675
Research and Development	3,460	3,460	2,510	2,275	1,623
SG&A	12,397	11,000	9,388	8,143	7,267
Operating loss	(15,681)	(14,211)	(12,380)	(10,894)	(8,606)
GAAP net loss from operations	(15,335)	(13,862)	(12,101)	(10,688)	(8,498)
Adjusted EBITDA net loss from operations	(14,514)	(13,441)	(10,775)	(8,448)	(6,662)
<b>Cash burn</b>	<b>\$11,900</b>	<b>\$16,200</b>	<b>\$11,200</b>	<b>\$7,600</b>	<b>\$9,400</b>

Significant opportunities remain to further reduce cash burn

Cash and marketable securities	\$24,059
Debt	\$112
Shareholders' equity	\$24,897

Please see reconciliation of GAAP net loss from operations to adjusted EBITDA net loss from operations on slide 18.

# Adjusted EBITDA Reconciliation

	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
	(\$ in thousands)				
GAAP net loss from operations	\$ (15,335)	\$ (13,862)	\$ (12,101)	\$ (10,688)	\$ (8,498)
Provision for income taxes	-	-	-	-	\$ 18
Depreciation and amortization	\$ 25	\$ 26	\$ 28	\$ 99	\$ 97
Stock-based compensation	\$ 1,141	\$ 744	\$ 727	\$ 1,220	\$ 1,205
Restructuring and other severance related charges	-	-	\$ 850	\$ 805	\$ -
Legal fees associated with stockholders' litigation	-	-	-	\$ 322	\$ 641
Total other (income)/expense	\$ (346)	\$ (349)	\$ (279)	\$ (206)	\$ (125)
<b>Adjusted EBITDA net loss from operations</b>	<b>\$ (14,514)</b>	<b>\$ (13,441)</b>	<b>\$ (10,775)</b>	<b>\$ (8,448)</b>	<b>\$ (6,662)</b>



# Capitalization Table

Fully diluted as of December 31, 2019

Common stock shares	29,835,183	
Warrants	715,199	Exercise prices ranging from \$5.68 to \$12.60; expirations from April 1, 2021 through August 31, 2022
Options	3,131,266	Weighted average exercise price=\$8.53, options generally vest over 4-year period (first options granted June 21, 2018)
Restricted Stock Units	1,241,493	Primarily retention RSUs which will vest over two-year period starting June 2020.
<b>Total</b>	<b>34,923,141</b>	

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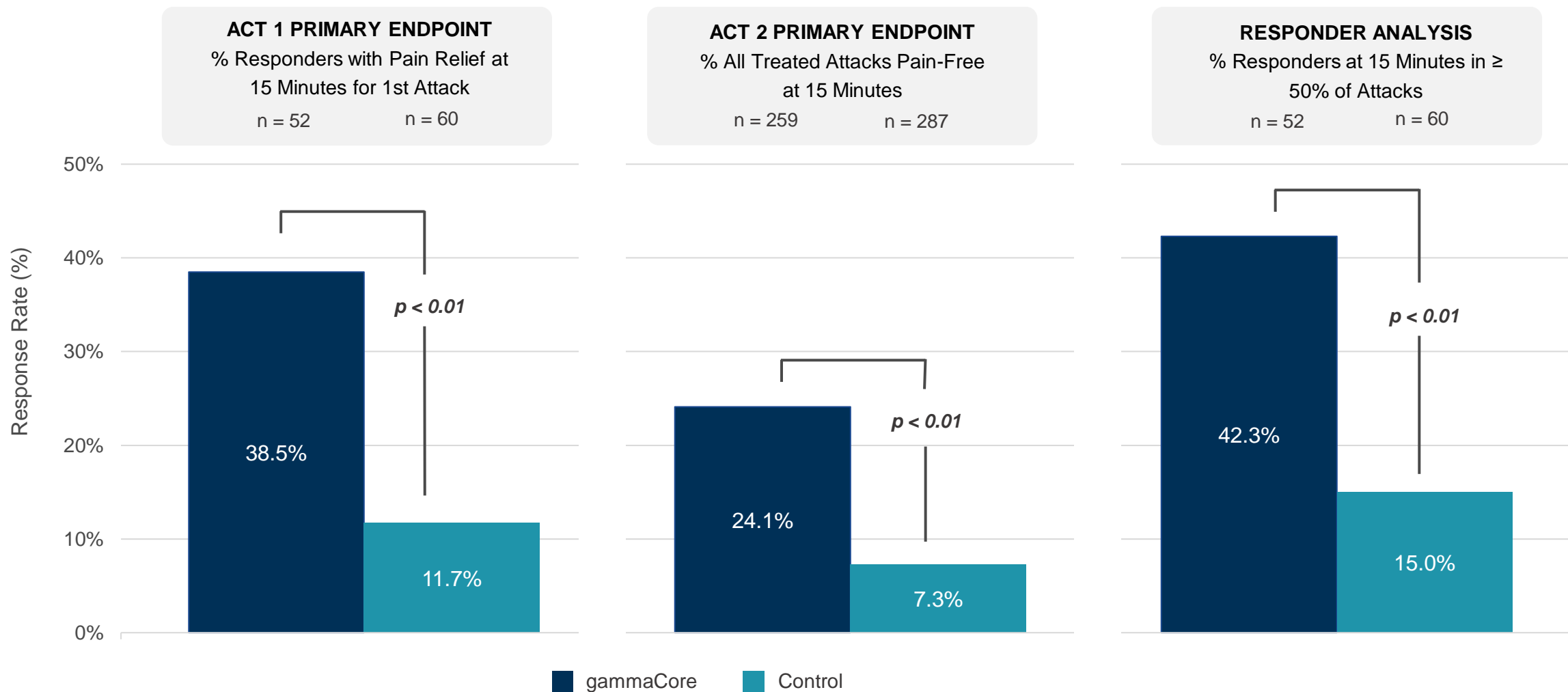
Key patent coverage extends through 2033

# APPENDIX



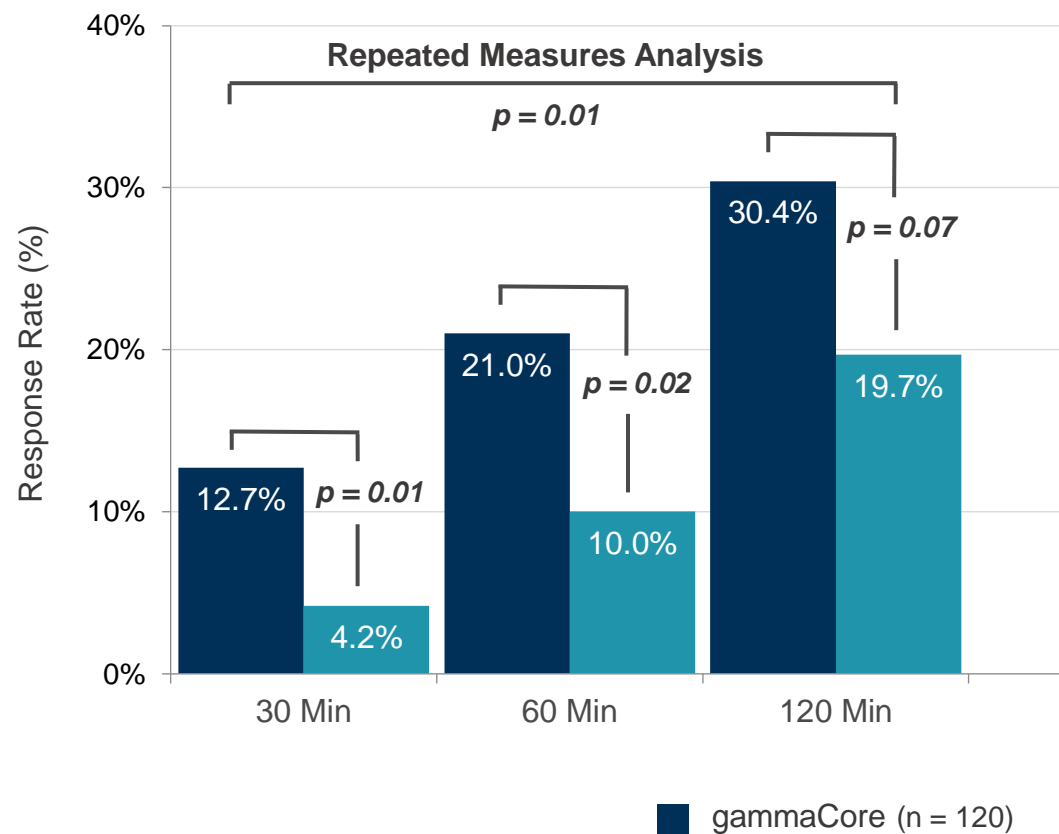
# Acute Cluster Headache: ACT 1 & ACT 2

Pooled analysis of Episodic Cluster Headache from ACT 1 & ACT 2 Trials

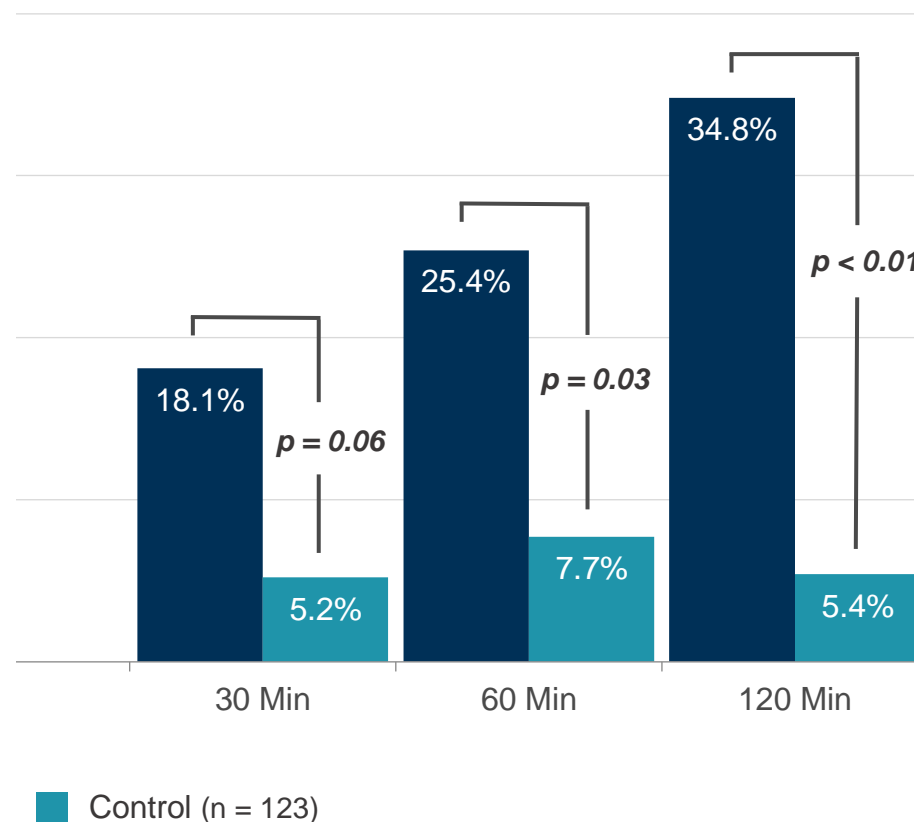


# Acute Migraine: PRESTO Trial

## Pain Freedom



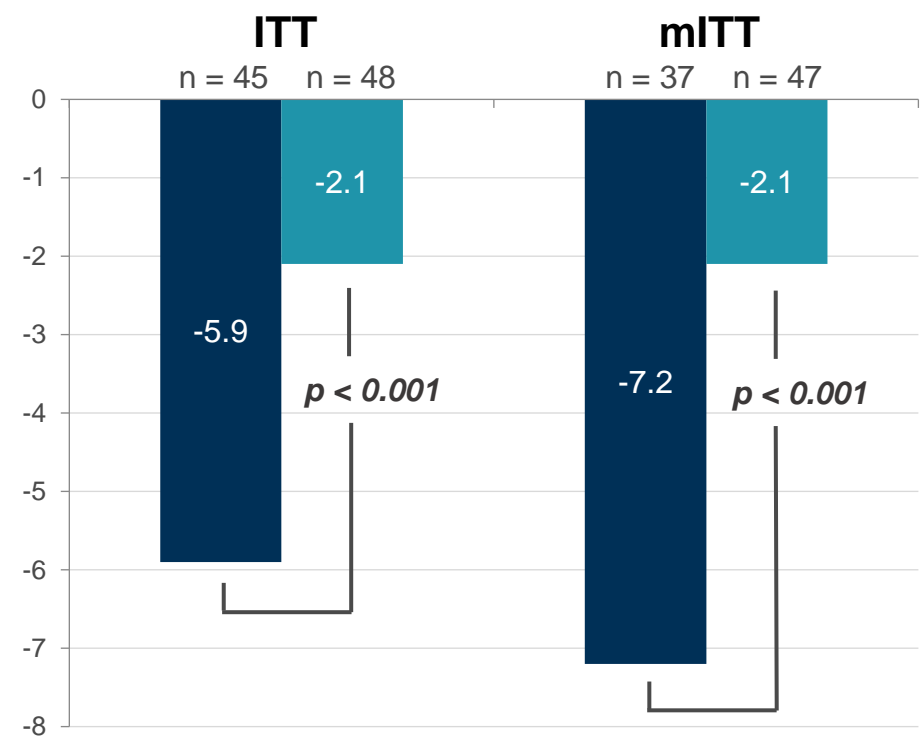
## Percent Pain Relief



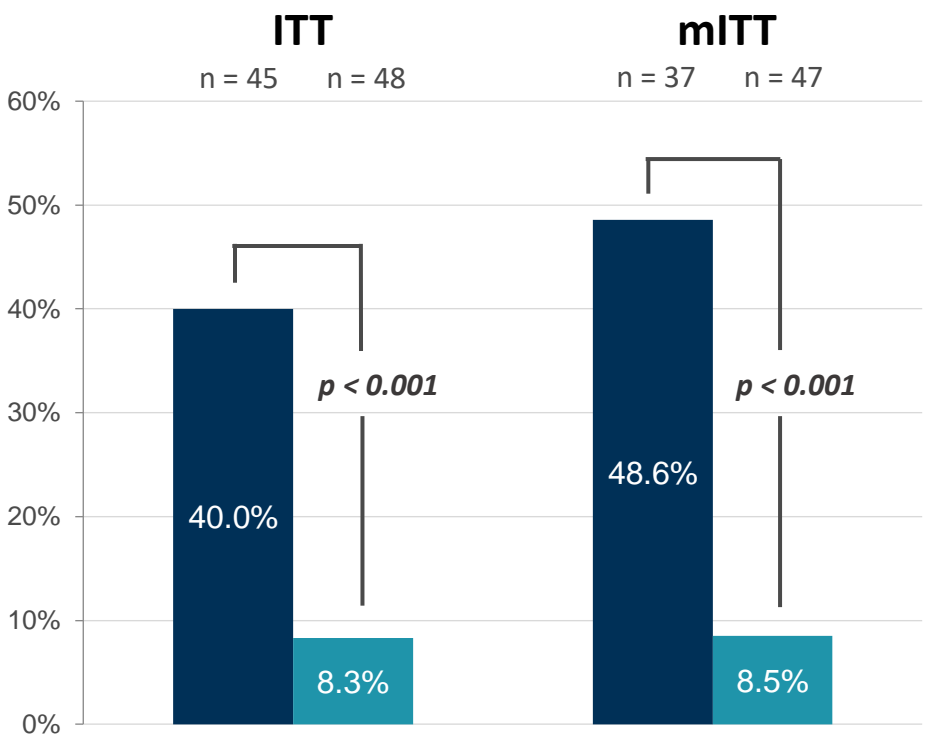


# Cluster Headache Prevention: PREVA Trial

Reduction in Number of Attacks per Week



Percentage of Patients w/≥ 50% Reduction in Attack Frequency



■ Adjunctive gammaCore ■ Standard of care

mITT - Patients who provided data in the randomized period sufficient to compare to baseline measurements