Sacral Neuromodulation, RECHARGED

Axonics

November 2020

(Nasdaq: AXNX)

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Axonics® Vision and Philosophy

To be the global leader in sacral neuromodulation by providing customer-centric solutions to treat urinary and bowel dysfunction and improve the quality of life for patients and their families

Clarity of Purpose

Thoughtful Innovation

Integrity and Quality

Axonics Overview

Large and Significantly Underpenetrated Market	▪ The sacral neuromodulation (SNM) market is significantly underpenetrated ▪ Medtronic is the legacy player with estimated global sales of ~$650 million in 2018 ▪ Implanters expect to grow procedure volume by 15-20% annually, driven by innovation Axonics has brought to SNM
Innovative Technology	▪ First rechargeable SNM system. Designed to last at least 15 years with a patient-friendly recharging experience ▪ Axonics implantable neurostimulator (INS) is 60% smaller than Medtronic's non-rechargeable InterStim II ▪ First full-body MRI compatible SNM system, with 1.5T and 3T labeling
Strong Clinical Data	▪ Completed 24-month clinical data of 129-subject FDA pivotal study ▪ Completed 24-month clinical data of 51-subject European clinical study
Regulatory Status and IP	▪ Currently have U.S. FDA approval for OAB, FI, and UR; additional regulatory approvals in Europe, Canada & Australia ▪ 25 wholly-owned, 29 licensed from AMF (54 total) issued or licensed U.S. patents covering miniaturization of generators, charging and communication
Large Commercial Footprint	▪ U.S. commercial operations launched in November 2019; select E.U. markets and Canada launched in November 2018 ▪ 185+ U.S. field team members; 8 field team members in E.U.
Early Commercial Success	▪ Net revenue of $35.2 million in 3Q20 ▪ 600+ unique accounts (hospitals and ambulatory surgery centers) in the U.S. as of September 30, 2020 ▪ Agreements in place with virtually all national and regional hospital systems in the United States

Experienced senior management team with >140 years of combined experience in the medical technology industry

Strong Management Team with Decades of Medical Technology Experience

Axonics

Raymond W. Cohen

Chief Executive Officer

- *35+ Years of Experience*

VESSIX VASCULAR
BIOLIFE SOLUTIONS
SPECTRUM PHARMACEUTICALS
CARDIAC SCIENCE

Dan Dearen

President & CFO

- *30+ Years of Experience*

VESSIX VASCULAR
EY Building a better working world
Q3DM

Rinda Sama

Chief Operating Officer

- *15+ Years of Experience*

VESSIX VASCULAR
CARDIAC SCIENCE

Karen Noblett, M.D.

Chief Medical Officer

- *25 + Years of Clinical Experience*

UCR School of Medicine
SCHOOL OF MEDICINE
UNIVERSITY of CALIFORNIA • IRVINE
Discover • Teach • Heal

John Woock, Ph.D.

Chief Marketing Officer

- *10+ Years of Experience*

STANFORD biodesign
McKinsey&Company

Al Ford

Chief Commercial Officer

- *20+ Years of Experience*

CARDIAC SCIENCE
CSI CRITICARE SYSTEMS, INC.

Overactive Bladder and Fecal Incontinence: High Prevalence and Debilitating Impact on Quality of Life

OAB and FI affect over 60 million adults in the US

Overactive Bladder (OAB)

Sudden urge to urinate; may result in urinary urgency incontinence (UUI) and/or urinary frequency (UF)

Fecal Incontinence (FI)

Inability to control bowel function, including involuntary loss of solid or liquid feces

- OAB affects over **40M adults** and FI affects over **20M adults** in the US[1] (some adults suffer from both UUI and FI)
- Only **half** of those with severe symptoms seek treatment[2]
- OAB and Fl have a significant **negative impact** on **quality of life**, mental health, sleep, productivity, and social activities[1,3]
- **80%+** of patients prescribed medications **discontinue use** within 6 months based on unmet treatment expectations, adverse effects, and cost[3]
- SNM is **broadly reimbursed**[4] with a U.S. market size of $575+ million

1. Coyne, et al., "The Prevalence of Lower Urinary Tract Symptoms (LUTS) in the USA, the UK and Sweden." BJUI, Nov 2008.
2. Shaw, et al., "Barriers to Help Seeking in People with Urinary Symptoms." *Fam Pract*, Feb 2001.
3. Reynolds, et al., "The Burden of Overactive Bladder on US Public Health." *Curr Bladder Dysfunct Rep*, Mar 2016.
4. CMS National Coverage Determination (NCD) is established for Sacral Nerve Stimulation.

Sacral Neuromodulation Overview

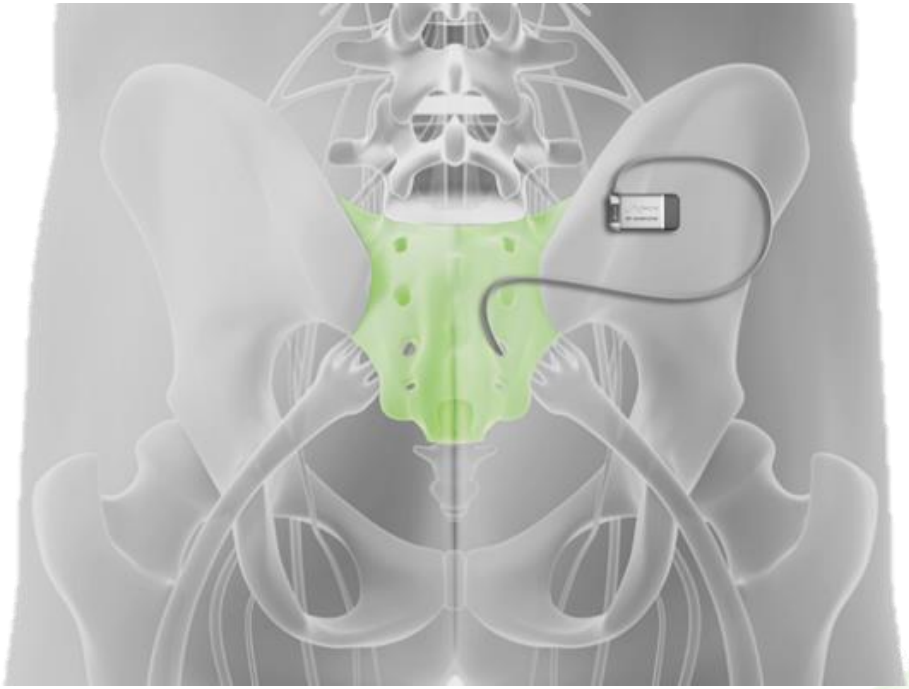
SNM therapy has been commercially available in the United States for **over 20 years** and has been **clinically proven** to provide a safe, effective, durable solution to OAB and FI

Efficacy of SNM therapy:

- Mild electrical pulses targeting the sacral nerves restore normal communication between the brain and the bladder
- Therapy supported by a large compendium of peer-reviewed publications
- Hundreds of thousands of patients have been implanted worldwide

Historic shortcomings of legacy SNM technology (Medtronic InterStim II):

- Surgically explanted and replaced every 3-5 years due to battery depletion
- Size of implanted device can result in pain and discomfort
- Patients have unfavorable experience using the therapy
  - Limitation with constant voltage
  - Complicated patient programmer
- Head-only MRI compatibility limited adoption and required explant for a full-body MRI scan

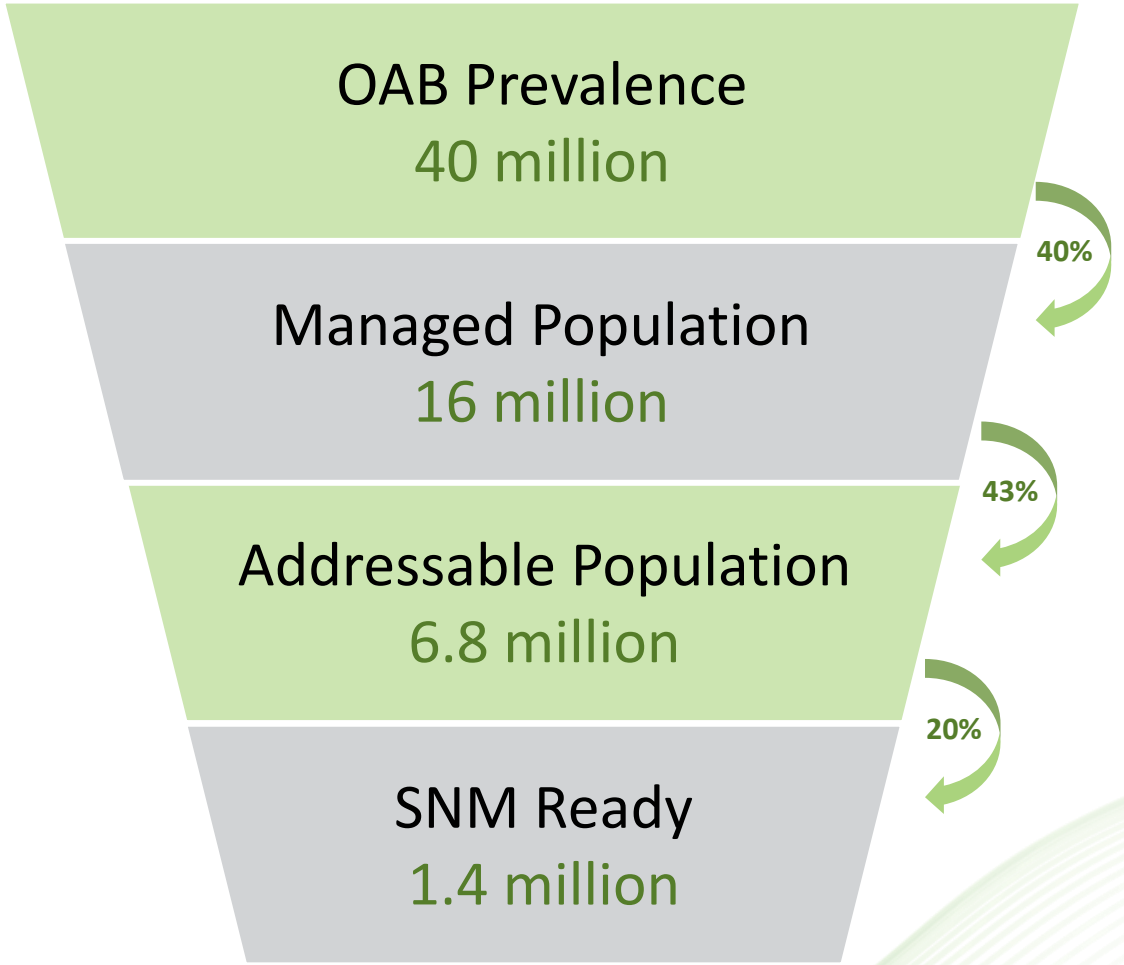


Sacral Neuromodulation – U.S. Market Opportunity

Significant Clinical Need, Low Penetration

- **OAB prevalence:** 40 million (16% or one in 6 adults) have symptoms of OAB
  - Only 40% of this group seeks medical attention **(managed population)** due to embarrassment, misconception that leaking is part of aging, etc.
- **Addressable population:** 6.8 million have underlying cause of OAB that is treatable with SNM
  - Over 90% of the addressable population are women
  - Over 3 million Americans are on second-line drug therapy and working their way through the care pathway
  - *Based on published literature, only 3-9% of second line patients have historically advanced to third line therapy*
    - Primarily due to lack of awareness of SNM therapy and drawbacks of third line therapies (Botox and InterStim)
- **SNM ready population:** 1.4 million are SNM eligible, representing a multibillion-dollar U.S. market opportunity.
  - *An additional ~5 million patients are either active in the care pathway or are currently "lost" (stopped taking meds and suffering in silence)*
  - *In 2019, there were approximately 40,000 SNM procedures in the United States, implying a penetration rate of ~1%*

U.S. SNM Market Opportunity



Axonics r-SNM® System

Approved for full-body 1.5/3.0T MRI scans

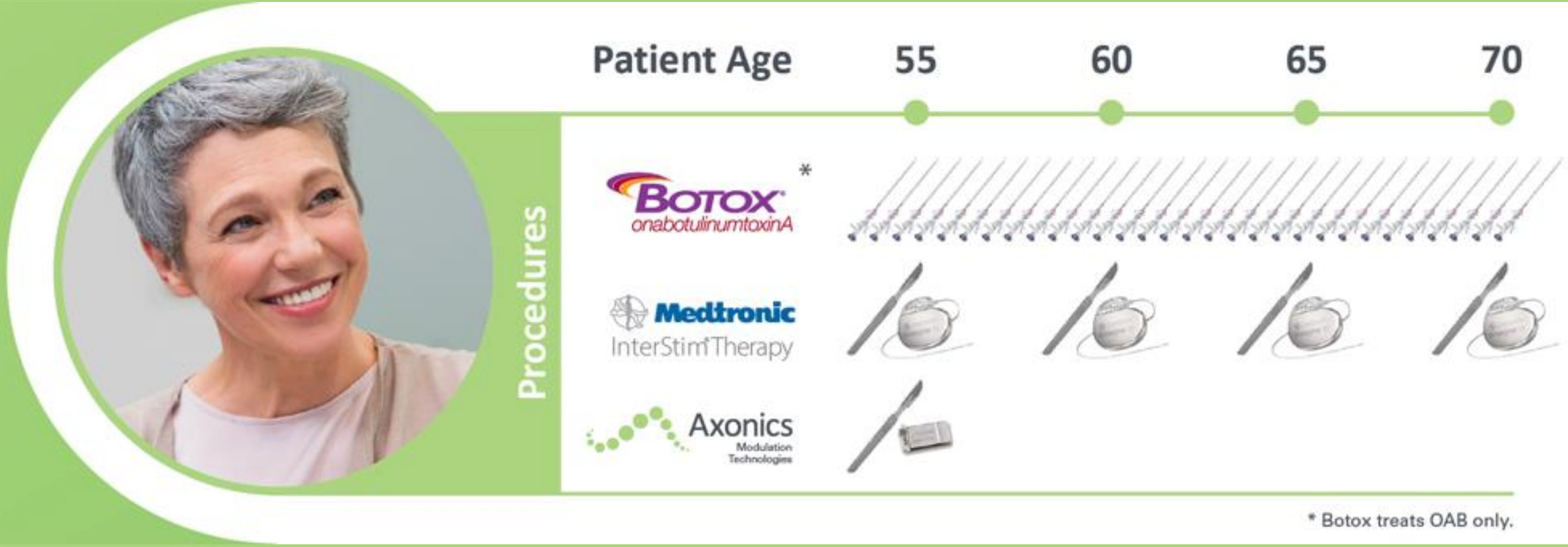
Approved in U.S., Europe, Canada and Australia

Rechargeable miniaturized INS with 15+ year life

Simplified programmer, wireless charging system and easy-to-use remote control

Axonics Therapy is Long-lived and Fuss-free

Axonics is approved for 15+ year life in the body



Axonics Therapy significantly reduces the need for frequent treatments or device replacement surgeries

(1) BOTOX injections are typically required every six months to maintain reduction of OAB symptoms.
(2) Patients with the Interstim typically require replacement surgery every three to five years.

Axonics Therapy Has Significant and Distinct Advantages Compared to Legacy SNM Technology

Titanium-ceramic INS construction allows for miniaturization and highly efficient charging with minimal heating

- **Size:** 60% smaller and half the weight compared to InterStim II
- **Implant Life**: at least 15 years; 3-4x longer life than InterStim II
- **Constant Current Stimulation**: consistent and reliable therapy by adjusting output automatically
- **Modern, Convenient and Durable:** efficient and safe charging, wireless communication
- **Full-Body MRI Compatible**

Patients Prefer the Axonics System Over InterStim II

Axonics

Axonics surveyed 137 patients being treated with Axonics Therapy who had previously been implanted with a Medtronic InterStim II™ device. The survey asked patients about their experience with Axonics Therapy and to make comparisons to their InterStim experience.

83% of patients would recommend Axonics Therapy to a friend, while only 5% would recommend the InterStim™ II System

Patients said the most beneficial features of their Axonics System are:

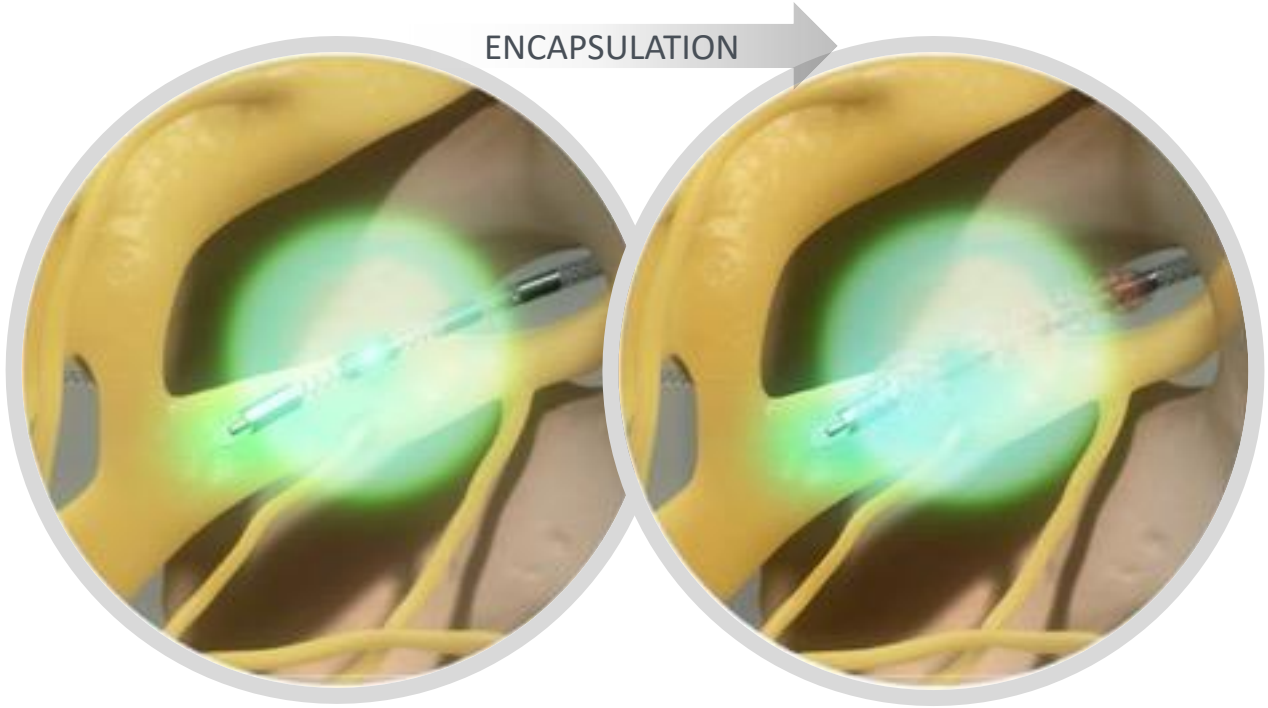
1. Long Life (15 years)
2. MRI Conditional Safety
3. Easy Remote Control

Axonics survey. Company data on file.

Axonics Employs Constant Current Stimulation

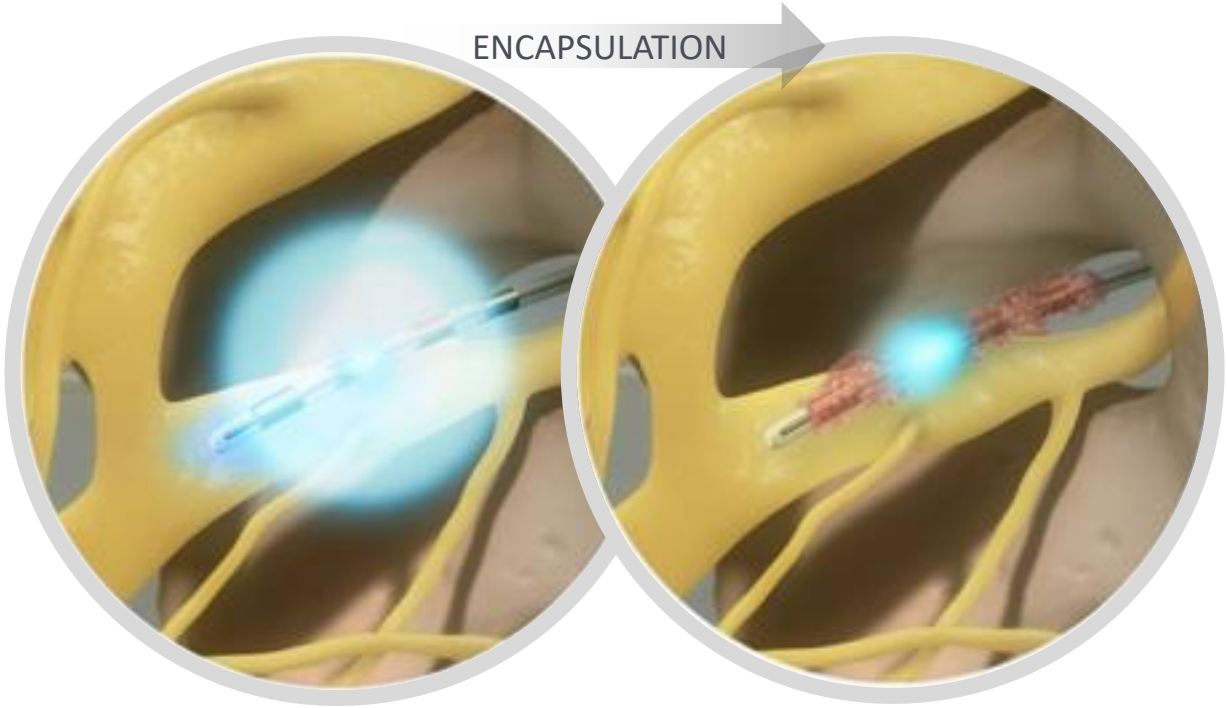
Scar tissue encapsulates foreign objects placed in the body, which causes tissue impedance to increase and creates resistance to the flow of current. The legacy standard of care, InterStim II, employs constant voltage.

CONSTANT CURRENT



Current delivery stays the same, providing more consistent therapy

CONSTANT VOLTAGE



Current delivery decreases resulting in smaller stimulation field

Lettieri C, et al. *Eur J Neurol. 2015*

Axonics System is Efficient and Easy to Recharge

CHARGE ONCE A MONTH

ONE HOUR CHARGE TIME

Axonics Labeling Provides the Best MRI Conditions in Sacral Neuromodulation

MRI Conditions	Axonics		Medtronic InterStim II and InterStim Micro	
Full Body MR scanners	1.5T	3T	1.5T	3T
B1+rms Limit (uT) **SAR Limit (W/kg)**	No Limit 2.0	1.7 1.2	3.0 0.5	1.3 0.5
Allowed Scan Time / Wait Time	30 min / 5 min		30 min / 60 min	
Max Spatial Field Gradient (Gauss/cm)	2500		2000	
MRI Readiness/Eligibility Check	Uses Patient Remote Control		Uses Patient Programmer and Communicator	

MDT Source: MRI Guidelines for InterStim™ systems 97810 3058 3023 2020-07-15 (M980291A015 Rev A)
AXNX Source: 110-0092-001rL MRI Guidelines Full Body United States

Overview of Axonics' Clinical Studies

	ARTISAN-SNM	RELAX-OAB
PURPOSE	To gain U.S. FDA approval	Post CE-Mark study
POPULATION	▪ Urinary Urgency Incontinence ▪ 14 sites in U.S. and 5 in Western Europe	▪ Urinary Urgency Incontinence and Urinary Urgency Frequency ▪ 7 sites in Western Europe
SIZE	▪ **129** subjects implanted	▪ **51** subjects implanted
STATUS	▪ 6-month results published in *Journal of Urology* ▪ 1-year results published in *Neurourology and Urodynamics*[1] ▪ 2-year results submitted for publication	▪ 1-year results published in *Neurourology and Urodynamics* ▪ 2-year results published in the *Neurourology and Urodynamics*[2]

[1] Artisan 1Y manuscript : https://onlinelibrary.wiley.com/doi/full/10.1002/nau.24376
[2] Relax 2Y manuscript : https://onlinelibrary.wiley.com/doi/10.1002/nau.24317

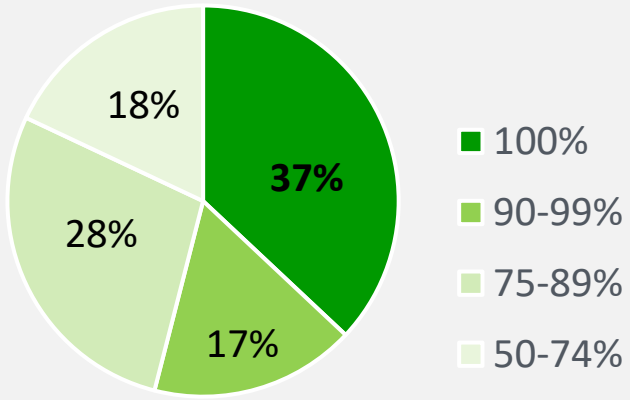
ARTISAN-SNM: 2-year Responder Rate Highest Ever Reported in SNM Clinical Literature

88%

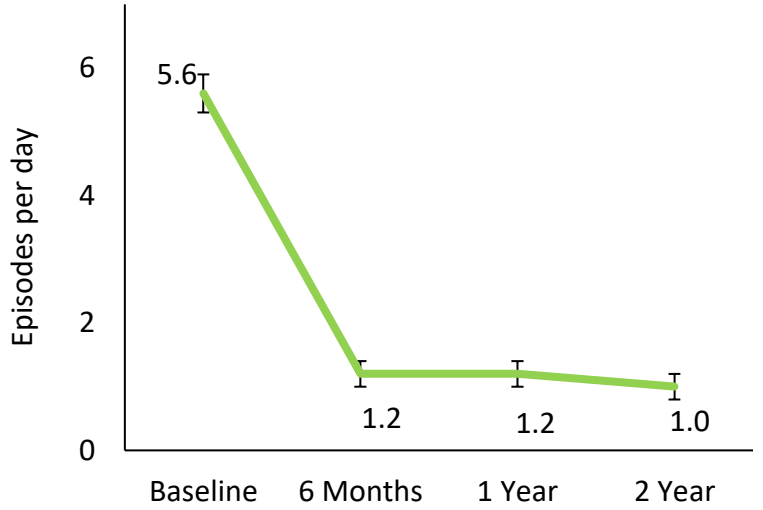
of **all implanted patients** were therapy responders at 2-years post-implant

Magnitude of Urge Leak Reduction in Therapy Responders

(% of subjects)



LEAKS



Safety at 2-Years

- Strong safety profile
- No serious device-related adverse events
- No unanticipated adverse events

Axonics System Has Significant Advantages Compared to Competitor's Rechargeable System

	Medtronic InterStim™ Micro		Axonics		THE AXONICS ADVANTAGE
Implant Life	15 years		15 years		Innovative SmartCase™ technology: the titanium-ceramic neurostimulator design enables safe and durable long-term performance[1]
Stimulation Delivery	Constant Current		Constant Current		• A proven waveform: 89% therapy success at 1-year with limited need to adjust therapy • A simple patient Remote Control, leveraging the benefit of Constant Current stimulation
Full-Body MRI	1.5	3T	1.5	3T	Driven by SmartMRI™ technology, the Axonics System was designed for an easy MRI experience – and was the first SNM System with 3T MRI
MRI Conditions B1+rms SAR Limit (W/kg) Wait Time (minutes)	3.0 0.5 60	1.3 0.5 60	No limit 2.0 5	1.7 1.2 5	Better parameters allow for better image quality, faster scans, and less wait time for patients
Typical Recharging Expected Interval Expected Duration	2 weeks 1 hour		1 Month 1 hour		• Over double the recharge interval offering patients the most flexibility in recharging • Patients will save over 250 hours of charging time compared to Interstim Micro patients • Proven safe and satisfactory charging: 96% satisfaction at 1-year and 100% at 3-years
Programming Approach	Provide patient default programming options; patient "finds" best program		Utilize programming algorithm to find best program; minimize patient burden		Proprietary algorithm based on intraoperative placement and responses simplifying the programming process for clinicians and patients
Clinical Studies validating patient experience	No studies completed		2 prospective studies with 2-year and 4-year results		Proven results backed by clinical evidence and patient satisfaction data

Axonics Has Validated the Patient Experience With Strong Clinical Data (ARTISAN 2-year Data)

Clinical data on patient experience	Axonics	Medtronic InterStim™ Micro
Therapy success rate	93%	No clinical data
Patient satisfaction with therapy	94%	No clinical data
Patients would undergo therapy again	93%	No clinical data
Acceptability of charging experience	94%	No clinical data
Charging is “EASY”	91%	No clinical data

Partnership and Support Are Critical to How Axonics Works with Customers

Axonics is committed to partnering with clinicians to advance patient care by providing support that includes:

- Expert clinical support
- Marketing materials to raise patient awareness
- End to end staff/patient education and training
- Patient Care Manager system to streamline and coordinate patient support

Axonics aims to empower clinical teams to help educate their community and to implement the most innovative technology in sacral neuromodulation therapy.

Sales and Marketing Strategy

We have targeted the top 1,000 implanting centers – urologists, urogynecologists and colorectal surgeons that are trained and have experience performing SNM procedures

Marketing Strategy

- Target high volume U.S. SNM implanters
  - ~90% of historical SNM sales are in the U.S.
  - ~80% of U.S. implant volume is generated by the top 1,000 implanting centers
- Promote broader awareness of SNM therapy with patients and providers
- Focus on building long-lasting physician relationships

Commercialization Strategy

United States

- Initial hiring and training completed in June 2019
- Highly trained commercial team with significant urology and/or neurostimulation experience
- Over 100 sales representatives and regional sales managers in U.S.
- Clinical support staff of ~100

International

- Selectively pursue attractive ex-U.S. markets
- Canada, England, Germany, Netherlands, Norway and Switzerland
- Currently 6 sales reps and 2 clinical support staff in EU

SNM Market is Poised to Double in 3-5 Years

Key Drivers Accelerating SNM Market Growth

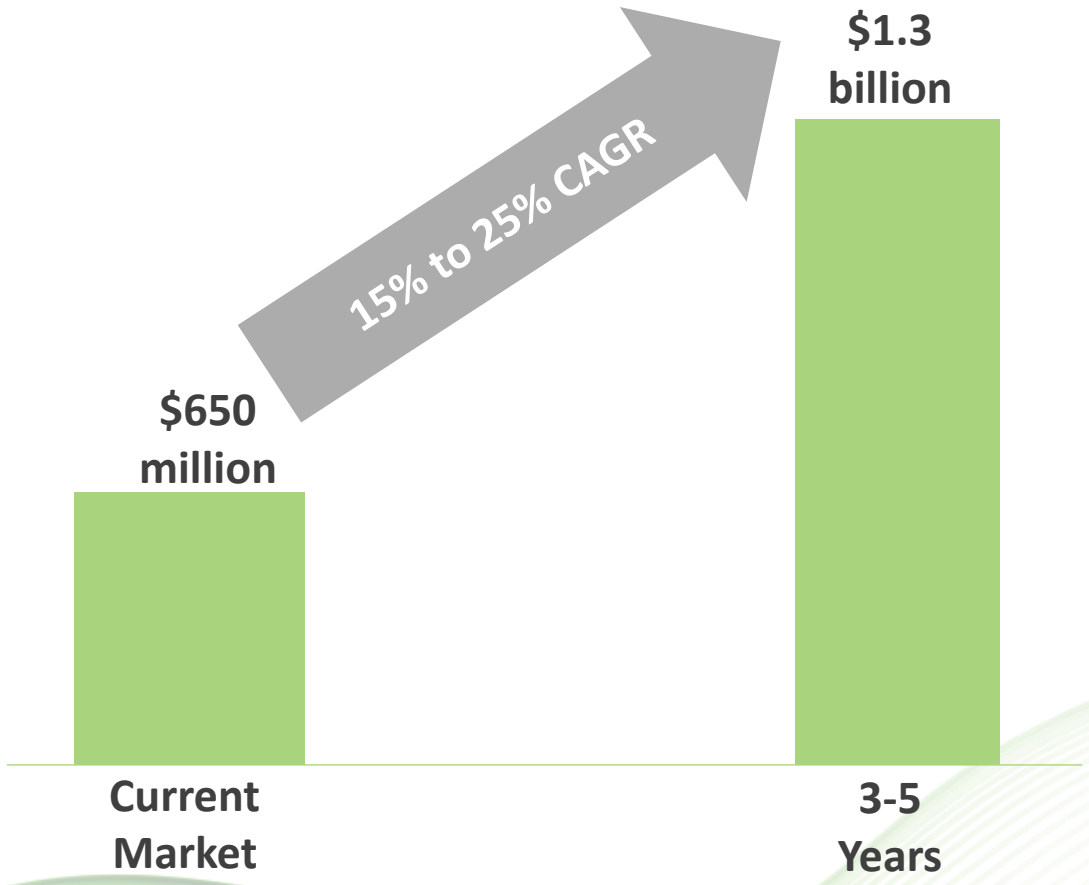
Innovation by Axonics driving more patients to say "Yes" to SNM

- ✓ Long-lived device: 15+ year life is more attractive to patients
- ✓ Full-body MRI compatibility vs. InterStim II required device explant
- ✓ Higher efficacy and patient satisfaction rates than InterStim II
- ✓ Axonics device is 60% smaller than InterStim II
- ✓ Simple, easy to use patient accessories vs. fussy InterStim II
- ✓ Innovation driving market expansion – SCS analogue

Increasing patient awareness

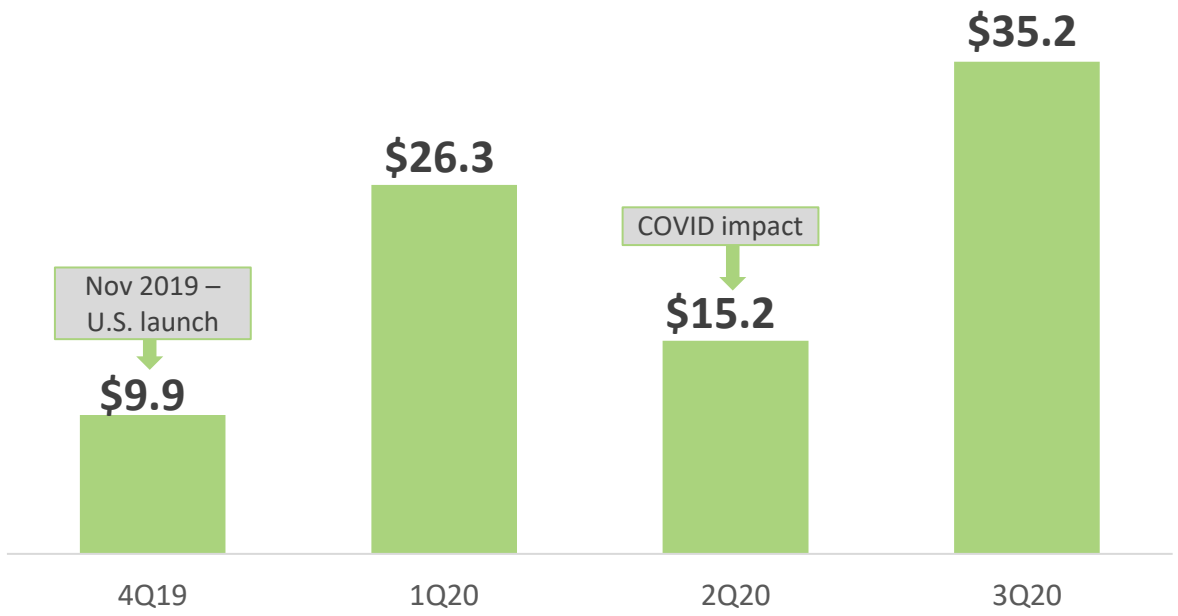
- ✓ SNM historically a "secret therapy" due to incumbent's monopoly and lack of investment in patient awareness
- ✓ Axonics committed to raising awareness in partnership with implanting physicians
- ✓ Investing in direct to patient marketing programs to help educate patients about their condition and therapy options

SNM Market Expansion



Financial Overview

Net Revenue



Gross Margins and Balance Sheet

Gross Margins

- 3Q20 gross margin: 61.9%
- Longer-term gross margin outlook: low to mid 70% range

Balance Sheet

- 3Q20 net cash: $249 million

Product Development Pipeline

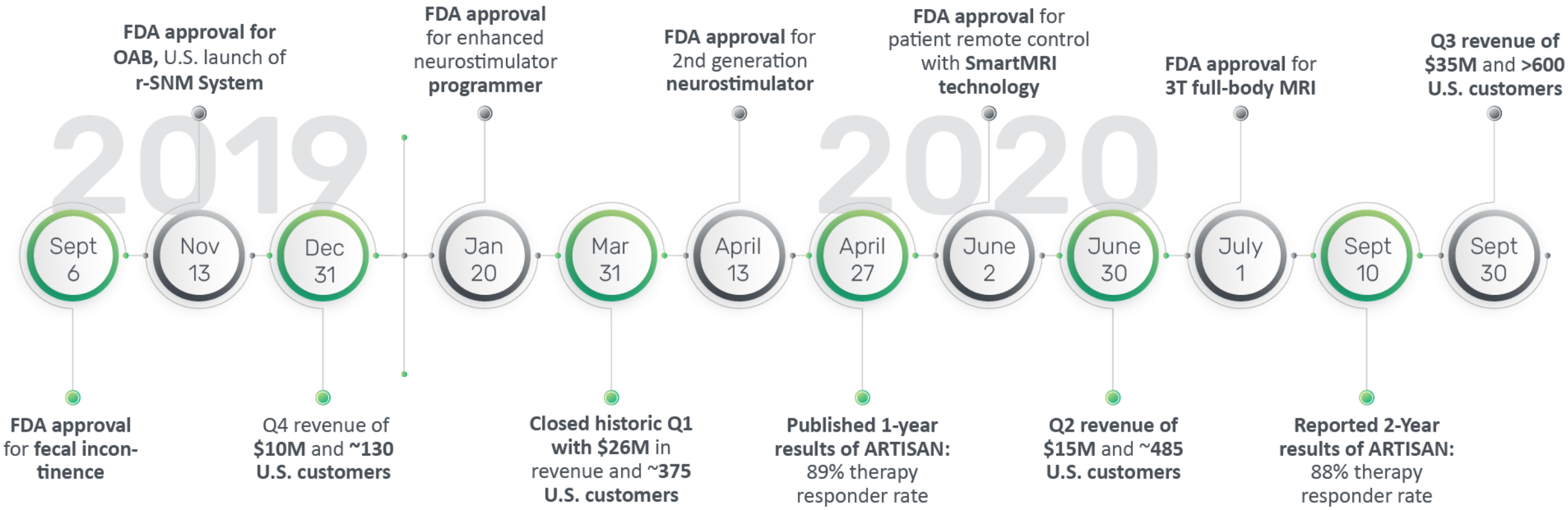
Next-generation implantable neurostimulator that extends the time between **recharging sessions to once a month** was approved by the FDA in April 2020.

Began shipping to U.S. customers in August 2020.

Developed a non-rechargeable device that utilizes a primary cell battery.

Anticipated FDA filing in early 2021.

Key Regulatory and Business Milestones



Axonics Investment Thesis

Axonics

SNM is highly underpenetrated and poised for significant market expansion

Long-lived innovative technology with high rates of physician and patient satisfaction

Exceptional clinical data with ~90% efficacy in FDA pivotal study

Strong commercial team with significant experience in urology and neurostimulation

Significant new customer acquisition driving attractive organic growth profile