COMPANY PRESENTATION

NASDAQ: STIM

September 2021

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NeuroStar
Advanced Therapy for Mental Health

Presenters

Keith Sullivan

President &
Chief Executive Officer

35+ years of experience

Steve Furlong

Senior Vice President,
Chief Financial Officer & Treasurer

34+ years of experience

NeuroStar Snapshot

Our Mission: Renewing Lives by Transforming Neurohealth

NeuroStar Advanced Therapy for Mental Health

Indication

Adults with Major Depressive Disorder (MDD) who have not benefited from antidepressant medication (17.3 million US adults)

Market Leader

Market leader in TMS for depression with over 4 million treatment sessions and over 110,000 patients treated

Sales & Customer Support

Largest direct sales and customer support team in the industry

Reimbursement

Broad US reimbursement among commercial and government payors

Clinical Dataset

Largest clinical dataset in TMS for depression

Outcomes Registry

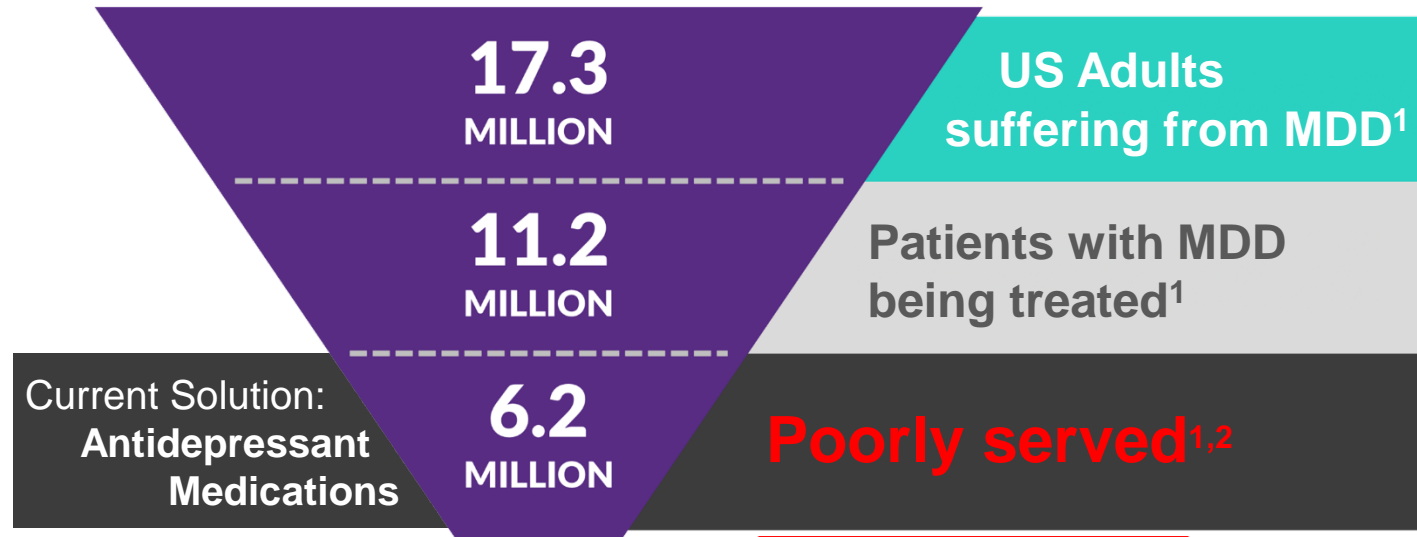Largest depression outcomes registry in the world

Indications & Growth

New indication opportunities and geographic expansion for growth

4

Need in MDD

Patients with Major Depressive Disorder are Underserved

17.3 MILLION — US Adults suffering from MDD[1]

11.2 MILLION — Patients with MDD being treated[1]

Current Solution: **Antidepressant Medications**

6.2 MILLION — **Poorly served**[1,2]

due to

- **Lack of Efficacy**
- **Intolerable Side Effects**

The medical industry has relied on pharmaceuticals as the first line treatment for MDD

3 out of 5 patients treated with medication are underserved

MDD is a leading cause of disability and a major contributor to suicide worldwide*

300 million people worldwide living with depression

- 3.0% incidence rate

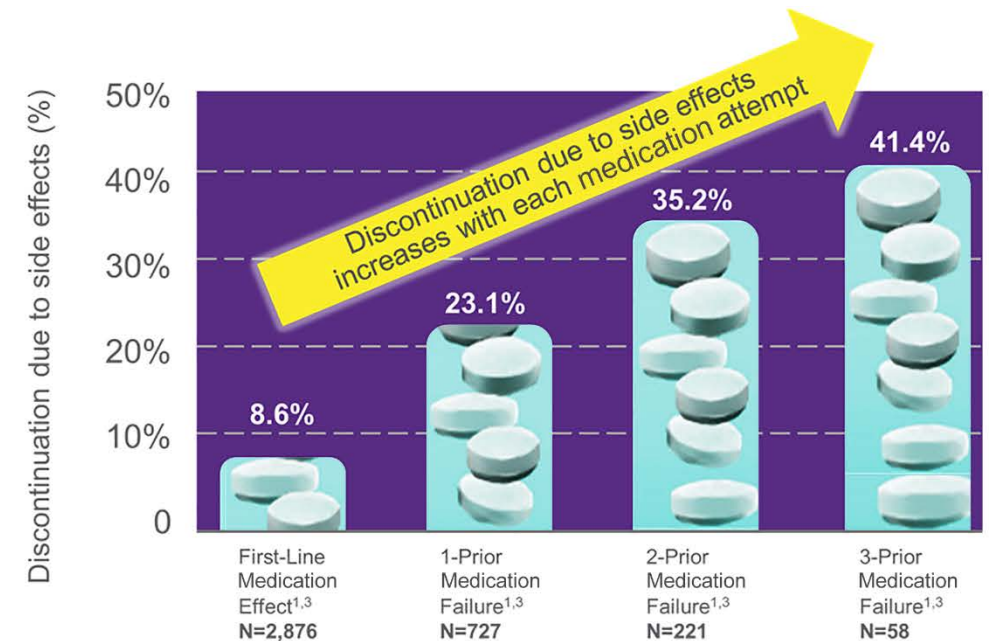Economic burden in US of $210 billion annually

*Source: https://www.who.int/news-room/fact-sheets/detail/depression

1. https://www.nimh.nih.gov/health/statistics/major-depression.shtml, accessed 4/28/2021 | 2. Per STAR*D patients that have failed one or more antidepressant trial of adequate dose and duration

NeuroStar®
Advanced Therapy for Mental Health

Limitations
of Antidepressant Medications

The largest prospective clinical trial of MDD ever conducted, **STAR*D**, showed that treatment resistance causes a patient's chance for remission to decrease with each subsequent medication attempt.
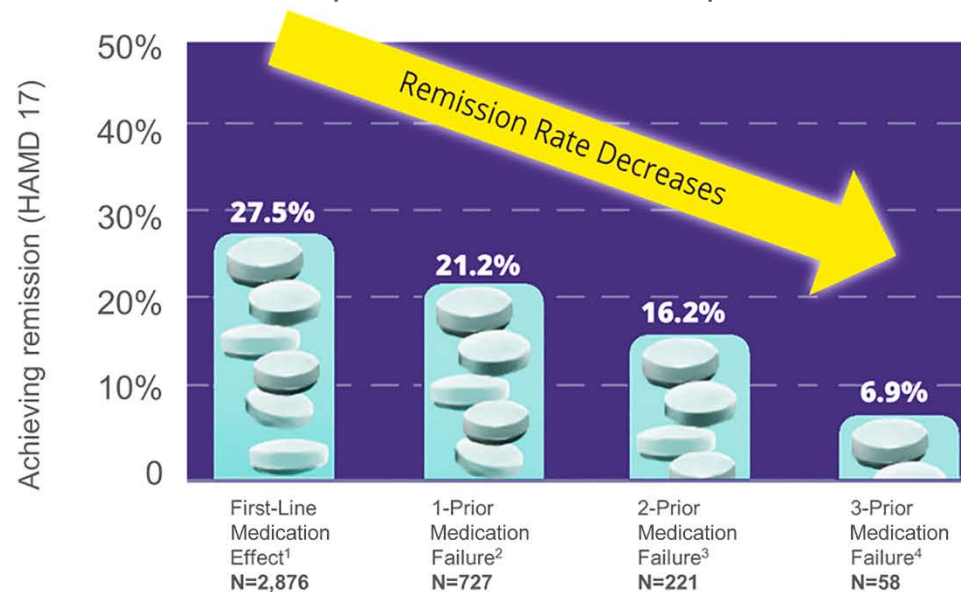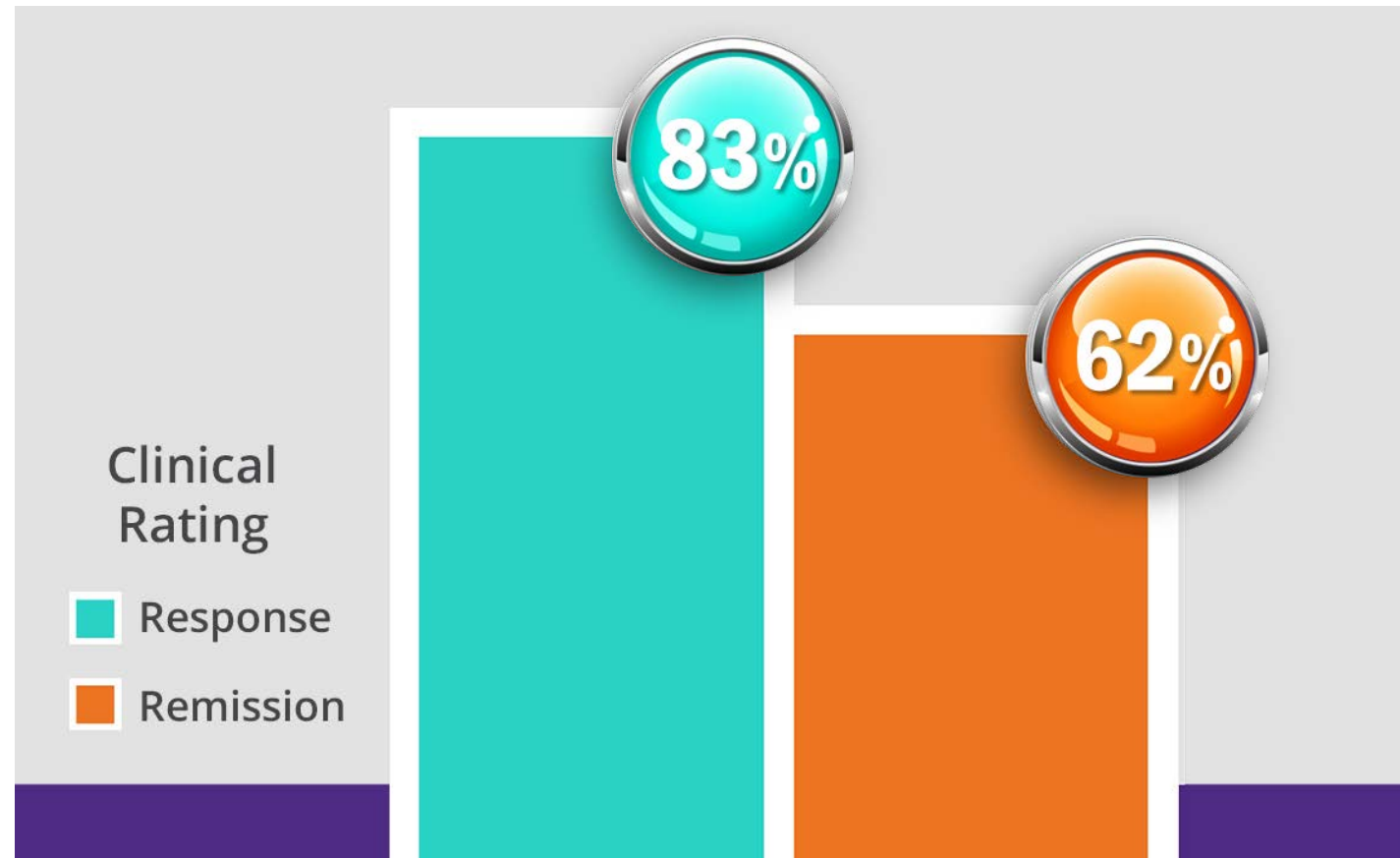
STAR*D also showed discontinuation due to side effects increase with each treatment attempt.
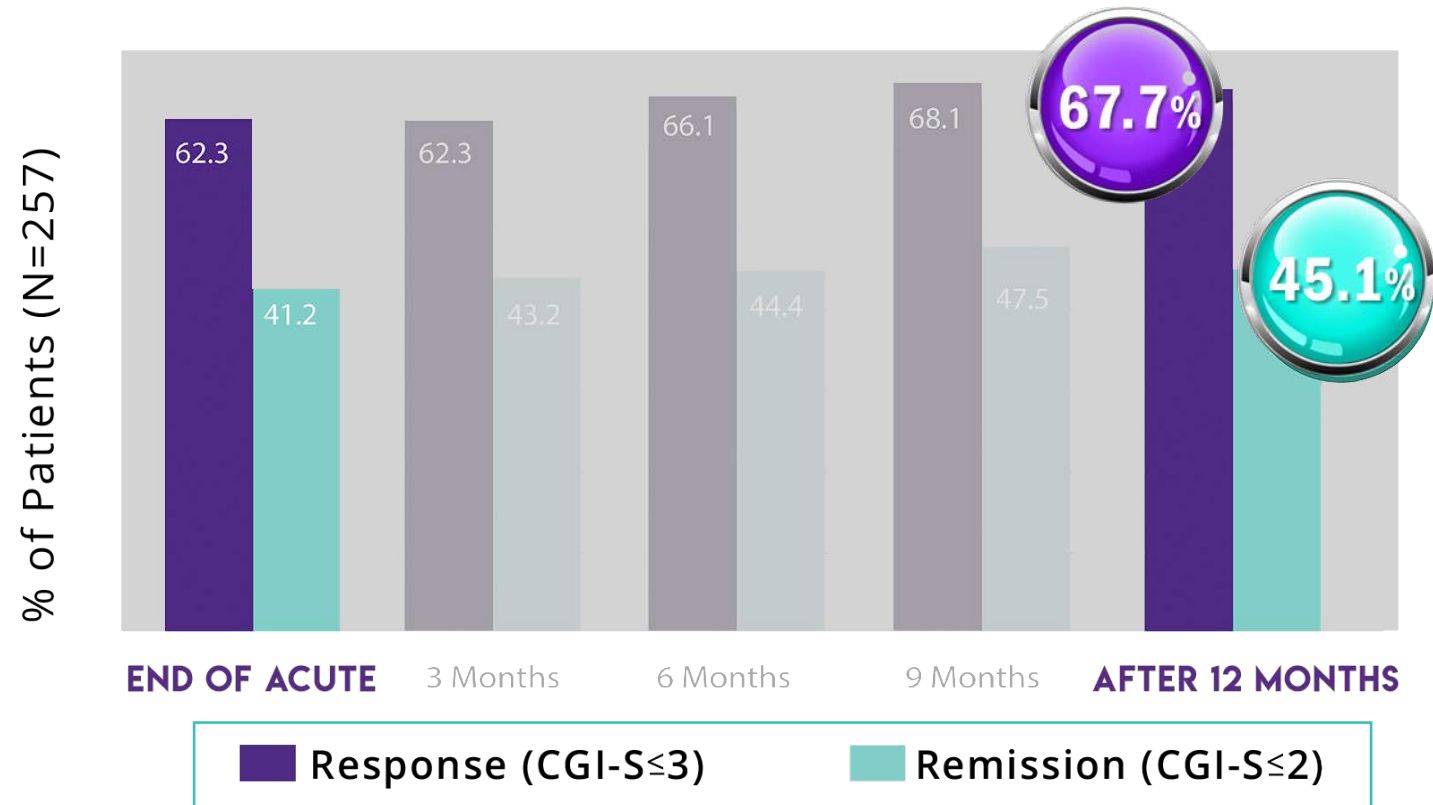

Remission Rate Decreases

Achieving remission (HAMD 17)			
27.5%	21.2%	16.2%	6.9%
First-Line Medication Effect[1] N=2,876	1-Prior Medication Failure[2] N=727	2-Prior Medication Failure[3] N=221	3-Prior Medication Failure[4] N=58

Discontinuation due to side effects increases with each medication attempt

Discontinuation due to side effects (%)			
8.6%	23.1%	35.2%	41.4%
First-Line Medication Effect[1,3] N=2,876	1-Prior Medication Failure[1,3] N=727	2-Prior Medication Failure[1,3] N=221	3-Prior Medication Failure[1,3] N=58

Trivedi (2006), Am J Psychiatry | Rush (2006), Am J Psychiatry | Fava (2006), Am J Psychiatry | McGrath (2006), Am J Psychiatry | STAR*D Study n=4,041

NeuroStar
Advanced Therapy for Mental Health

NeuroStar ➔ Proof

NeuroStar Delivers Proven Results

83%
Response

and

62%
Remission
for patients

[1.] Sackeim HA, et al. (2020) *J. Affect. Disord.* 277:65-74. Based on a real-world, retrospective study using CGI-S and a sample size of 615 patients.

Only NeuroStar has...

Substantial Body of Clinical Evidence

Unmatched Body of Clinical Data for TMS in Depression

15 Studies → **>1,000 Patients** → **Resulting in 28 Publications** →

Safety Record

- **4 million+** treatment sessions delivered globally
- Over **110,000** patients treated
- Low discontinuation rate from adverse events ~**5%**[1]

Investigator-initiated Trials

- More than **65** studies with over **1,900** patients
- Wide range of conditions, including anxiety, bipolar disorder, pain, PTSD, addiction, schizophrenia, tinnitus, and others

1. In sham-controlled studies

NeuroStar
Advanced Therapy for Mental Health

Patented Contact Sensing Technology

Consistent and Repeatable Treatment

- The smallest movements can result in a dramatic loss of the prescribed TMS dose

- Even **1 mm** movement away from the head can result in **40% loss** of the TMS prescribed dose

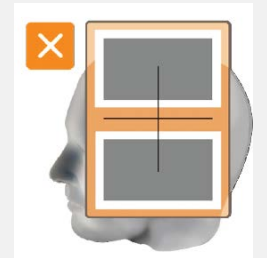- Continuous contact sensing solves this problem

FIRST DIMENSION

1mm is the equivalent of 3 grains of salt

Contact Sensing

- Constantly monitors patient contact with the NeuroStar coil and alerts the clinician if the coil loses contact with the scalp or is angled incorrectly
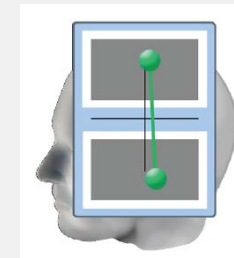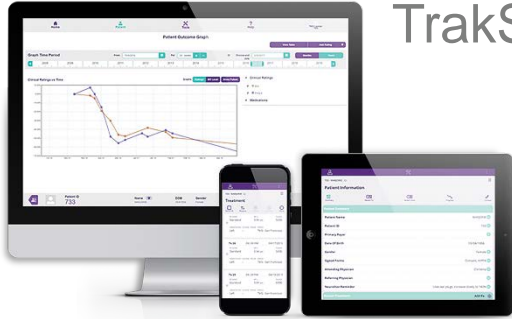
Good Contact

Bad Contact

- Only NeuroStar Advanced Therapy provides real-time feedback about the coil's angle and contact

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Advanced Therapy for Mental Health

Only NeuroStar has...

Proprietary TrakStar® Data Management System

TrakStar makes automated large-scale data collection feasible

> **>110,000**
> **Total NeuroStar patients treated worldwide**

> **>64,000**
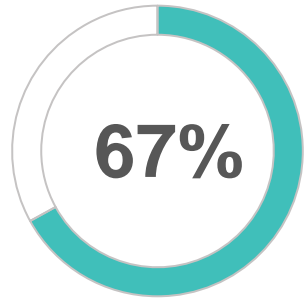> **US patients completing ≥20 treatments**

World's Largest Depression Outcomes Registry ▶ **>11,999** **Total Outcomes Registry patients** ◀ **2 Outcomes Registry Peer-reviewed Publications[1,2]**

1. Sackeim HA, et al. (2020) *J. Affect. Disord*. 277:65-74. | 2. Carpenter LL, et al. (2021) *Brain Stim*. 14(1):173-180.

NeuroStar®
Advanced Therapy for Mental Health

Invested in Understanding the Market

67%

67% of patients with MDD are unhappy with their current treatment

Based on market research study of 500 diagnosed depression patients

Two Distinct Groups

Struggling Independents

NO LONGER TRUST THEIR PHYSICIAN
– will seek out other doctor for new treatment

Challenged Optimists

WILLING TO ASK THEIR PHYSICIAN ABOUT NEUROSTAR

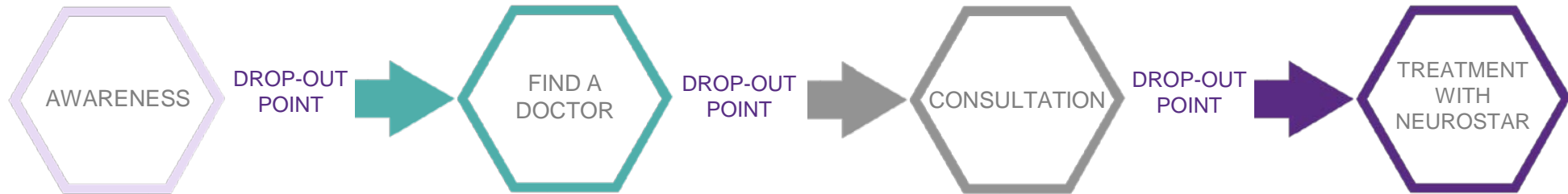*Patients Are Looking for New Treatment Solutions*

"Just okay is not okay…"

"I've lost hope…"

"There's got to be something more…"

"I'm going to keep fighting…"

NeuroStar
Advanced Therapy for Mental Health

27 Drop-out Points in the Patient Journey

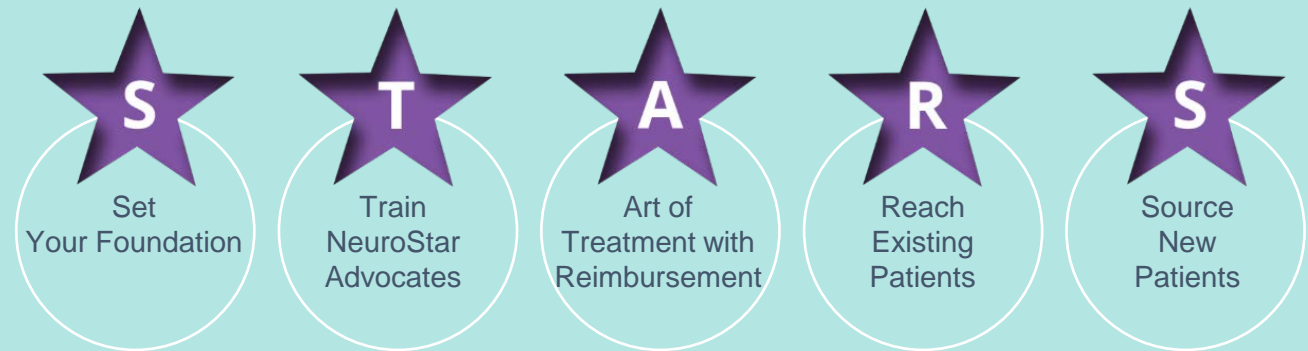AWARENESS → DROP-OUT POINT → FIND A DOCTOR → DROP-OUT POINT → CONSULTATION → DROP-OUT POINT → TREATMENT WITH NEUROSTAR

Only NeuroStar has developed the **5-STARS to Success Program** to address drop-out points.

5-STARS to Success Program

S Set Your Foundation

T Train NeuroStar Advocates

A Art of Treatment with Reimbursement

R Reach Existing Patients

S Source New Patients

NeuroStar
Advanced Therapy for Mental Health

NeuroStar→Program
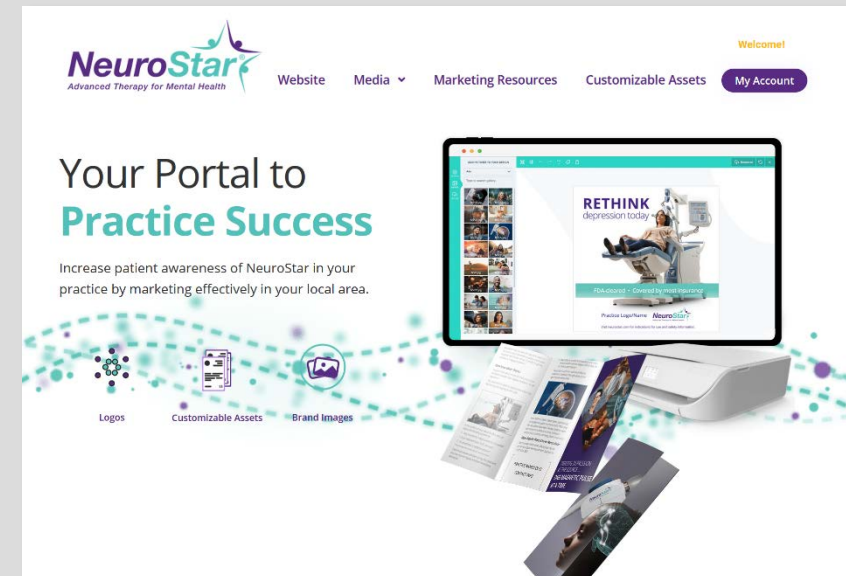## Precision Pulse Program

NeuroStar PRECISION PULSE

Co-op Marketing

MyNeuroStar.com

And other benefits designed to help NeuroStar practices
build awareness and **improve NeuroStar access** for patients

Largest Direct Sales and Customer Support Team

29	NeuroStar Practice Consultants
22	Business Development Managers
17	Field Service and Technical Support
12	Sales Leaders
8	Clinical Training Consultants
7	Reimbursement Specialists and Managers
6	Customer Service Representatives
4	Inside Sales Representatives

NeuroStar
Advanced Therapy for Mental Health

NeuroStar → People

Offered by the **Largest National Providers** in the Country

Widely Reimbursed

95% Coverage

Estimated to cover 95% of total private payor covered lives in the US

Top 25 US Private Insurers

95+ major US private insurers provide coverage policies representing 300 million covered lives

100% Medicare Coverage

61 million covered lives

CPT Code	90867	90868	90869
	MT Assist and Treatment Session	Treatment Session	Subsequent MT Assist and Treatment Session

NeuroStar
Advanced Therapy for Mental Health

Economics

Physician Practices

NeuroStar Advanced Therapy for Mental Health has potential to enhance physician practice economics

Proven return on investment for physicians

Meaningful incremental income potential for physician practice

Recoup capital investment by treating ~12 patients

Generate ~$8,500 average revenue per patient per course of treatment

Conclusion: 1 patient per month can equal **$100,000** in practice revenue

NeuroStar
Advanced Therapy for Mental Health

Competitive Positioning

	NeuroStar	BrainsWay	magstim	MagVenture	CLOUDTMS	Nexstim	MAG & more
Practice Consultants	✓	—	—	—	—	—	—
$10M Marketing including DTC Advertising	✓	—	—	—	—	—	—
Concierge Call Center	✓	—	—	—	—	—	—
FDA-cleared for iTBS Theta Burst	TouchStar ✓ w/Contact Sensing	✓	✓	✓	—	✓	—
Contact Sensing	✓	—	—	—	—	—	—
World's Largest MDD Outcomes Registry	✓	—	—	—	—	—	—
Publications from Depression Registration Trials	12	1	—	1	—	—	—

NeuroStar Expansion

EU

SAUDI ARABIA

UAE

S. KOREA

JAPAN

HONG KONG

THAILAND

SINGAPORE

Japan Roadmap

- Primary international focus is on Japan
- Third largest healthcare spend globally
- Single payor healthcare system
- Shonin approval
- Exclusive distribution agreement with Teijin Pharma
- Reimbursement

Estimated TAM in Japan for Treatment Sessions

- Adults Suffering from MDD 2.4 million
- Treated by a Psychiatrist 655,000
- Failed to achieve remission 475,000
- **~$600 Million Addressable Market**

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Advanced Therapy for Mental Health
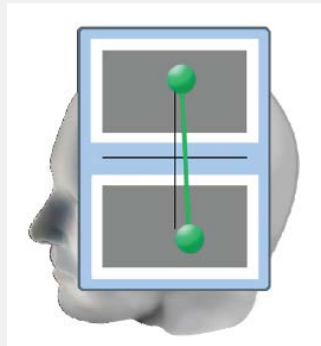
Patent Portfolio

Large issued patent portfolio of all TMS companies, protecting our technical advantage and ensuring freedom to operate globally

Patent Portfolio

- **41 US / 54 OUS** Issued or allowed patents

- **5 US / 8 OUS** Pending patent applications

Contact Sensing

Multiple U.S. patents

MT Assist

U.S. patent

Iron Core Magnet

Multiple U.S. patents

The NeuroStar Difference

PROOF
Over 12 years as market leader

ONLY NEUROSTAR HAS...
- The world's largest depression Outcomes Registry
- Proven long term durability
- Contact Sensing
- TrakStar® – manage/track/report
- TouchStar – theta burst
- 28 Publications including 12 in depression registration trials

PEOPLE
Team dedicated to your practice success

ONLY NEUROSTAR PROVIDES...
- More than 100 team members dedicated to growing NeuroStar practices
- Lifetime support with strength in numbers
- On-site service within 24 hours for non-operational NeuroStar Systems

PROGRAMS
Driving market awareness to grow your practice

ONLY NEUROSTAR WILL SPEND **$10+ MILLION** IN MARKETING IN 2021 AND HAS...
- 5-STARS to Success Program
- Precision Pulse Program
- Co-op Marketing
- Stellar Distinctions
- Concierge Call Center

Neuronetics

Management Team

Keith Sullivan
President & CEO

Cory Anderson
VP Clinical Affairs &
Interim VP R&D

Todd Cushman
VP Business
Development

Steve Furlong
SVP CFO &
Treasurer

Rick Grubbs
VP National
Accounts

Sara Grubbs
VP Sales

Andrew Macan
SVP General
Counsel
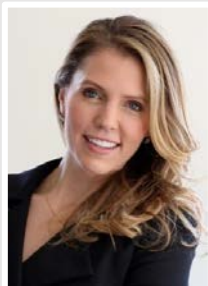
Claire Sears
VP Marketing

Kara Thornton
VP Human
Resources

Board of Directors

Rob Cascella
Board Chairman

John Bakewell

Sheryl Conley

Wilfred Jaeger

Glenn Muir
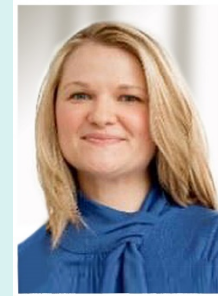
Megan Rosengarten

Bruce Shook

Keith Sullivan

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Advanced Therapy for Mental Health

Financial Overview

NeuroStar Advanced Therapy for Mental Health

Annual Revenue
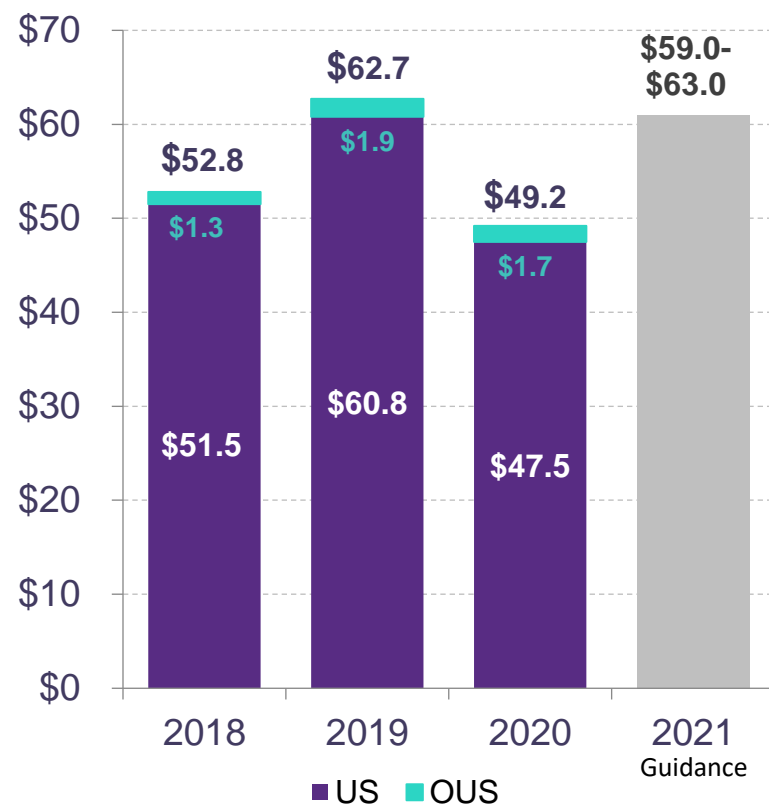
($ in millions)
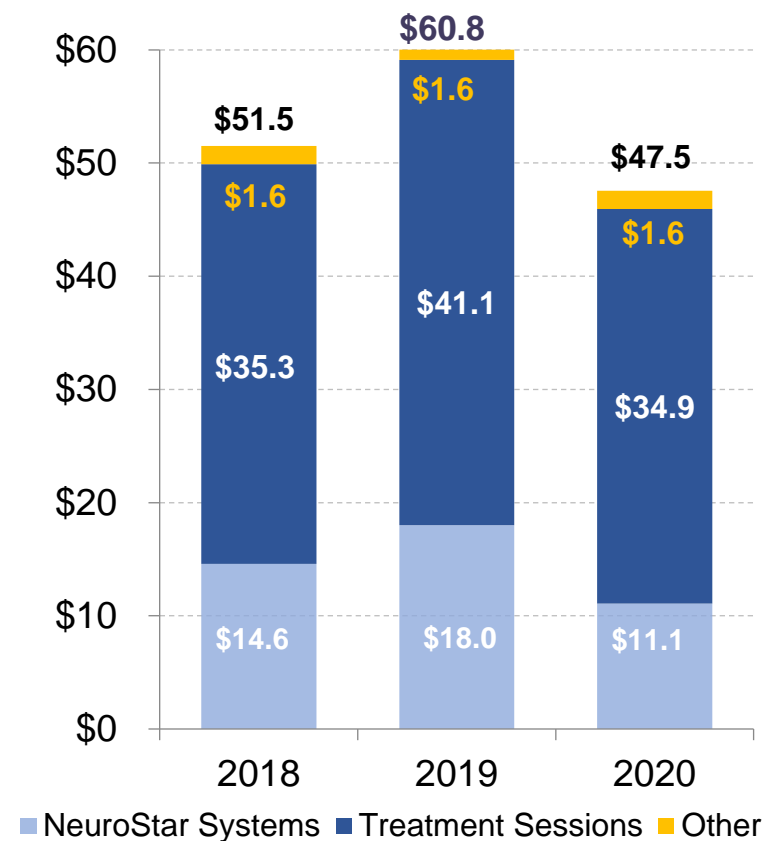
Worldwide Quarterly Revenue

Q2 2021 Revenue of $14.2M was up 46% from Q2 2020

($ in millions)
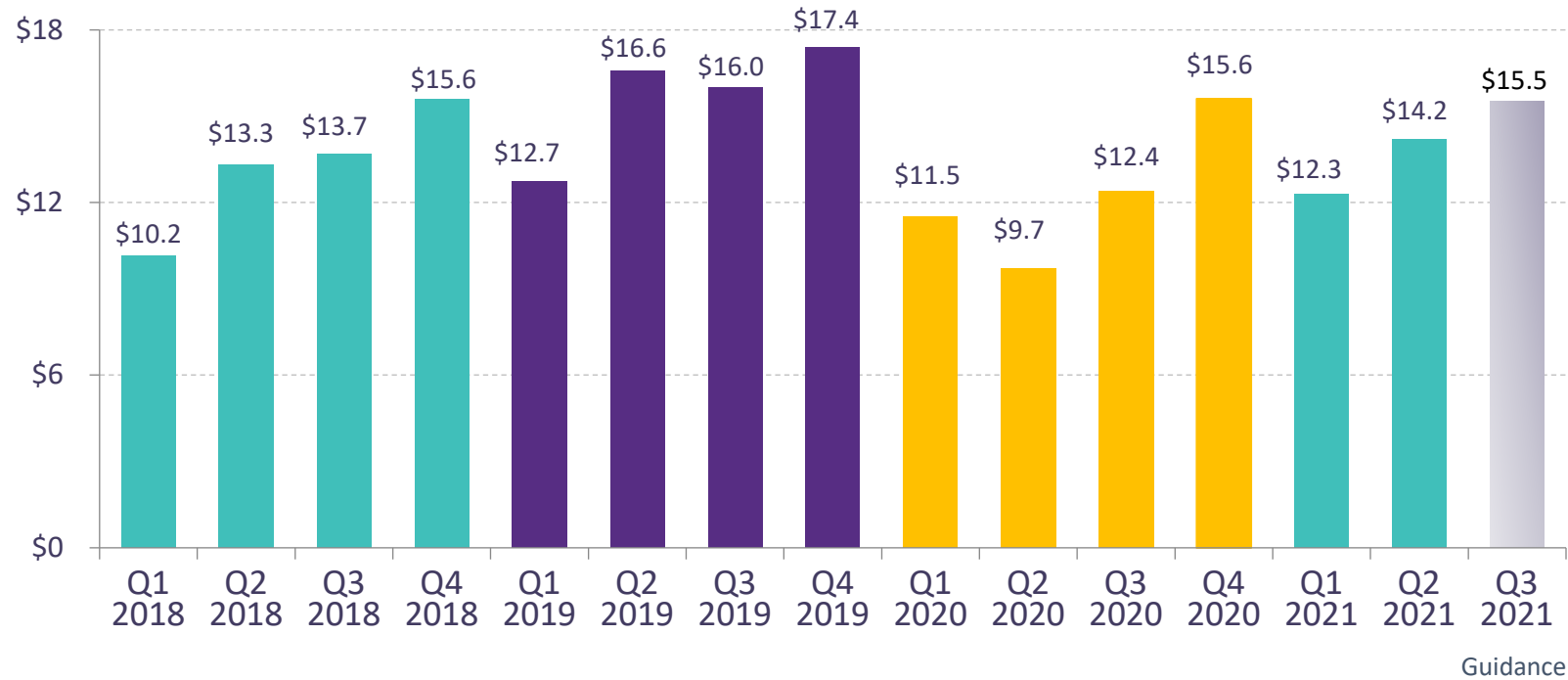
Results
of Operations

($ in thousands)	Three Months Ended June 30,	
	2020	**2021**
Revenues	**$9,741**	**$14,203**
YOY Growth		*46%*
Gross Profit	**7,418**	**11,453**
Gross Margin	*76%*	*81%*
Operating Expenses:		
Sales and Marketing *% of Revenues*	8,151 *84%*	9,042 *64%*
General and Administrative *% of Revenues*	4,010 *41%*	6,681 *47%*
Research and Development *% of Revenues*	2,116 *22%*	2,294 *16%*
Total Operating Expenses	**14,277**	**18,017**
Loss from Operations	**($6,859)**	**($6,564)**
% of Revenues	*-70%*	*-46%*

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Financial Position

($ in thousands)	As of June 30, 2021
Cash and Cash Equivalents	$115,783
Other Assets	$32,315
Total Assets	**$148,098**
Long-term Debt, net	**$34,944**
Convertible Preferred Stock Warrant Liability	$0
Convertible Preferred Stock	$0
Accumulated Deficit	($292,946)
Total Stockholders' Equity	**$97,166**

Supplemental Information

NeuroStar Advanced Therapy for Mental Health

U.S. NeuroStar Revenue

NeuroStar REVENUE	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
Total U.S. NeuroStar Revenue ($000)	**$3,350**	**$4,628**	**$4,616**	**$5,413**	**$2,594**	**$2,338**	**$2,541**	**$3,620**	**$1,755**	**$2,577**
YoY Δ	*41%*	*30%*	*18%*	*14%*	*-23%*	*-49%*	*-45%*	*-33%*	*-32%*	*10%*
U.S. NeuroStar Capital Revenue ($000) (1)	**$2,939**	**$4,034**	**$4,264**	**$4,959**	**$2,410**	**$2,224**	**$2,438**	**$3,446**	**$1,589**	**$2,441**
YoY Δ	*54%*	*23%*	*24%*	*14%*	*-18%*	*-45%*	*-43%*	*-31%*	*-34%*	*10%*
U.S. NeuroStar Operating Lease Revenue ($000) (2)	**$182**	**$187**	**$184**	**$177**	**$155**	**$114**	**$88**	**$79**	**$108**	**$55**
YoY Δ	*-29%*	*3%*	*-31%*	*-24%*	*-15%*	*-39%*	*-52%*	*-55%*	*-30%*	*-51%*
U.S. NeuroStar Other ($000) (3)	**$229**	**$407**	**$167**	**$278**	**$29**	**$0**	**$15**	**$96**	**$58**	**$81**
YoY Δ	*11%*	*239%*	*-21%*	*50%*	*-87%*	*-100%*	*-91%*	*-66%*	*100%*	*100%*

(1) = Revenue includes NeuroStar System Capital Sales and Sales Type Leases

(2) = Revenue derived from Operating Lease revenue amortization during the period

(3) = Revenue derived from Treatment Coils in U.S.

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U.S. NeuroStar Treatment Sessions

Treatment Session REVENUE	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
Total U.S. Treatment Session Revenues ($000)	$8,778	$10,847	$10,252	$11,243	$8,193	$6,547	$9,083	$11,029	$9,629	$10,801
YoY Δ	21%	22%	11%	13%	-7%	-40%	-11%	-2%	18%	65%
Average Revenue per Active Site ($000) (1)	$12.4	$14.7	$13.2	$13.5	$9.4	$7.4	$10.2	$12.1	$10.5	$12.0
YoY Δ	NM	1%	-9%	-8%	-24%	-50%	-22%	-10%	12%	62%

(1) = Total Treatment Session Revenue / Active Sites (Ending of Prior Quarter)

NeuroStar
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Supplemental Financial and Operating Information

Revenue ($ thousands)	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2019 FY	2020 FY
NeuroStar Capital (1)	$2,939	$4,034	$4,264	$4,959	$2,410	$2,224	$2,438	$3,446	$1,589	$2,441	$16,196	$10,518
YoY Change	54%	23%	24%	14%	-18%	-45%	-43%	-31%	-34%	10%	25%	-35%
NeuroStar Operating Lease (2)	$182	$187	$184	$177	$155	$114	$88	$79	$108	$55	$730	$437
YoY Change	-29%	3%	-31%	-24%	-15%	-39%	-52%	-55%	-31%	-51%	-22%	-40%
Other (3)	$229	$407	$167	$278	$29	$0	$15	$96	$58	$81	$1,081	$140
YoY Change	11%	239%	-21%	50%	-87%	-100%	-91%	-66%	100%	100%	50%	-87%
Total U.S. NeuroStar Advanced Therapy System Revenues	$3,350	$4,628	$4,616	$5,413	$2,594	$2,338	$2,541	$3,620	$1,755	$2,577	$18,007	$11,094
YoY Change	41%	30%	18%	14%	-23%	-49%	-45%	-33%	-32%	10%	23%	-38%
Total U.S. Treatment Sessions Revenues	$8,778	$10,847	$10,252	$11,243	$8,193	$6,547	$9,083	$11,029	$9,629	$10,801	$41,120	$34,852
YoY Change	21%	22%	11%	13%	-7%	-40%	-11%	-2%	18%	65%	17%	-15%
Total U.S. Other Revenues	$418	$415	$426	$374	$390	$382	$404	$397	$419	$431	$1,633	$1,574
YoY Change	16%	1%	9%	-12%	-7%	-8%	-5%	6%	7%	13%	3%	-4%
Total U.S. Revenues	$12,546	$15,890	$15,294	$17,030	$11,177	$9,267	$12,029	$15,046	$11,802	$13,809	$60,760	$47,519
YoY Change	26%	23%	13%	13%	-11%	-42%	-21%	-12%	6%	49%	18%	-22%
Total International Revenues	$182	$682	$706	$326	$299	$474	$419	$533	$486	$394	$1,896	$1,725
YoY Change	1%	93%	222%	-40%	64%	-31%	-41%	64%	63%	-17%	46%	-9%
Total Revenues	$12,728	$16,572	$16,000	$17,356	$11,476	$9,741	$12,448	$15,579	$12,288	$14,203	$62,656	$49,244
YoY Change	25%	25%	16%	11%	-10%	-41%	-22%	-10%	7%	46%	19%	-21%

U.S. Operating and Financial Metrics	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2019 FY	2020 FY
Total NeuroStar Systems Sold (4)	43	61	68	78	38	35	39	54	23	36	250	166
YoY Change	79%	42%	45%	28%	-12%	-43%	-43%	-31%	-39%	3%	43%	-34%
Average Revenue Per Active Site ($) (5)	$12,415	$14,718	$13,177	$13,497	$9,418	$7,406	$10,218	$12,133	$10,512	$12,001	$58,162	$40,060
YoY Change	NA	29%	17%	17%	-24%	-50%	-22%	-10%	12%	62%	12%	-31%

(1) = Revenue from Capital Sales and Sales Type Leases
(2) = Revenue derived from Operating Lease revenue during the period
(3) = Primarily includes revenue derived from Treatment Coils in US
(4) = Includes all systems sold during the period, both as Capital Sales or Sales Type Leases
(5) = Total U.S. Treatment Session Revenue / Active Sites (End of Prior Period)

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