



**TAP INTO A
NEW POSSIBILITY**
for depression

COMPANY PRESENTATION

NASDAQ: STIM

May 2023



Disclaimers

neurostar.com

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Presenters

neurostar.com

37+ years of experience



Keith Sullivan
President &
Chief Executive Officer



36+ years of experience



Steve Furlong
Executive Vice President,
Chief Financial Officer & Treasurer



Our Mission: Renewing Lives by Transforming Neurohealth

NeuroStar Advanced Therapy for Mental Health



Prevalence

Adults with Major Depressive Disorder (MDD) (21 million US adults) or Obsessive-Compulsive Disorder (OCD) (4 million US adults)



Market Leader

Market leader in TMS for depression with over 5.4 million treatment sessions and over 150,000 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

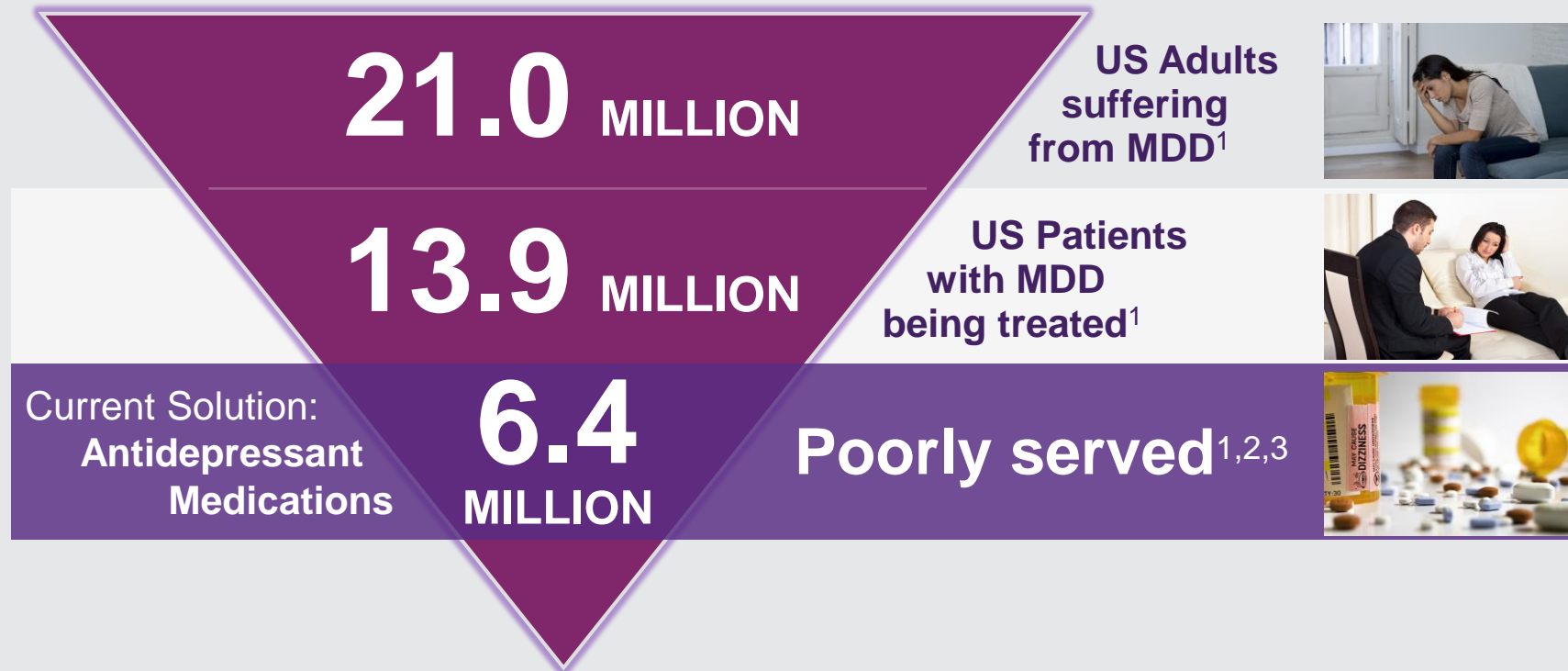


Indications & Growth

New indication opportunities and geographic expansion for growth (Anxious Depression and OCD added 2022)



Patients with Major Depressive Disorder are Underserved



- Lack of Efficacy
- Intolerable Side Effects
- Increased Need for Solutions Post-COVID

Our Unique Differentiators: Only NeuroStar Has...

Practice Development Manager



Delivers the



a proven framework
to grow your
NeuroStar practice

83% Response / 62% Remission¹



Clinical results
validated with

**11 years of data via
the largest Outcomes Registry**



Marketing Spend

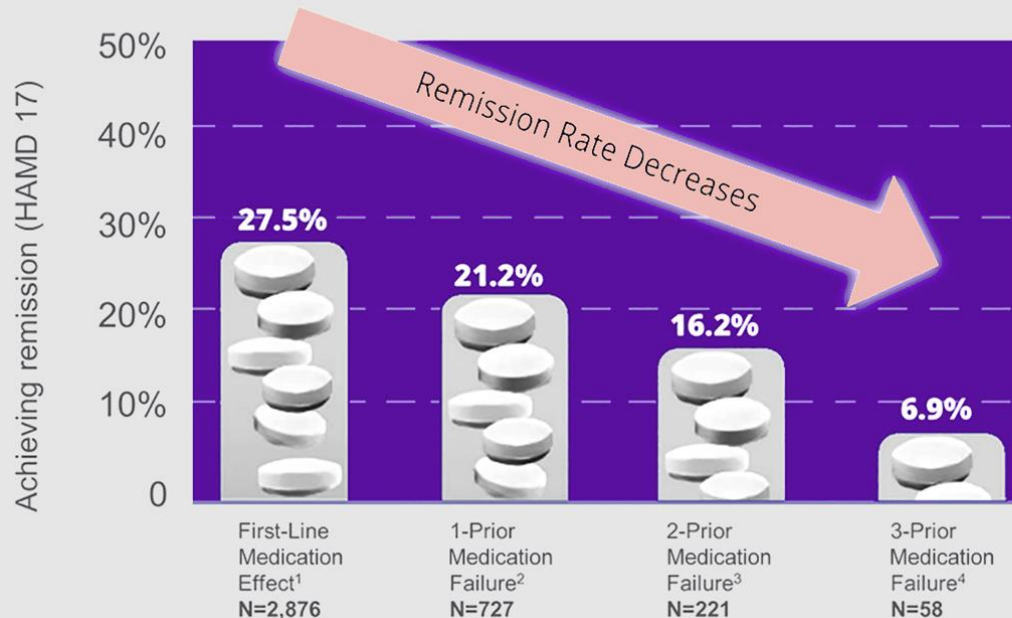


To drive Consumer
Awareness

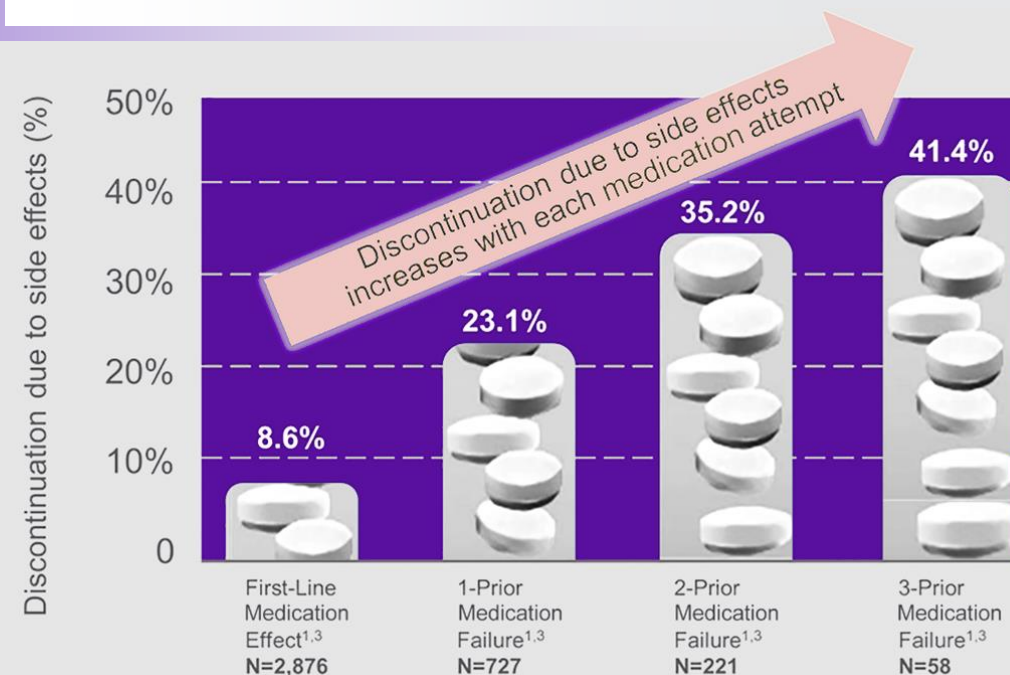
and grow the category. Increased
brand awareness by 33% in 2022.

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 increases with each medication attempt.

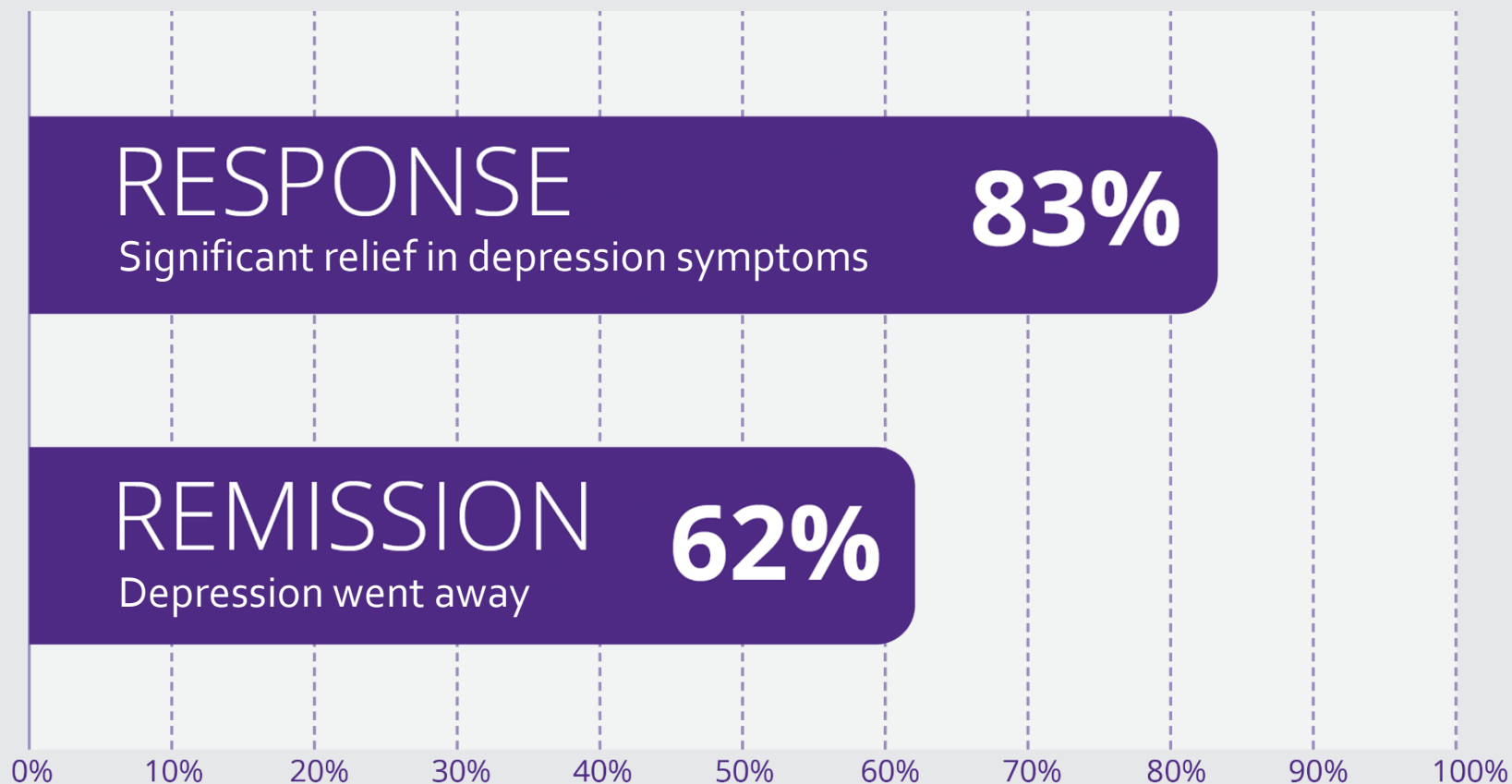


STAR*D Study n = 4,041

1. Trivedi (2006), Am J Psychiatry 2. Rush (2006), Am J Psychiatry 3. Fava (2006), Am J Psychiatry 4. McGrath (2006), Am J Psychiatry

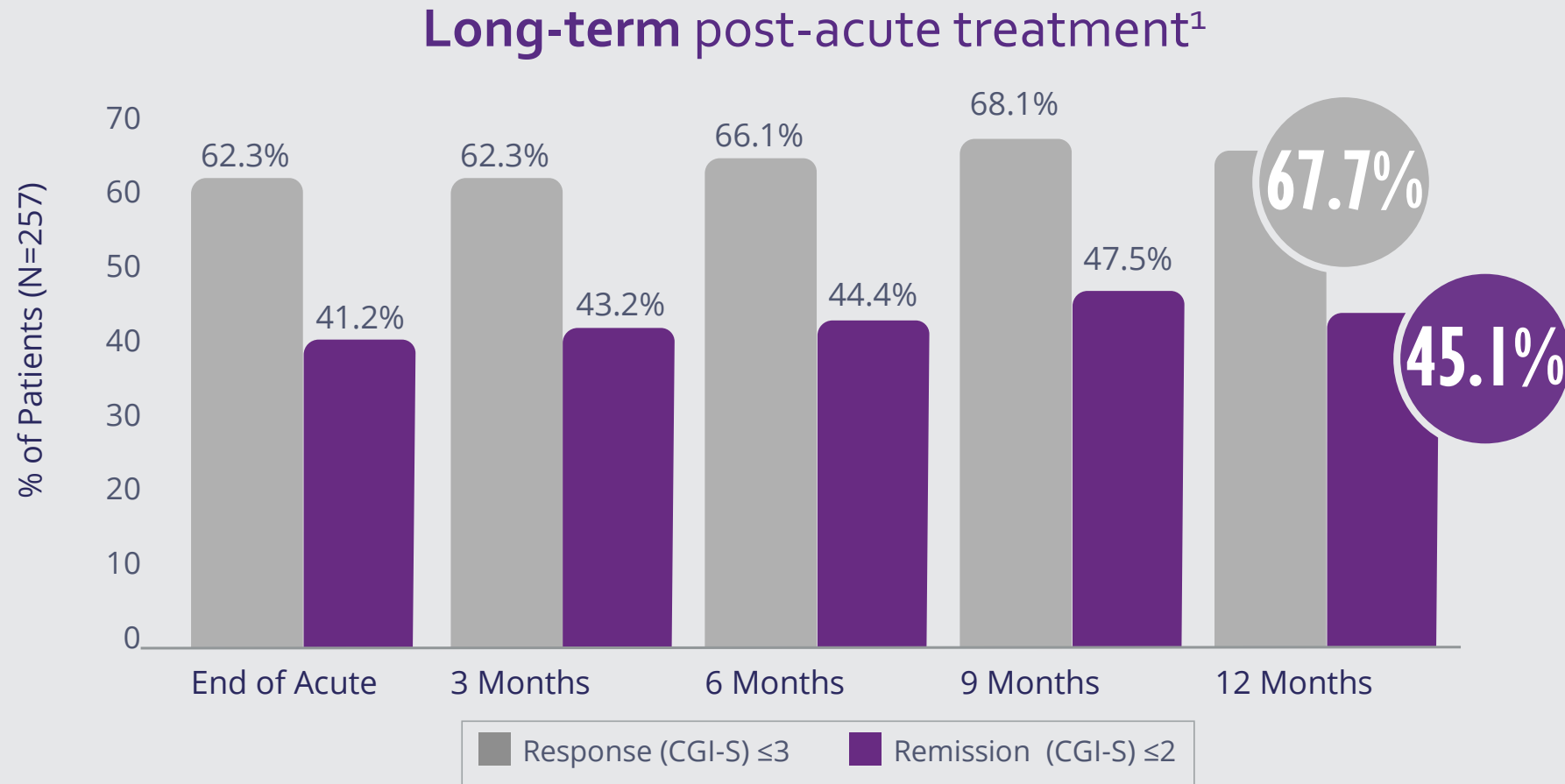
NeuroStar Delivers Proven Results

Real World Clinical Rating for Patients with MDD¹



Only NeuroStar Has...

Clinically Proven Durability Established Through 12 Months



Only NeuroStar has...

Substantial Body of Clinical Evidence

15
Studies

>1,000
Patients

Resulting
in 30
Publications



Safety Record

- **5.4 million+** treatment sessions delivered globally
- Over **150,000** 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

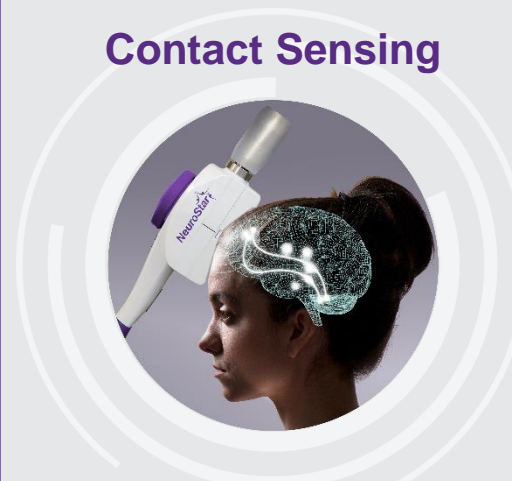
Only NeuroStar has... Patented Contact Sensing Technology

Delivers Consistent and Repeatable Treatment

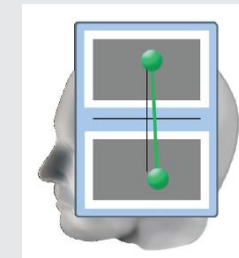
- The smallest movements can result in a dramatic loss of the prescribed TMS dose
- Even **1 mm** movement away from the head can result in **40% loss** of the TMS prescribed dose
- Continuous contact sensing solves this problem



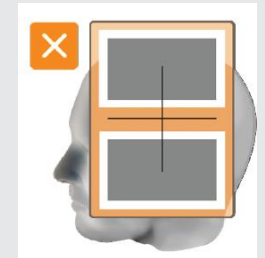
Contact Sensing



- 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

Only NeuroStar has...

Proprietary TrakStar® Data Management System



Only NeuroStar is... 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

Challenged Optimists

**WILLING TO ASK
THEIR PHYSICIAN
ABOUT NEUROSTAR**

Struggling Independents

**NO LONGER TRUST
THEIR PHYSICIAN**

— will seek out other
doctor for new treatment

***Patients Are Looking for
New Treatment Solutions***

NeuroStar STARS SOLUTION

Proven Program to Ensure Successful Device Operationalization



Start

- REIMBURSEMENT CONSULTING
- TRAKSTAR 1.0
- PHQ-10
- NEUROSTAR TREATMENT ROOM SET UP



Train

- FRONT DESK TRAINING
- CONSULTATION TRAINING
- CLINICAL TRAINING
- TRAKSTAR 2.0



Awareness

- PRACTICE BRANDING
- WEBSITE BRANDING



**Reach
Your Patients**

- PATIENT EMAIL OUTREACH
- PATIENT EDUCATION EVENTS



**Source
New Patients**

- DIGITAL MARKETING
- HCP EDUCATIONAL EVENTS

Programs Designed to Help NeuroStar Practices Build Awareness



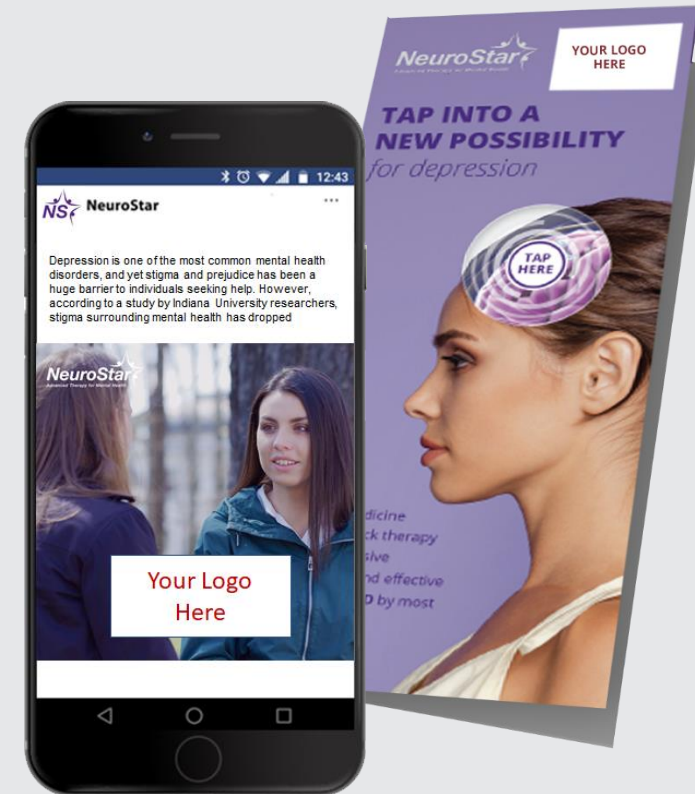
CO-OP MARKETING
WITH VARIOUS LEVELS
OF REIMBURSEMENT

Designed to increase patient awareness and access to NeuroStar treatment at your practice by expanding marketing efforts in your local area.

MYNEUROSTAR.COM

CUSTOMER PORTAL
WITH MANY
MARKETING ASSETS

Branded materials as well as co-branded digital and print-ready customizable advertising assets are available to customers at myneurostar.com.





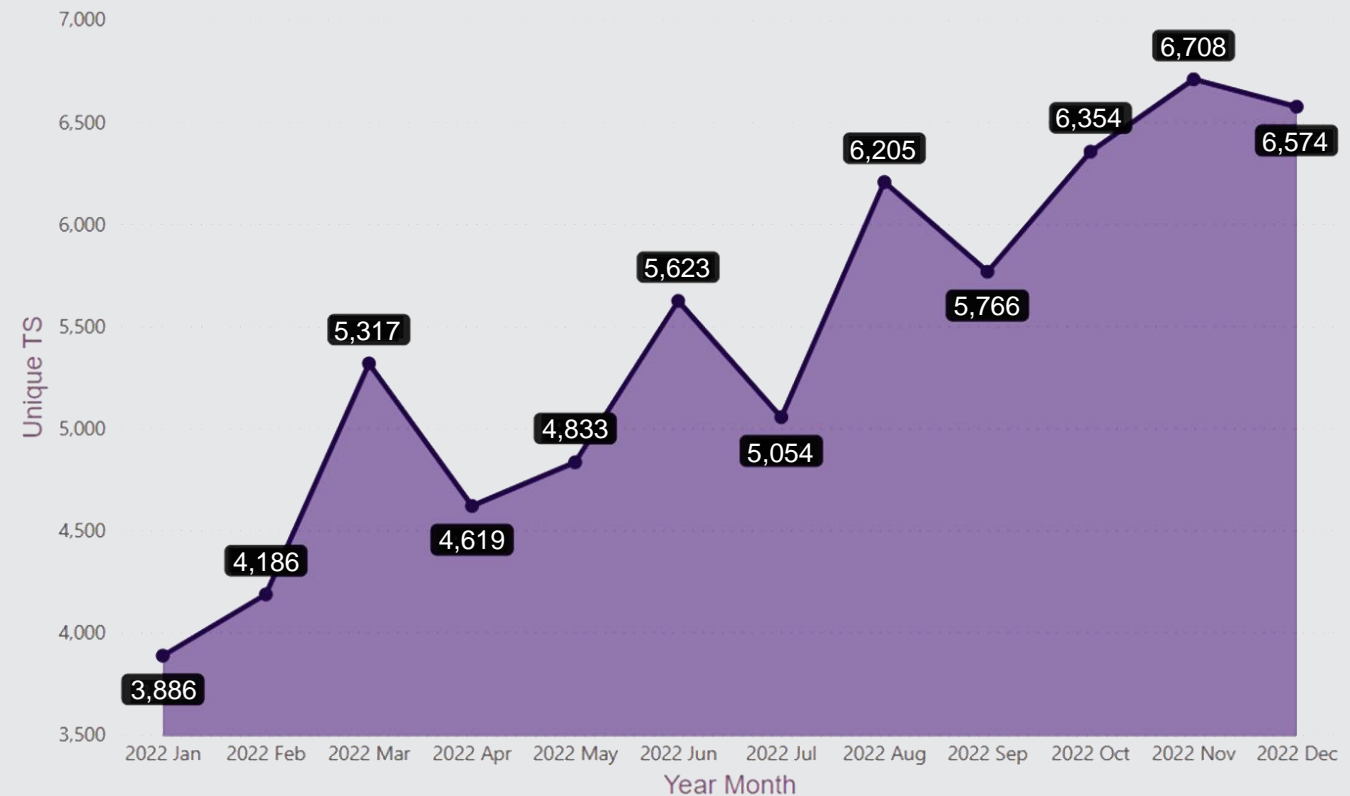
NeuroStar University

Average monthly utilization for sites that attended NSU improved by 23% after they attended class.

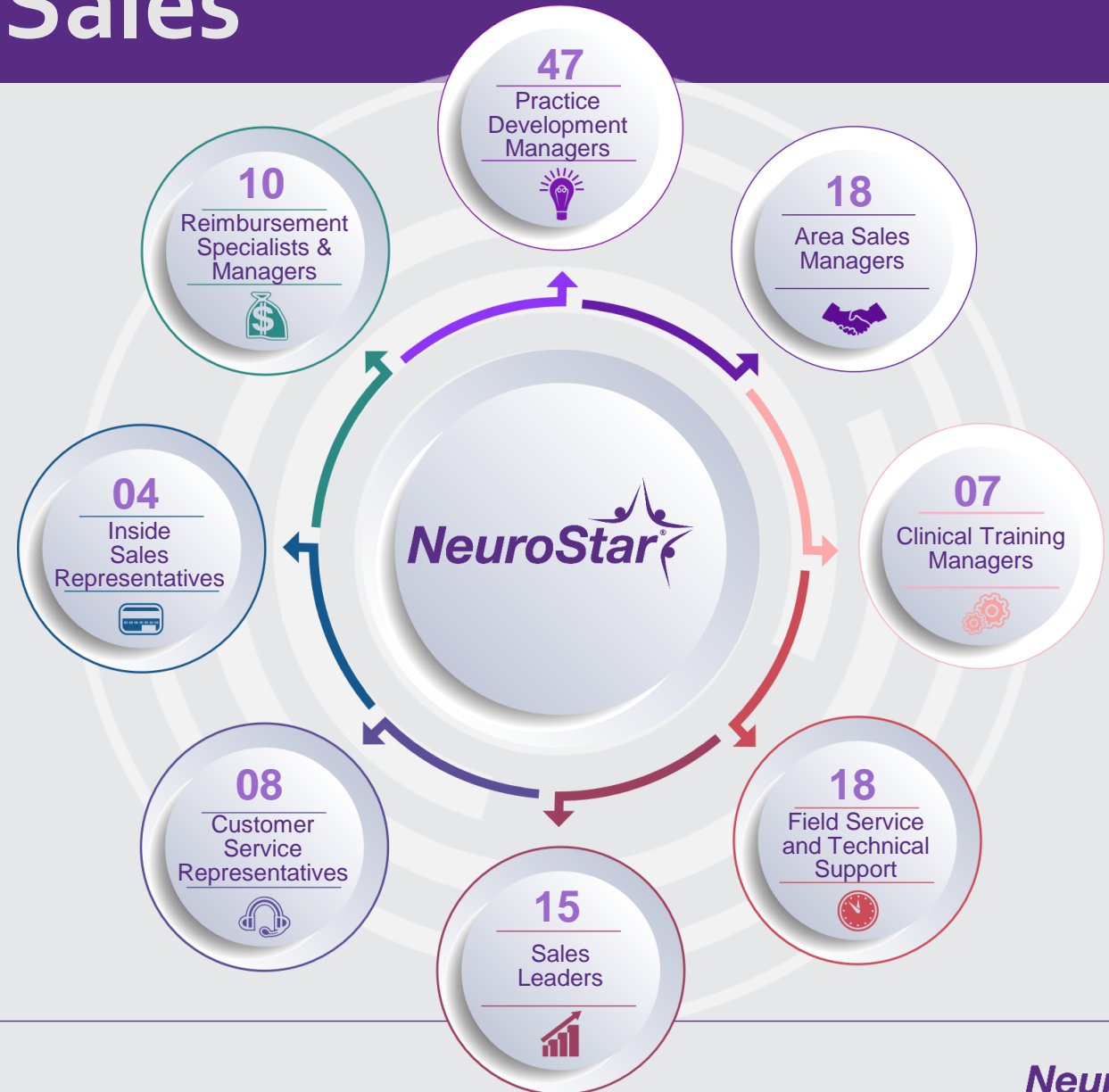


A 2-DAY COURSE HELD AT OUR STATE-OF-THE-ART TRAINING CENTER

Practices learn how to achieve the best clinical outcomes and market their NeuroStar business, through a combination of instruction and peer to peer learning.



The Largest Direct Sales and Customer Support Team



Offered by the Largest National Providers



Widely Reimbursed



95% Coverage

Estimated to cover 95% of total private payor covered lives in the US for MDD and Anxious Depression



Top 25 US Private Insurers

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



100% Medicare Coverage

61 million covered lives



New indications paid for by existing codes*

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

*Anxious depression - same coverage policies as MDD / OCD emerging coverage policies

OCD rTMS Coverage Growing



Neuronetics Tools Driving Awareness



**1 National plan
4 BCBS plans**



Palmetto Medicare MAC

1 more reviewing



OCD claims paid via existing codes at the same rates

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

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

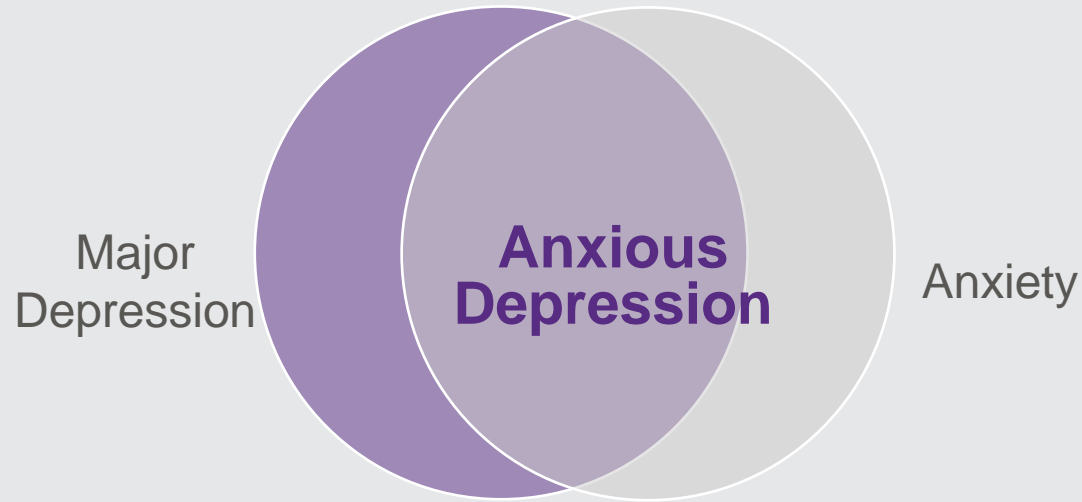
Conclusion: 1 patient per month can equal **\$100,000** in practice revenue

Competitive Positioning

							
Practice Consultants	✓	—	—	—	—	—	—
Marketing including DTC Advertising	✓	—	—	—	—	—	—
FDA-cleared for Anxious Depression	✓	✓	—	—	—	—	—
FDA-cleared for OCD	✓	✓*	—	✓*	—	—	—
FDA-cleared for iTBSTheta Burst	 w/Contact Sensing	✓	✓	✓	—	✓	—
Contact Sensing	✓	—	—	—	—	—	—
World's Largest MDD Outcomes Registry	✓	—	—	—	—	—	—
Publications from Depression Registration Trials	12	1	—	1	—	—	—

* Additional hardware purchase required

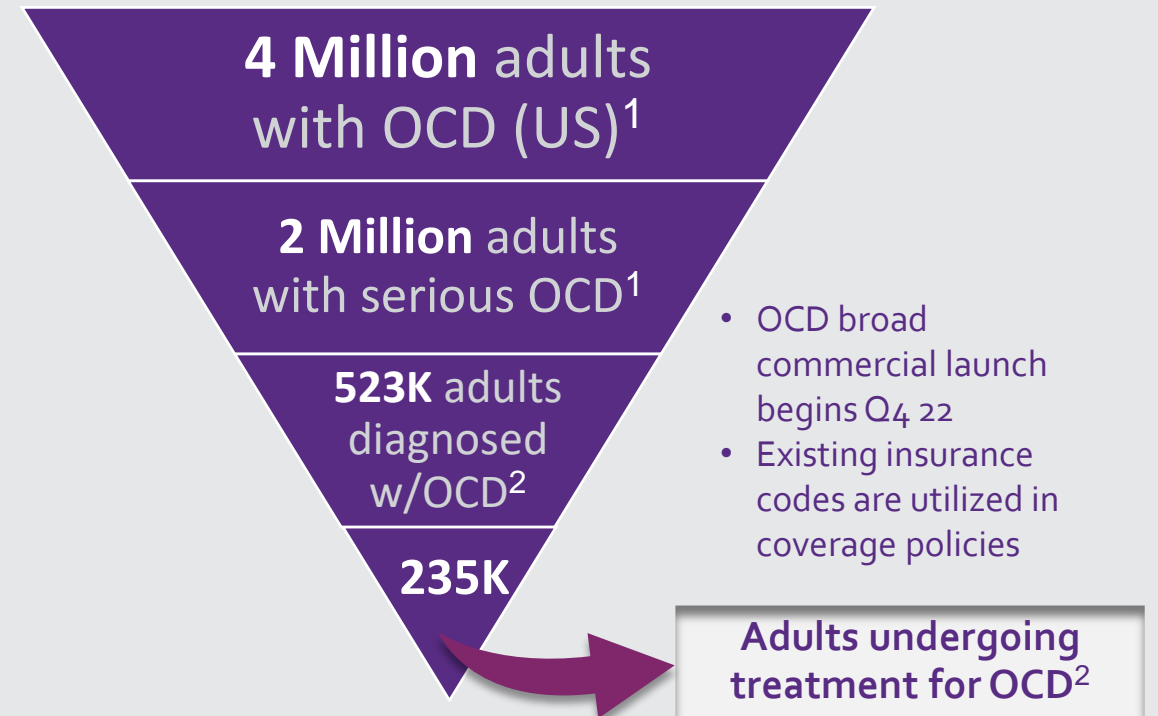
New indications make NeuroStar the most versatile treatment device in the industry



- STAR*D showed 53% of patients with Major Depression had significant anxiety and were considered to have Anxious Depression¹
- Anxious depression immediately commercially available
- Real-world data from TrakStar contributed to FDA clearance for anxious depression

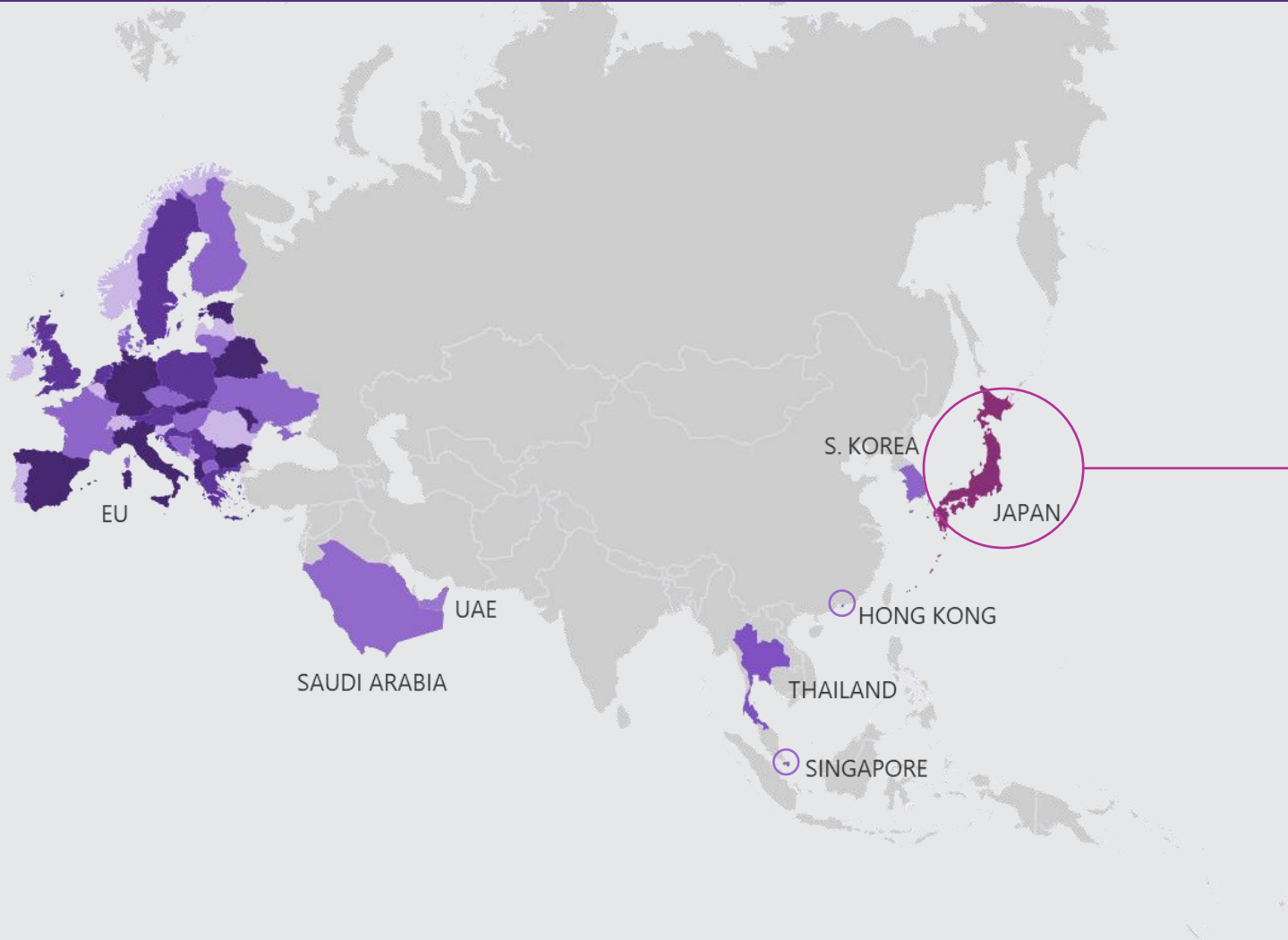
1. Kalin N, The Critical Relationship Between Anxiety and Depression, *Am J Psychiatry* 2020; 177:365–367; doi: 10.1176/appi.ajp.2020.20030305

An estimated 1.2% of U.S. adults had OCD in the past year



1. Harvard Medical School, 2007. National Comorbidity Survey (NCSSC)
2. Definitive Health Diagnosis/Prescription Data: 03/25/22

NeuroStar Expansion



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**

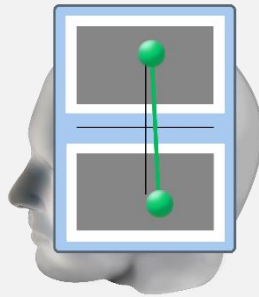
NeuroStar Has the Largest Issued Patent Portfolio of All TMS Companies...

Patent Portfolio

- **41 US / 58 OUS**
Issued or allowed patents
- **7 US / 7 OUS**
Pending patent applications

Contact Sensing

Multiple U.S. patents



MT Assist

U.S. patent



Iron Core Magnet

Multiple U.S. patents



...protecting our technical advantage and ensuring freedom to **operate globally**

The NeuroStar Difference

PROOF

Over 13 years as market leader

ONLY NEUROSTAR HAS...

- The world's largest depression Patient Outcomes Registry
- Proven long-term durability
- Contact Sensing
- TrakStar® – manage/track/report
- TouchStar™ – theta burst
- 30 Publications including 12 in depression registry 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 HAS INCREASED BRAND AWARENESS BY 33% IN 2022 AND HAS...

- 5-STARS Solution
- Precision Pulse Program
- Co-op Marketing
- Stellar Distinctions

Neuronetics

Management Team



Keith Sullivan
President & CEO



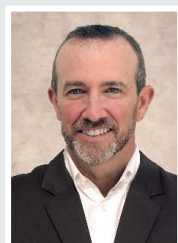
Cory Anderson
SVP, R&D and Clinical



Todd Cushman
SVP, Business
Development



Steve Furlong
EVP, CFO & Treasurer



Rick Grubbs
SVP, National
Accounts



Sara Grubbs
SVP, Chief Revenue Officer



Andrew Macan
EVP, GC & Chief
Compliance Officer



Lisa Rosas
SVP, Chief
Marketing Officer



Kara Thornton
SVP, Human
Resources

Board of Directors



Rob Cascella
Board Chairman



John Bakewell



Joseph Capper



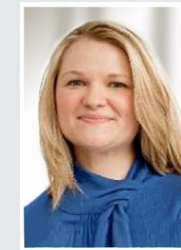
Sheryl Conley



Wilfred Jaeger



Glenn Muir



**Megan
Rosengarten**



Keith Sullivan



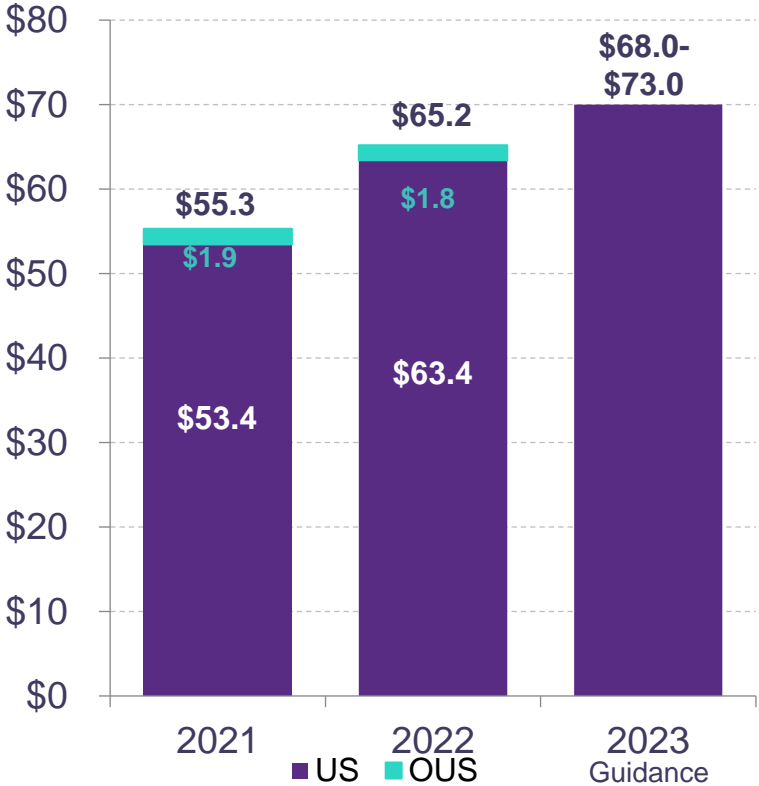
Financial Overview

NeuroStar Advanced Therapy for Mental Health

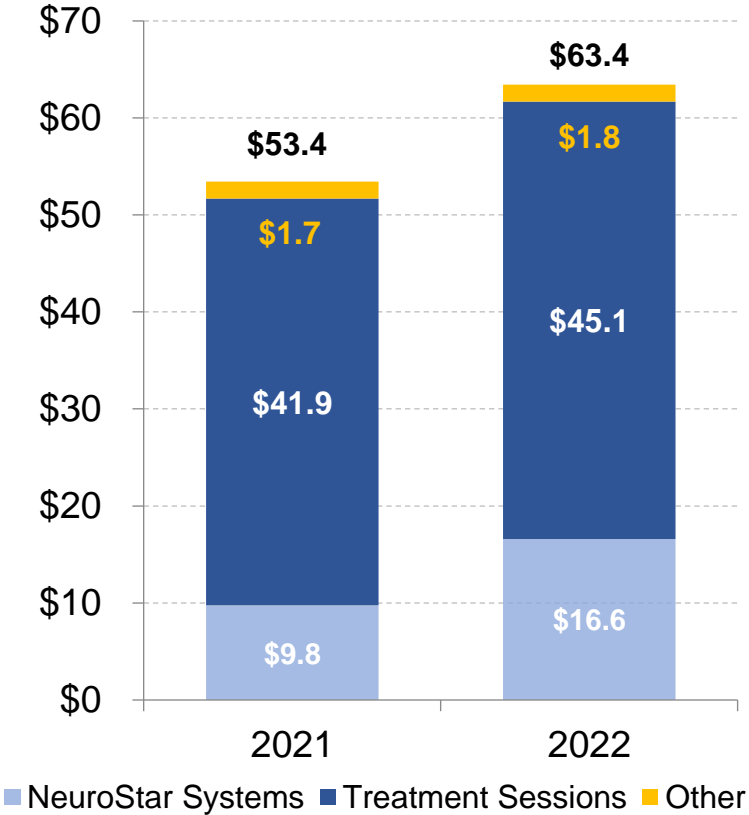
Annual Revenue

(\$ in millions)

Annual Revenue by Geography



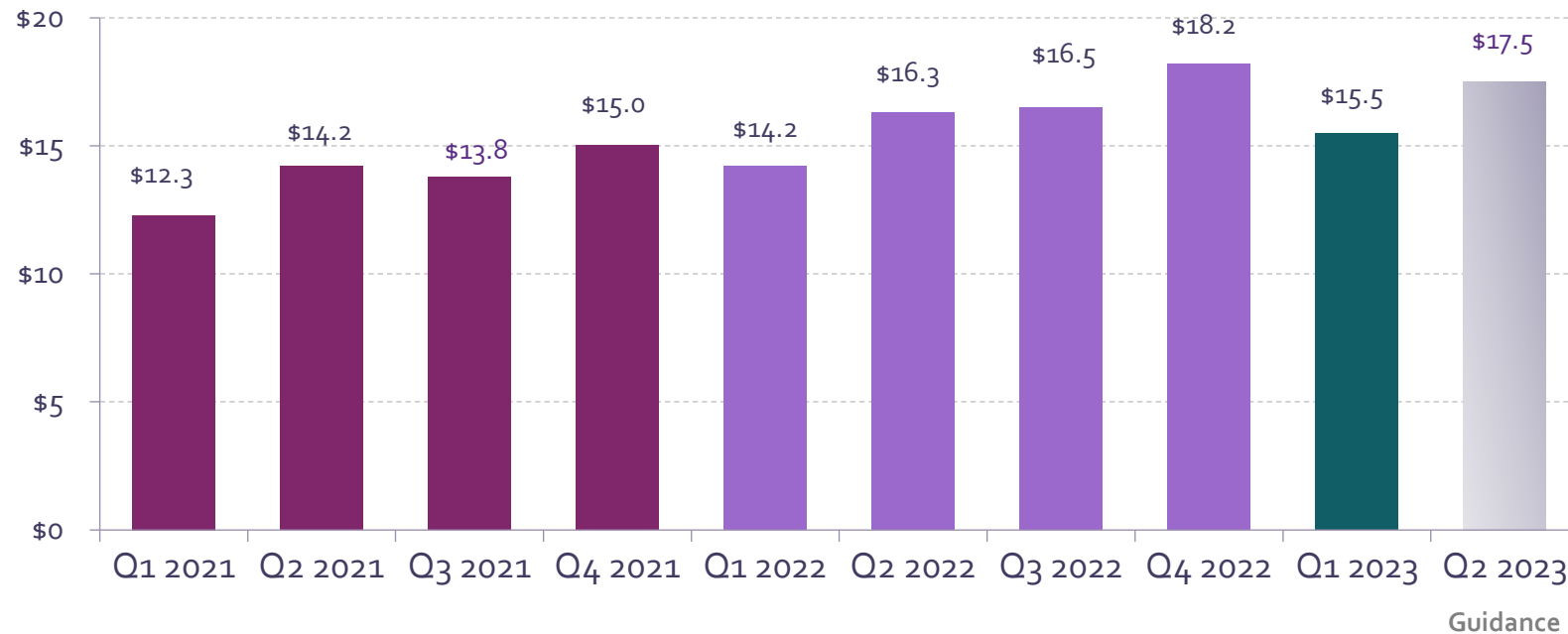
Annual Product Revenue (US)



Worldwide Quarterly Revenue

Q1 2023 Revenue of \$15.5M was up 10% from Q1 2022

(\$ in millions)



Results of Operations

	Three Months Ended March 31,	
(\$ in thousands)	2022	2023
Revenues	\$14,181	\$15,540
<i>YOY Growth</i>		10%
Gross Profit	10,696	11,396
<i>Gross Margin</i>	75%	73%
Operating Expenses:		
Sales and Marketing	12,649	11,902
<i>% of Revenues</i>	89%	77%
General and Administrative	6,379	6,611
<i>% of Revenues</i>	45%	43%
Research and Development	1,803	2,790
<i>% of Revenues</i>	13%	18%
Total Operating Expenses	20,831	21,303
Loss from Operations	(\$10,135)	(\$9,907)
<i>% of Revenues</i>	-71%	-64%

Financial Position

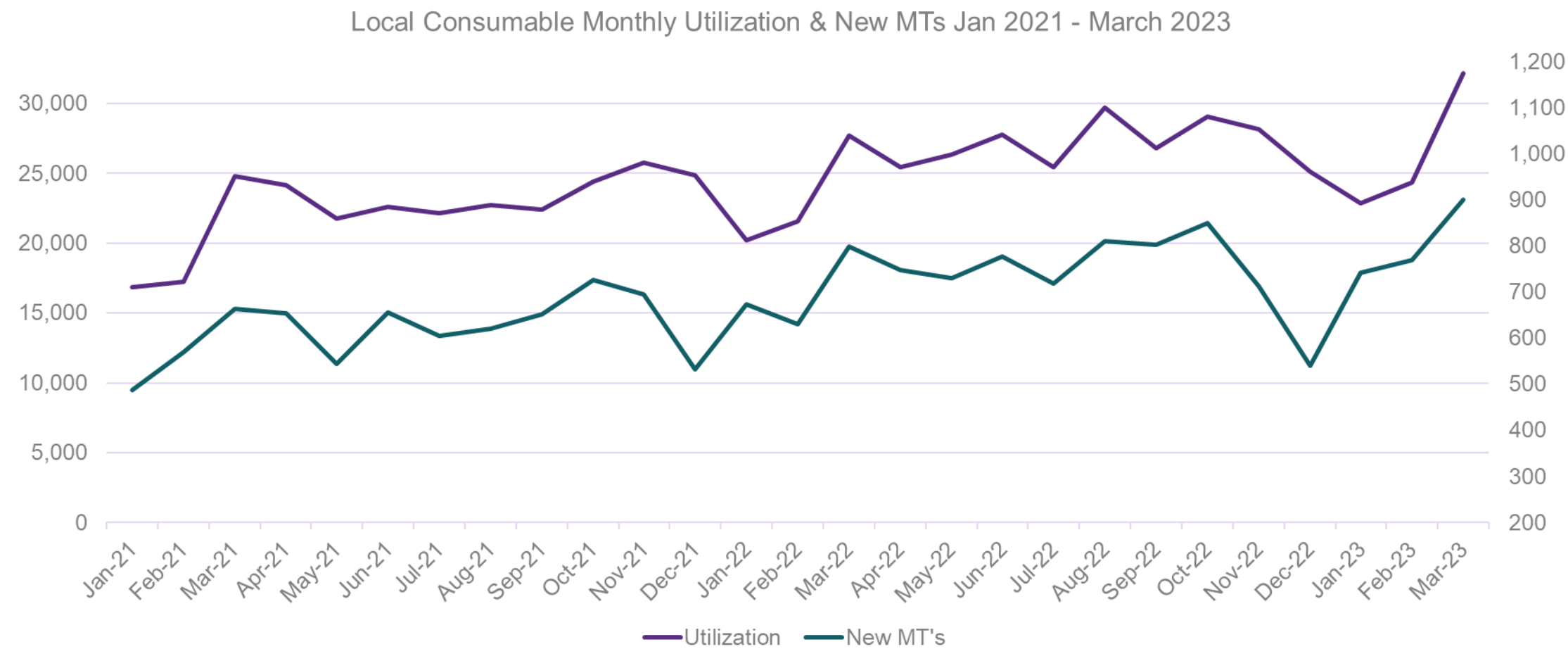
<i>(\$ in thousands)</i>	As of March 31, 2023
Cash and Cash Equivalents	\$55,443
Other Assets	\$48,161
Total Assets	\$103,604
Long-term debt, net	\$36,641
Convertible Preferred Stock Warrant Liability	\$0
Convertible Preferred Stock	\$0
Accumulated Deficit	(\$356,412)
Total Stockholders' Equity	\$48,345



Supplemental Information

NeuroStar Advanced Therapy for Mental Health

Local Consumables New MTs (New Patient Starts) & Utilization



U.S. NeuroStar Treatment Sessions

Treatment Session REVENUE	2021				2022				2023
	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23
Total U.S. Treatment Session Revenues (\$000)	\$9,629	\$10,801	\$10,259	\$11,245	\$9,469	\$11,295	\$11,864	\$12,450	\$10,643
YoY Δ	18%	65%	13%	2%	-2%	5%	16%	11%	12%
Average Revenue per Active Site (\$000) (1)	\$10.5	\$12.0	\$11.2	\$12.2	\$9.9	\$11.3	\$11.4	\$11.5	\$9.7
YoY Δ	12%	62%	9%	0.4%	-6%	-6%	2%	-5%	-2%

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

Supplemental Financial and Operating Information

Revenue (\$ thousands)	2021				2022				2023	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	FY	FY
Total U.S. NeuroStar Advanced Therapy System Revenues	\$1,755	\$2,577	\$2,612	\$2,815	\$3,642	\$4,382	\$3,934	\$4,616	\$3,850	\$9,760	\$16,575
<i>YoY Change</i>	-32%	10%	3%	-22%	108%	70%	51%	64%	6%	-12%	70%
Total U.S. Treatment Sessions Revenues	\$9,629	\$10,801	\$10,259	\$11,245	\$9,469	\$11,295	\$11,864	\$12,450	\$10,643	\$41,933	\$45,077
<i>YoY Change</i>	18%	65%	13%	2%	-2%	5%	16%	11%	12%	20%	7%
Total U.S. Other Revenues	\$419	\$431	\$409	\$496	\$406	\$455	\$446	\$447	\$471	\$1,754	\$1,754
<i>YoY Change</i>	7%	13%	1%	25%	-3%	6%	9%	-10%	16%	12%	0%
Total U.S. Revenues	\$11,802	\$13,809	\$13,280	\$14,556	\$13,517	\$16,132	\$16,244	\$17,513	\$14,964	\$53,447	\$63,406
<i>YoY Change</i>	6%	49%	10%	-3%	15%	17%	22%	20%	11%	12%	19%
Total International Revenues	\$486	\$394	\$519	\$466	\$664	\$198	\$253	\$686	\$576	\$1,865	\$1,800
<i>YoY Change</i>	63%	-17%	24%	-13%	36%	-50%	-51%	47%	-13%	8%	-3%
Total Revenues	\$12,288	\$14,203	\$13,799	\$15,022	\$14,181	\$16,329	\$16,498	\$18,199	\$15,540	\$55,312	\$65,206
<i>YoY Change</i>	7%	46%	11%	-4%	15%	15%	20%	21%	10%	12%	18%
U.S. Operating and Financial Metrics	2021				2022				2023	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	FY	FY
Total NeuroStar Systems	23	36	40	48	46	59	50	58	49	147	213
<i>YoY Change</i>	-39%	3%	3%	-11%	100%	64%	25%	21%	7%	-11%	45%
Average Revenue Per Active Site (\$) (1)	\$10,512	\$12,001	\$11,163	\$12,183	\$9,874	\$11,280	\$11,364	\$11,517	\$9,667		
<i>YoY Change</i>	12%	62%	9%	0.4%	-6%	-6%	2%	-5%	-2%		

(1) = Total U.S. Treatment Session Revenue / Active Sites (End of Prior Period)