



**TAP INTO A
NEW POSSIBILITY**
for depression

COMPANY PRESENTATION

NASDAQ: STIM

May 2022



Disclaimers

neurostar.com

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Certain statements in this presentation and the accompanying oral commentary are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including statements relating to the Company’s business strategy and financial metrics as well as revenue, operating expense and earnings guidance and projections for future periods, relate to future events or the future financial performance of the Company and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential” or other comparable terminology, as well as the negative of such statements. All statements other than statements of historical fact may be deemed to be forward-looking statements, including those concerning any expectations regarding investment returns; any projections of financial information; any statements about historical results that may suggest trends for our business; any statements of the plans, strategies, and objectives of management for future operations; any statements of expectation or belief regarding future events, potential markets or market size, additional indications or technology developments; developments in clinical trials or regulatory review of NeuroStar® Advanced Therapy System for additional indications; and any statements of assumptions underlying any of the items mentioned. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company’s control. These and other important factors may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof. Except as required by law, the Company assumes no obligation and does not intend to update these forward-looking statements or to conform these statements to actual results or to changes in the Company’s expectations, assumptions, estimates and projections.

Presenters

neurostar.com

35+ years of experience



Keith Sullivan
President &
Chief Executive Officer



34+ years of experience



Steve Furlong
Senior 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)
(21.0 million US adults)



Market Leader

Market leader in TMS for depression with
over 4.5 million treatment sessions and
over 127,500 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



Our Unique Differentiators: Only NeuroStar Has...

Practice Development Manager



Delivers the
5 Stars Solution

S T A R S

a proven framework to
grow your NeuroStar practice

83/62¹



Clinical results
validated with

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

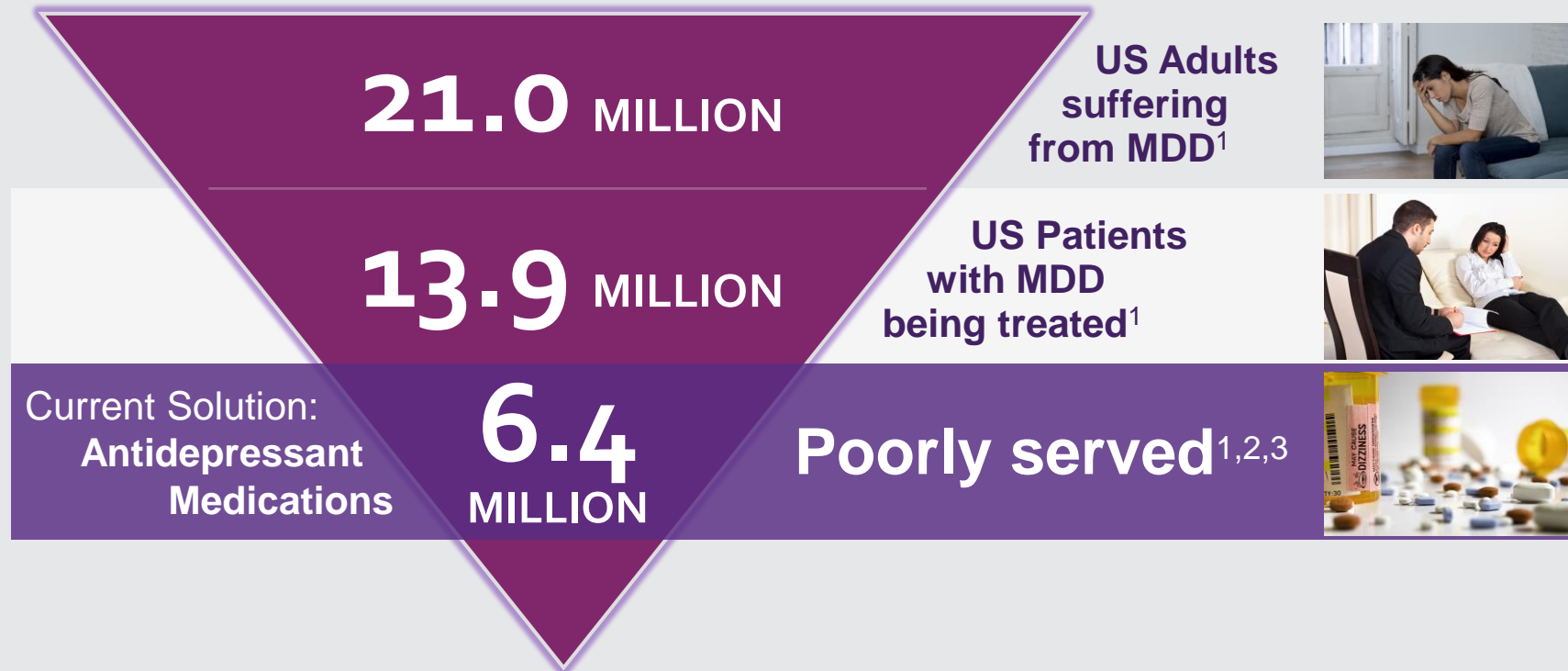
TrakStar[®]

\$14.5
Marketing Spend



To drive Consumer
Awareness
and grow the category

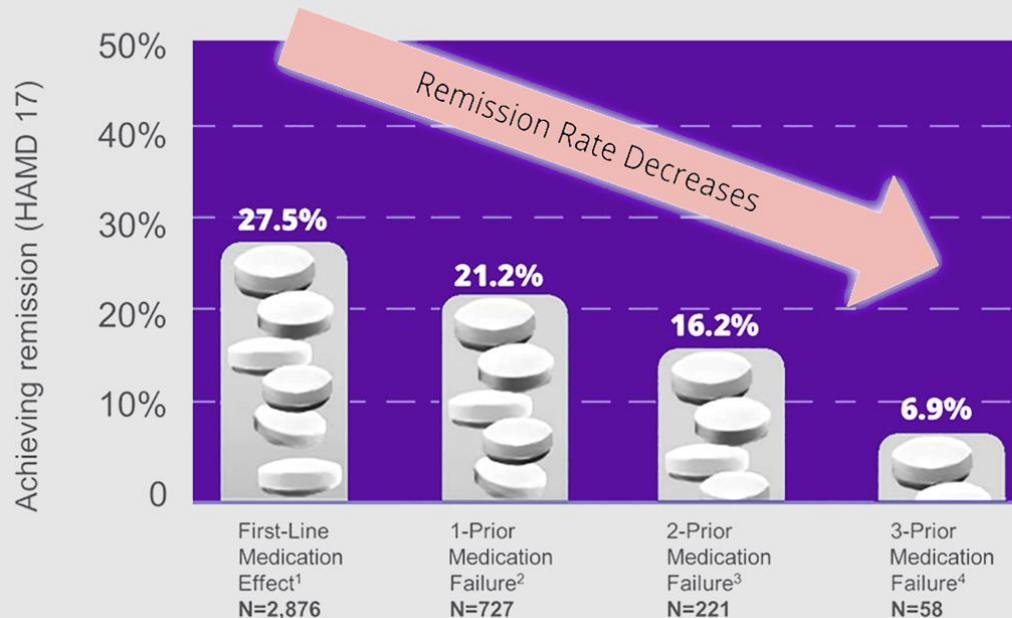
Patients with Major Depressive Disorder are Underserved



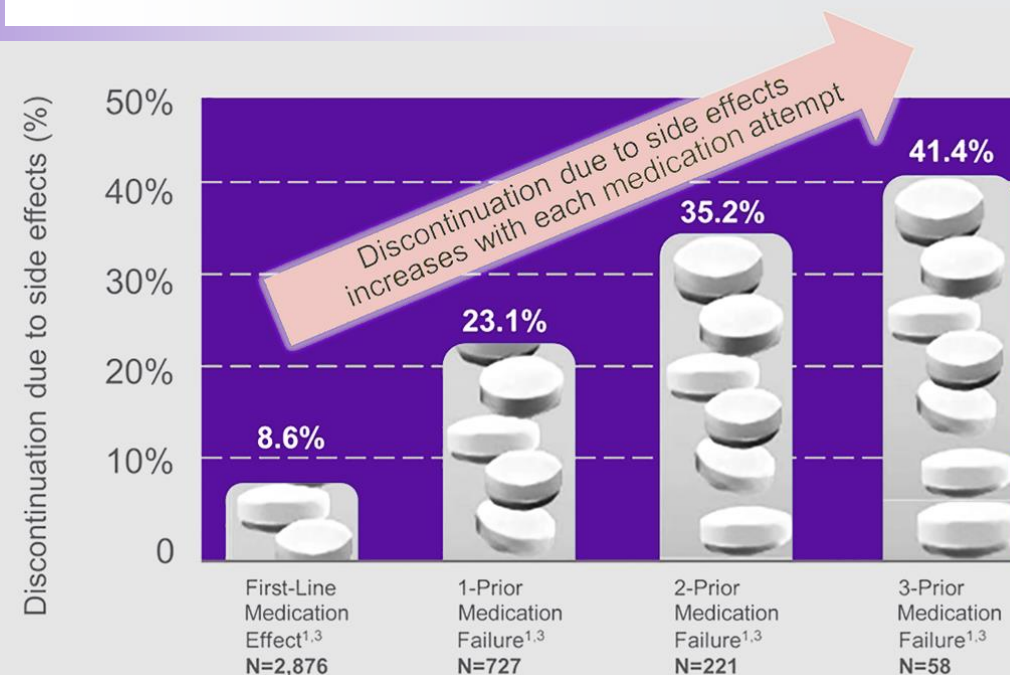
- Lack of Efficacy
- Intolerable Side Effects
- Increased Need for Solutions Post-COVID

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.

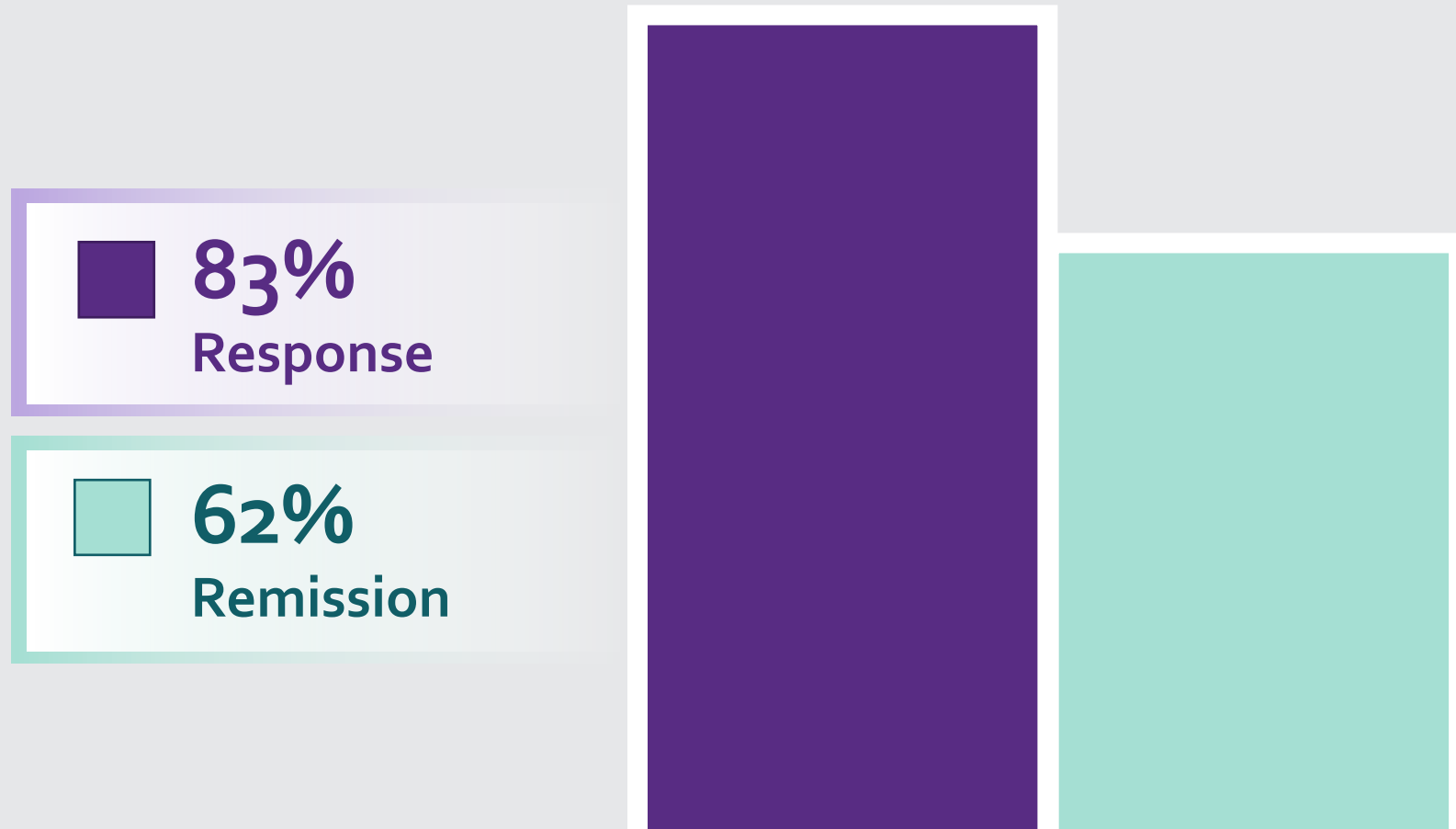


STAR*D Study n=4,041

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

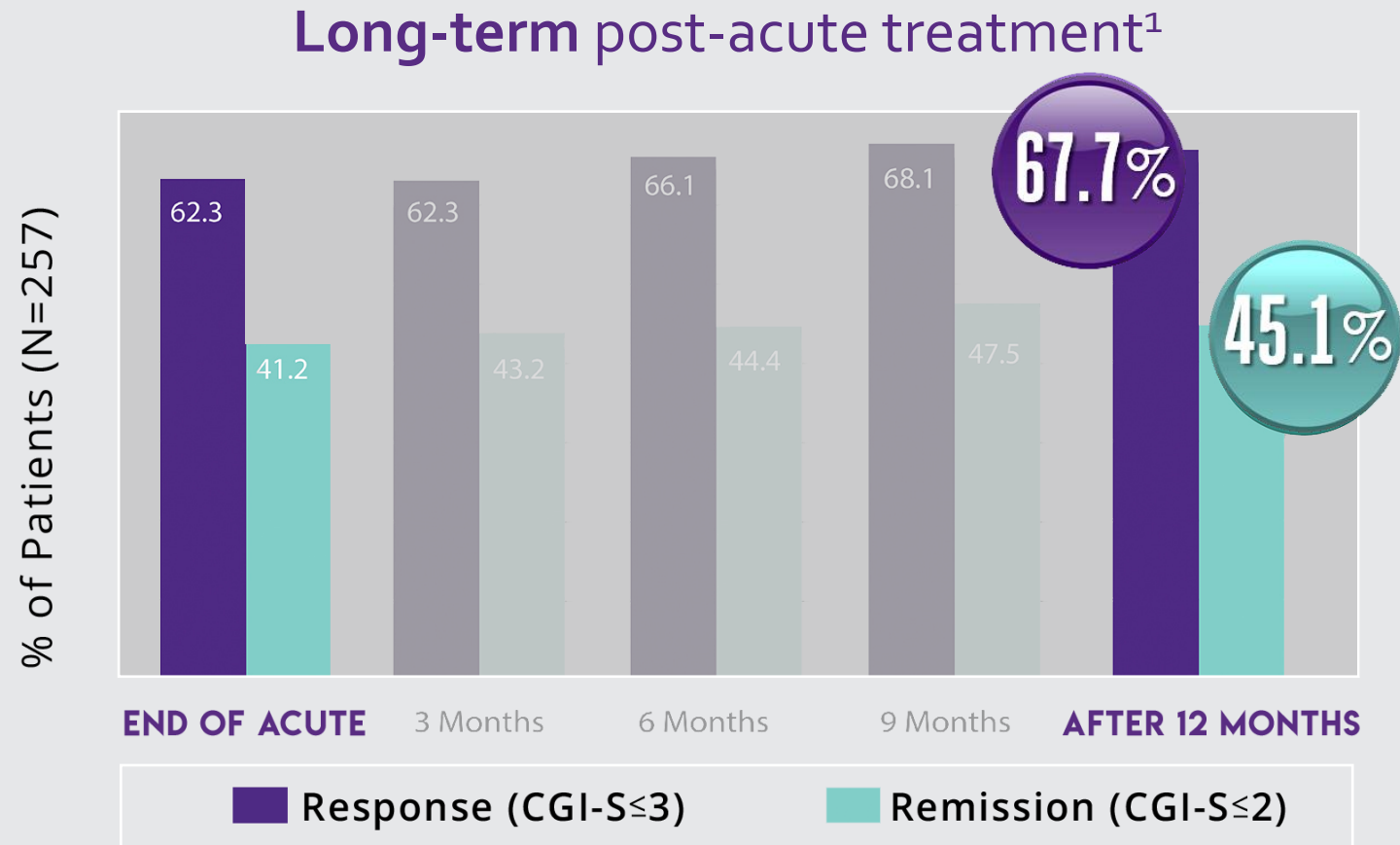
NeuroStar Delivers Proven Results

Real World Clinical Rating for Patients with MDD



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 29
Publications



Safety Record

- **4.5 million+** treatment sessions delivered globally
- Over **127,500** 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

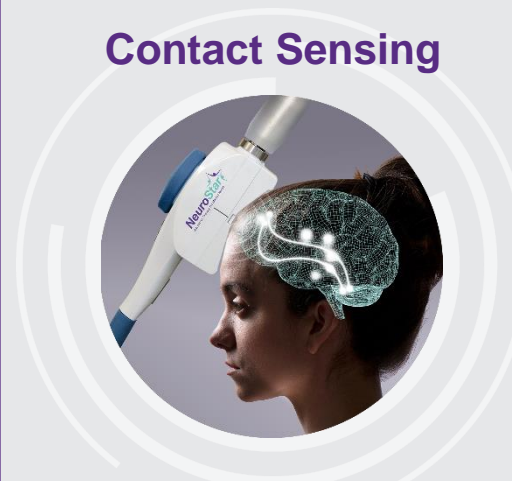
Only NeuroStar has... Patented Contact Sensing Technology

Delivers Consistent and Repeatable Treatment

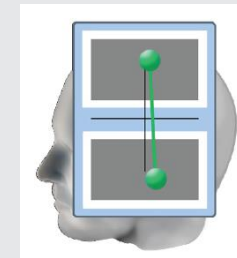
- The smallest movements can result in a dramatic loss of the prescribed TMS dose
- Even **1 mm** movement away from the head can result in **40% loss** of the TMS prescribed dose
- Continuous contact sensing solves this problem



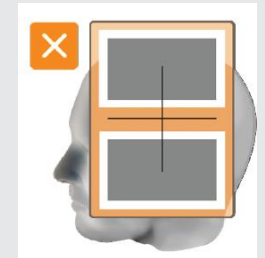
Contact Sensing



- 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 5-STARS Solution

Proven Program to Ensure Successful Device Operationalization



Programs Designed to Help NeuroStar Practices Build Awareness



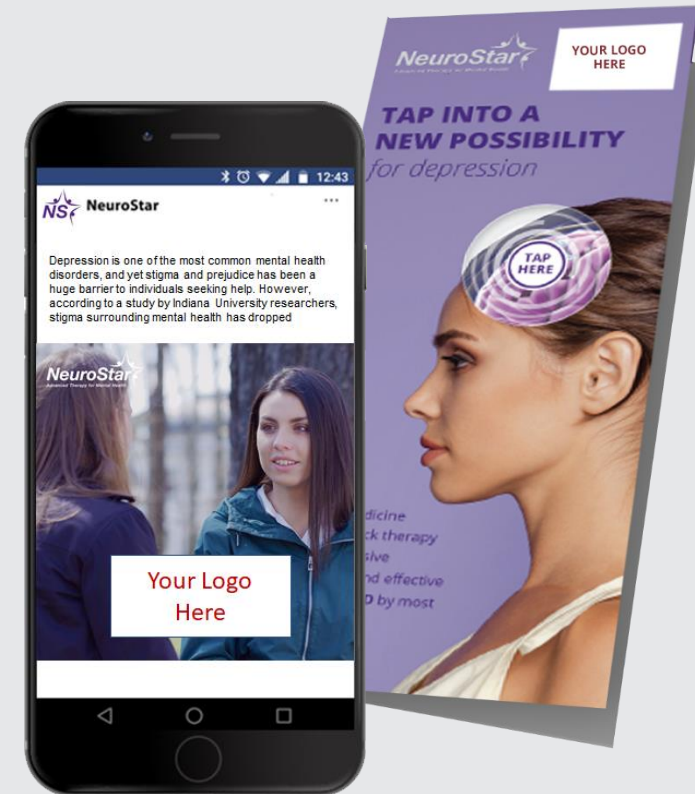
CO-OP MARKETING
WITH VARIOUS LEVELS
OF REIMBURSEMENT

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

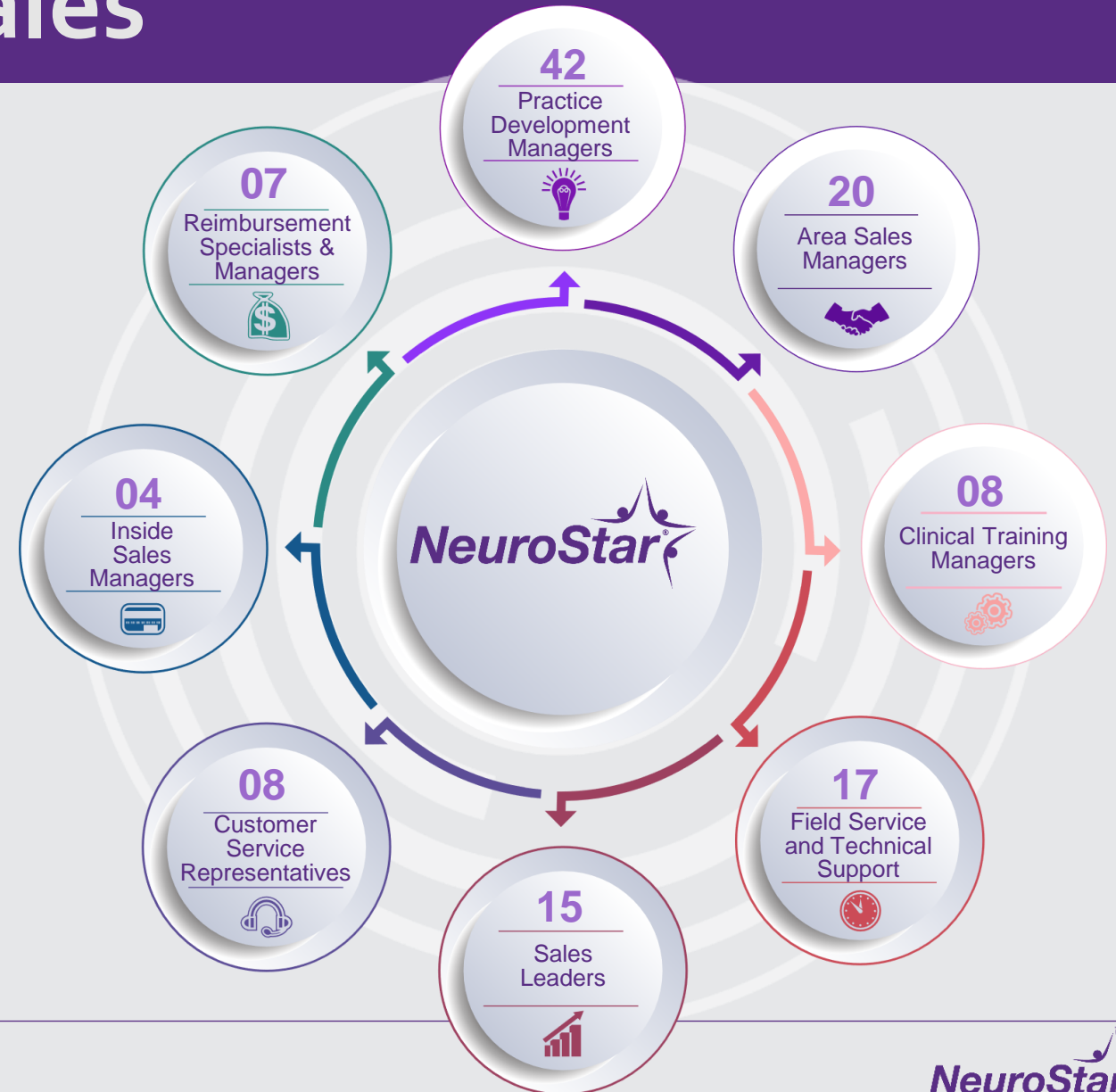
[MYNEUROSTAR.COM](https://myneurostar.com)

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.



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



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



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



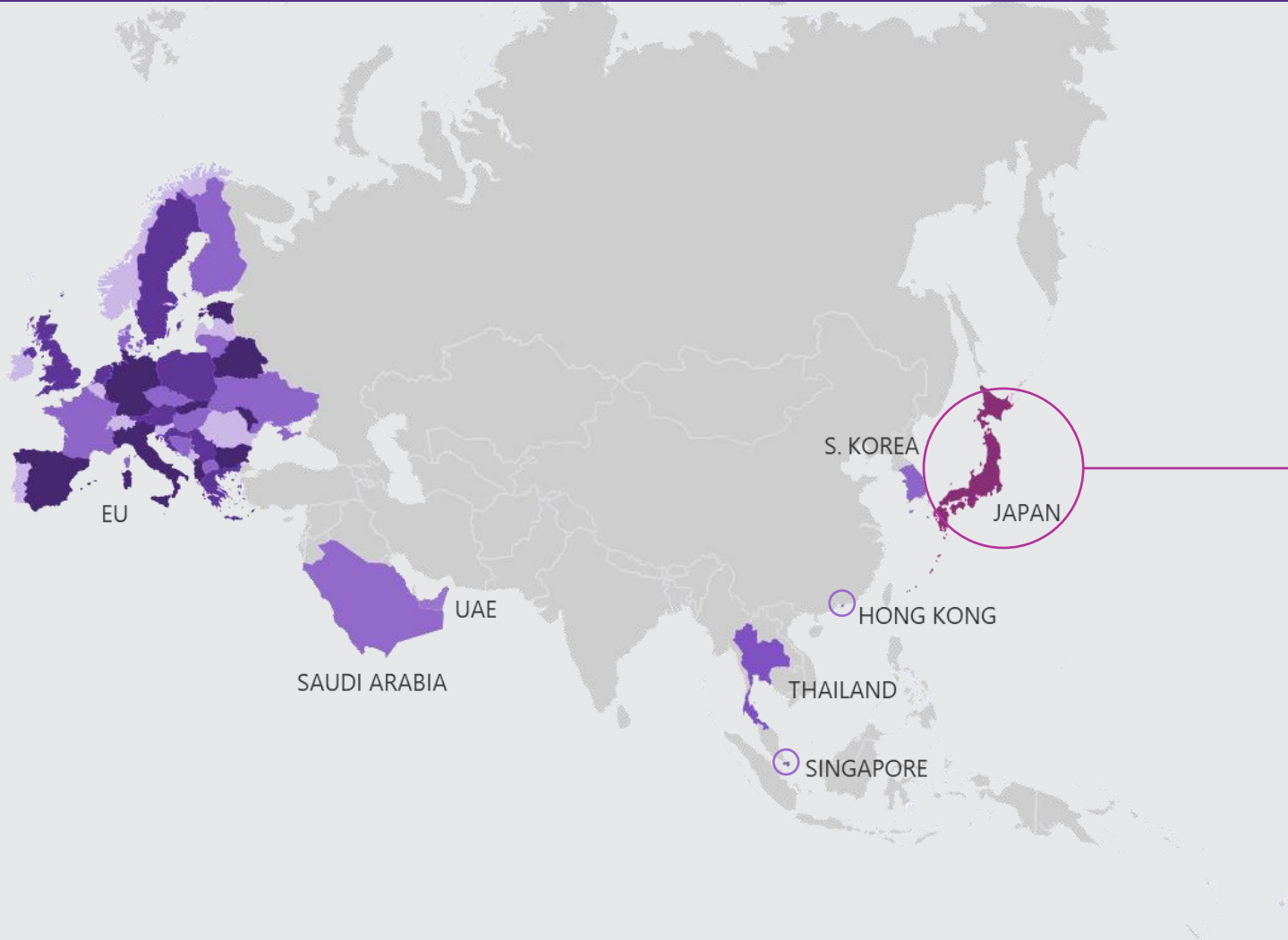
Generate ~\$8,500
average revenue
per patient per
course of treatment

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

Competitive Positioning

	NeuroStar [®]	BrainsWay	magstim	MagVenture <small>Versatility in Magnetic Stimulation</small>	CLOUDTMS™	Nexstim	MAG & more
Practice Consultants	✓	—	—	—	—	—	—
\$14.5M Marketing including DTC Advertising	✓	—	—	—	—	—	—
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



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**

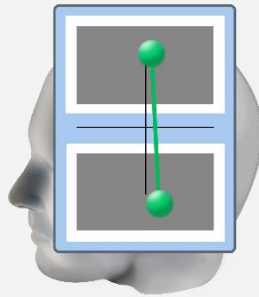
NeuroStar Has the Largest Issued Patent Portfolio of All TMS Companies...

Patent Portfolio

- **41 US / 56 OUS**
Issued or allowed patents
- **7 US / 8 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
- 28 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 WILL SPEND **\$14.5 MILLION** IN MARKETING IN 2022 AND HAS...

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

Neuronetics

Management Team



Keith Sullivan
President & CEO



Cory Anderson
VP R&D and Clinical



Todd Cushman
VP Business
Development



Steve Furlong
SVP CFO & Treasurer



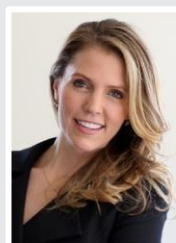
Rick Grubbs
VP National
Accounts



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



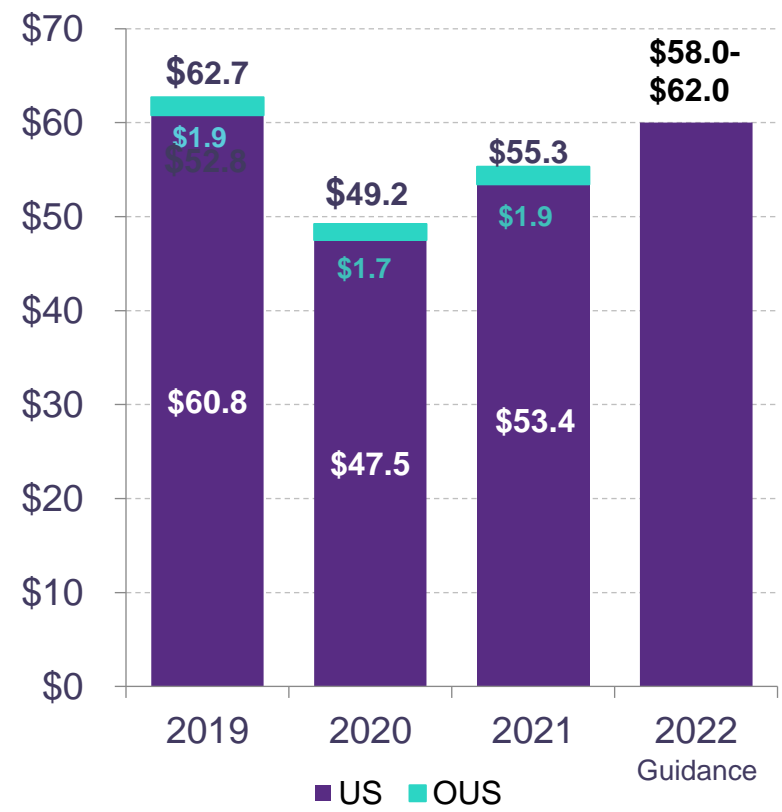
Financial Overview

NeuroStar Advanced Therapy for Mental Health

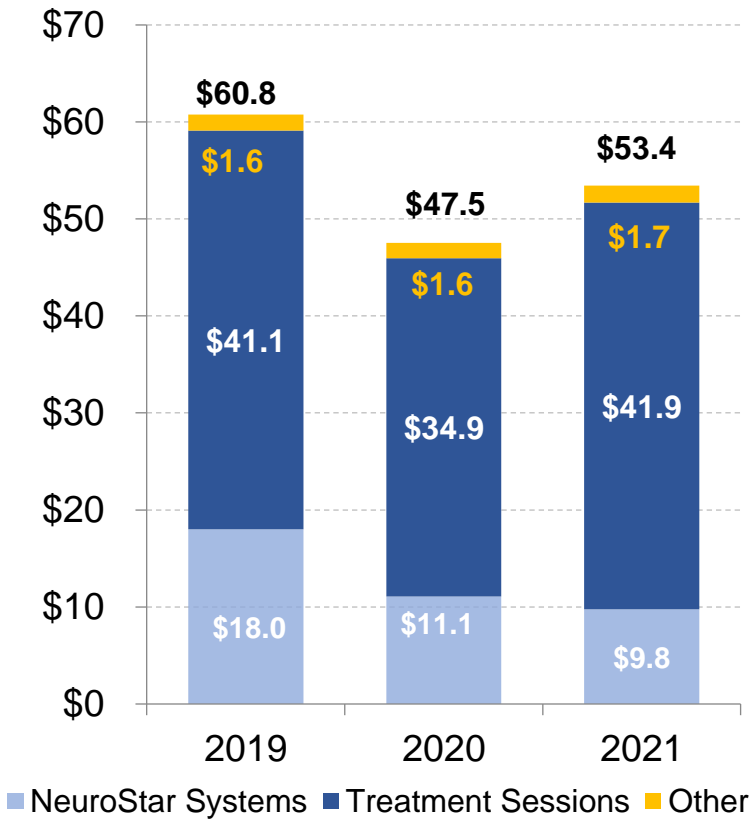
Annual Revenue

(\$ in millions)

Annual Revenue by Geography



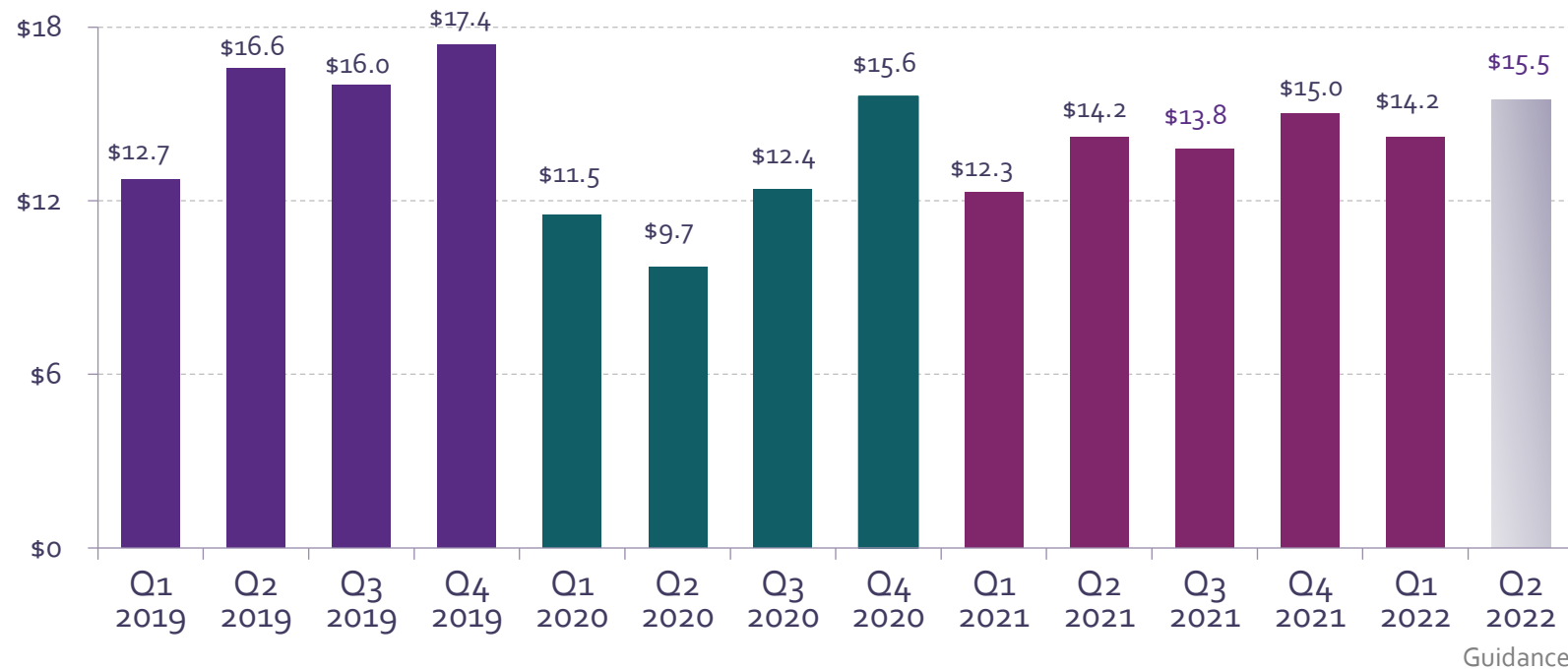
Annual Product Revenue (US)



Worldwide Quarterly Revenue

Q1 2022 Revenue of \$14.2M was up 15% from Q1 2021

(\$ in millions)



Results of Operations

	Three Months Ended March 31,	
(\$ in thousands)	2021	2022
Revenues	\$12,288	\$14,181
<i>YOY Growth</i>		15%
Gross Profit	10,067	10,696
<i>Gross Margin</i>	82%	75%
Operating Expenses:		
Sales and Marketing	8,561	12,649
<i>% of Revenues</i>	70%	89%
General and Administrative	6,104	6,379
<i>% of Revenues</i>	50%	45%
Research and Development	2,311	1,803
<i>% of Revenues</i>	19%	13%
Total Operating Expenses	16,976	20,831
Loss from Operations	(\$6,909)	(\$10,135)
<i>% of Revenues</i>	-56%	-71%

Financial Position

(\$ in thousands)	As of March 31, 2022
Cash and Cash Equivalents	\$80,837
Other Assets	\$49,107
Total Assets	\$129,944
Long-term debt, net	\$35,442
Convertible Preferred Stock Warrant Liability	\$0
Convertible Preferred Stock	\$0
Accumulated Deficit	(\$319,571)
Total Stockholders' Equity	\$76,598



Supplemental Information

NeuroStar Advanced Therapy for Mental Health

U.S. NeuroStar Treatment Sessions

Treatment Session REVENUE	2020				2021				2022
	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22
Total U.S. Treatment Session Revenues (\$000)	\$8,193	\$6,547	\$9,083	\$11,029	\$9,629	\$10,801	\$10,259	\$11,245	\$9,469
YoY Δ	-7%	-40%	-11%	-2%	18%	65%	13%	2%	-2%
Average Revenue per Active Site (\$000) (1)	\$9.4	\$7.4	\$10.2	\$12.1	\$10.5	\$12.0	\$11.2	\$12.2	\$9.9
YoY Δ	-24%	-50%	-22%	-10%	12%	62%	9%	0.4%	-6%

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

Supplemental Financial and Operating Information

Revenue (\$ thousands)	2020				2021				2022	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	FY	FY
Total U.S. NeuroStar Advanced Therapy System Revenues	\$2,594	\$2,338	\$2,541	\$3,620	\$1,755	\$2,577	\$2,612	\$2,815	\$3,642	\$11,094	\$9,760
<i>YoY Change</i>	-23%	-49%	-45%	-33%	-32%	10%	3%	-22%	108%	-38%	-12%
Total U.S. Treatment Sessions Revenues	\$8,193	\$6,547	\$9,083	\$11,029	\$9,629	\$10,801	\$10,259	\$11,245	\$9,469	\$34,852	\$41,933
<i>YoY Change</i>	-7%	-40%	-11%	-2%	18%	65%	13%	2%	-2%	-15%	20%
Total U.S. Other Revenues	\$390	\$382	\$404	\$397	\$419	\$431	\$409	\$496	\$406	\$1,574	\$1,754
<i>YoY Change</i>	-7%	-8%	-5%	6%	7%	13%	1%	25%	-3%	-4%	12%
Total U.S. Revenues	\$11,177	\$9,267	\$12,029	\$15,046	\$11,802	\$13,809	\$13,280	\$14,556	\$13,517	\$47,519	\$53,447
<i>YoY Change</i>	-11%	-42%	-21%	-12%	6%	49%	10%	-3%	15%	-22%	12%
Total International Revenues	\$299	\$474	\$419	\$533	\$486	\$394	\$519	\$466	\$664	\$1,725	\$1,865
<i>YoY Change</i>	64%	-31%	-41%	64%	63%	-17%	24%	-13%	36%	-9%	8%
Total Revenues	\$11,476	\$9,741	\$12,448	\$15,579	\$12,288	\$14,203	\$13,799	\$15,022	\$14,181	\$49,244	\$55,312
<i>YoY Change</i>	-10%	-41%	-22%	-10%	7%	46%	11%	-4%	15%	-21%	12%
U.S. Operating and Financial Metrics	2020				2021				2022	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	FY	FY
Total NeuroStar Systems Shipped (1)	38	35	39	54	23	36	40	48	48	166	147
<i>YoY Change</i>	-12%	-43%	-43%	-31%	-39%	3%	3%	-11%	109%	-34%	-11%
Average Revenue Per Active Site (\$) (2)	\$9,418	\$7,406	\$10,218	\$12,133	\$10,512	\$12,001	\$11,163	\$12,183	\$9,874		
<i>YoY Change</i>	-24%	-50%	-22%	-10%	12%	62%	9%	0.4%	-6%		

(1) = All NeuroStar Systems shipped during the period, including Capital Sales, Sales-Type-Leases, Operating Leases for Q3 2021 (7), Q4 2021 (11), Q1 2022 (1), and units shipped and expected to be recognized in the period following Q1 2022 (2)

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