



**TAP INTO A  
NEW POSSIBILITY**  
*for depression*

## **COMPANY PRESENTATION**

NASDAQ: STIM

January 2024



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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 5.9 million treatment sessions and over 162,000 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

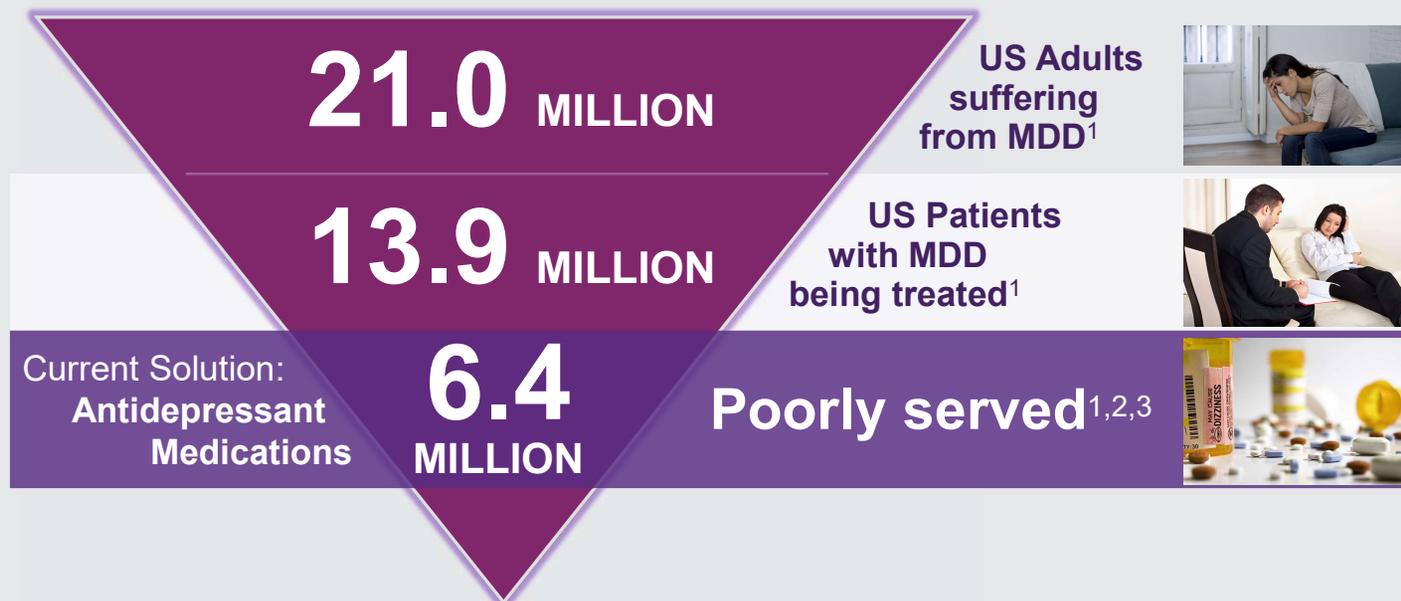


## Indications & Growth

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% Remission<sup>1</sup>**



Clinical results  
validated with

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



## Marketing Spend

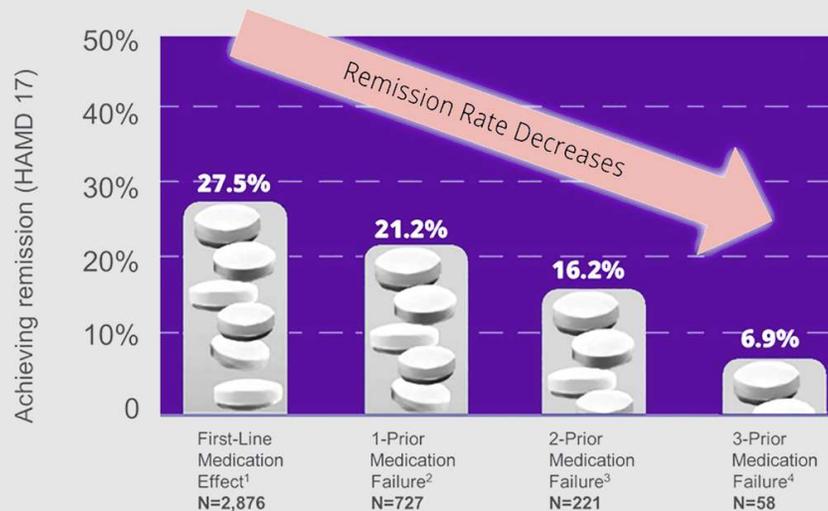


To drive Consumer  
Awareness

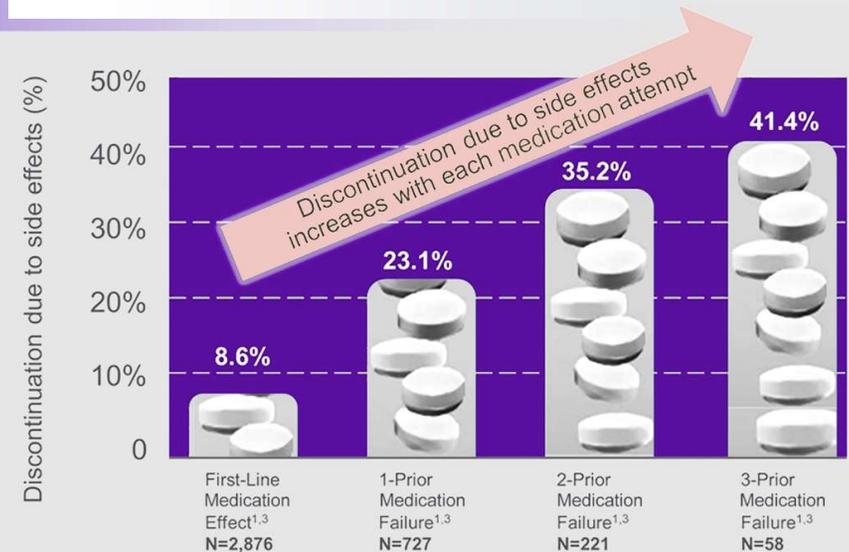
and grow the category. Increased  
brand awareness by 33% in 2022.

# 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.



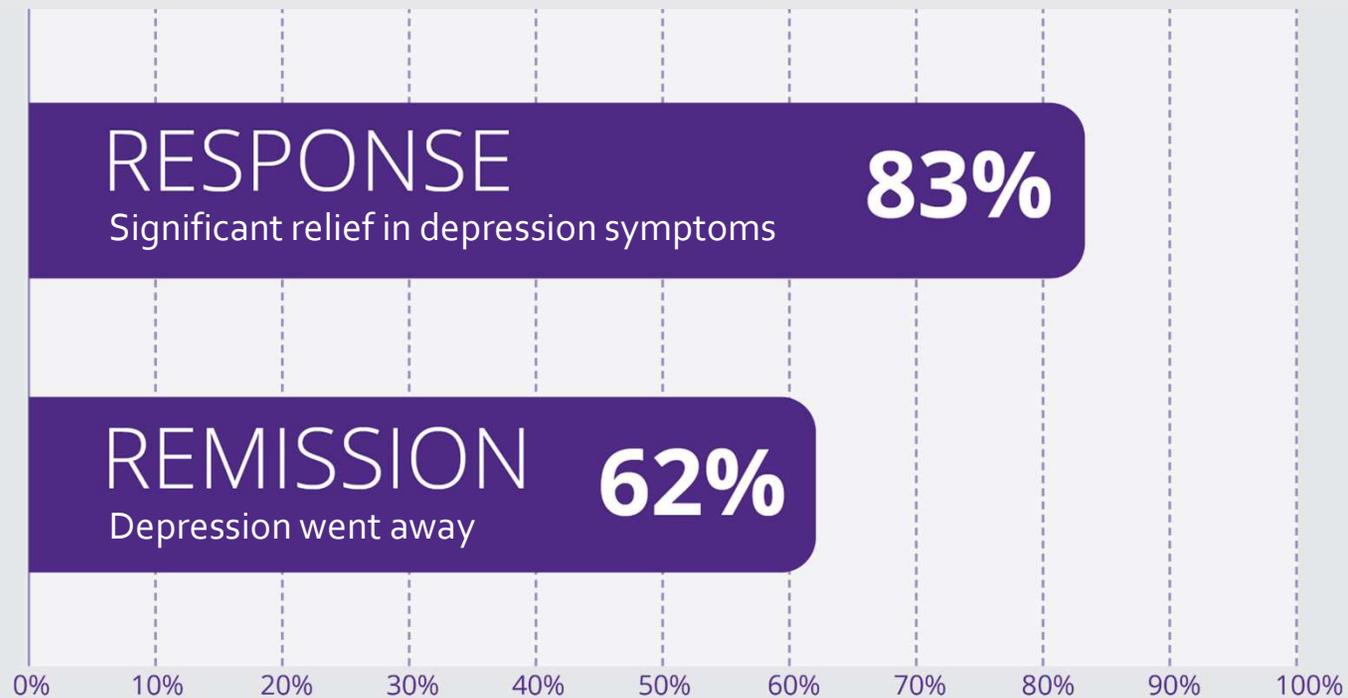
**STAR\*D** also showed discontinuation due to side effects increases with each medication attempt.



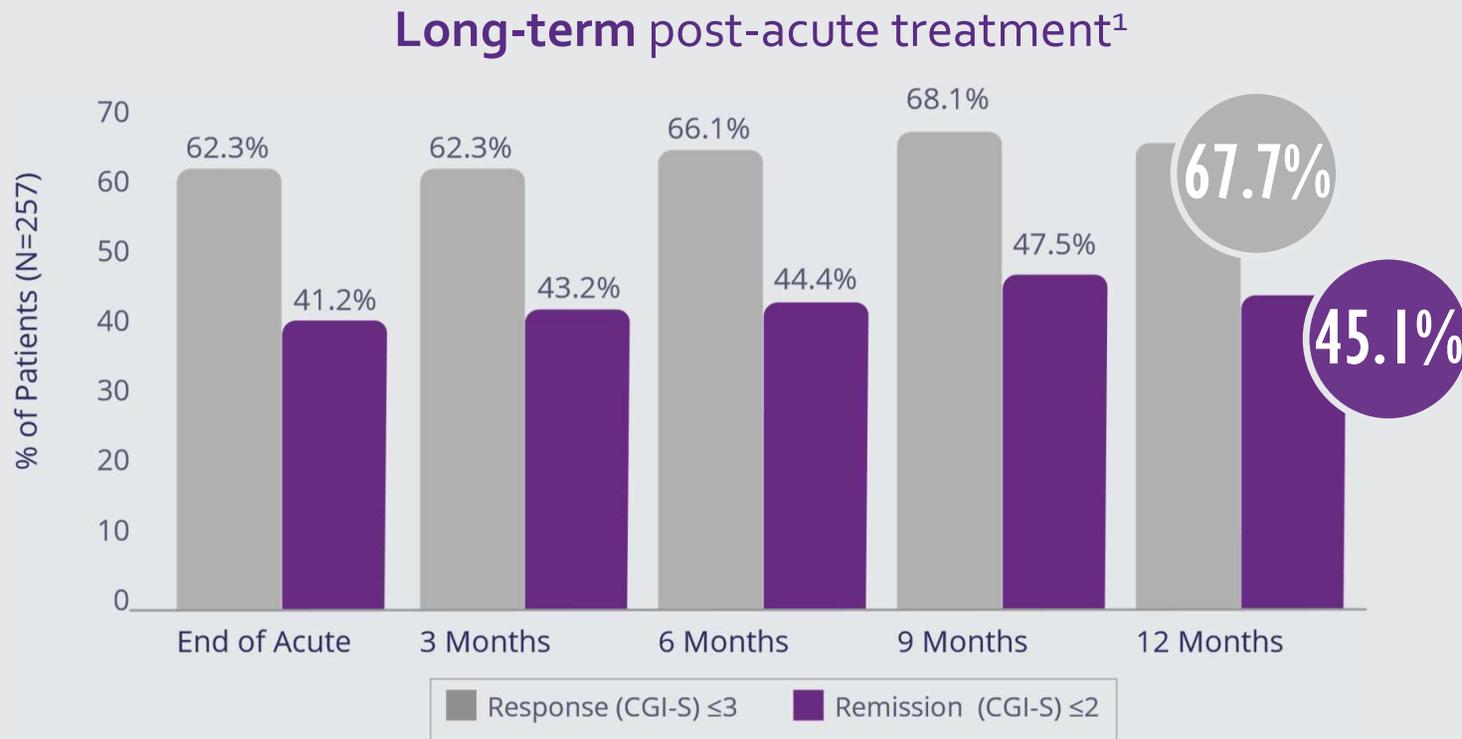
STAR\*D Study n = 4,041

# NeuroStar Delivers Proven Results

## Real World Clinical Rating for Patients with MDD<sup>1</sup>



# 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 31  
Publications



## Safety Record

- **5.9 million+** treatment sessions delivered globally
- Over **162,000** patients treated
- Low discontinuation rate from adverse events **~5%**<sup>1</sup>

## 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

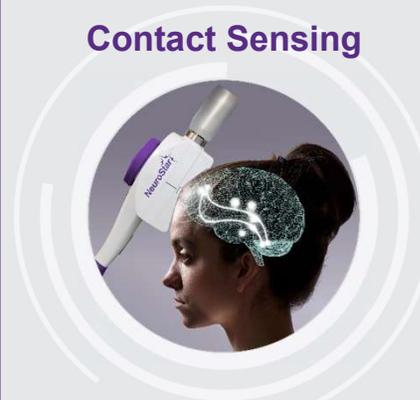
# Only NeuroStar has... Patented Contact Sensing Technology

Delivers Consistent and Repeatable Treatment

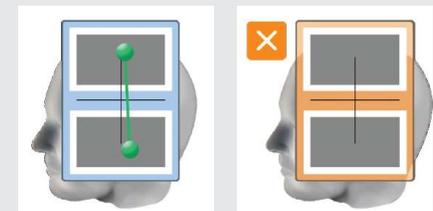
- The smallest movements can result in a dramatic loss of the prescribed TMS dose
- Even **1 mm** movement away from the head can result in **40% loss** of the TMS prescribed dose
- Continuous contact sensing solves this problem



## 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

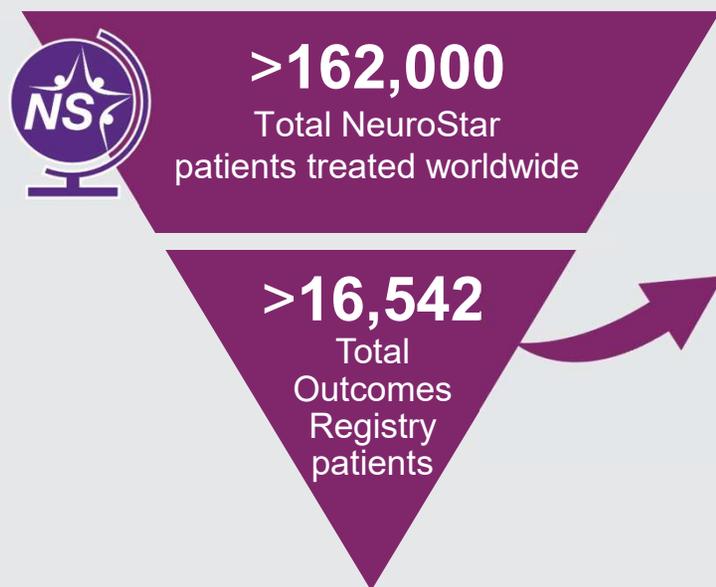


Good Contact

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



World's Largest  
Depression Outcomes  
Registry

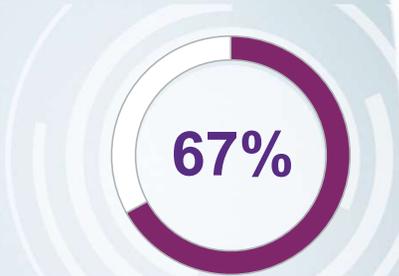
5 Outcomes Registry  
Peer-reviewed  
Publications<sup>1,2,3,4, 5</sup>



TrakStar makes  
automated large-scale  
data collection feasible

Contributes to new and  
future indications

# 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**

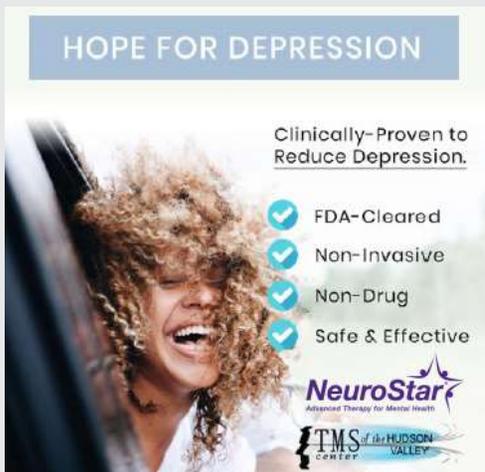
- PATIENT EMAIL OUTREACH
- PATIENT EDUCATION EVENTS



**Source  
New Patients**

- DIGITAL MARKETING
- HCP EDUCATIONAL EVENTS

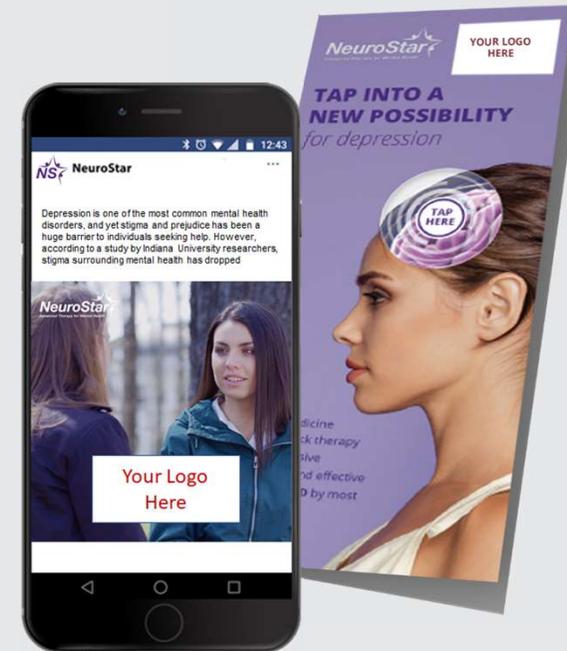
# Programs Designed to Help NeuroStar Practices Build Awareness



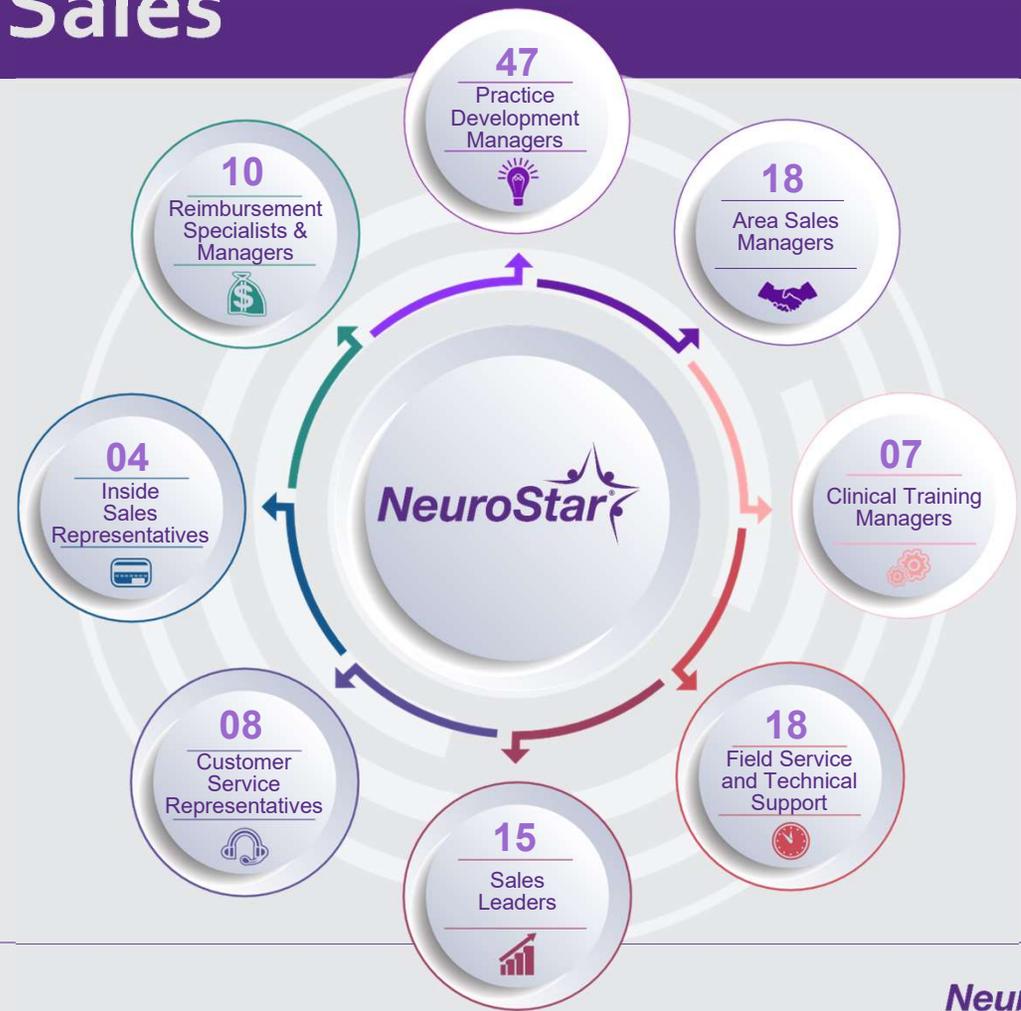
CO-OP MARKETING WITH VARIOUS LEVELS OF REIMBURSEMENT  
Designed to increase patient awareness and access to NeuroStar treatment at your practice by expanding marketing efforts in your local area.

[MYNEUROSTAR.COM](http://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





# NeuroStar University

*By September 2023, attendees to NSU increased patient treatment 61% more than accounts that did not attend.*



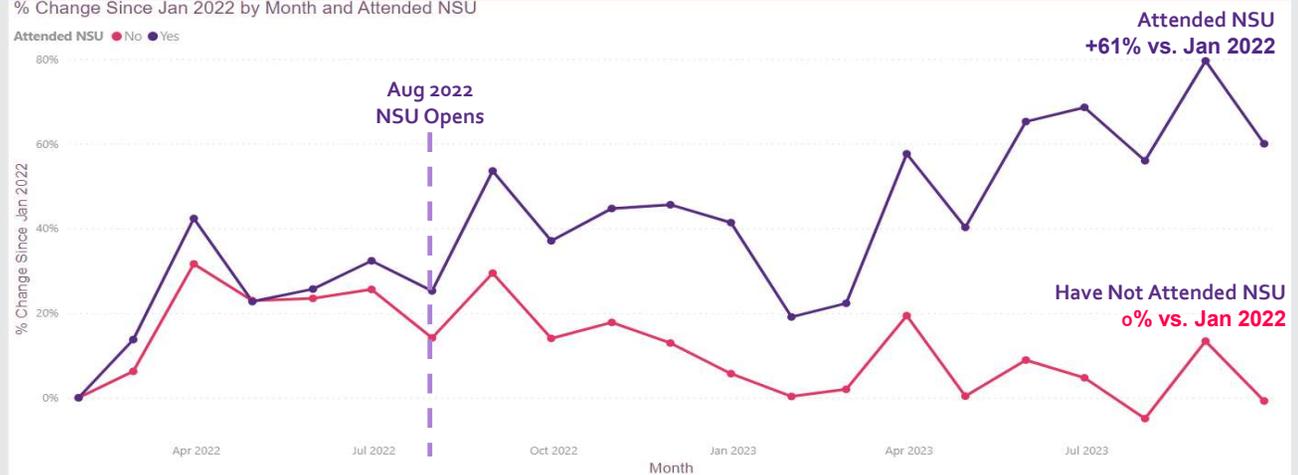
**A 2-DAY COURSE HELD AT OUR STATE-OF-THE-ART TRAINING CENTER**  
Practices learn how to achieve the best clinical outcomes and market their NeuroStar business, through a combination of instruction and peer to peer learning.

## NSU Utilization Performance Index

Baseline index values are based on January 2022 utilization. Excludes new sites from Classes 2022 and 2023.

% Change Since Jan 2022 by Month and Attended NSU

Attended NSU ● No ● Yes



*Practices that attend NSU consistently outperform practices that do not on a month-to-month basis. In the month of September 2023, NSU practices performed 61% better than sites that have not attended NSU vs. January 2022 .*

# Offered by the Largest National Providers



Formerly known as Active Recovery TMS



# Widely Reimbursed



## 95% Coverage

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



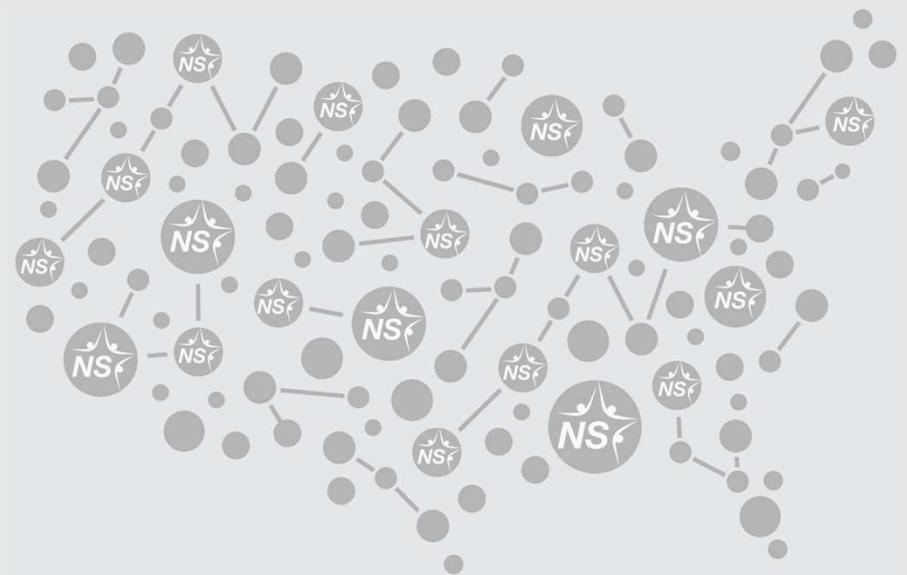
## Top 25 US Private Insurers

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 Treatment Session	Treatment Session	Subsequent MT Treatment Session

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

# OCD rTMS Coverage Growing



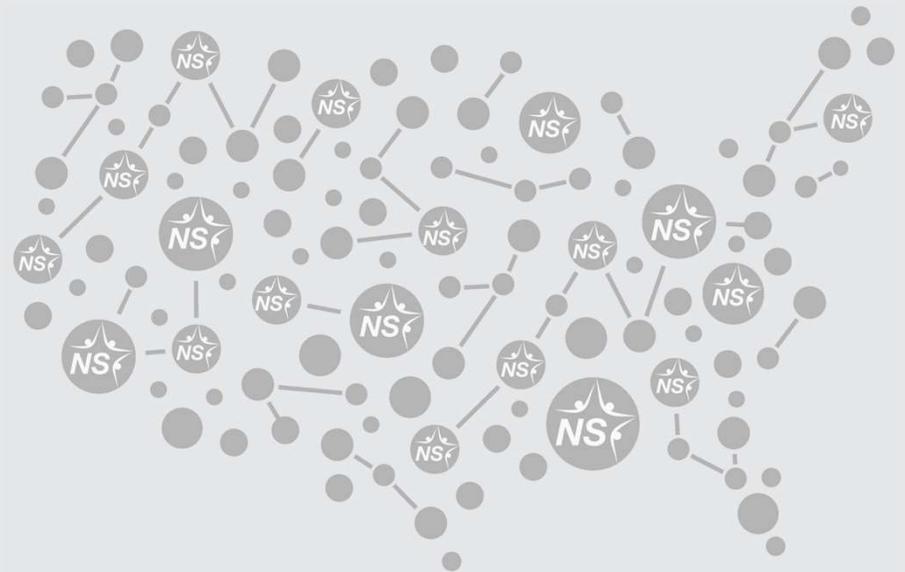
Neuronetics Tools Driving Awareness



1 National plan  
4 BCBS plans



Palmetto Medicare MAC



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

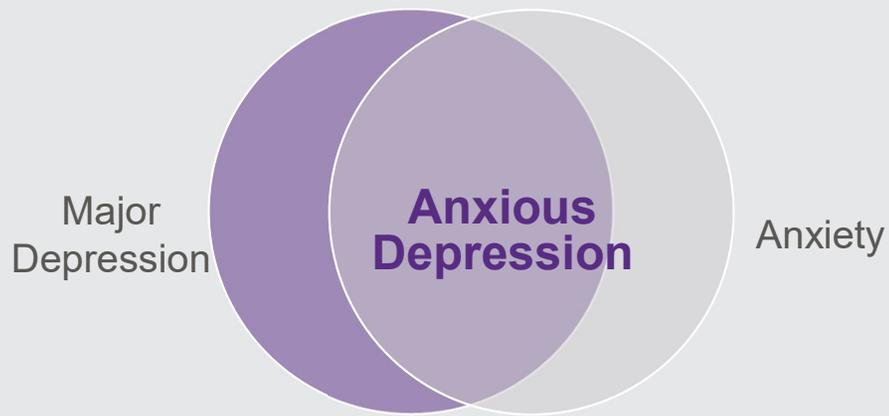
**Conclusion:** 1 patient per month can equal **\$100,000** in practice revenue

# Competitive Positioning

	NeuroStar <sup>®</sup>	BrainsWay	magstim	MagVenture <small>Versatility in Magnetic Stimulation</small>	CLOUDTMS™	Nexstim	MAG & more
Practice Consultants	✓	—	—	—	—	—	—
Marketing including DTC Advertising	✓	—	—	—	—	—	—
FDA-cleared for Anxious Depression	✓	✓	—	—	—	—	—
FDA-cleared for OCD	✓	✓*	—	✓*	—	—	—
FDA-cleared for iTBSTheta Burst	TouchStar w/Contact Sensing ✓	✓	✓	✓	—	✓	—
Contact Sensing	✓	—	—	—	—	—	—
World's Largest MDD Outcomes Registry	✓	—	—	—	—	—	—
Publications from Depression Registration Trials	12	1	—	1	—	—	—

\* Additional hardware purchase required

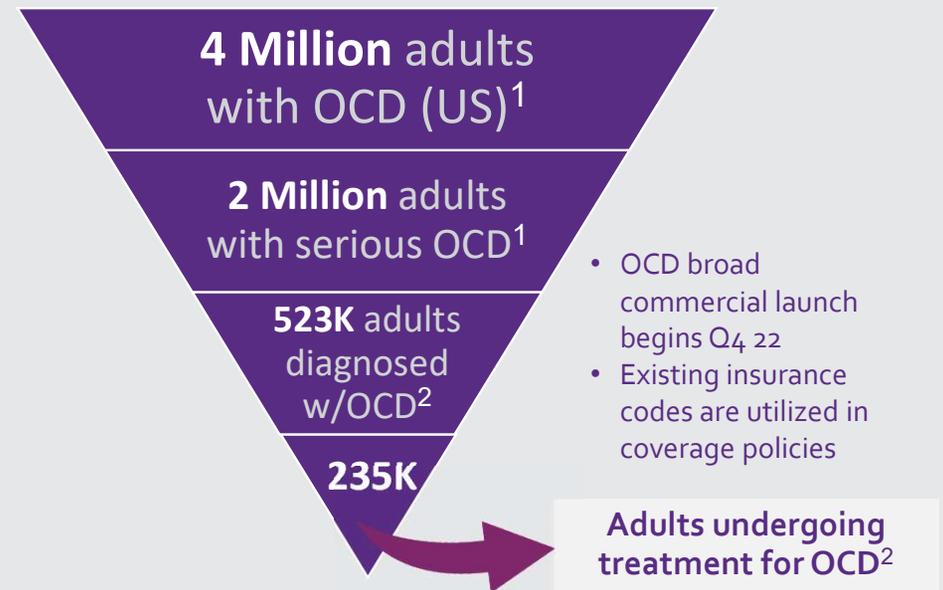
# New indications make NeuroStar the most versatile treatment device in the industry



- STAR\*D showed 53% of patients with Major Depression had significant anxiety and were considered to have Anxious Depression<sup>1</sup>
- Anxious depression immediately commercially available
- Real-world data from TrakStar contributed to FDA clearance for anxious depression

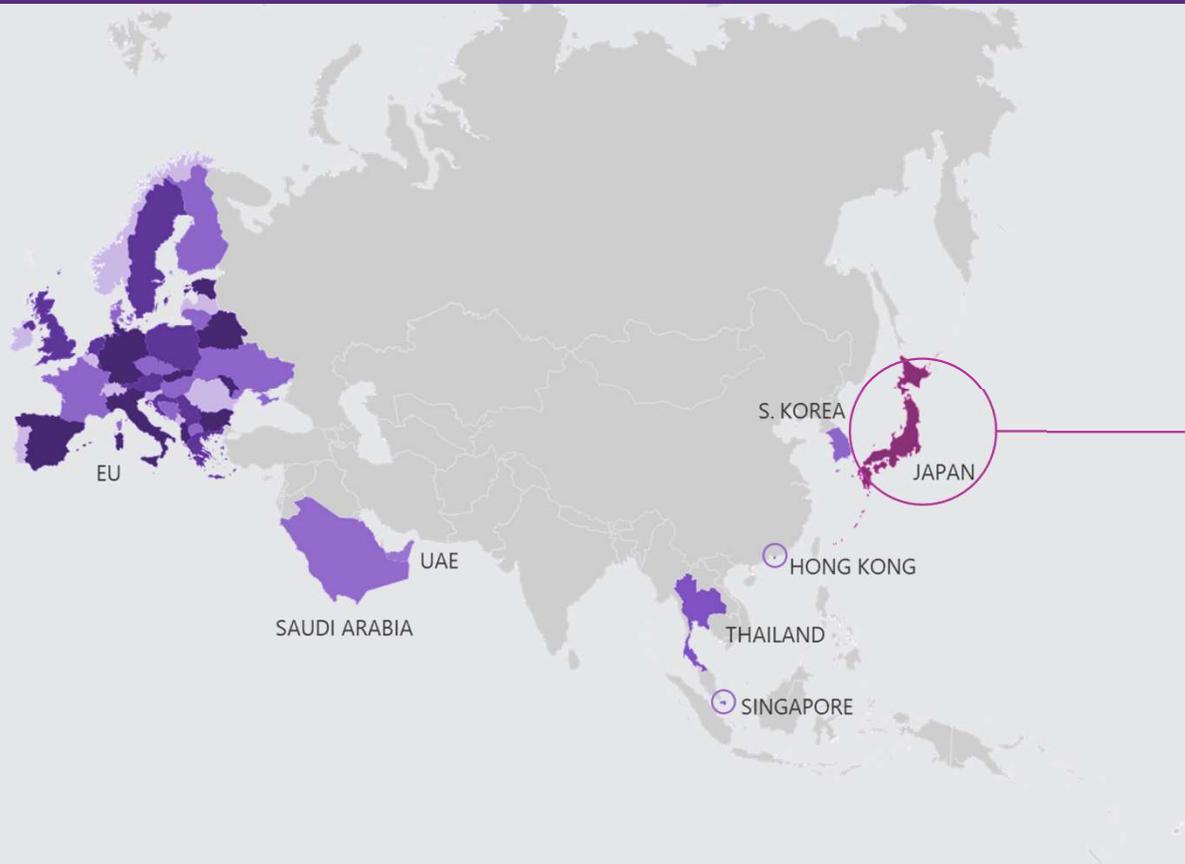
1. Kalin N, The Critical Relationship Between Anxiety and Depression, *Am J Psychiatry* 2020; 177:365–367; doi: 10.1176/appi.ajp.2020.20030305

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



1. Harvard Medical School, 2007. National Comorbidity Survey (NCS) 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**

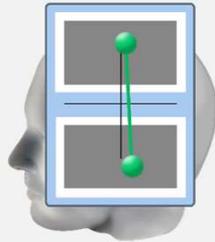
# NeuroStar Has the Largest Issued Patent Portfolio of All TMS Companies...

## Patent Portfolio

- **37 US / 59 OUS**  
Issued or allowed patents
- **6 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



**Steve Furlong**  
EVP, CFO & Treasurer



**Rick Grubbs**  
SVP, National  
Accounts



**Sara Grubbs**  
SVP, Chief Revenue Officer



**Andrew Macan**  
EVP, GC & Chief  
Compliance Officer



**Rusty Page**  
SVP, Operations  
& Quality



**Lisa Rosas**  
SVP, Chief  
Marketing Officer

## Board of Directors



**Rob Cascella**  
Board Chairman



**John Bakewell**



**Joseph Capper**



**Sheryl Conley**



**Wilfred Jaeger**



**Glenn Muir**



**Megan  
Rosengarten**



**Keith Sullivan**



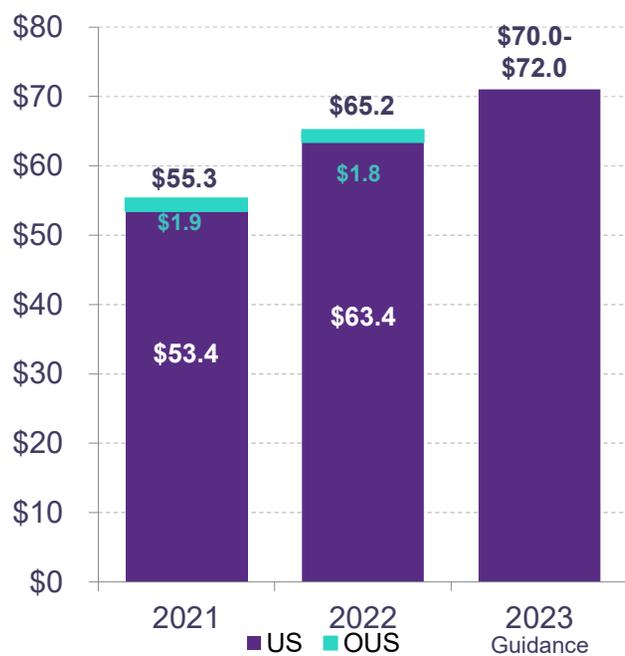
# Financial Overview

NeuroStar Advanced Therapy for Mental Health

# Annual Revenue

(\$ in millions)

### Annual Revenue by Geography



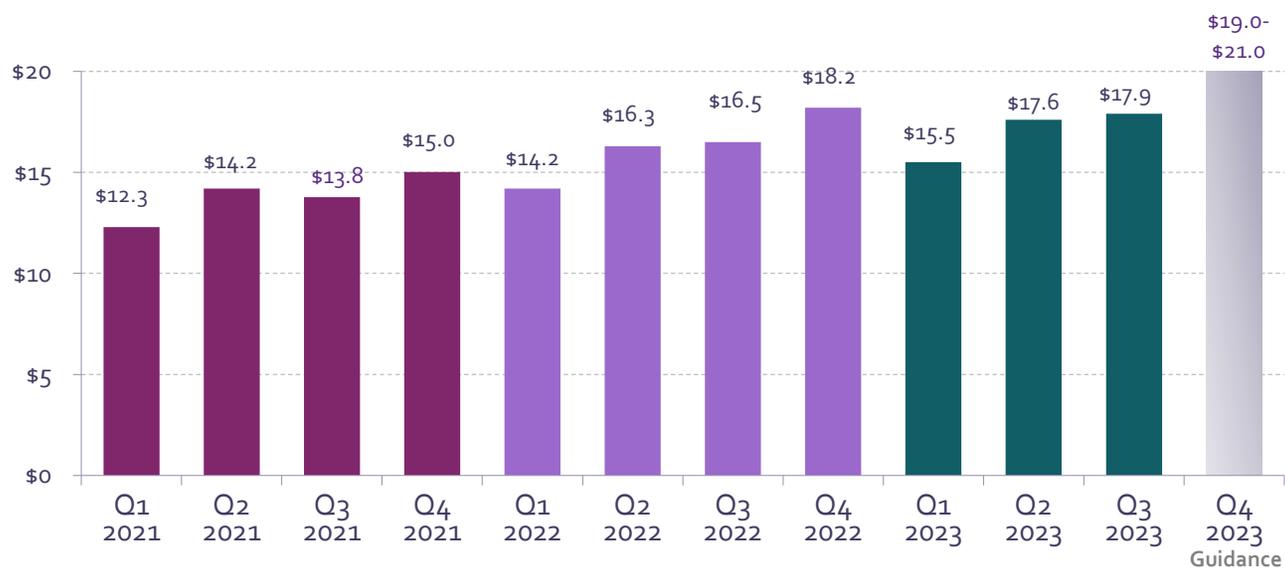
### Annual Product Revenue (US)



# Worldwide Quarterly Revenue

Q3 2023 Revenue of \$17.9M was up 8% from Q3 2022

(\$ in millions)



# Results of Operations

(\$ in thousands)	Three Months Ended September 30,	
	2022	2023
<b>Revenues</b>	<b>\$16,498</b>	<b>\$17,884</b>
<i>YOY Growth</i>		8%
<b>Gross Profit</b>	<b>12,928</b>	<b>11,764</b>
<i>Gross Margin</i>	78%	66%
Operating Expenses:		
Sales and Marketing	11,643	12,141
<i>% of Revenues</i>	71%	68%
General and Administrative	6,391	6,339
<i>% of Revenues</i>	39%	35%
Research and Development	2,348	2,155
<i>% of Revenues</i>	14%	12%
<b>Total Operating Expenses</b>	<b>20,382</b>	<b>20,635</b>
<b>Loss from Operations</b>	<b>(\$7,454)</b>	<b>(\$8,871)</b>
<i>% of Revenues</i>	-45%	-50%

# Financial Position

<i>(\$ in thousands)</i>	<b>As of September 30, 2023</b>
Cash and Cash Equivalents	\$35,847
Other Assets	\$57,141
<b>Total Assets</b>	<b>\$92,988</b>
<b>Long-term debt, net</b>	<b>\$36,851</b>
Convertible Preferred Stock Warrant Liability	\$0
Convertible Preferred Stock	\$0
Accumulated Deficit	(\$370,704)
<b>Total Stockholders' Equity</b>	<b>\$37,941</b>

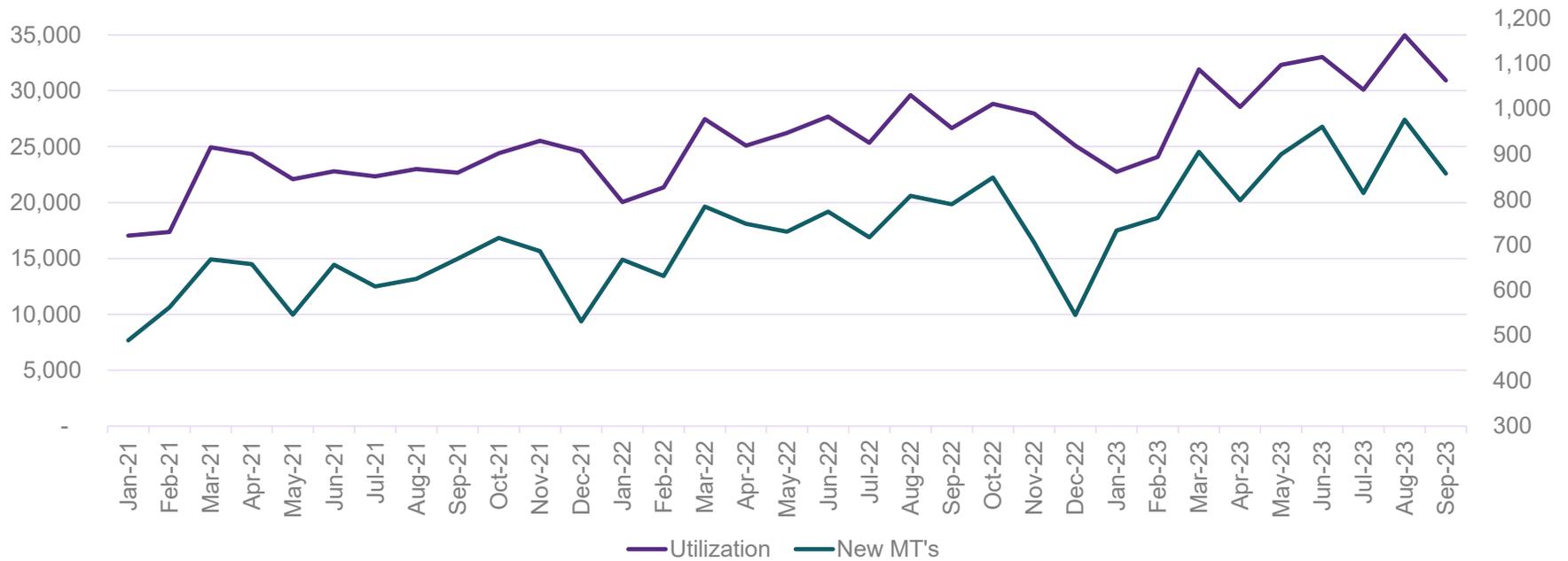


# Supplemental Information

NeuroStar Advanced Therapy for Mental Health

# Local Consumables New MTs (New Patient Starts) & Utilization

Local Consumable Monthly Utilization & New MTs  
Jan 2021 - Sept 2023



# 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	Q2-23	Q3-23
<b>Total U.S. Treatment Session Revenues</b> (\$000)	\$9,629	\$10,801	\$10,259	\$11,245	\$9,469	\$11,295	\$11,864	\$12,450	\$10,643	\$12,314	\$13,060
YoY $\Delta$	18%	65%	13%	2%	-2%	5%	16%	11%	12%	9%	10%
<b>Average Revenue per Active Site</b> (\$000) (1)	\$10.5	\$12.0	\$11.2	\$12.2	\$9.9	\$11.3	\$11.4	\$11.5	\$9.7	\$11.4	\$11.9
YoY $\Delta$	12%	62%	9%	0.4%	-6%	-6%	2%	-5%	-2%	1%	5%

(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	Q2	Q3	FY	FY
<b>Total U.S. NeuroStar Advanced Therapy System Revenues</b>	<b>\$1,755</b>	<b>\$2,577</b>	<b>\$2,612</b>	<b>\$2,815</b>	<b>\$3,642</b>	<b>\$4,382</b>	<b>\$3,934</b>	<b>\$4,616</b>	<b>\$3,850</b>	<b>\$4,489</b>	<b>\$3,597</b>	<b>\$9,760</b>	<b>\$16,575</b>
<i>YoY Change</i>	-32%	10%	3%	-22%	108%	70%	51%	64%	6%	2%	-9%	-12%	70%
<b>Total U.S. Treatment Sessions Revenues</b>	<b>\$9,629</b>	<b>\$10,801</b>	<b>\$10,259</b>	<b>\$11,245</b>	<b>\$9,469</b>	<b>\$11,295</b>	<b>\$11,864</b>	<b>\$12,450</b>	<b>\$10,643</b>	<b>\$12,314</b>	<b>\$13,060</b>	<b>\$41,933</b>	<b>\$45,077</b>
<i>YoY Change</i>	18%	65%	13%	2%	-2%	5%	16%	11%	12%	9%	10%	20%	7%
<b>Total U.S. Other Revenues</b>	<b>\$419</b>	<b>\$431</b>	<b>\$409</b>	<b>\$496</b>	<b>\$406</b>	<b>\$455</b>	<b>\$446</b>	<b>\$447</b>	<b>\$471</b>	<b>\$486</b>	<b>\$554</b>	<b>\$1,754</b>	<b>\$1,754</b>
<i>YoY Change</i>	7%	13%	1%	25%	-3%	6%	9%	-10%	16%	7%	24%	12%	0%
<b>Total U.S. Revenues</b>	<b>\$11,802</b>	<b>\$13,809</b>	<b>\$13,280</b>	<b>\$14,556</b>	<b>\$13,517</b>	<b>\$16,132</b>	<b>\$16,244</b>	<b>\$17,513</b>	<b>\$14,964</b>	<b>\$17,289</b>	<b>\$17,211</b>	<b>\$53,447</b>	<b>\$63,406</b>
<i>YoY Change</i>	6%	49%	10%	-3%	15%	17%	22%	20%	11%	7%	6%	12%	19%
<b>Total International Revenues</b>	<b>\$486</b>	<b>\$394</b>	<b>\$519</b>	<b>\$466</b>	<b>\$664</b>	<b>\$198</b>	<b>\$253</b>	<b>\$686</b>	<b>\$576</b>	<b>\$321</b>	<b>\$673</b>	<b>\$1,865</b>	<b>\$1,800</b>
<i>YoY Change</i>	63%	-17%	24%	-13%	36%	-50%	-51%	47%	-13%	62%	165%	8%	-3%
<b>Total Revenues</b>	<b>\$12,288</b>	<b>\$14,203</b>	<b>\$13,799</b>	<b>\$15,022</b>	<b>\$14,181</b>	<b>\$16,329</b>	<b>\$16,498</b>	<b>\$18,199</b>	<b>\$15,540</b>	<b>\$17,610</b>	<b>\$17,884</b>	<b>\$55,312</b>	<b>\$65,206</b>
<i>YoY Change</i>	7%	46%	11%	-4%	15%	15%	20%	21%	10%	8%	8%	12%	18%
U.S. Operating and Financial Metrics	2021				2022				2023			2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	FY	FY
<b>Total NeuroStar Systems</b>	<b>23</b>	<b>36</b>	<b>40</b>	<b>48</b>	<b>46</b>	<b>59</b>	<b>50</b>	<b>58</b>	<b>49</b>	<b>54</b>	<b>43</b>	<b>147</b>	<b>213</b>
<i>YoY Change</i>	-39%	3%	3%	-11%	100%	64%	25%	21%	7%	-8%	-14%	-11%	45%
<b>Average Revenue Per Active Site (\$) (1)</b>	<b>\$10,512</b>	<b>\$12,001</b>	<b>\$11,163</b>	<b>\$12,183</b>	<b>\$9,874</b>	<b>\$11,280</b>	<b>\$11,364</b>	<b>\$11,517</b>	<b>\$9,667</b>	<b>\$11,391</b>	<b>\$11,916</b>		
<i>YoY Change</i>	12%	62%	9%	0.4%	-6%	-6%	2%	-5%	-2%	1%	5%		

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