Investors Presentation
A New Era in Brain Disorder Treatment
June 2017
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Brainsway at a Glance

- FDA cleared for MDD
- CE marked for MDD, OCD and 11 more
- Reimbursement in US: ~95% covered
- $15M lease portfolio in committed revenues
- Patented technology
- World leading clinical pipeline
- Over 15K MDD patients
# US Major Depression Market Size


<table>
<thead>
<tr>
<th>US adult population (22-65)</th>
<th>160 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-month MDD prevalence</td>
<td>10.5 million (6.6%)&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Treatment seekers</td>
<td>5.5 million (51.7%)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Treatment seekers covered by insurance</td>
<td>5.2 million (estimated 95%)</td>
</tr>
<tr>
<td>Treatment seekers eligible for reimbursement (3-4 treatment failures)</td>
<td>2 million&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Number of treatments covered by insurance</td>
<td>20-36</td>
</tr>
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### US OCD Market Size

<table>
<thead>
<tr>
<th>US adult population (&gt;18)</th>
<th>224 million</th>
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</thead>
<tbody>
<tr>
<td>12-month prevalence</td>
<td>2.24 million (1%)&lt;sup&gt;1&lt;/sup&gt;</td>
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<tr>
<td>Treatment seekers</td>
<td>820K (36.6%)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Treatment-resistant treatment seekers</td>
<td>410K (estimated 50%)&lt;sup&gt;3-5&lt;/sup&gt;</td>
</tr>
</tbody>
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Brainsway is the only provider with the ability to treat a wide range of brain disorders with non-pharmacological, non-invasive, safe approach.
OCD Study Sites

**USA**
- Mt. Sinai Medical Center, New York
- Neuropharmacology Services, New York
- University of California, Los Angeles
- University of California, San Diego
- College of Medicine, University of Florida
- University of Chicago
- Advanced Mental Health Care, Palm Beach
- Linder center of Hope, Cincinnati
- TMS Hope Center, Long Island

**ISRAEL**
- Tel Hashomer Hospital, Ramat Gan

**CANADA**
- Center for Addiction and Mental Health, Toronto

11 sites from North America and Israel
OCD Results

YBOCS adjusted mean change difference from baseline to week 6: \( p=0.0157 \)
Response Rates

**Response Rate**
- N=47, p=0.0033
- Real: 38.10%
- Sham: 11.10%

**Partial Response Rate**
- N=47, p=0.0076
- Real: 54.76%
- Sham: 26.67%
Mean change in YBOCS from Baseline

Data on SSRI medications: based on FDA labeling, and effects observed in separate DBPC studies for each SSRI medication.
Mean change in YBOCS from Baseline

Data on SSRI medications based on meta-analysis (Soomro et al., 2008)
“Brainsway’s approach is to directly modulate the neural network in the brain associated with OCD. We have the exciting potential for a completely new, non-pharmacological and non-psychological tool in the battle against OCD. The study reveals that applying focused magnetic stimulation may bring promising clinical outcomes for what has long been considered a hard-to-treat disease.” Professor Joseph Zohar, a worldwide expert in OCD and a Co-PI of the study.

“About one percent of the U.S. population are diagnosed with OCD each year and over half will not respond to other treatment alternatives. Since only moderate and severe OCD patients who failed to respond to prior treatment were recruited, this groundbreaking study should be particularly encouraging for these patients and their caregivers.” Aron Tendler MD, Chief Medical Officer of Brainsway
5-year Project Timeline

### Clinical Studies

- **OCD**
  - N=98

- **H1 or H7**
  - N=100

- **Smoking Cessation**
  - N=235 (Interim=105)

- **PTSD**
  - N=176 (Interim=92)

- **Multi Channel Stimulator-Opening Neurologyfield**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Multicenter trial, under FDA guidelines</td>
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<tr>
<td>Interim analysis</td>
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<tr>
<td>FDA evaluation/approval/launch</td>
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</table>
Post-Stroke Rehabilitation

**Study Overview**
- **Subjects**: 9 subjects who suffered their first-ever stroke ≤6 months previously; moderate levels of disability.
- **Design**: Double-blind, crossover, sham-controlled study.
- **Treatment**: Two 3-week blocks of real/sham high-freq. deep TMS, in random order, with a washout period of 4 weeks between treatment blocks.
- **Treatment block**: 5 sessions/week in the 1st week; 3 sessions/week in the 2nd and 3rd.
- **H10 coil stimulating the leg-associated motor cortex**
- **80 trains at 90% of leg MT, 20 Hz**

The Fugl-Meyer Assessment (FMA) of Motor Recovery after Stroke is used to evaluate and measure recovery in post-stroke patients.

- Active H-coil rTMS over the leg-associated motor cortex improves paretic leg function.
- A continuous and even significantly increased improvement was found at follow up, one month after end of treatment.
Brainsway Deep TMS Technology

1. Rapidly changing electric field in the brain, leading to axonal depolarization and action potentials.

2. Brainsway proprietary coils optimize the utilization of the energy and allow for DEEP, noninvasive stimulation of the brain.

3. 2.5 times deeper than Standard TMS. Deeper stimulation leads to activation of more neurons.
Brainsway’s Procedure

- Non-invasive
- No anesthesia
- Well-tolerated
- Each treatment session lasts approximately 20 minutes
- Typical treatment protocol: 4 weeks of 3-5 sessions per week. Continuation of 2 weekly sessions, for 8 weeks
- Platform technology for a variety of indications
The only non invasive, non systemic deep brain stimulation
7 family patents
The strongest clinical pipeline
Proven commercial success in the US
The shortest, clinically proven treatment protocol for all patients
Over 15,000 patient have been already treated
Patented multi channel stimulator
Strong R&D Pipeline

Multi-channel stimulator
- Breakthrough in TMS treatment
- Patent-protected
- Allows treatment of the most complicated brain disorders
- Combined synchronized differential activation of different brain regions to enhance treatment efficacy
- Enables focal activation of deep brain structures

Closed-loop stimulation
- Predict who would benefit from treatment
- Use monitoring to guide and refine treatment
- Tailor stimulation protocols to each individual patient
Activities Highlights

• Completed OCD multi center trial
• On schedule with smoking and PTSD trials
• Top management recruitments & advisory board
• Won strategic accounts (I.e.- US military, teaching Institutions)
• Launched new business model
Advisory Board

Amit Etkin, MD, PhD
Associate professor of psychiatry and behavioral sciences
Stanford

Mark S. George, MD
Distinguished University Professor, Layton McCurdy Endowed Chair, Director, Brain Stimulation Laboratory
Musc

David Feifel, MD, PhD
Former Director of the Neuropsychiatry and Behavioral Medicine Program at UCSD

Abraham Zangen, PhD
Professor, Dept of Life Science, Ben-Gurion University
US Activities

- Customer marketing support
- Reimbursement support
- 24/7 technical support
- Launched new partnership model
- Close relationships with KOL’s

TMS Treatment For Depression Becomes A Consensus

Consensus Recommendations for the Clinical Application of Repetitive Transcranial Magnetic Stimulation (TMS) in the Treatment of Depression

BACKGROUND

In depression, TMS to the Dorsolateral prefrontal cortex (DLPFC) has generated much interest as a potential treatment for major depressive disorder (MDD) to provide safe and effective options for patients who are refractory to pharmacological treatment.

Aim

The aim of this study was to present a consensus report on the clinical application of TMS in the treatment of MDD from the perspective of 20 experts from 5 countries.

Methods

A Delphi method was used to collect opinions from experts in the field of psychiatry and neurology. The results were analyzed using statistical software. The final consensus statement was presented at the meeting.

Results

The consensus statement was based on the Delphi method and incorporated the opinions of experts from different fields. The statement was a guidelines for the clinical use of TMS in the treatment of depression.

Conclusions

The consensus statement provides evidence-based guidelines for the clinical application of TMS in the treatment of depression. Further research is needed to confirm these findings.
Markets in Focus

North America
- Brainsway subsidiary
- 20 Brainsway employees
- Sales, Support, Marketing team

South America
- Local distributor
- Brainsway region manager

ROW
- Distribution agreements in key markets
- EU- Distributors evaluation in process
## How Do We Partner?

<table>
<thead>
<tr>
<th>Customer’s perspective</th>
<th>Risk Share Model (RSM)</th>
<th>Lease</th>
<th>Buy</th>
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<tbody>
<tr>
<td>Payments</td>
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<td>3-4 years Annual fix fee</td>
<td>One time purchase-</td>
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<td>Procedures /Sessions</td>
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<tr>
<td>Service</td>
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Past Revenues – MDD Only

Revenue Breakdown

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Minimal Backlog Illustration
MDD Only

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4/2016</th>
<th>Q1/2017</th>
<th>Total Backlog</th>
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<tr>
<td>2021</td>
<td>$11,272,000</td>
<td>$15,040,000</td>
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Summary

• Leading neuromodulation company with proven breakthrough technology
• Platform technology supporting multiple clinical applications
• Business model encouraging utilization and guaranteeing revenue generation
• 4 multicenter trials underway
• Neurological clinical trial slated for end of 2018
• Actively pursuing expansion into new markets
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