



BrainsWay

THE NEW WAY

for Treating Brain Disorders

Corporate Presentation I March 2020



NASDAQ :BWAY

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This presentation and the accompanying oral commentary contain forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this presentation, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management, are forward-looking statements and constitute forward-looking information, as defined in the Israeli securities law, 5728-1968. the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. all numbers and figures contained herein are approximate.

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New Era in Brain Disorder Treatment

Significant Market Opportunity

- 16.2M Major Depressive Disorder (“MDD”) U.S. adult patients with an \$8B+ annual addressable market
- 2.2M Obsessive Compulsive Disorder (“OCD”) U.S. adult patients with an \$800M+ annual addressable market

Established Proprietary Platform Technology

- FDA clearance for MDD and OCD; CE Mark for additional indications
- Demonstrated efficacy, well-tolerated, and potential to address wider variety of brain disorders
- Establishment U.S. reimbursement for MDD treatments; Seeking U.S. reimbursement for OCD treatment

High Growth Potential

- Strong clinical data in smoking cessation reported in late 2019; working with FDA on next steps
- Granted breakthrough device designation for the treatment of opioid use disorder; working on clinical trial
- Opportunity to expand into new territories such as Japan

Robust Flexible Business Model

- Fixed-fee, risk share, and outright purchase options provides physicians tremendous flexibility
- For full year 2019, generated revenue of \$23.1M, up 41% YoY

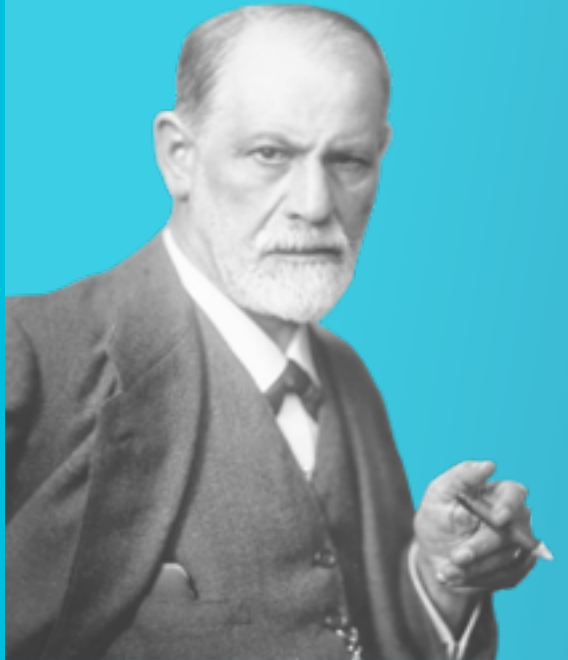
World Class Management Team

- Highly experienced management team with a proven track record of success

The Tools for Treating Mental Health Disorders are insufficient

and have not changed significantly in the last 50 years

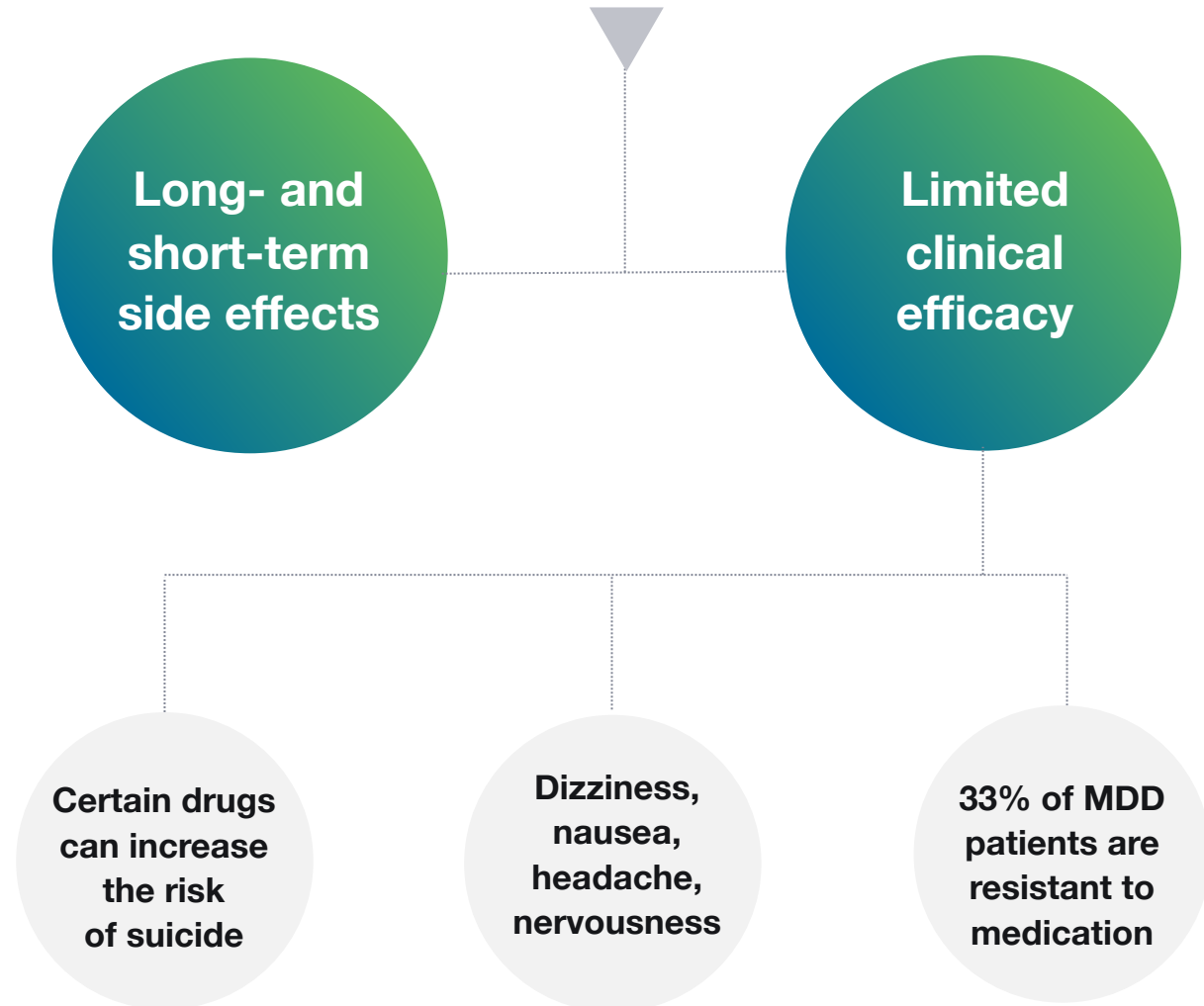
PSYCHOTHERAPY



PHARMACOTHERAPY



THE Main PROBLEMS of the CURRENT TREATMENTS:



Brain Disorders are ON THE RISE

ADULT U.S. POPULATION

16M

Major Depressive Disorder

2M

Obsessive Compulsive Disorder

1M

Multiple Sclerosis

38M

Smoking Cessation & Nicotine addiction

PRESS RELEASE

Global Multiple Sclerosis Therapeutics Market to Surpass US\$ 25 Billion by 2026

Published: Jan 30, 2019 7:48 a.m. ET



Aa

Jan 30, 2019 (Heraldkeeper via COMTEX) -- According to Coherent Market Insights, the global multiple sclerosis therapeutics market is estimated to be valued at US\$ 20.5 billion in 2018, and is projected to exhibit a CAGR of 2.5% during the forecast period (2018 - 2026).

Schizophrenia Drugs Market Worth \$7.9 Billion By 2022 | CAGR: 2.5%

November 2017 | Report Format: Electronic (PDF)

The global **schizophrenia drugs market** is expected to be valued at USD 7.9 billion by 2022, as per a new report by Grand View Research, Inc. The schizophrenia market is anticipated to be collectively driven by improved drug delivery technologies, availability of Long-Acting Injectables (LAIs) and increase in patients seeking treatment. The major features assisting uptake of novel drugs would be fast onset of action, accessibility to patients, efficiency and high patient compliance.



MAJOR EPISODES

6.7%

More than 16.2 Million Americans Suffered at least one Major Depressive Episode in 2018. This Accounts for 6.7% of all U.S. Adults.

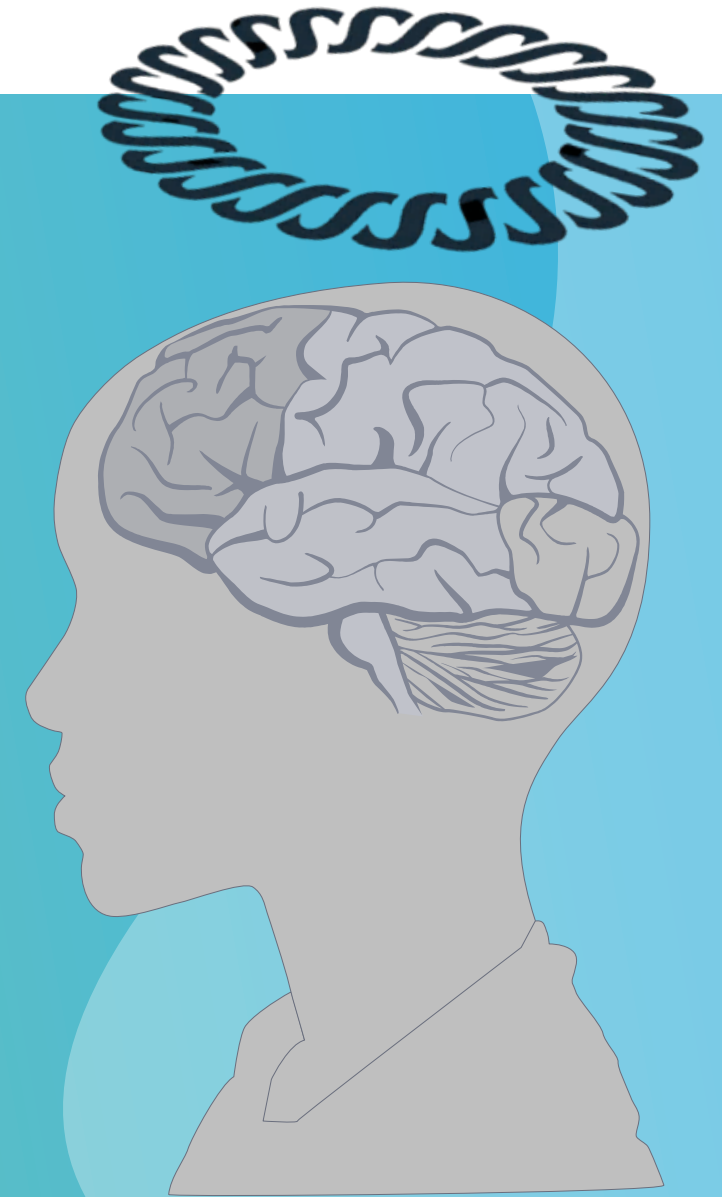
Major Depressive Disorder Market to Reach \$5.8B by 2025



The major depressive disorder (MDD) market, which covers various forms of depression and seasonal affective disorder, is set to rise from \$5.2 billion in 2015 to \$5.8 billion by 2025, at a compound annual growth rate of 6.1%, according to research and consulting firm GlobalData.

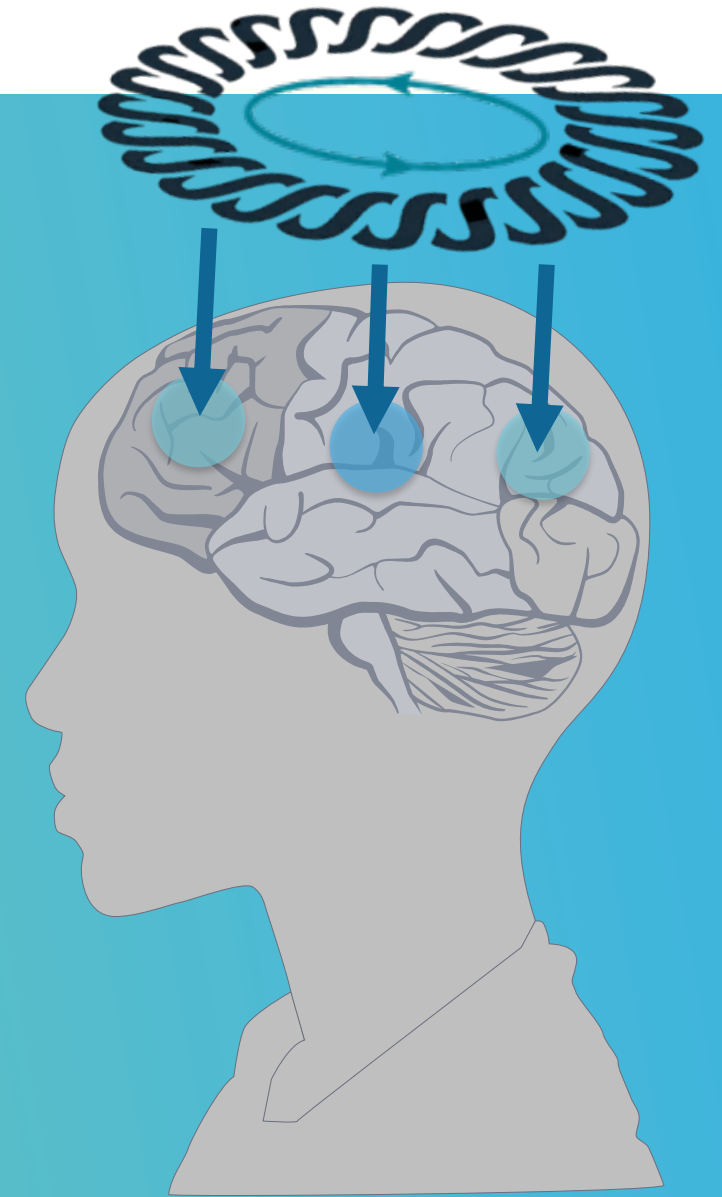
TRANSCRANIAL | **M**AGNETIC | **S**TIMULATION

**A safe, effective, and proven
technology for treating certain
Mental Health Disorders**

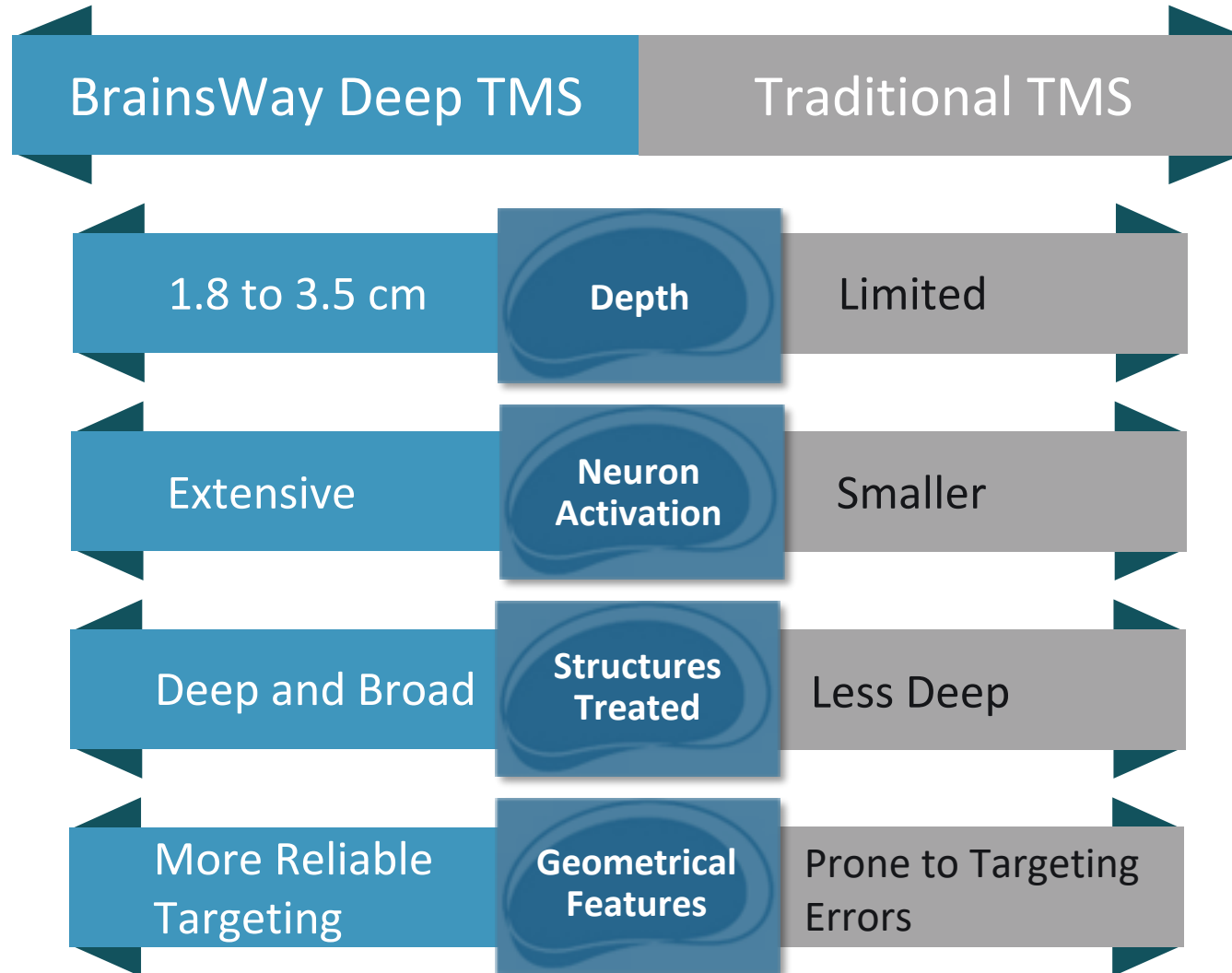


TMS – How does it work?

- 1 An electromagnetic coil is placed over the scalp
- 2 A fast current is produced in the coil
- 3 Electromagnetic field is induced in the brain
- 4 Field depolarizes cortical neurons and activates neural networks to instigate treatment

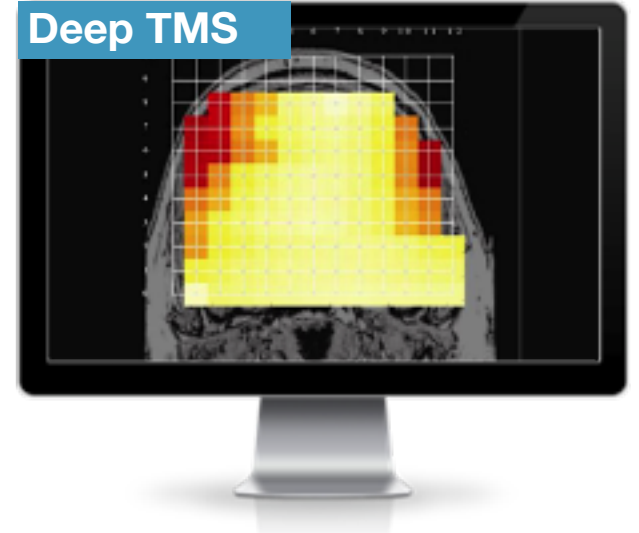


BrainsWay's Deep TMS vs. Traditional TMS solutions

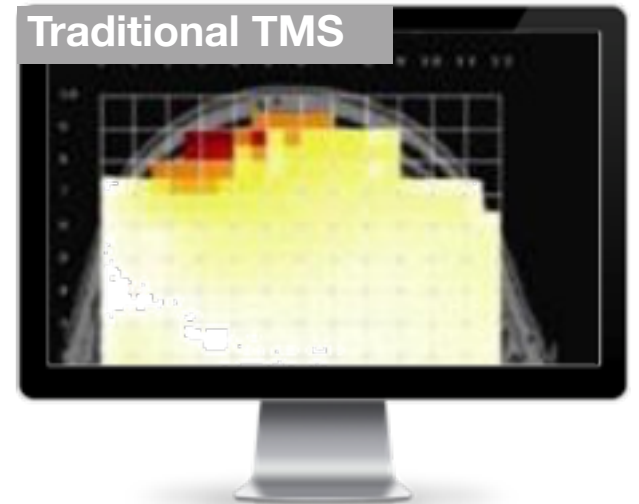


NEUROIMAGING

Deep TMS



Traditional TMS



BrainsWay is leading the way into a New Era

Proprietary Revolutionary Platform Technology
Providing Deeper, Broader Brain Stimulation



Non
invasive



No
anesthesia



Safe and
effective



4 - 6 week
treatment



~20 min
sessions



Endorsed
by KOLs

Large and Underserved Major Depressive Disorder (MDD) Market

16.2M

Adult MDD Patients (U.S. Only)(1)

4.9M

Adult MDD patients who have not achieved remission from three or more prior antidepressant medications

3.4M

Adult MDD patients with commercial insurance or Medicare coverage

\$8B

Estimated total U.S. annual addressable market(2)

(1) The National Institute of Mental Health: www.nimh.nih.gov; (2) Based on existing pricing model of ~\$70 per session and an assumed 33 treatment sessions



Demonstrated Efficacy in MDD

Large Scale Double Blind Multicenter Trial ¹

- 20 medical centers worldwide
- N = 212 treatment-resistant medication-free MDD patients (HDRS-21 \geq 20)
- Remission was defined by a total HDRS-21 score <10
- Response was defined as a reduction of at least 50% in the total HDRS-21⁽²⁾ score compared to baseline



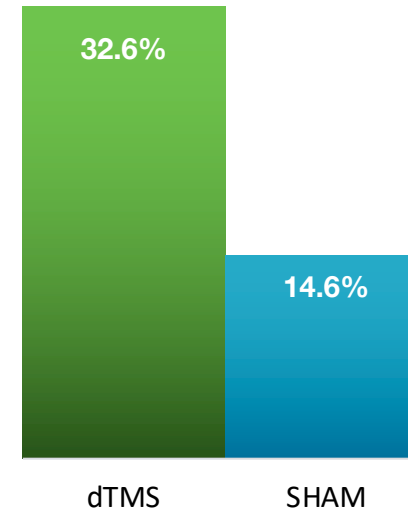
No Systemic Side Effects



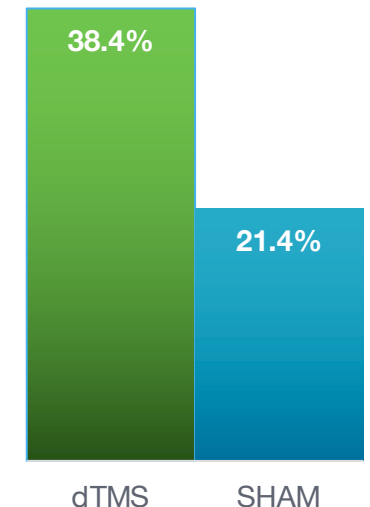
20 Acute Sessions Of 20 Minutes (Up To 24 Maintenance Sessions)

WEEK 5

Remission Rate After Acute Phase



Response Rate After Acute Phase



1 IN 3 PATIENTS ACHIEVED REMISSION

(1) Levkovitz Y, et al. World Psychiatry 2015; 14:64-73; (2) Hamilton Depression Rating Scale

Underserved Obsessive Compulsive Disorder (OCD) Market

2.2M

12-month prevalence⁽¹⁾

820K

Treatment seekers

410K

Treatment-resistant seekers

\$800M

Estimated total U.S. annual
addressable market⁽²⁾



(1) The National Institute of Mental Health: www.nimh.nih.gov;

(2) Based on existing pricing model of ~\$70 per session and an assumed 29 treatment sessions

Demonstrated Efficacy in OCD

Large Scale Double Blind Multicenter Trial*

- 11 medical centers worldwide
- N = 94 patients with inadequate relief from medications/CBT (cognitive behavior therapy)
- Response was defined as >30% decrease in YBOCS**
- Partial Response was defined as >20% decrease in YBOCS



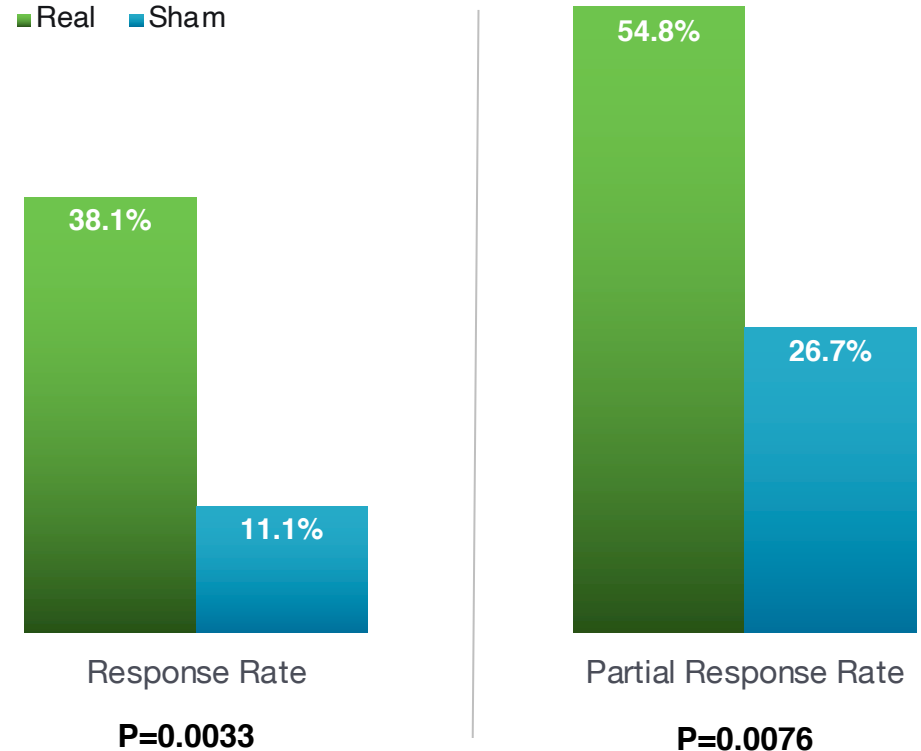
5 SESSIONS / WEEK FOR 6 WEEKS



USES A TAILORED PROVOCATION PROTOCOL

WEEK 6

■ Real ■ Sham



1 IN 3 PATIENTS ACHIEVED RESPONSE

**Carmi, L. et al. Am J Psychiatry; 2019. ** Yale-Brown OCD Scale score.

Success Backed by Rigorous Research and Development



ELSEVIER

Contents lists available at [ScienceDirect](#)

Journal of Psychiatric Research

journal homepage: www.elsevier.com/locate/jpsychires



Efficacy of repetitive transcranial magnetic stimulation using a figure-8-coil or an H1-Coil in treatment of major depressive disorder; A randomized clinical trial



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Strong Intellectual Property

PATENT PORTFOLIO

Issued patents or allowed applications:

16 U.S. / 25 International

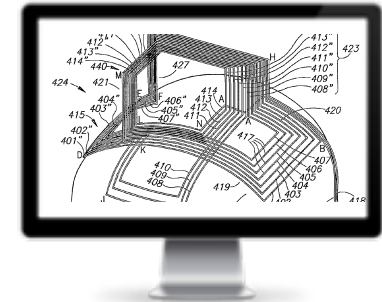
Pending patent applications:

3 U.S. / 26 International

KEY PORTFOLIO COVERAGE AREAS

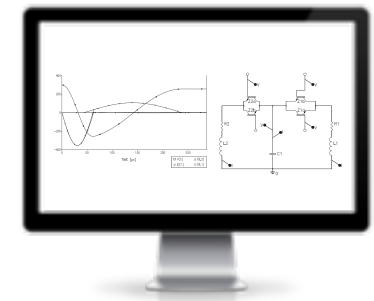
Deep TMS Coils

U.S. and ex-U.S.
patents



**BrainsWay
Multi-channel TMS IP**

Additional patents
transferring from TMS
Innovations



BrainsWay has a Flexible Business Model

Enabling Clinics to Earn up to \$10,000 Gross Revenues Per Patient

MDD

Lease: ~50%

Unlimited use with fixed annual fee
Up to 4-year contracts

Risk share model: ~10%

Pay-per-use with minimum annual fee
Up to 4-year contracts

Direct purchase: ~40%

Unlimited use
One-time purchase

OCD

Risk share model only

Add-on to existing Deep TMS Systems



BrainsWay's Commercialization Strategy



LEAD GENERATION

“Push” strategy to generate interest among psychiatrists to buy a BrainsWay system



CUSTOMER SUPPORT

Marketing initiatives to help new customers maximize patient utilization of their BrainsWay system



BROAD AWARENESS

“Pull” strategy to build awareness for TMS & BrainsWay among potential patients and referral sources

Deep TMS for MDD is Covered by the Vast Majority of Private Payers and Medicare

Coverage For MDD

- Coverage in all 50 states
- ~3.4 M patients covered
- Rates of \$200-\$500 per session
- Medicare, United Healthcare, Blue Cross Blue Shield plans, Cigna, Aetna, Tricare
- 90% of adult covered lives after three to four failures of anti-depressants

Coding, Coverage & Reimbursement Support By BrainsWay

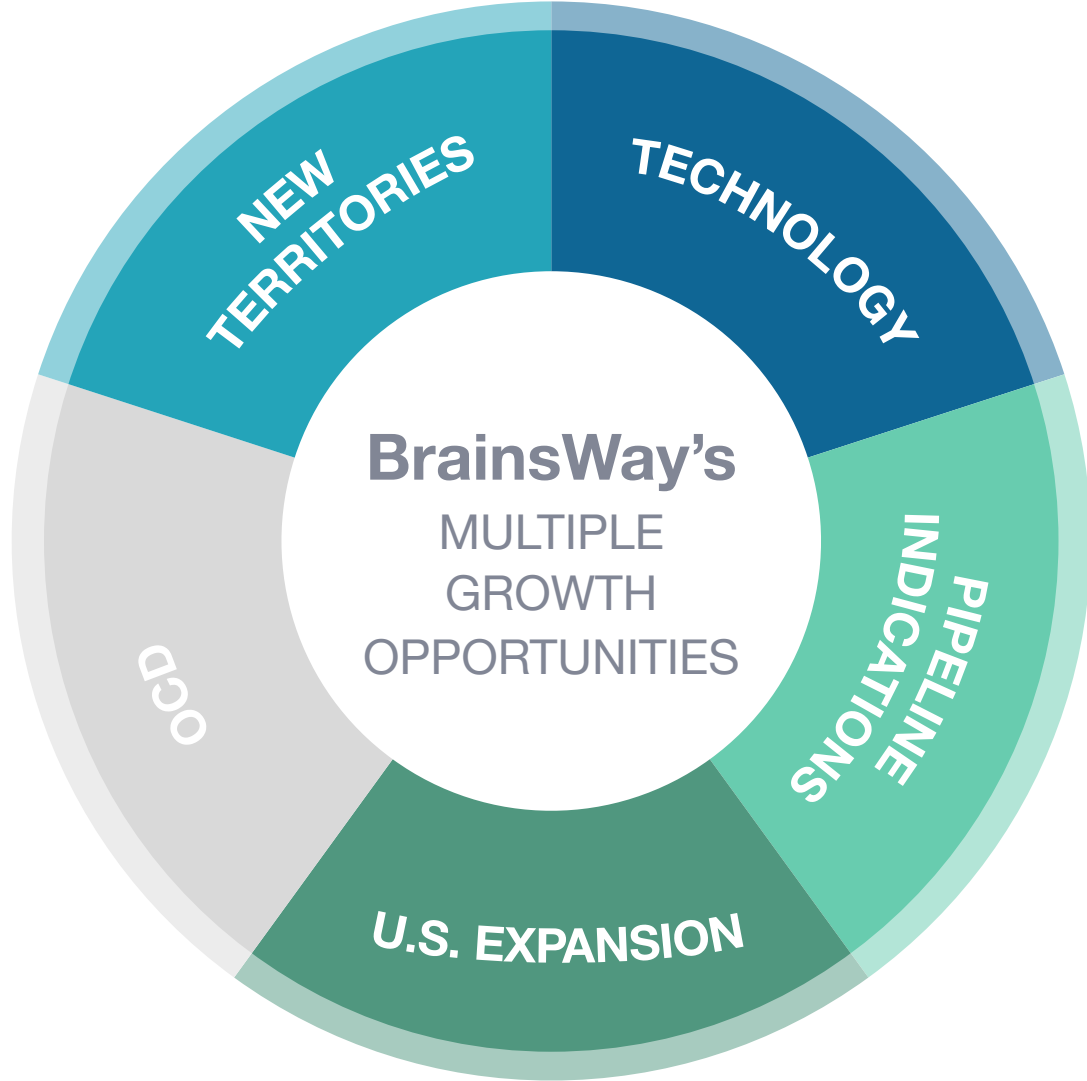
(Hotline Available)

- Provide general assistance with the insurance coverage process
- Verify the patient's insurance benefits with the insurance company on behalf of healthcare professional and patient
- Patient eligibility verification

Well Established Reimbursement Codes

- Covers MT assist and treatment sessions

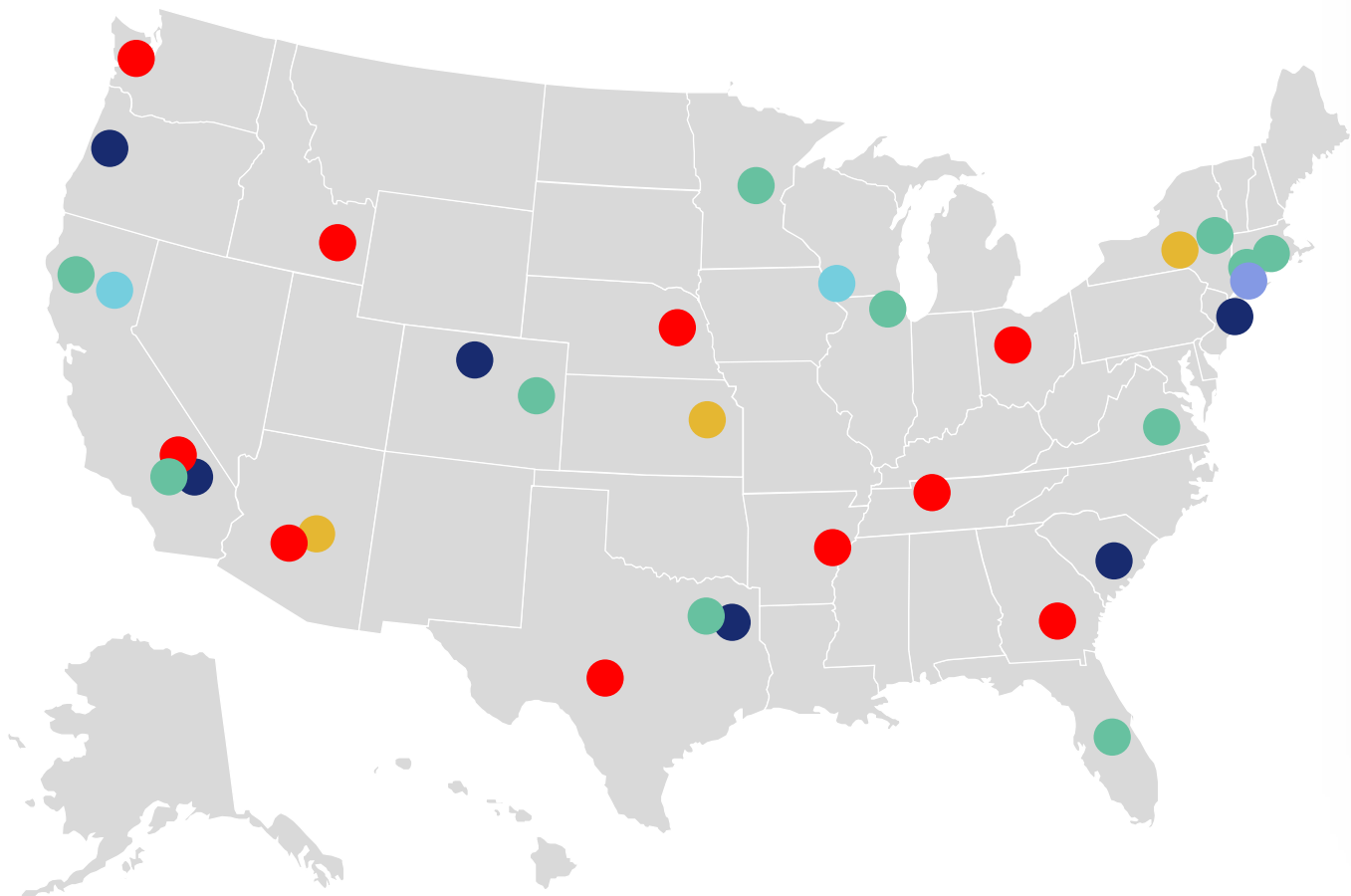
CPT Code	Reimbursement
90867	MT Assist and Treatment Session
90868	Treatment Sessions
90869	Subsequent MT Assist and Treatment Sessions



Significant U.S. Expansion

Hybrid Sales & Support Infrastructure - Planned Expansion Of 24 Employees

- Home Office
- Sales Personnel (12)
- Expansion Sales Positions (planned) (14)
- Field Engineer (5)
- Expansion Field Engineer (planned) (8)
- Practice Development (1)
- Expansion Practice Development Positions (planned) (2)



BrainsWay's
MULTIPLE GROWTH
OPPORTUNITIES

OCD

U.S.
EXPANSION

PIPELINE
INDICATIONS

TECHNOLOGY

NEW
TERRITORIES

Technology with Potential to Treat a Wide Range of Brain Disorders

MDD & OCD Just The Start

PSYCHIATRY

NEUROLOGY

Smoking & Alcohol – Insula

Cognition and Alzheimer's – PFC

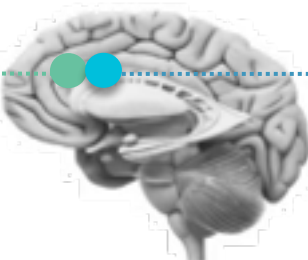
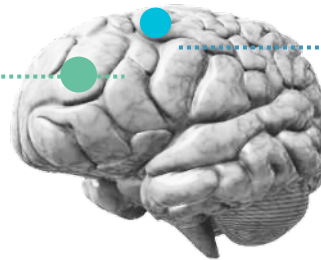
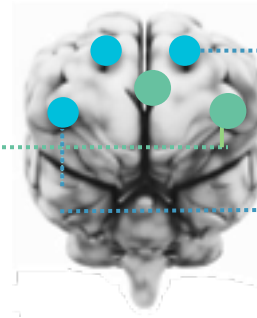
ADHD – PFC

MDD – DLPFC⁽²⁾

Multiple sclerosis – MC⁽⁴⁾

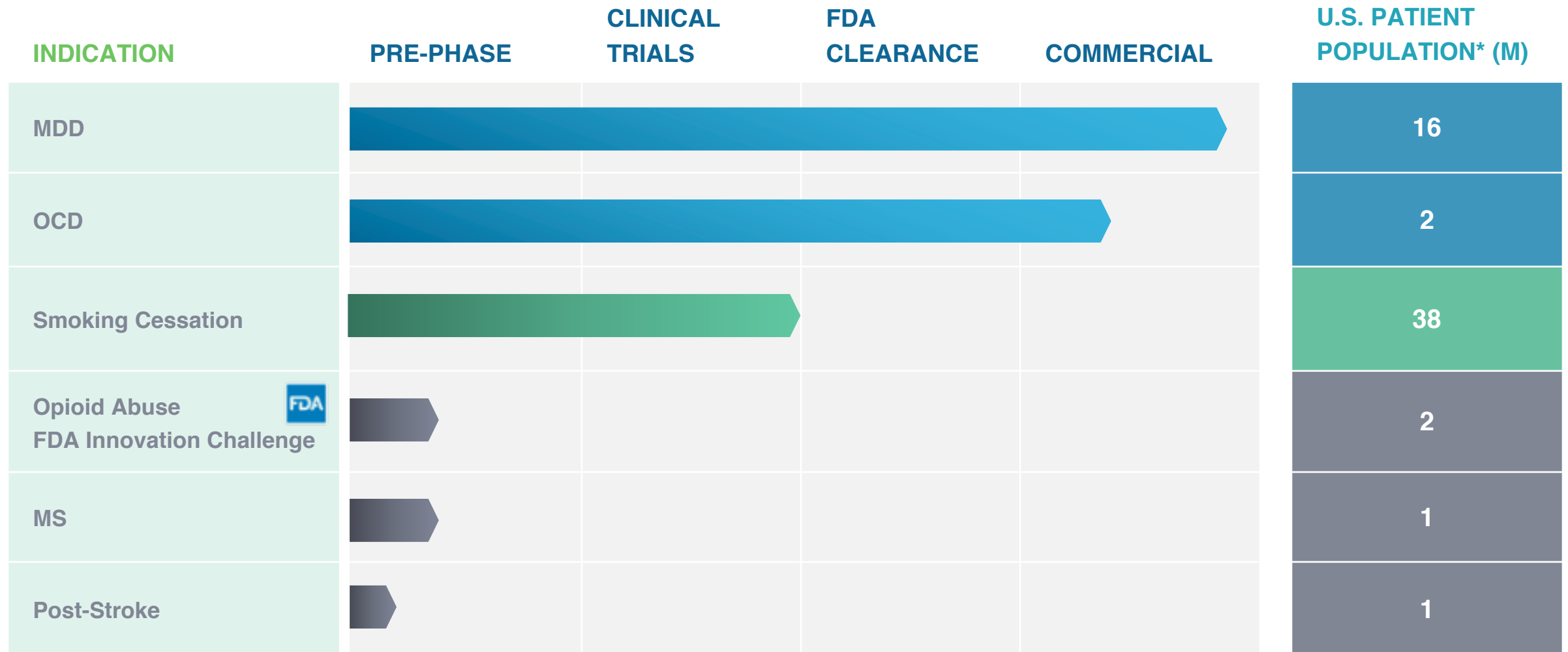
OCD – ACC⁽³⁾

Opioid Addiction⁽³⁾



Note: Except for MDD & OCD, the above indications are currently investigational, not available in the U.S., and not approved by the FDA
(1) Prefrontal cortex; (2) Dorsolateral prefrontal cortex; (3) Anterior cingulate cortex; (4) Motor cortex

BrainsWay's Clinical Pipeline

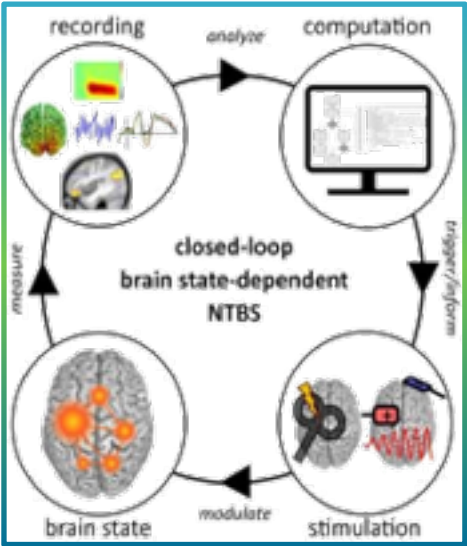


*approx.

BrainsWay's R&D Pipeline

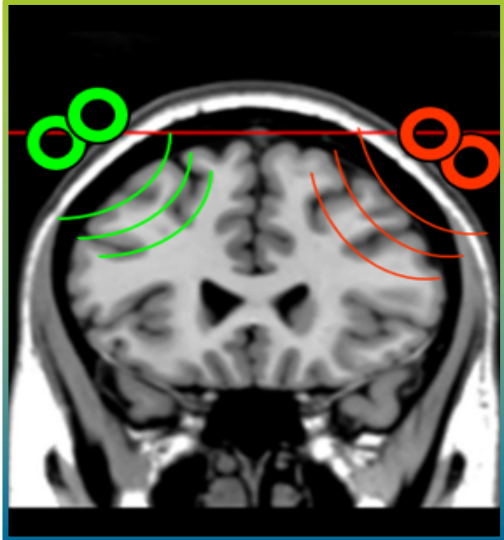
Paving The Way To Personalized Treatment Of Brain Disorders

U.S. EXPANSION



CLOSED LOOP

Real-time optimization of treatment parameters



MULTI-CHANNEL STIMULATION

Novel technology enables a wide variety of unique stimulation patterns that broaden the possible indications for treatment

BrainsWay's
MULTIPLE GROWTH
OPPORTUNITIES

OCD

U.S. EXPANSION

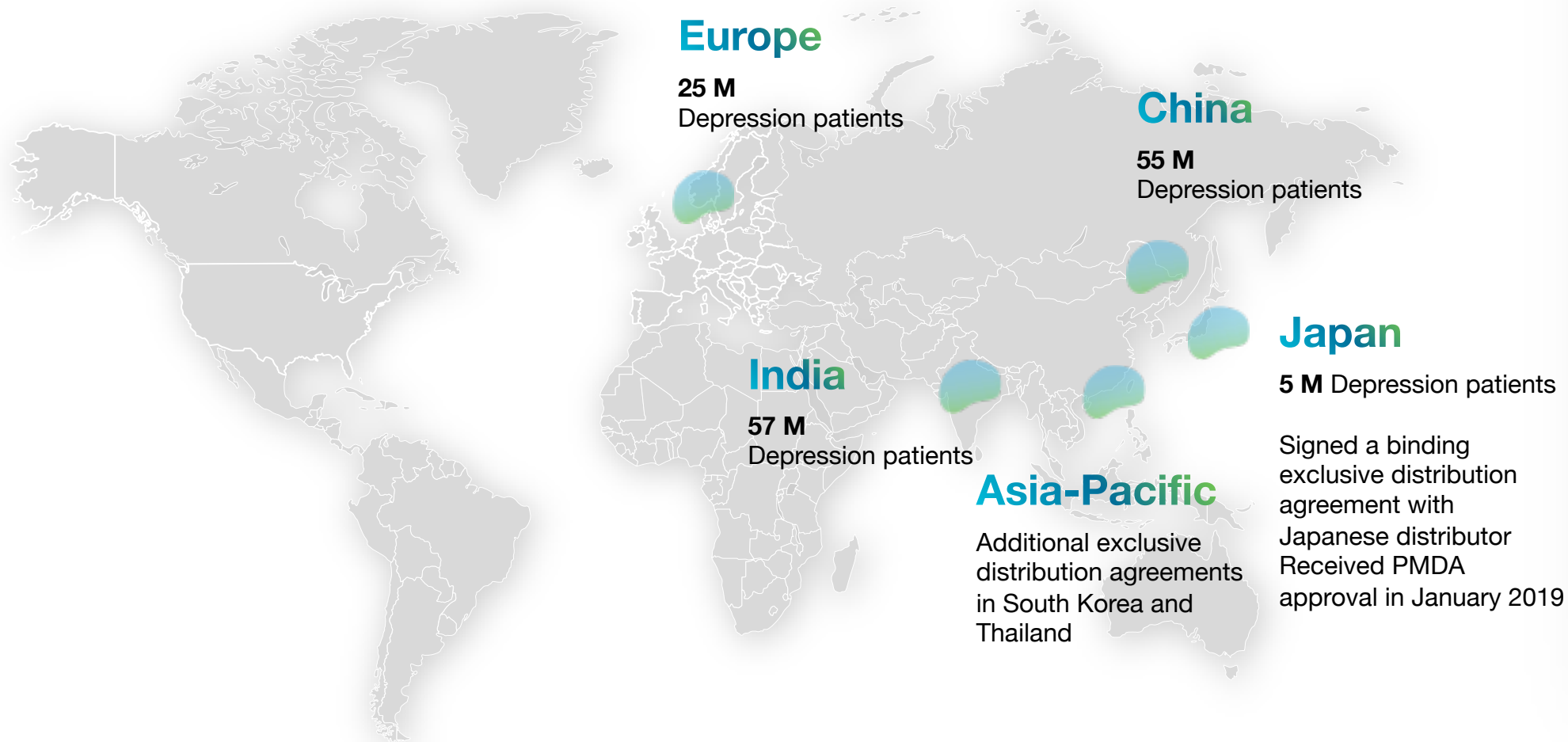
PIPELINE
INDICATIONS

TECHNOLOGY

NEW
TERRITORIES

New Territories

Expand Into Japan, Europe And Various Asian Countries



BrainsWay's
MULTIPLE GROWTH
OPPORTUNITIES

OCD

U.S. EXPANSION

PIPELINE
INDICATIONS

TECHNOLOGY

**NEW
TERRITORIES**

2019 Financial Review

	2019	2018
Revenue	\$23.1 M	\$16.4 M
Gross Margin	78%	78%
R&D Expense	\$7.9 M	\$6.2 M
SG&A Expense	\$18.6 M	\$11.8 M
Operating Expense	\$26.5 M	\$17.9 M
Net Loss	\$10.3 M	\$6.5 M
<hr/>		
Installed Systems	530	383
<hr/>		
Cash	\$21.7 M	\$9.0 M
Debt	\$0	\$2.1 M

Highlights

+41%

YoY Increase in Revenue

+38%

YoY Increase in Lease Revenue
2019: \$13.2 M; 2018: \$9.6 M

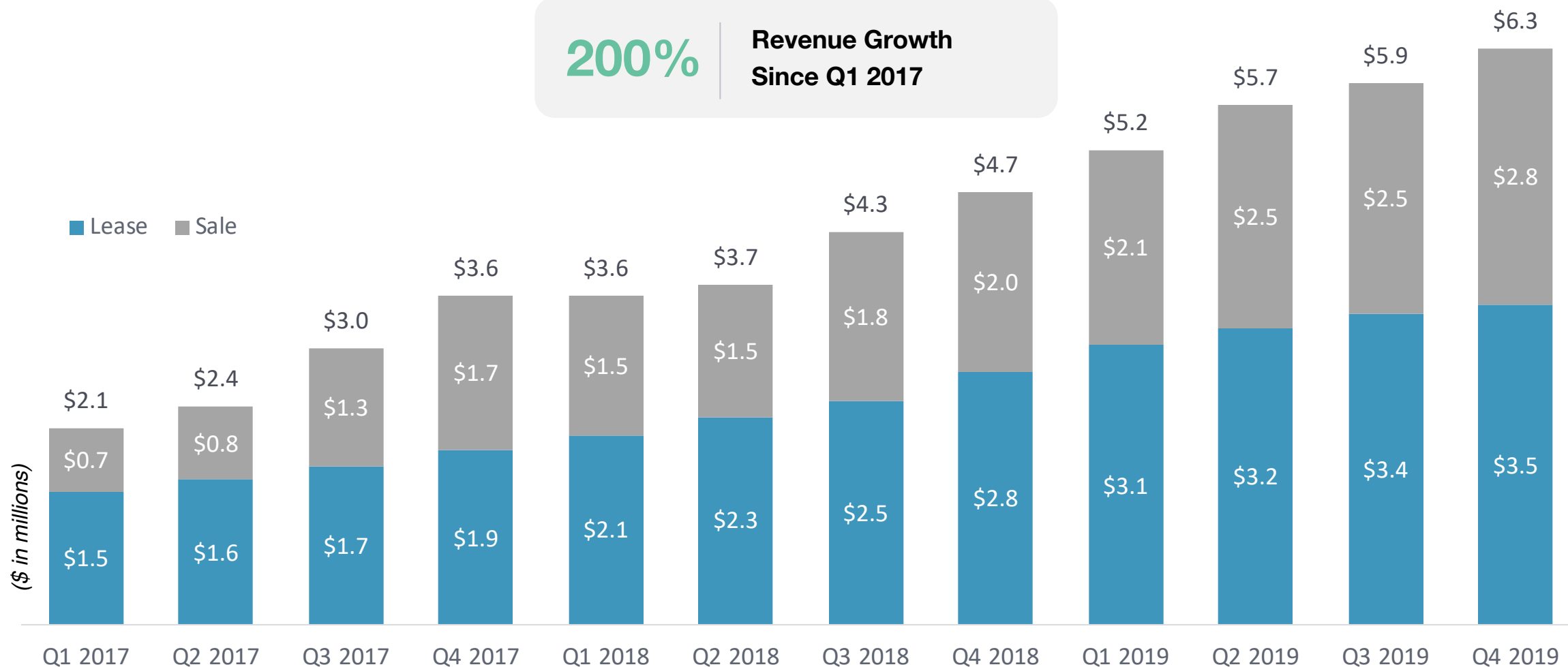
+38%

YoY Increase in
Total Systems Installed

Achieving Robust Revenue Growth

200%

Revenue Growth
Since Q1 2017



BrainsWay Has Multiple Growth Opportunities



Large Market Opportunities



Cutting Edge Platform Technology



Robust Clinical and Product Pipeline



Proven Track Record of Sales Execution



Strong Balance Sheet





BrainsWay

THANK YOU

for Treating Brain Disorders

Investor Contact: Judy Huber, SVP and CFO (judy.huber@brainsway.com)

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