



BrainsWay

THE NEW WAY

for Treating Brain Disorders

Corporate Presentation | September 2020
Nasdaq/TASE: **BWAY**



Disclaimer

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Certain non-GAAP financial measures are included in this presentation.

BrainsWay at a Glance

Leader in Non-Invasive Brain Disorder Treatments

- Neurostimulation platform for large under-served markets
 - Major depressive disorder (FDA cleared)
 - Obsessive-compulsive disorder (FDA cleared)
 - Smoking addiction (FDA cleared)
 - Strong pipeline of additional potential applications
- Robust growth
 - 41% revenue growth in 2019
 - 500+ systems installed with 75%+ gross margin
 - Over 85,000 patients treated with over 2,000,000 culminative treatments, backed with robust reimbursement for depression
 - Strong tailwinds with multiple significant growth opportunities
- Superior science, evidence, and support
 - Most extensive patent coverage
 - Unmatched body of clinical evidence
 - Successful, experienced leadership team



BrainsWay Deep TMS platform

Mental Health's Sobering Statistics

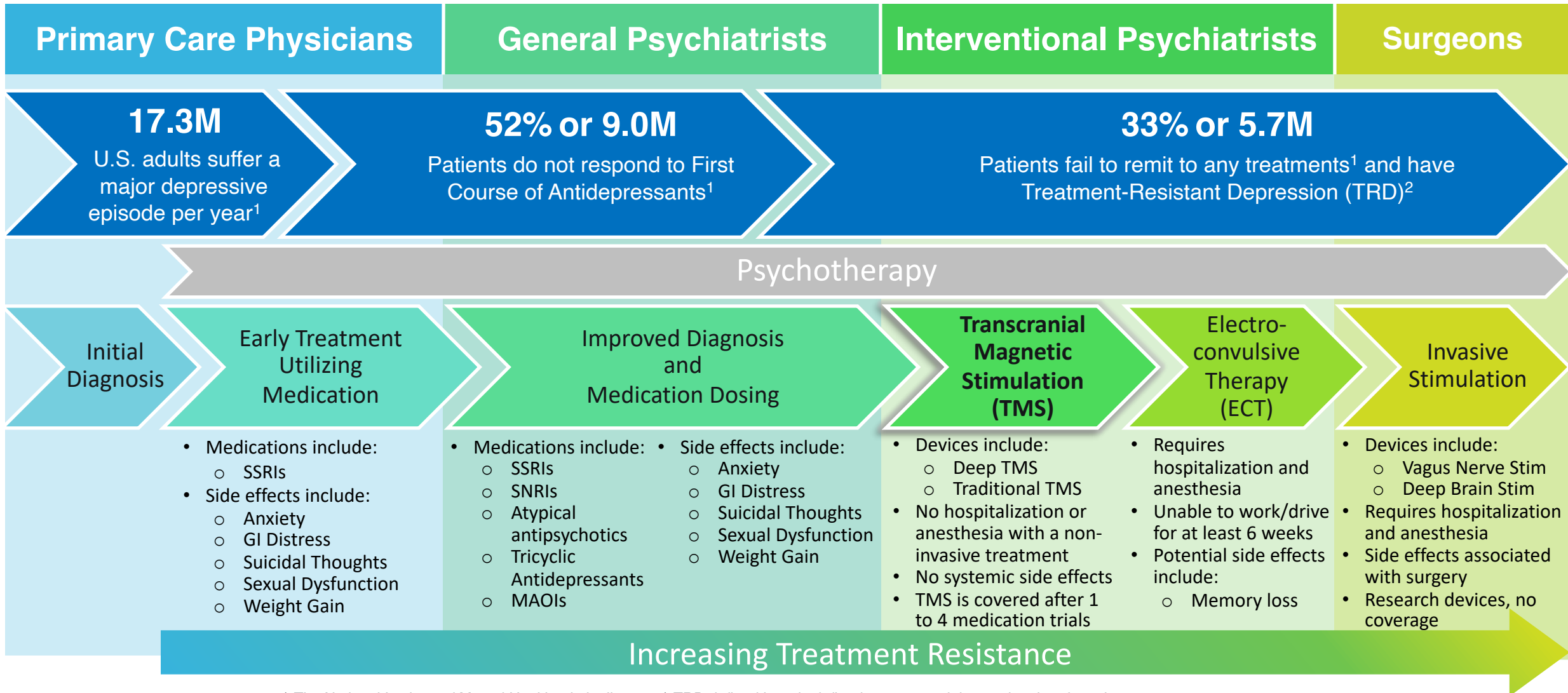
Growing Challenge Impacting Everyone

- Mental disorders are among the most common causes of disability
- 1 out of 6 people will experience a major depressive episode in their lifetime¹
- Depression and suicide are linked, with an estimate that up to 60% of people who commit suicide have major depression²
- Suicide rates have risen 35% in the US since 1999³, and the pace of increase has been rising since 2006⁴
- The total economic burden of clinical depression is now estimated to be \$210.5 billion per year⁵



Continuum of Care for Depression

Large Underserved Market



1) The National Institute of Mental Health: nimh.nih.gov; 2) TRD defined here is defined as a case of depression that doesn't respond to four different antidepressants from different classes; now generally it is defined as two different antidepressants from different classes

Mental Health: Expanding Market

Strong Tail Winds



Decreasing Stigma

- Rates of both perceived and personal mental health stigma have decreased¹
- Mental health diagnosis and treatments have increased¹
- Maturation of Mental Health Parity and Addiction Equity Act of 2008



Physician Education

- Increased knowledge about non-drug therapies (e.g. neurostimulation) during the past decade
- Increased knowledge of treatment-resistant depression (TRD) by primary care physicians during the past decade



Increased Access to Care

- Telepsychiatry is expanding access for patients; psychiatric visits are up over 40% vs. pre-COVID levels²
- General trend for relaxed reimbursement requirements by Payers for TRD patients



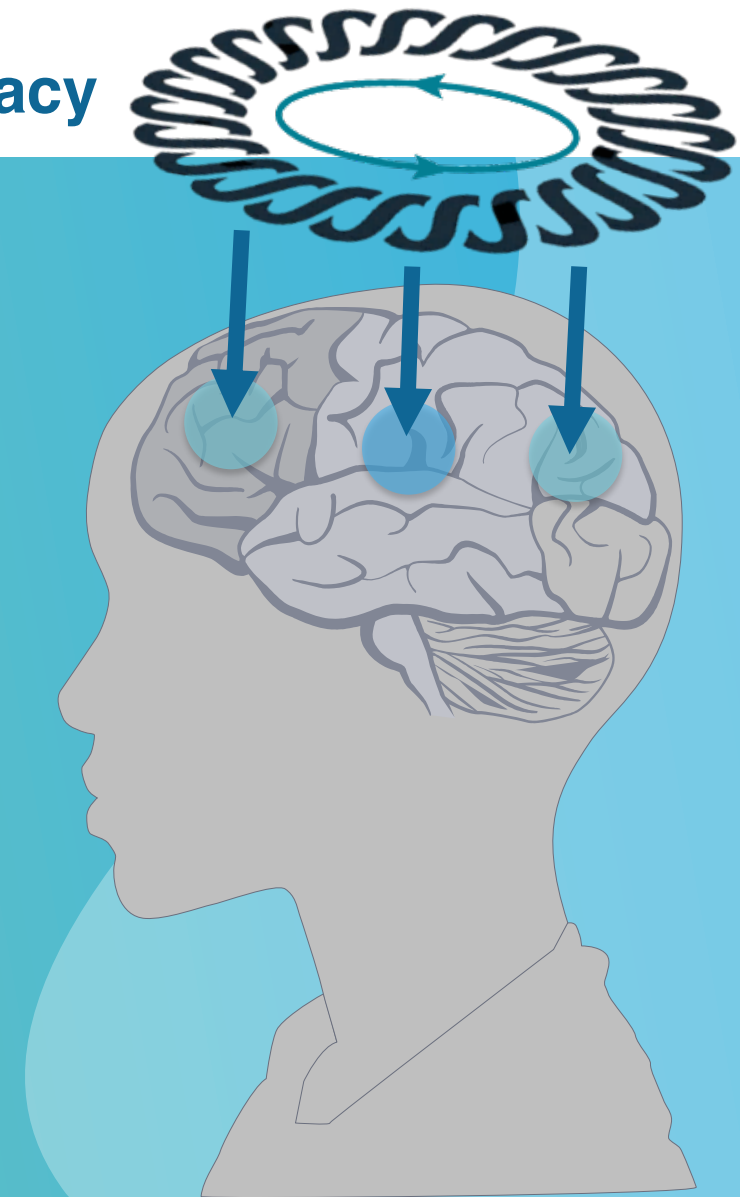
COVID-19 Impact

- 45% of US adults report that their mental health has been negatively impacted³
- Social isolation and job loss is associated with increased depression, anxiety, and distress
- Initial reports have shown OCD symptoms worsening in patients during the quarantine

Transcranial Magnetic Stimulation (TMS)

Proven Technology, with Demonstrated Safety and Efficacy

- TMS has been used for over 35 years
- TMS has over 17,000 publications
- 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. These fields activate neural activity



The BrainsWay Difference

Providing Deeper, Broader Brain Stimulation

Deep TMS

Groundbreaking Therapy
for Treatment-Resistant
Depression (TRD) Patients



**Non-
invasive**



**No
Anesthesia**



**Well
Tolerated**



**Up to 36
Reimbursed
Treatments**



**~20-min
Sessions**



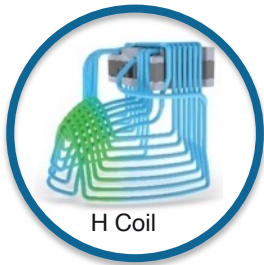
**>500
Systems**

Deep TMS Platform has Key Advantages over Traditional TMS¹

No demonstrated difference in Safety or Tolerability²

BrainsWay Deep TMS

Traditional TMS



H Coil

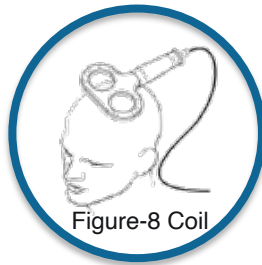


Figure-8 Coil

Note: All competitors use the Traditional TMS coil design

1.8 to 3.5 cm

Depth

Limited

Extensive

Neuron Activation

Smaller

Deep and Broad

Structures Treated

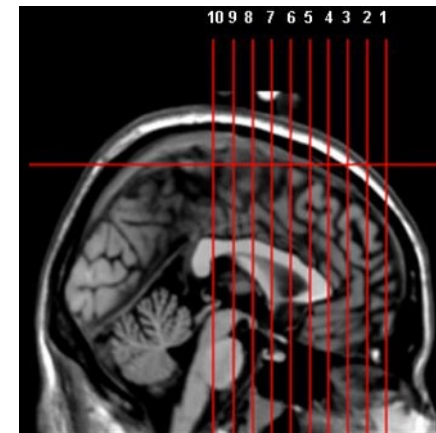
Superficial

More Reliable Targeting

Coil Design Features

Prone to Targeting Errors

Electric Field Distribution Map

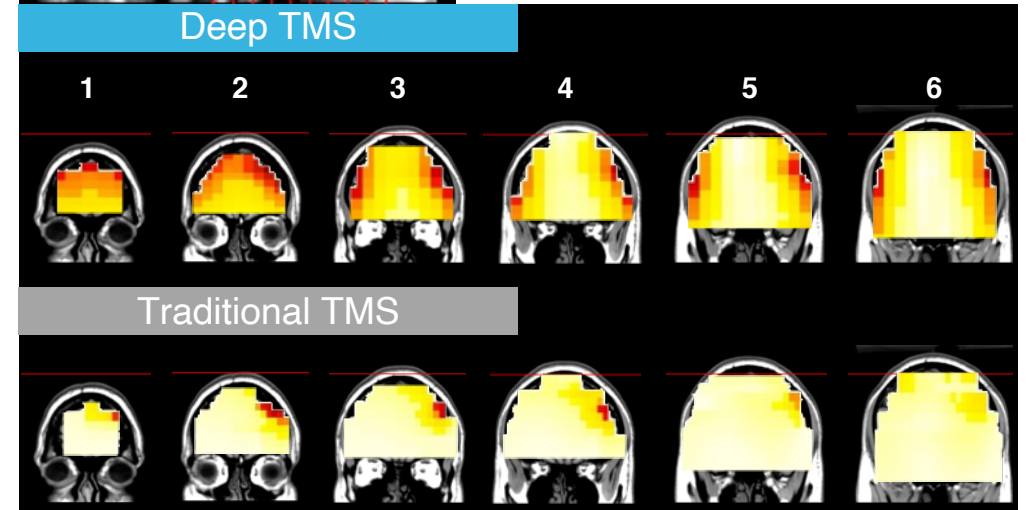


Electric Field Strength [V/m]

120
100
80
60
40
20

The deeper and broader field distribution of Deep TMS is apparent below in the 6 MRI coronal slices

Deep TMS



Traditional TMS

Platform with Potential to Treat Range of Brain Disorders¹

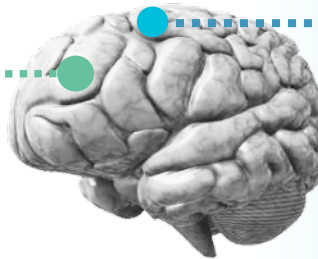
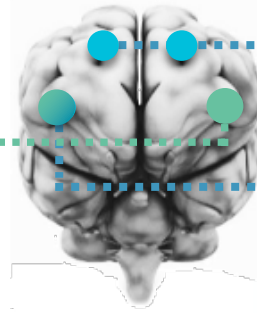
Scratching the Surface with Depression and OCD

PSYCHIATRY

Smoking Addiction,
Eating Disorders –
Insula – Bilateral

Major Depressive
Disorder –
Left Dorsolateral
Prefrontal Cortex

OCD, Alcohol and Cocaine
Addiction Disorder –
Anterior Cingulate Cortex



NEUROLOGY

Cognition and Alzheimer's –
Prefrontal Cortex

ADHD –
Right
Prefrontal
Cortex

Multiple Sclerosis,
Stroke Rehab –
Motor Cortex

Value Drivers with the Deep TMS Platform Technology

Strong Fundamentals to Drive Sustainable Competitive Advantage



Most extensive core technology patent coverage:

- US patents:
 - 33 allowed or issued
- OUS patents:
 - 40 allowed or issued
- Key US IP portfolio areas extend coverage to 2039



Unmatched body of clinical evidence:

- 32 randomized controlled trials (RCTs) with placebo
 - 6 RCTs on Depression
 - 2 RCTs on OCD
 - 24 RCTs on other
 - 2,000+ patients
 - 13 RCTs ongoing
- 60+ publications from clinical studies
- 330+ Deep TMS publications



Only company with 3 FDA cleared TMS applications:

- 5 US FDA 510(k)s
- 1 US FDA De Novo
- CE-mark
- Japanese clearance
- Additional registered countries



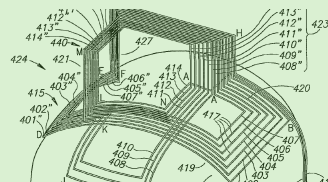
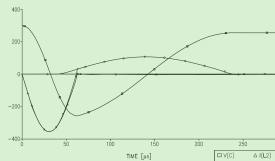
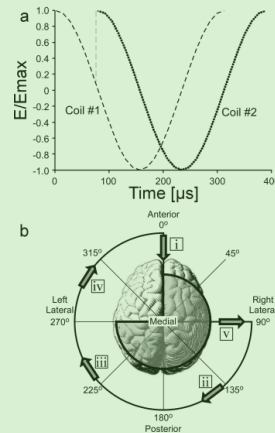
Robust reimbursement coverage:

- Three established TMS codes covered for Major Depressive Disorder by Medicare (CMS) and the vast majority of Private Payers

Most Extensive and Broadest TMS Intellectual Property Encompassing Core Technology and Applications

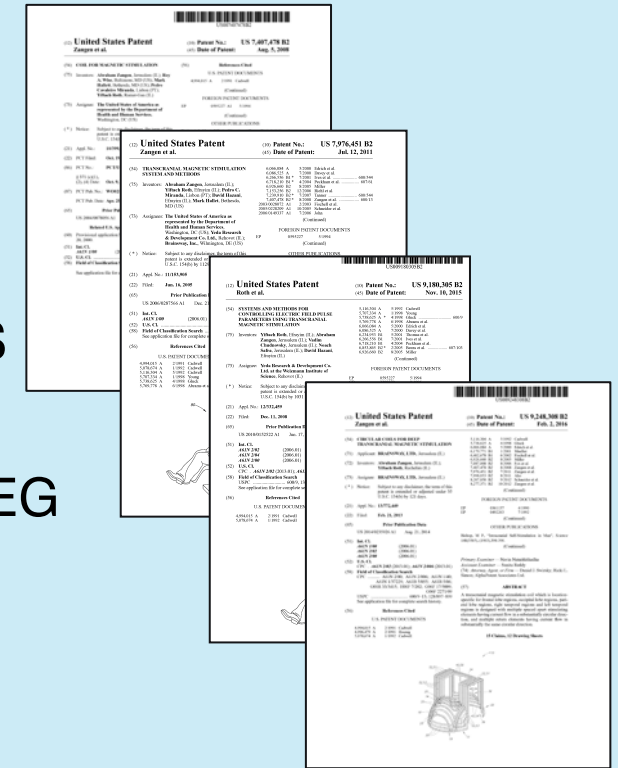
Patent Portfolio

- Issued patents or allowed applications:
 - 33 US patents
 - 40 OUS patents
 - Including Europe, Japan, China
- Pending patent applications:
 - 3 US applications
 - 27 OUS applications



Key Portfolio Coverage Areas

- Deep TMS Coils
- Multi-Channel TMS
- Rotational Field TMS
- Closed Loop TMS/EEG
- TMS EEG biomarker



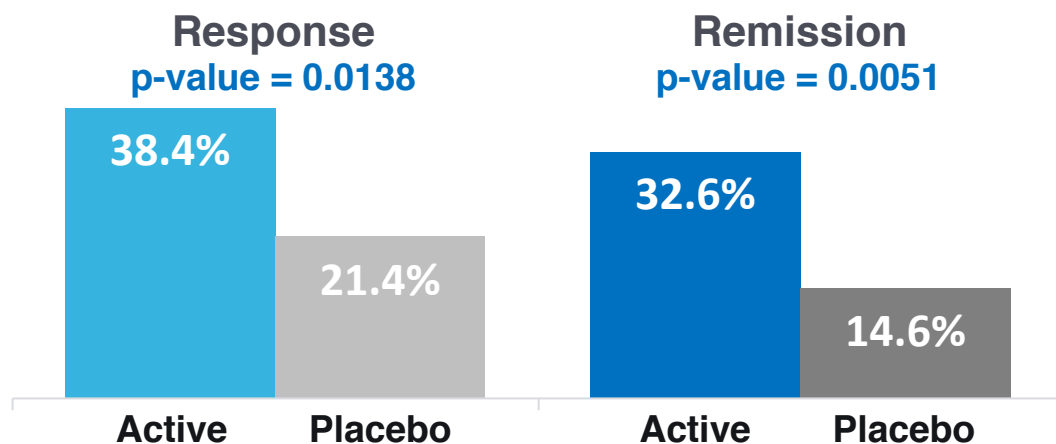
Largest Body of Clinical Evidence

Demonstrated Safety and Efficacy in Depression Patients



Double-Blind, Placebo-Controlled RCT¹

After 4 Weeks

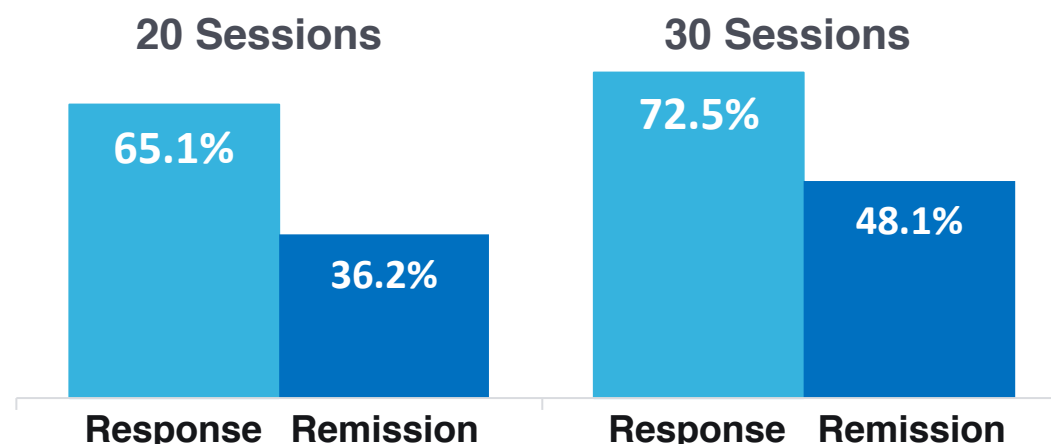


1 in 3 Patients Achieved Remission

- 212 med-free, Treatment-Resistant Depression (TRD) patients from 20 worldwide centers
 - Remission is defined by total HDRS-21³ score < 10
 - Response is defined by >50% decrease in HDRS-21³
- Highly effective blinding with placebo
- No systemic side effects, and low drop out rate

Real Clinical Practice Settings²

After 4 / 6 Weeks

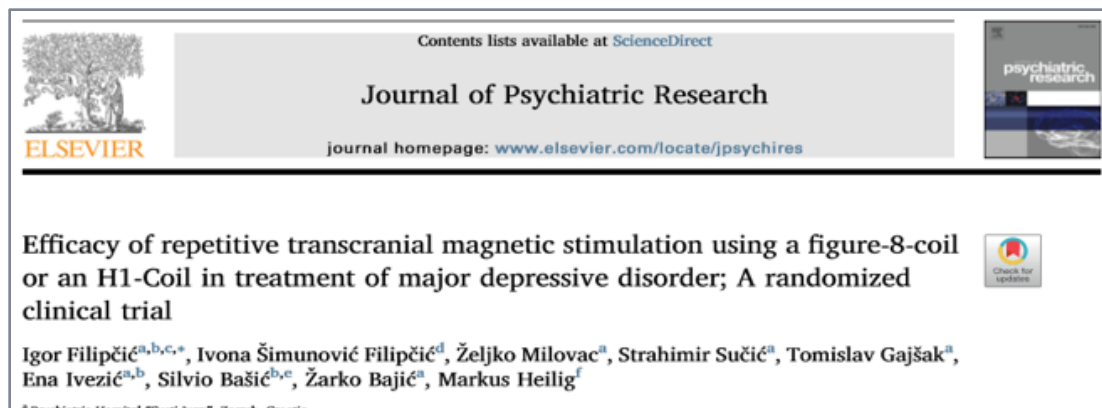


1 in 2 Patients Achieved Remission

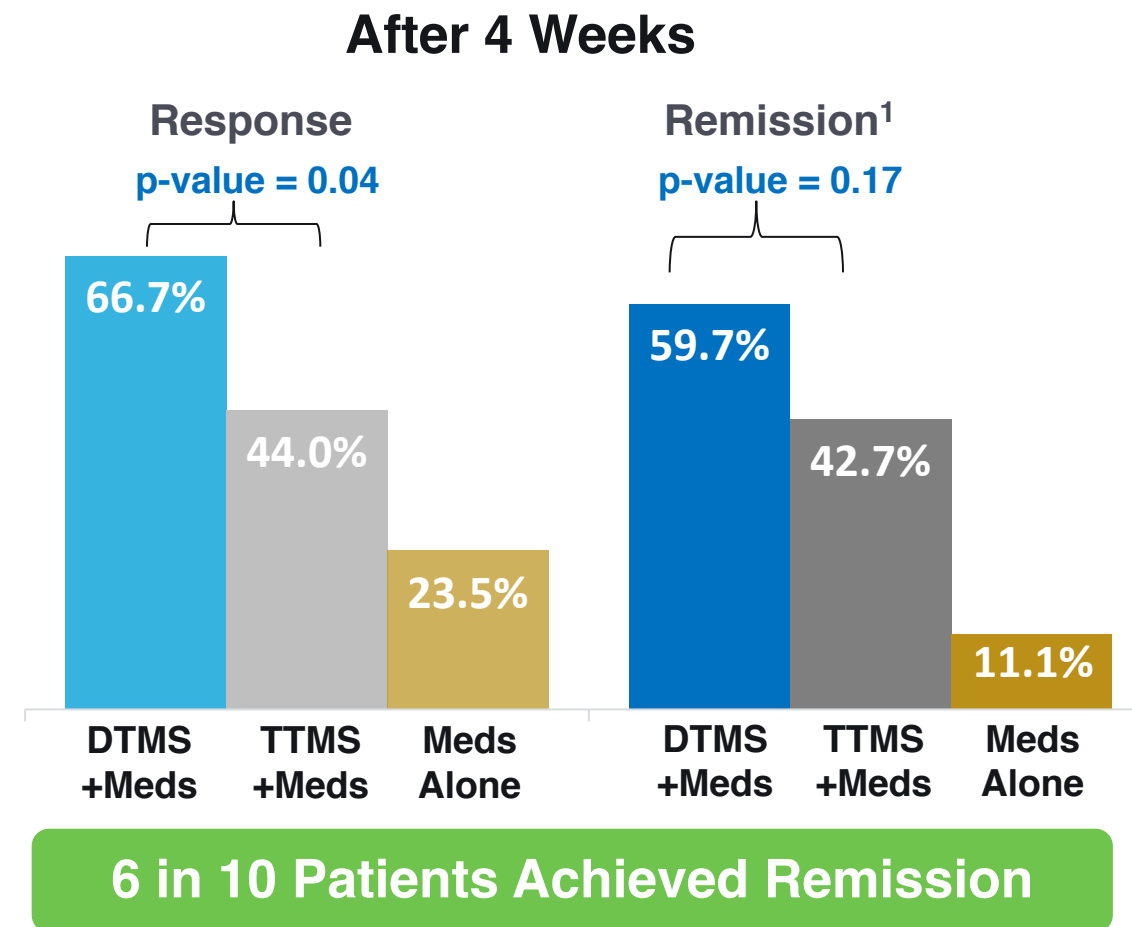
- 1,040 Treatment-Resistant Depression (TRD) patients at 21 worldwide centers received at least 20 sessions, and 695 TRD patients received at least 30 sessions
- No systemic side effects

Independent Head-to-Head RCT vs. Traditional TMS

BrainsWay Deep TMS Demonstrated Clinically Superior Outcomes



- 209 Treatment-Resistant Depression patients were broken into three groups:
 1. Deep TMS treatment with medication (DTMS +Meds)
 2. Traditional TMS treatment with medication (TTMS +Meds)
 3. Medication-only (Meds Alone)
- Deep TMS response rate was statistically significant vs. Traditional TMS
- No difference in safety or tolerability

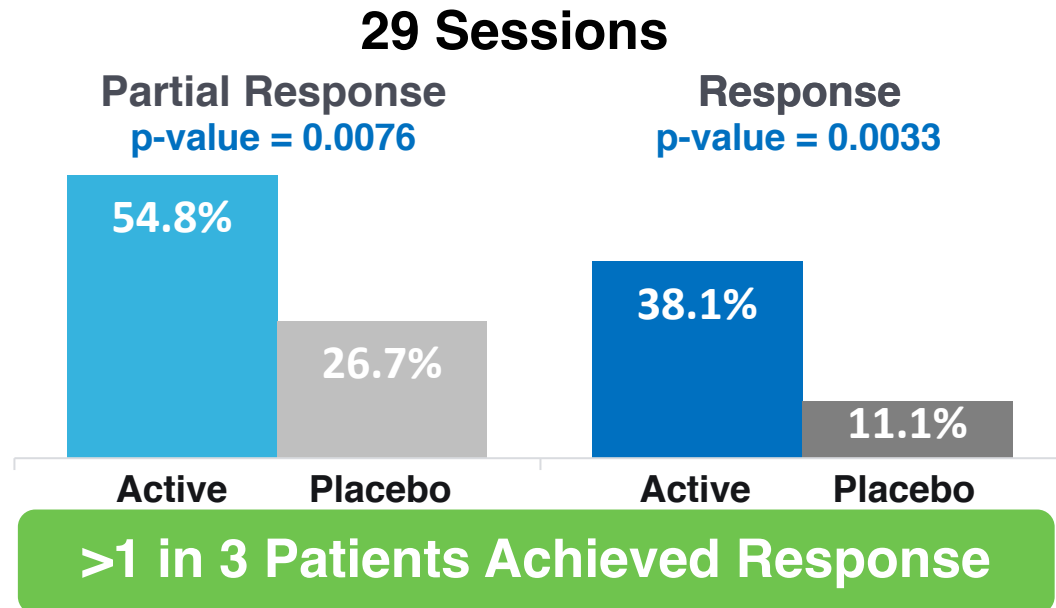


Only TMS system with Proven Outcomes in OCD

Demonstrated Safety and Efficacy in OCD Patients¹

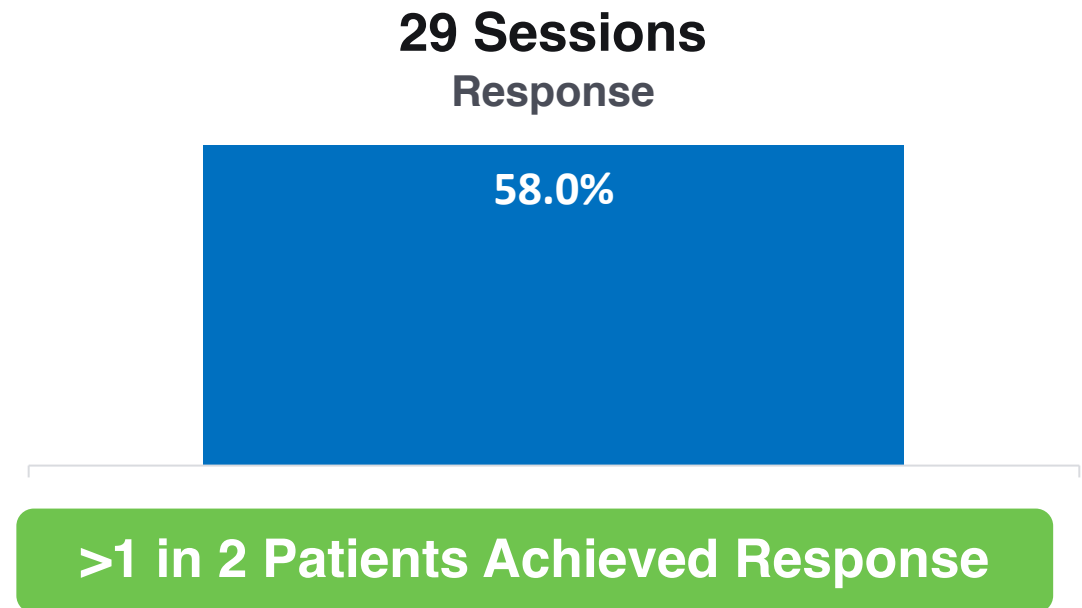


Double-Blind, Placebo-Controlled RCT²



- 94 OCD patients from 11 worldwide centers
 - Partial Response is >20% decrease in OCD scoring index
 - Response is >30% decrease in OCD scoring index
- No systemic side effects, and low drop out rate

Real Clinical Practice Settings



- 132 OCD patients from 22 worldwide centers received at least 29 sessions
- Onset of improvement occurs at ~18 sessions
- No systemic side effects

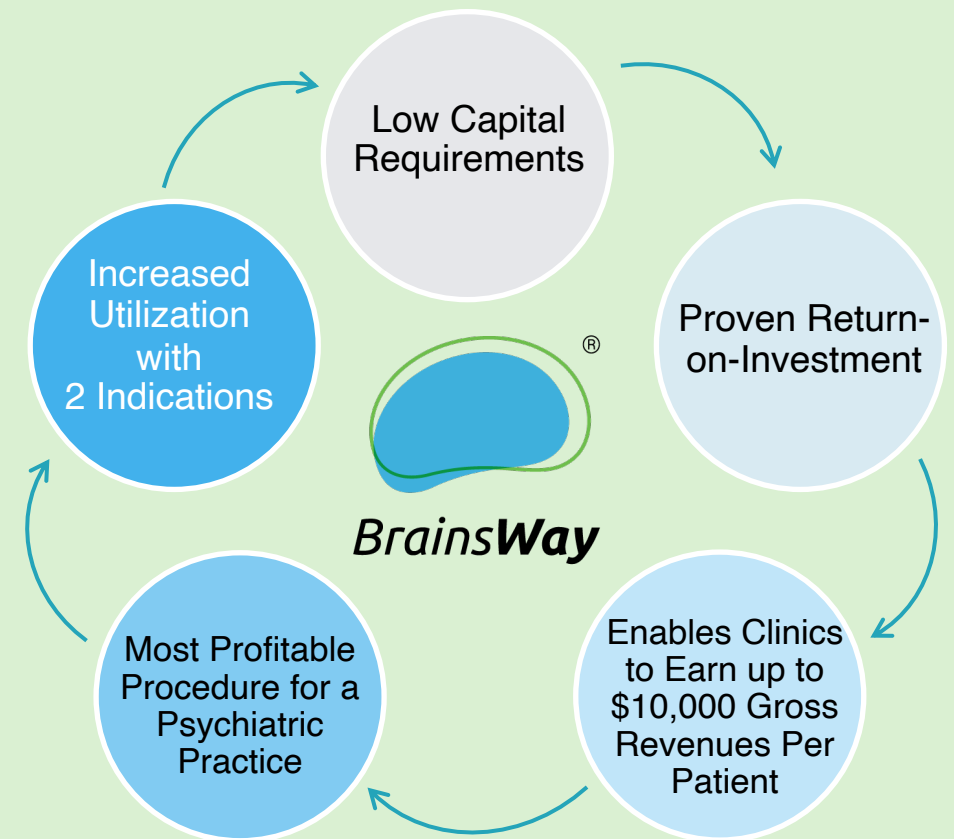
Robust and Expanding Reimbursement Coverage

Clear Economic Benefit with Established Codes

Coverage for Treatment-Resistant Depression

- 3 well-established reimbursement codes
- Rates of ~\$200 to \$600 per treatment session
- Coverage in all 50 states
 - Medicare
 - Major Private Payers including: Aetna, Anthem, Blue Cross Blue Shield, Cigna, Humana, TRICARE, and United/OPTUM
- Coverage is after one to four failures of antidepressant medications
 - Recent trend of payers relaxing the definition of Treatment-Resistant Depression (TRD) patients to allow for TMS coverage after non-response to 2 adequate medication courses instead of 4

Economic Impact of Reimbursement



Commercialization Strategy

A Three-Pronged Approach



Physician Education

- Lead Generation:
 - Focused on the 30,000 U.S. General Psychiatrists
 - Enlarge Interventional Psychiatrist sub-specialty via value-based selling

Practice Development

- Customer Base Expansion:
 - Educating and partnering with our customers to maximize the patient experience
 - Expanding the service offering to our customers

Broad Awareness

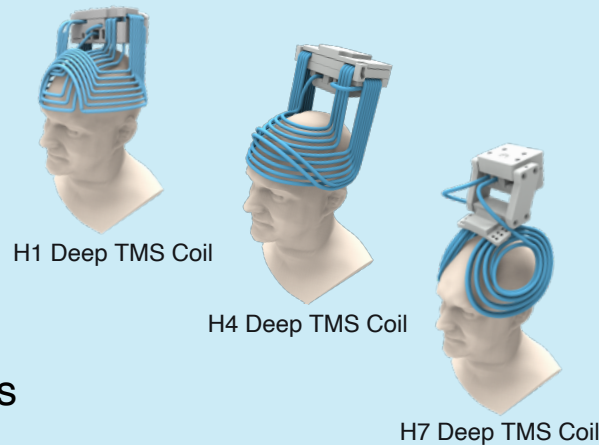
- Untapping the Best-Kept Secret in Medicine:
 - Deep TMS awareness creation among physicians, patients, patient advocacy groups

4 Pillars of Value-Based Selling

Superior Science, Evidence, and Support

Highly Differentiated Product Offering

- The BrainsWay Deep TMS Clinical Difference
- Add-on option of OCD and Short-term Smoking Cessation Application
- Future Potential Applications



Flexible Business Model

- Lease:
 - Unlimited use with fixed monthly fee
 - Typically 4-year agreements which include service
 - Highly positive procedure economics with 2-3 patients/month
- Risk-Sharing:
 - Pay-per-use with minimum annual fee
 - Typically 4-year agreements which include service



Vast Clinical Experience

- 32+ Randomized Controlled Trials
- Clinical Trials By Major Academic Institutions
- 500+ Installed Systems
- 85,000+ Patients Treated
- 2,000,000+ Treatment Sessions

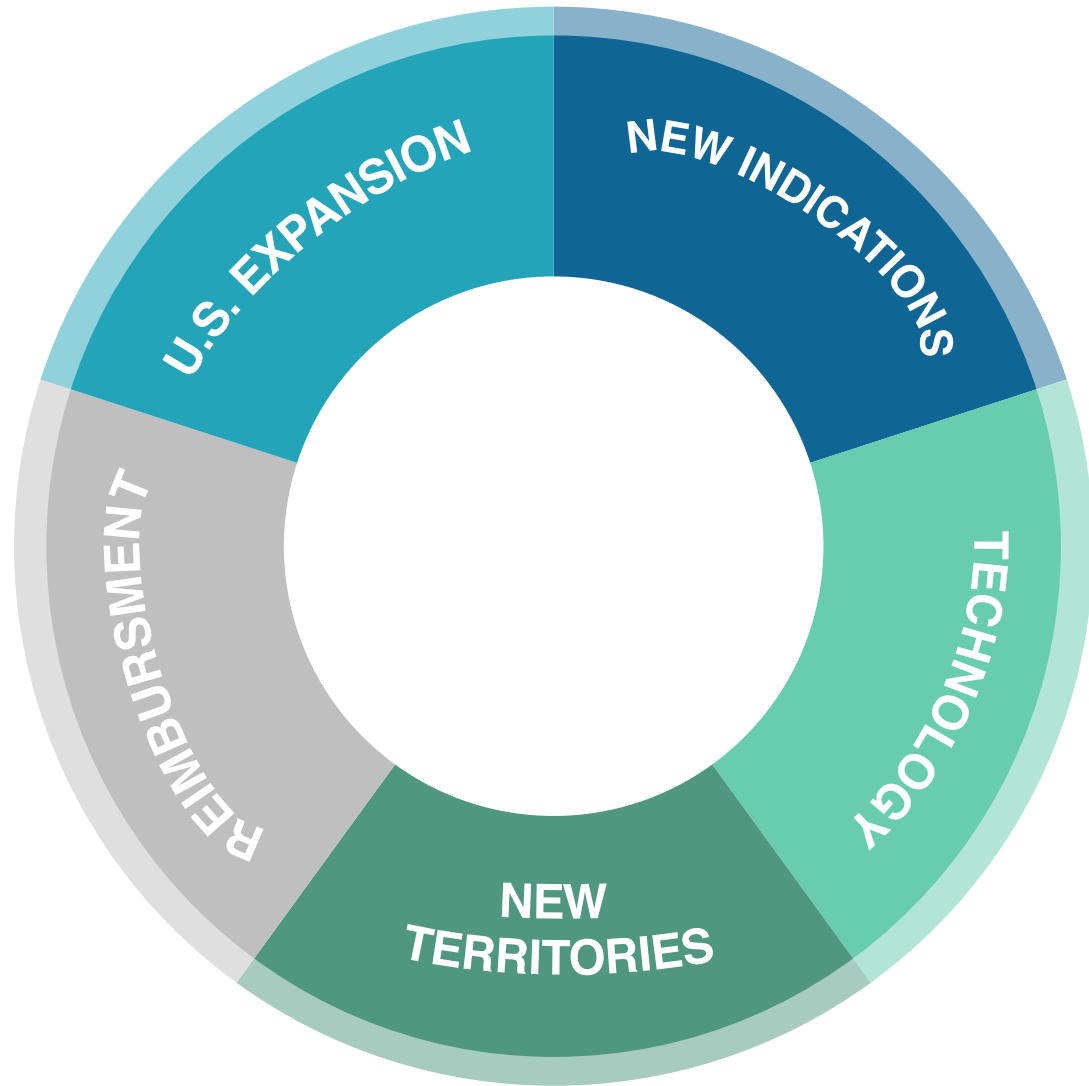


Unrivalled Support

- Dedicated Team of Practice Development Managers
- Dedicated Training and Service Engineers
- Reimbursement Guidance
- Extended Service Agreements

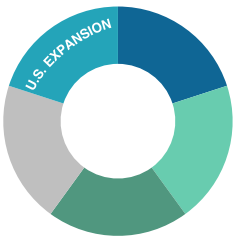


Future Dimensions of Growth



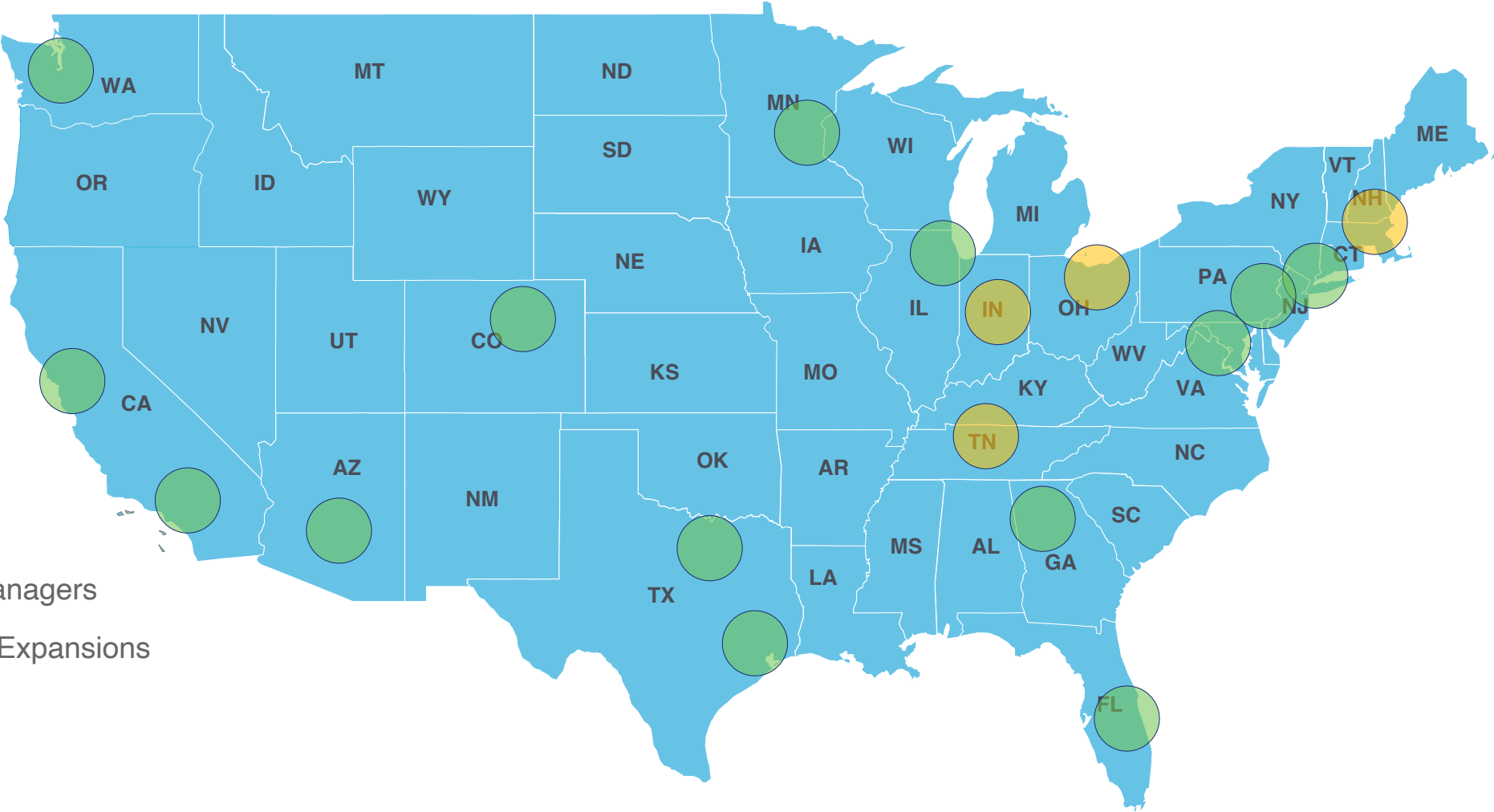
Future Dimensions of Growth

U.S. Sales Expansion



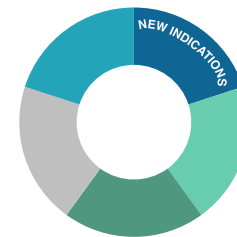
- 500+ Installed Systems
- 85,000+ Patients Treated
- 2,000,000+ Treatments


- 14 Sales – Account Managers
- Future Planned Sales Expansions



Future Dimensions of Growth

Expanding Market Opportunities with Potential New Indications



Indications	Pre-Phase Clinical Trials	Randomized Controlled Trials	FDA Submission	Commercial Phase	U.S. Patient Population
Major Depressive Disorder (MDD)					17M
Obsessive-compulsive Disorder (OCD)					2M
Smoking Addiction ¹					38M
Opioid Abuse Disorder ¹  (FDA Innovation Challenge)					3M
Multiple Sclerosis ¹					1M
Post-Stroke ¹					1M

Future Dimensions of Growth Innovating New Technologies



Product Life Cycle Management

BrainsWay
Model 102



BrainsWay
Model 104



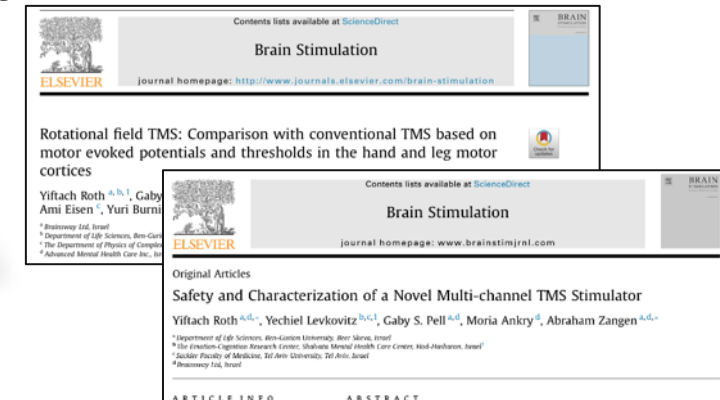
- | | |
|---|---|
| ✓ Proven Clinical Efficacy for MDD & OCD | ✓ |
| ✓ Dual Treatment Arm Capability | ✓ |
| ✓ Patient Management System | ✓ |
| ✓ WiFi Software Upgradability | ✓ |
| ✓ Built-in FDA-Cleared Protocols | ✓ |
| ✓ MT Detection/Positioning Guidance | ✓ |
| ✓ Exportable and Cloud-Ready Reports | ✓ |
| ✓ Single Connector Coil Switching | ✓ |
| Coming Soon: Shared Data Among Systems
Centrally track treatment, treater and outcome parameters from all clinic locations | ✓ |

Full Market
Released in 2019

Expanding Technology¹

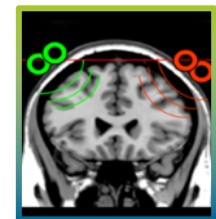
- Potential for Expanding Indications and Improving Treatments via Innovation

➤ Novel Coil Designs



➤ Multi-channel Stimulation

- Novel technology enables a wide variety of unique stimulation patterns



Future Dimensions of Growth

Expand into Japan, Europe, and various other Asian Countries



Europe

25M
Depression
Patients

Japan

5M Depression Patients

China

55M Depression Patients

India

57M
Depression
Patients

Worldwide Statistics¹

- Depression and anxiety disorders cost the global economy \$1 trillion per year
- Globally, more than 264M people suffer from depression
- Depression is a leading cause of disability worldwide
- Depression is a major contributor to the overall global burden of disease

Financial Review

	COVID-19 H1 2020	2019	2018
Revenue	\$9.0M	\$23.1M	\$16.4M
Gross Margin	78%	78%	78%
R&D Expense	\$2.8M	\$7.9M	\$6.2M
SG&A Expense	\$8.0M	\$18.6M	\$11.8M
Operating Expense	\$10.8M	\$26.5M	\$17.9M
Net Loss	\$4.0M	\$10.3M	\$6.5M
Installed Systems	567	530	383
Cash	\$17.8M	\$21.7M	\$9.0M
Debt	\$0	\$0	\$2.1M

2019 Highlights

+41%

YoY Increase in Revenue

+38%

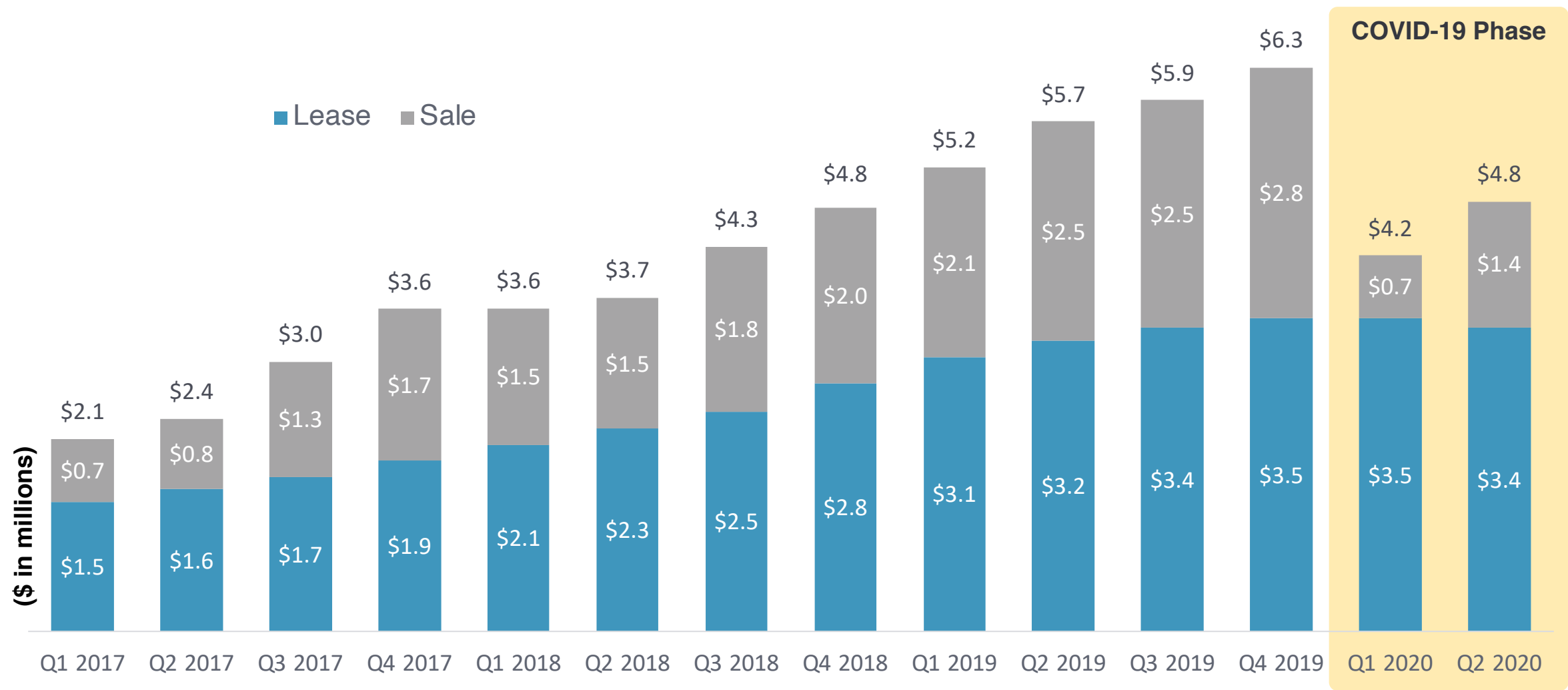
YoY Increase in Lease Revenue
2019: \$13.2 M; 2018: \$9.6 M

+38%

YoY Increase in
Total Systems Installed

Achieving Robust Revenue Growth (Pre-COVID-19)

200% Revenue Growth Q1 2017 to Q4 2019



BrainsWay Senior Leadership Team

Successful, Experienced Medical Device Professionals



Dr. Christopher von Jako
President and CEO

- Joined in January 2020
- Over 25 years med device experience
- Previously with St. Jude Medical, Integra LifeSciences, Covidien, and Medtronic



Judy Huber
SVP, Chief Financial Officer

- Joined in May 2020
- Over 30 years med device experience
- Previously with Conformis, NxStage, and Bard



Hadar Levy
SVP, GM of North America

- Joined in July 2014
- Over 10 years med device experience
- Previously with Amdocs, Notal Vision, and GE Healthcare



Christopher Boyer
VP, Global Marketing

- Joined in June 2020
- Over 15 years med device experience
- Previously with St. Jude Medical, Smith & Nephew, and Stryker



Dr. Aron Tendler
VP, Chief Medical Officer

- Joined in October 2015
- Over 15 years as a practicing psychiatrist
- Board Certified in General Psychiatry, Sleep Medicine, and Obesity Medicine



Dr. Yiftach Roth
VP, Chief Scientific Officer

- Co-founded company in May 2006
- Over 15 years med device experience
- Previously with the Advanced Technology Center of the Chaim Sheba Medical Center



Moria Ankry
VP, R&D

- Joined in October 2007
- Over 10 years med device experience
- Previously with Philips Healthcare



Amit Ginou
VP, Site Manager

- Joined in November 2008
- Over 10 years med device experience
- Previously VP of Field and Clinical Operations and Clinical Trials Manager at BrainsWay

BrainsWay Investment Highlights

Superior Science, Evidence, and Support

- Large and growing unmet need in brain disorders
- Cutting-edge non-invasive neurostimulation platform
- Clear patient impact and customer economic benefit
- Proven track record of commercial execution
- Multiple avenues for continued growth
- Experienced management team





BrainsWay

Thank you

Contact

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Nasdaq/TASE: **BWAY**

