

The logo for Neuronetics, featuring the word "NEURONETICS" in a blue, sans-serif font. The letter "O" is stylized with a glowing blue sphere in the center, suggesting a brain or a neural activity.

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**Neuronetics, Inc. Raises \$30 Million in Series E Financing**  
*Polaris Venture Partners and Pfizer Lead the Round*

**Malvern, Penn. [May 16, 2011]** – Neuronetics, Inc., maker of the NeuroStar TMS (Transcranial Magnetic Stimulation) Therapy<sup>®</sup> System for the treatment of major depression\*, announced today that it has completed its Series E financing totaling \$30 million. Two new investors, Polaris Venture Partners and Pfizer Venture Investments, led the round.

Previous investors participating in the round included Investor Growth Capital, New Leaf Venture Partners, Interwest Partners, Three Arch Partners, Quaker BioVentures, and Onset Ventures.

“This financing is a tremendous vote of confidence in the potential of NeuroStar TMS Therapy by two premier life science investors,” said Bruce J. Shook, President and CEO of Neuronetics, Inc. “The financial resources, experience and knowledge that Polaris and Pfizer bring to our company will allow us to build on our success and accelerate our efforts to bring NeuroStar to the millions of people suffering from depression.”

Neuronetics has been marketing the NeuroStar TMS system for the treatment of major depression for patients who have not adequately benefitted from prior antidepressant medication\* since it was cleared by the FDA in October 2008.

“The market opportunity for a novel, non-invasive and non-systemic treatment for major depression like Neuronetics’ NeuroStar TMS Therapy is extremely attractive,” Said Kevin Bitterman, Ph.D., Principal at Polaris Venture Partners. “The NeuroStar TMS system gives psychiatrists an entirely new tool in their effort to treat those patients who are struggling with depression and do not get relief from existing therapies. “The team at Neuronetics has done an impressive job of bringing this technology into mainstream medical practice, and we look forward to helping advance this important effort.”

Dr. Bitterman will represent Polaris Venture Partners on Neuronetics’ Board of Directors. Elaine Jones, Executive Director, Pfizer Venture Investments will serve as an Observer to the Board. They will join existing Board members Leslie Bottorff, General Partner at Onset Ventures; Michael Dale, former President and CEO of ATS Medical; Brian Farley, CEO of Entellus Medical; Wilfred Jaeger, M.D., Partner at Three Arch Partners; P. Sherrill Neff, Partner at Quaker BioVentures; Dan Sachs, M.D., representative for Investor Growth Capital; and, Bruce Shook.

“Pfizer has had a longstanding interest in treating depression,” said Elaine Jones of Pfizer Venture Investments. “We look at Neuronetics’ progress as the beginning of a potentially important advance in how we treat this often debilitating, chronic and costly disease. We are excited about supporting Neuronetics’ effort to bring a new and innovative solution to psychiatry.”

### **About Neuronetics**

Neuronetics, Inc. is a privately held medical device company focused on developing non-invasive therapies for psychiatric and neurological disorders using MRI-strength magnetic-field pulses. Based in Malvern, PA, Neuronetics is the leader in the development of NeuroStar TMS Therapy, a non-invasive and non-systemic form of neuromodulation. For more information, please visit [www.neuronetics.com](http://www.neuronetics.com).

Neuronetics, Inc. was represented in the Series E financing by Pepper Hamilton, LLP.

### **About NeuroStar TMS Therapy**

Neuronetics’ NeuroStar TMS Therapy system was cleared by the U.S. Food and Drug Administration (FDA) in October 2008 for the treatment of adult patients with Major Depressive Disorder who have failed to achieve satisfactory improvement from one prior antidepressant medication at or above the minimal effective dose and duration in the current episode. NeuroStar TMS Therapy is a non-systemic (does not circulate in the bloodstream throughout the body) and non-invasive (does not involve surgery) form of neuromodulation. It stimulates nerve cells in an area of the brain that has been linked to depression by delivering highly focused MRI-strength magnetic field pulses. The treatment is typically administered daily for four to six weeks.

In clinical trials, patients treated with active NeuroStar TMS Therapy experienced an average reduction in their depression symptom score of 22.1 percent compared to a 9 percent reduction in patients receiving inactive treatment.<sup>1</sup> In an open-label clinical trial, which is most like real world clinical practice, approximately one in two patients experienced significant improvement in symptoms, and one in three experienced complete symptom resolution<sup>2</sup>. There were no systemic side effects such as those experienced with some antidepressant medications. The most common adverse event related to treatment was scalp pain or discomfort at the treatment area during active treatment.<sup>3</sup> There is a rare risk of seizure with TMS Therapy (0.1 percent of patients under general clinical use).

NeuroStar TMS Therapy is contraindicated in patients with non-removable metallic objects in or around the head. It is not indicated or effective for all patients with depression and it is available only upon the prescription of a psychiatrist. For full safety and prescribing information, visit [www.NeuroStar.com](http://www.NeuroStar.com).

## **Availability of NeuroStar TMS Therapy**

Treatment with NeuroStar TMS Therapy is available at more than 300 treatment centers in the United States. For specific information on treatment locations with NeuroStar TMS Therapy, please visit [www.NeuroStarTMS.com](http://www.NeuroStarTMS.com) or call the Neuronetics Customer Service Center at (877) 600-7555.

## **About Depression**

Depression affects at least 14 million American adults each year. Of those suffering from depression, 6.8 million do not even seek treatment<sup>4</sup>. Often a debilitating disorder, depression results in a persistent state of sadness that interferes with an individual's thoughts, behavior, mood, and physical health. It is important to recognize the symptoms and seek treatment as soon as possible.

\*NeuroStar TMS Therapy is indicated for the treatment of Major Depressive Disorder in adult patients who have failed to achieve satisfactory improvement from one prior antidepressant medication at or above the minimal effective dose and duration in the current episode.

***This press release is neither an offer to sell nor the solicitation of an offer to buy any security.***

NeuroStar®, NeuroStar TMS Therapy®, and TMS Therapy® are registered trademarks of Neuronetics, Inc.

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<sup>1</sup> Data on file, Neuronetics, Inc.

<sup>2</sup> Demitrack, M. A. and M. Thase (2009). "Clinical Significance of Transcranial Magnetic Stimulation (TMS) in the Treatment of Pharmacoresistant Depression: Synthesis of Recent Data." Psychopharmacology Bulletin **42**(2): 5 - 38.

<sup>3</sup> Janicak, P., J. P. O'Reardon, et al. (2008). "Transcranial Magnetic Stimulation in the Treatment of Major Depressive Disorder: A Comprehensive Summary of Safety Experience from Acute Exposure, Extended Exposure, and During Reintroduction Treatment." Journal of Clinical Psychiatry **69**(2): 222 - 232.

<sup>4</sup> Kessler, R., P. Berglund, et al. (2003). "The Epidemiology of Major Depressive Disorder: Results from the National Comorbidity Survey Replication (NCS-R)." (JAMA) Journal of the American Medical Association **289**(23): 3095-3105.