



**FOR IMMEDIATE RELEASE**

**Neuronetics, Inc. Raises \$30 Million in Series D Financing**

*New Leaf Venture Partners Leads the Round and Joins Neuronetics' Impressive Syndicate of Life Sciences Investors*

**Malvern, PA [August 31, 2009]** – Neuronetics, Inc., maker of NeuroStar TMS (Transcranial Magnetic Stimulation) Therapy for the treatment of depression\*, announced today that it has completed its Series D financing totaling \$30 million. The round was led by a new investor, New Leaf Venture Partners, a highly experienced and respected life sciences venture capital firm. Previous investors participating in the round included Investor Growth Capital, Quaker BioVentures, Three Arch Partners, Onset Ventures, Interwest Partners and KBL Healthcare Ventures.

“This new investment gives us the resources needed to bring NeuroStar TMS Therapy® to the millions of depression patients who are seeking relief from this debilitating disease,” said Bruce J. Shook, President and CEO of Neuronetics, Inc. “The proceeds will be used to expand our sales and customer support teams, continue development of innovative neuromodulation technologies for the treatment of psychiatric and neurologic disorders, and take the company to profitability.”

“Neuronetics’ NeuroStar TMS Therapy is the first and only non-systemic and non-invasive treatment cleared by the FDA for the treatment of depression, and it provides a truly new treatment option for millions of depressed patients when few treatments had helped before. The treatment of depression costs the healthcare system over \$83B annually and NeuroStar TMS Therapy provides a unique opportunity to take significant costs out of the healthcare system,” said Jeani Delagardelle, Managing Director at New Leaf Venture Partners. “We look forward to working with Neuronetics’ experienced management team and the other investors to continue the impressive launch of NeuroStar TMS Therapy.”

Liam Ratcliffe, MD, PhD, will represent New Leaf Venture Partners on Neuronetics' Board of Directors. Dr. Ratcliffe will join existing board members Leslie Bottorff, General Partner at Onset Ventures; Michael Dale, President and CEO of ATS Medical; Wilfred Jaeger, MD, Partner at Three Arch Partners; P. Sherrill Neff, Partner at Quaker BioVentures; Dan Sachs, MD, representative for Investor Growth Capital; Bruce Shook, President and CEO of Neuronetics; and Norman Weldon, Managing Director at Partisan Management Group.

"In these difficult economic times, this sizable investment is a testament to the importance and attractiveness of Neuronetics' goal of bringing new hope to patients suffering from major depression," said Stephen Campe, Managing Partner of Investor Growth Capital, the largest shareholder in Neuronetics. "It is also a vote of confidence in Neuronetics' ability to successfully execute its commercialization plan and an acknowledgement of its early success in launching NeuroStar TMS Therapy."

### **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 TMS Therapy, a non-invasive form of neuromodulation. For more information, please visit [www.neuronetics.com](http://www.neuronetics.com).

Neuronetics, Inc. was represented in the Series D financing by Dechert LLP, Princeton, NJ.

### **About NeuroStar TMS Therapy**

NeuroStar TMS Therapy was cleared by the FDA in October 2008 for patients who have not adequately benefitted from prior antidepressant medication\*. 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 is linked to depression, by delivering highly focused MRI-strength magnetic field pulses. The treatment is typically administered daily for 4-6 weeks. In an open-label clinical trial, which is most like real world clinical practice, approximately 1 in 2 patients experienced significant improvement in symptoms, and 1 in 3 experienced complete symptom resolution. There were no systemic side effects, such as weight gain and sexual dysfunction. The most common adverse events related to treatment were scalp pain or discomfort at the treatment area during

active TMS treatments. NeuroStar TMS Therapy is contraindicated in patients with metallic implants in or around the head. NeuroStar TMS Therapy may not be effective for all patients with depression and is available by prescription from a psychiatrist.

### **Availability of NeuroStar TMS Therapy**

Treatment with NeuroStar TMS Therapy is or will soon be available at over 80 treatment centers in the US. 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. Researchers estimate that by the year 2020, depression will be the second leading cause of disability worldwide. Each year, over 30,000 people in the US commit suicide, 60% of which suffer from depression. The economic burden of depression in 2000 was estimated at \$83.1 billion in the US. Women are almost twice as likely as men to suffer from depression. However, some experts feel that depression in men is under-reported. Depression has no racial, ethnic, or socioeconomic boundaries. About two-thirds of those who experience an episode of depression will have at least one other episode in their lives. Despite major advances in treating this debilitating illness, nearly 30% of patients with depression do not benefit from or are intolerant of antidepressant therapy.

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NeuroStar TMS Therapy<sup>®</sup> 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.***

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