Safe Harbor Statement

The statements contained in this corporate presentation and in our Quarterly Report on Form 10-Q include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, including, without limitation, statements regarding our or our management’s expectations, hopes, beliefs, intentions or strategies regarding the future. and other factors discussed elsewhere in this Quarterly Report on Form 10-Q or any document incorporated by reference herein or therein. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “plan” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this corporate presentation and in our quarterly report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. In particular, you should consider these forward-looking statements in light of the risk factors set forth in Item 1A. Risk Factors of our most recent Annual Report on Form 10-K, as supplemented by the risk factors set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q, and factors described in our other public filings and in this report, as well as other factors that will be discussed in future reports filed with or furnished to the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.
NeuroMetrix Profile

• Medical technology company focused on neurotechnology and disease of the nerves

• Founded in 1996, based in Boston
• Public listing on NASDAQ: “NURO”
• Target customers: primary care physicians and internists, orthopedic surgeons, endocrinologists, neurologists.
• Core products: technology platforms for nerve testing address unmet medical needs, change medical practice
• Market-proven products; initial product launch in 1999
• Revenue run rate $15M; market cap $25M/1.7x revenue
Our Market Has Changed

• New NCS reimbursement code in place January 1, 2010
  • Category 1 CPT code for NCS with pre-configured electrodes (CPT 95905)
  • Physicians are generally reimbursed by Medicare under CPT 95905
  • A small number of commercial insurers are covering CPT 95905

• New economics have altered the business
  • Lower reimbursement rates have reduced total available margin
  • Effects felt throughout the channel from NeuroMetrix to patient

• New market characteristics
  • Focus on electrode cost and testing efficiency

• New market ramifications
  • Turmoil in customer base, account and testing erosion
  • Customer acquisition remains challenging, but improved productivity
  • New customers (2010) have better utilization profile
Our Strategy Has Evolved

• Core Business
  • New accounts
    • Increased flexibility in device pricing and financing
    • Improved commission structure for sales reps
    • Adding independent distributors for broader product exposure
  • Installed base
    • “Clinical educator” team focused on after-sales support
  • International
    • Experienced team addressing distributor network and utilization

• Product development
  • Narrow focus to nerve testing business
  • Expand efforts in the largest diabetes complications market
  • Longer term projects scaled back or put on hold
Investor Proposition

- **Core business**
  - CPT code transition has been weathered; improving customer stability
  - New distribution strategy has potential to accelerate growth
  - Early, positive results from investments in clinical educators and international
  - Reduced cash burn via RIF; funding through 2011

- **Product development**
  - Nerve testing focus
  - Leveraging diabetes opportunity with near-term upside and low risk

- **Market valuation**
  - $25M/1.7x rev. Minimal value assigned to assets:
    - Operating business, attractive margins
    - Proven technology, >1.5M patient studies, exceptional safety record
    - Regulatory approvals, established CPT code and Medicare reimbursement
The Medical Need: Nerve Disease Assessment

- **Entrapment neuropathies**
  - chronic compression leading to loss of myelin

- **Peripheral neuropathies**
  - widespread disease leading to nerve fiber degeneration

NeuroMetrix technology addresses both!
Entrapment Neuropathies

- Nerve confined to narrow anatomical passage
- Pressure/stress leads to nerve injury
  - damage to myelin sheath
  - loss of axons
- Inhibits nerve signal conduction

- Examples
  - Carpal Tunnel Syndrome (median nerve entrapment)
  - Cubital Tunnel Syndrome (ulnar nerve entrapment)
  - Tarsal Tunnel Syndrome
  - Radiating Back Pain, Disc Herniation (radiculopathy)
Peripheral Neuropathies

- Cause is metabolic, genetic or toxic
  - Complex pathology: demyelination, loss of axons leads to dysfunction of peripheral sensory and motor nerves
- Often starts in the hands and feet - at end of longest nerves
- Inhibits nerve signal conduction
  - Reduction in nerve response amplitude
- Examples
  - Diabetic peripheral neuropathy (DPN)
  - Neurotoxicity from chemotherapy
# Nerve Disease is Widespread

<table>
<thead>
<tr>
<th>Disease</th>
<th>Location</th>
<th>Damage</th>
<th>Diagnostic to Therapeutic Link</th>
<th>U.S. Patient Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes</td>
<td>Nerves in feet and lower legs</td>
<td>Leg pain, numb feet, foot ulcers, amputation</td>
<td>Manage blood glucose, patient management, Rx treatments</td>
<td>23.6M diabetics, 60-70% with nerve damage</td>
</tr>
<tr>
<td>Low Back Pain</td>
<td>Nerves exiting spine</td>
<td>Radiating back pain, numb feet, weakness</td>
<td>Conservative vs. aggressive management</td>
<td>63M people report serious low back pain</td>
</tr>
<tr>
<td>Carpal Tunnel Syndrome</td>
<td>Nerves in wrist</td>
<td>Numb hands, wrist pain</td>
<td>Conservative vs. surgical treatment</td>
<td>5M people have CTS</td>
</tr>
</tbody>
</table>
Diabetes Epidemic

- 24M (8%) of US population have diabetes
  - 18M diagnosed, 6M undiagnosed, 1.5M new cases/year
  - Nearly 60M with pre-diabetes
- 300M projected worldwide by 2025
- 60-70% have neuropathy, majority are asymptomatic or undiagnosed
- Neuropathy associated with significant morbidity
  - Diabetic Foot Ulcers
  - Increased risk of fall
  - Reduced mobility and function
  - Pain, depression
  - Autonomic complications
Diabetic Foot Ulcer Statistics

• Annual incidence is 1-4%; lifetime risk 15-25%
  • 15% of DFU lead to foot amputation
• Lifestyle implications are daunting. Medical treatment costs are high
  • Range of $5-10k per episode to $10-60k for complicated cases
• Screening for DPN has been shown to reduce the incidence and severity of foot ulcers
• Potential screening tests (annual):
  • 20M+ US
  • 100M+ OUS
Nerve Disease Diagnosis

- **Needle Electromyography (Invasive)**
  - ADVANCE™
  - Specialist

- **Nerve Conduction Studies (Non-invasive)**
  - Traditional ADVANCE™
  - Specialist

- **Point-of-Care**
  - NC-stat®
  - Primary Care Physician
Commercial Products

Point-of-Care

- NC-stat®
  - NCS
  - Rapid point-of-care testing
  - Pre-configured electrode arrays
  - Testing of selected nerves
  - Clinical expert system as aid to physician

Traditional

- ADVANCE™
  - NCS and needle EMG
  - Traditional specialist based testing
  - Compatible with all types of electrodes
  - Flexible testing modes
  - Report editing and management tools
Annual Market Estimates

**Diagnostic Studies**

- 2M Nerve Studies per Year in US

  - 95% Traditional
  - 5% Point-of-care

**Screening Studies**

- New Market Opportunity

- >100M Tests
- >$1B

**Current US Market**

- $40M US
  - Evenly split between equipment and consumables
- $15M US
  - 85% consumables

**Market Potential**

- US $60M
  - OUS $40M
- US $100M
  - OUS $50M

**Advancement Opportunities**

- ADVANCE™
- ADVANCE™, NC-stat®
- NC-stat® SL
Near-term Product Focus

• Make ADVANCE core diagnostic platform for all markets
  • Customized reporting
  • Multi-nerve electrodes (faster testing, margins↑)
  • Enhanced neurology support
  • Continued expansion of web portal

• Transition NC-stat to diabetic neuropathy screening
  • NC-stat® SL, lower cost device
  • Very low cost electrode
Diabetic Neuropathy Screening

Subjective Tests

Semmes-Weinstein monofilament
- < 2 minute test time
- <$1 test cost
- Not separately reimbursed

Tuning Fork
- < 2 minute test time
- <$1 test cost
- Not separately reimbursed

Quantitative Tests

Screening

NC-stat® SL
- Quantitative Assessment
- Immediate Results
- < 2 minute test time
- $10 test cost
- Not separately reimbursed, paid out of pocket

Diagnostic

ADVANCE™
- 15 minute test time
- $85 test cost
- Reimbursed separately at ~$150

Unmet Need
 Longer Term Projects
– On Hold

• All projects on hold while we execute on core nerve testing strategy
• ASCEND – nerve localization device for regional anesthesia and therapeutic nerve injections
  • Basic 510(k) clearances, CE mark
  • Device is close to launch ready
  • Will explore alternative launch strategies in 2011
• Andara™ - stimulator for acute spinal cord injury
  • FDA will not grant HDE on currently available data
  • Additional clinical study needs to be performed
  • Will explore corporate partner opportunities
• NM101 – therapeutic drug for chronic spinal cord injury and multiple sclerosis
  • In-vitro and some in-vivo toxicity and safety studies completed
  • Animal studies ongoing, early results encouraging from spinal cord injury
  • Will explore alternative financing strategies in 2011
Sales Channel
- improve product exposure, lower cost

• Adopt hybrid US approach with direct sales reps plus independent reps or distributors
  • more feet on the street (FOS), greater product visibility
  • US physician office market – supplement core of 15 reps with 25 independents for 40 territories
  • US specialty markets – add 8-10 regional distributors with sales staffs of 5-10 reps
• Shift towards variable cost model for new business
• Leverage existing sales mgmt and clinical educators
• International - expand qualified distributors
Sales Channel Development
- leverage sales mgmt, CE’s

Q4 Targets
US Markets - 100 direct/dist reps
- 15 clinical educators

Int’l Markets - 80-100 dist reps
- 1-2 clinical educators
Financial Perspective
- revenue growth, reduced cash burn

### Summary Statements of Operations

<table>
<thead>
<tr>
<th></th>
<th>Q2'10</th>
<th>Q1'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$3,852</td>
<td>$3,566</td>
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<tr>
<td>Cost of goods sold</td>
<td>1,405</td>
<td>1,296</td>
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<tr>
<td>Gross margin</td>
<td>2,447</td>
<td>2,270</td>
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<tr>
<td></td>
<td>63.5%</td>
<td>63.7%</td>
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<tr>
<td>Operating Expenses</td>
<td>6,977</td>
<td>7,054</td>
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<tr>
<td>Loss from operations</td>
<td>(4,530)</td>
<td>(4,784)</td>
</tr>
<tr>
<td>Net Loss</td>
<td>(4,519)</td>
<td>(4,764)</td>
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<tr>
<td>Cash burn</td>
<td>(4,208)</td>
<td>(4,644)</td>
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</tbody>
</table>

### Balance Sheet Highlights

<table>
<thead>
<tr>
<th></th>
<th>6/30/2010</th>
<th>3/31/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$21,580</td>
<td>$25,788</td>
</tr>
<tr>
<td>Other current assets</td>
<td>8,188</td>
<td>10,184</td>
</tr>
<tr>
<td>Total assets</td>
<td>$31,270</td>
<td>$35,972</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$3,813</td>
<td>$4,237</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$4,081</td>
<td>$4,560</td>
</tr>
<tr>
<td>Stockholders equity</td>
<td>$27,189</td>
<td>$31,412</td>
</tr>
</tbody>
</table>

### Key Metrics

<table>
<thead>
<tr>
<th></th>
<th>Q2'10</th>
<th>Q1'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Accounts</td>
<td>4,167</td>
<td>4,309</td>
</tr>
<tr>
<td>Patient Studies</td>
<td>34,638</td>
<td>36,529</td>
</tr>
</tbody>
</table>

- Sequential quarter revenue growth of 8%, gross margins at 64%
- Cash burn at $4M+, cash resources of $21.6M
- Q3 RIF forecast to save $2.5M+ annually
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