

NeurAxis Inc. Issues Letter to Shareholders

CARMEL, Ind., Jan. 13, 2025 — NeurAxis, Inc. (“NeurAxis,” or the “Company”) (NYSE American: NRXS), a medical technology company commercializing neuromodulation therapies addressing chronic and debilitating conditions in children and adults, today announced that CEO Brian Carrico has published a letter to shareholders highlighting the Company’s achievements in 2024 and vision for 2025.

Dear shareholders,

We are thrilled to connect with you as we celebrate NeurAxis’s remarkable achievements in 2024 and anticipate the exciting opportunities ahead. This is a pivotal time for our company as we strive to establish ourselves as an innovative leader in the gastroenterology space. Our immediate focus is on driving the growth of IB-Stim for pediatric irritable bowel syndrome (IBS) and advancing the commercialization of RED, a screening tool, for patients with chronic constipation.

Looking forward, our pipeline remains robust, with plans to submit to FDA for expanded indications in 2025, such as adult IBS and pediatric functional dyspepsia. As we prepare for 2025, our priorities are clear: to sustain exceptional revenue growth, carefully manage costs, and strengthen our balance sheet, thus delivering outstanding value to our shareholders. Thanks to our strong revenue trajectory and successful recent funding rounds with respected healthcare investors, we are well-positioned to achieve our objectives in the near-term.

2024 marked a groundbreaking year for IB-Stim, the first FDA-indicated treatment specifically designed for Pediatric IBS. Powered by our innovative and patented PENFS technology, IB-Stim was prescribed for approximately 1,000 IBS patients this year. We are deeply honored to have made a meaningful difference in the lives of so many children and young adults, offering hope where few alternatives exist and helping them return to normal activity.

In 2024, we successfully achieved our growth objectives for IB-Stim, building on the foundation that robust, peer-reviewed data, drives insurance expansion, fostering sustainable revenue and margin growth. Our PENFS technology is now supported by 16 peer-reviewed studies conducted in leading U.S. children’s hospitals. These publications have significantly expanded insurance coverage to approximately 51 million lives, a substantial increase from 4 million just a year ago. This broader coverage contributed to the strong revenue growth in the second half of 2024.

We are pleased with our recent operating results and even more excited about the opportunity to accelerate revenue growth in the coming quarters.

In November, we received FDA 510(k) clearance for an expanded indication of IB-Stim that now includes patients aged 8 to 21 years, compared to the previous range of 11 to 18 years.

Additionally, the updated clearance allows for one additional device, extending the treatment to four weeks. The age expansion milestone is significant, as it increases IB-Stim's addressable market by over 75%.

In October, we announced that the American Medical Association had approved a new Current Procedural Terminology (CPT) Category I code for PENFS procedures, which will take effect on January 1, 2026. Securing a Category I code for this innovative technology marks a significant milestone in our efforts to expand patient access to IB-Stim and future PENFS technology applications.

The comprehensive, peer-reviewed published data has been instrumental in securing the new indication expansion and the CPT category I code. This reflects the scientific community's recognition of our flagship technology, which has faced barriers related to insurance policy coverage. Major commercial payers have traditionally depended on academic society guidelines to make coverage decisions, and pediatric IBS is no exception.

Independent guidelines from academic societies are the most significant validation a new technology can achieve, as they represent an impartial review of the literature and provide an assigned grade that payers use to make decisions. In October, we announced that a systematic review of the pediatric IBS literature was presented at a national meeting by a subcommittee of the North American Society for Pediatric Gastroenterology, Hepatology, and Nutrition (NASPGHAN). This data suggested that our technology has the highest GRADE certainty and the largest magnitude effect for pediatric IBS, and this will be part of the clinical practice guidelines that we expect to be published in the coming months.

Based on discussions with leading insurance providers, this publication will serve as a pivotal driver for medical policy coverage, and we anticipate it will significantly accelerate insurance adoption nationwide.

In December 2024, we obtained 510(k) clearance from the FDA for our Rectal Expulsion Device (RED). This will allow us to commercialize the device in the US as a screening tool for patients with chronic constipation and pelvic floor dysfunction. The procedure benefits from a Category I CPT code and the procedure has positive policy coverage by Medicare and most commercial insurance providers, which makes us confident that we will see initial revenues as early as the first quarter of 2025.

NeurAxis's robust sales growth and disciplined cost management have set the stage for achieving cash flow breakeven in 2026. Notably, recent investments from life science-focused funds have bolstered our balance sheet, providing the financial strength to accomplish our objectives in the near-term.

Finally, we would like to extend our heartfelt gratitude to our shareholders for their unwavering support of our vision. We also sincerely thank our dedicated partners,

employees, and directors for their invaluable contributions to our continued success.

Brian Carrico

President and Chief Executive Officer

About NeurAxis, Inc.

NeurAxis, Inc., is a medical technology company focused on neuromodulation therapies to address chronic and debilitating conditions in children and adults. NeurAxis is dedicated to advancing science and leveraging evidence-based medicine to drive the adoption of its IB-Stim™ therapy, which is its proprietary Percutaneous Electrical Nerve Field Stimulation (PENFS) technology, by the medical, scientific, and patient communities. IB-Stim™ is FDA-cleared for functional abdominal pain associated with irritable bowel syndrome (IBS) in adolescents 11-18 years old. Additional clinical trials of PENFS in multiple pediatric and adult conditions with large unmet healthcare needs are underway. For more information, please visit <http://neuraxis.com>.

Forward-Looking Statements

Certain statements in this press release are 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. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on management's current assumptions and expectations of future events and trends, which affect or may affect the Company's business, strategy, operations or financial performance, and actual results and other events may differ materially from those expressed or implied in such statements due to numerous risks and uncertainties. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. There are a number of important factors that could cause actual results, developments, business decisions or other events to differ materially from those contemplated by the forward-looking statements in this press release. These factors include, among other things, the conditions in the U.S. and global economy, the trading price and volatility of the Company's stock, public health issues or other events, the Company's compliance with applicable laws, the results of the Company's clinical trials and perceptions thereof, the results of submissions to the FDA, the results of the shareholder vote to enable the issuance of the Preferred Stock, and factors described in the Risk Factors section of NeurAxis's public filings with the Securities and Exchange Commission (SEC). Because forward-looking statements are inherently subject to risks and uncertainties, you should not rely on these forward-looking statements as predictions of future events. These forward-looking statements speak only as of the date of this press release and, except to the extent required by applicable law, the Company undertakes no obligation to update or revise these statements, whether as a result of any new information, future events and developments or otherwise.

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