

NeurAxis Reports Strong Fourth Quarter 2024 Financial Results Driven by a 43% Increase in Revenues

Conference call will be held today, Thursday, March 20 at 9:00 am ET

CARMEL, Ind., March 20, 2025 — NeurAxis, Inc. (“NeurAxis,” or the “Company”) (NYSE American: NRXS), a medical technology company commercializing neuromodulation therapies for chronic and debilitating conditions in children and adults, today announced results for the fourth quarter and fiscal year 2024 for the period ended December 31, 2024.

4Q24 Financial highlights

- Revenues increased 43% to \$761 thousand in 4Q24 compared to \$531 thousand in 4Q23.
- Operating loss improved by 10% compared to the fourth quarter of 2023.
- Cash balance was \$3.7 million as of December 31, 2024.

Recent Operational Highlights

- Expanded total covered lives to approximately 51 million compared to 4 million as of December 31 2023.
- Received a new Current Procedural Terminology (CPT) Category I code for Percutaneous Electrical Nerve Field Stimulation (PENFS) procedures effective January 1, 2026.
- Received new FDA clearance for the expansion of IB-Stim label:
 - to allow for a larger patient population beyond 11-18 years of age to 8-21 years.
 - to increase devices per patient to 4 devices.
- Received 510(k) clearance from the FDA for its rectal expulsion device (RED) product. RED’s innovative design simplifies anorectal function testing and can be used without interrupting clinical workflow. The Company has just begun the commercialization process and expects the first meaningful revenues in 2Q25.
- The Company remains committed to clinical research in the pediatric space, with 16 peer-reviewed publications. All studies were carried out in US children’s hospitals using NeurAxis’ PENFS technology. This level of evidence puts NeurAxis in a great position to continue expanding payor coverage and increasing adoption of the technology.

Management Commentary

Brian Carrico, Chief Executive Officer of NeurAxis, commented, “Our strong performance in 4Q24 capped off a transformational year, as we significantly expanded insurance coverage for IB Stim, received a CPT Category I code for PENFS, nearly doubled our TAM for Pediatric FAB/IBS, and received 510(k) clearance for our RED device. These important accomplishments put us in an exceptional position to continue the outsized growth we have achieved in the last two quarters. Our growth prospects in the near and medium term are

robust and extend across multiple products and indications, and combined with disciplined cost management, have set the stage for achieving cash flow breakeven. Notably, recent investments from life science-focused funds have bolstered our balance sheet, providing the financial strength to accomplish our objectives.

“Positive policy coverage for approximately 51 million lives now exists, with numerous payers actively engaged in the review and policy development process. Our progress is increasingly reflected in the numbers. Over the past 12 months, more than 1,000 pediatric patients have been treated, representing just over 0.1% of the 600,000 children in the U.S. suffering from debilitating IBS and in urgent need of IB-Stim. Revenue growth has been robust, with a 43% year-over-year increase in 4Q24, building on the strong momentum of Q3’s 40% sales surge. This upward trajectory has continued into 1Q25.

“Looking ahead, we expect the upcoming publication of academic society guidelines to drive significant insurance policy coverage as we look to have the majority of children in the US covered for treatment. This remaining policy coverage, coupled with the implementation of the Category I code on January 1, 2026, are the two milestones we have been working toward since the beginning to allow large-scale growth nationally. Additionally, we have submitted for FDA clearance for Functional Dyspepsia in children and we are cautiously optimistic in receiving this expanded indication for our PENFS technology in 2025. If successful, this will double our total addressable market in the pediatric market. Our vision is clear, and we will continue to hit the remaining milestones in order to achieve our growth and revenue expectations.”

Fourth Quarter and Fiscal Year 2024 Financial Results

Revenues in the fourth quarter of 2024 were \$761 thousand, up 43% compared to \$531 thousand in the fourth quarter of 2023. Unit sales increased approximately 45% due to growth from patients with full insurance reimbursement and the Company’s financial assistance program that offers discounts for patients without insurance coverage. The Company continues to see great improvements in recent months, gaining positive policy coverage for the PENFS technology, and recent results are indicative of that success.

Revenue in fiscal year 2024 was \$2.7 million, an increase of 9% compared to \$2.5 million in fiscal year 2023. Unit sales increased approximately 19% due to continued growth of the Company’s financial assistance program.

Gross margin in the fourth quarter of 2024 remained steady at 86.4% during the fourth quarters ended December 31, 2024 and 2023. The Company maintained its gross margin by growing its higher margin full insurance reimbursement program to offset the growth of devices delivered through the discounted financial assistance program.

Gross margin in fiscal year 2024 of 86.5% declined 120 basis points compared to 87.7% in

fiscal year 2023 due to growth in device deliveries from the Company's financial assistant programs.

Selling, general and administrative expenses in the fourth quarter of 2024 were \$2.1 million, an increase of 2% compared to \$2.0 million in the fourth quarter of 2023. The increase was due to the hiring of key personnel and the introduction of a short-term incentive plan in fiscal 2024, mostly offset by lower third party service costs.

Selling, general and administrative expenses in fiscal year 2024 were \$9.5 million, an increase of 7% compared to \$8.8 million in fiscal year 2023. The increase was due to the hiring of key personnel, the introduction of a short-term incentive plan and the annualization of public company costs, one-time severance and advisory costs, partly offset by post-IPO consulting and recruiting fee and IPO bonuses that did not recur in 2024 as well as lower third party service costs in 2024.

Operating loss in the fourth quarter of 2024 was \$1.5 million, an improvement of 10% compared to \$1.6 million in the fourth quarter of 2023.

Operating loss in fiscal year 2024 was \$7.2 million, an increase of 7% compared to the \$6.7 million for the full year of 2023.

Net loss in the fourth quarter of 2024 was \$1.5 million, a decrease of 73% compared to \$5.3 million in the fourth quarter of 2023 primarily due to a lower operating loss and a \$3.7 million charge related to the extinguishment of debt upon the Company's IPO in 2023.

Net loss for the full year 2024 was \$8.2 million, a decrease of 44% compared to the \$14.6 million for the full year of 2023 primarily due to the absence of debt discount, issuance cost and debt extinguishment charges triggered by the Company's IPO in 2023 partially offset by a higher operating loss.

Cash on hand as of December 31, 2024, was \$3.7 million. Although the Company had no long-term debt as of December 31, 2024, short-term debt of \$154 thousand represented a note payable related to the financing of business insurance premiums. Cash used in operations in fiscal year 2024 of \$6.1 million was \$595 thousand lower than in fiscal year 2023 primarily due to more issuances of common stock instead of cash for certain services and lower interest payments.

Conference Call Details

Date and Time: Thursday, March 20, 2025, at 9:00am ET

Live Webcast Information: Interested parties can access the conference call via a live webcast, which is available in the Investor Relations section of the Company's website at <https://ir.neuraxis.com/> or <https://edge.media-server.com/mmc/p/ztpz6rwm>. For participants

listening through the webcast, questions can be sent in through the portal using the “Ask a Question” link or by emailing questions to NRXS@lythampartners.com.

Call-in Information: Interested parties can also access the live conference call by initially registering at the following link. Upon completion of the registration link, call-in participants will receive the dial-in info and a unique PIN to join the call as well as an email confirmation with the details.

Replay: A webcast replay will be available in the Investor Relations section of the Company’s website at <https://ir.neuraxis.com/> or <https://edge.media-server.com/mmc/p/ztpz6rwm>.

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 8-21 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.

For contraindications, precaution, warnings, and IFU, please see: <https://ibstim.com/important-information/>.

For important RED information, including indications, precautions, and contraindications, visit: <https://red4constipation.com/information/>

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NeurAxis, Inc. Condensed Statements of Operations

	Twelve Months Ended December 31,	
	2024	2023
Net sales	\$ 2,685,925	\$ 2,460,049
Cost of goods sold	362,002	303,345
Gross profit	2,323,923	2,156,704
Selling expenses	324,708	323,569
Research and development	206,107	169,315
General and administrative	8,949,925	8,328,315
Operating loss	(7,156,817)	(6,664,495)
Other (expense) income:		
Financing charges	(230,824)	(2,772)
Interest expense, net	(174,328)	(476,416)
Change in fair value of warrant liability	(941)	844,854
Change in fair value of derivative financial instruments	-	198,551
Amortization of debt discount and issuance costs	(126,387)	(4,881,622)
Extinguishment of debt liabilities	-	(3,649,561)
Other (expense) income, net	(552,204)	4,778

Total other (expense) income, net	(1,084,684)	(7,962,188)
Net loss	\$ (8,241,501)	\$ (14,626,683)

