NeurAxis Reports Strong Second Quarter 2025 Financial Results Driven by a 46% Growth in Revenues

Conference call will be held today, Tuesday, August 12 at 9:00 am ET

CARMEL, Ind., Aug. 12, 2025 (GLOBE NEWSWIRE) — 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 second quarter 2025 for the period ended June 30, 2025.

2Q25 Financial highlights

- Revenues increased 46% year over year to $894 thousand in 2Q25 compared to $612 thousand in 2Q24.
- Operating expenses decreased 10% year over year in 2Q25 compared to 2Q24.
- Operating loss improved by 22% compared to the second quarter of 2024.
- Cash balance was $6 million as of June 30, 2025. The Company secured $5 million through an equity-only financing round, with participation by existing and new institutional investors.

Recent Operational Highlights

- Secured key academic society guidelines recommendation for treatment of Functional Abdominal Pain (FAP) in IBS. NeurAxis’s PENFS technology is the only FDA-cleared or approved treatment that is recommended in the pediatrics guidelines, enabling momentum for large-scale insurance coverage for IB-Stim.
- Awarded first ever FDA Clearance for the treatment of pediatric FAP/Functional Dyspepsia (FD) and associated nausea symptoms, significantly expanding IB-Stim’s total addressable market.
- Expanded total covered lives to approximately 53 million.
- Assignment of a new Current Procedural Terminology Category I CPT code for Percutaneous Electrical Nerve Field Stimulation (PENFS) procedures. This code is effective for utilization on January 1, 2026 and includes RVUs & financials for reimbursement.
- 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 in adult patients with chronic constipation and can be used without interrupting clinical workflow.

Management Commentary

Brian Carrico, CEO of NeurAxis commented “We remain highly encouraged by the Company’s trajectory, with strong revenue growth anticipated in the near term following several critical achievements in recent months. Our focus continues to be on expanding insurance coverage and executing large-scale IB-Stim commercialization.

In May, we completed a $5 million equity-only financing round, supported by existing and new institutional investors. This capital will enable us to execute on our growth strategy and advance our commercial efforts.

We are approaching a major inflection point with national insurance coverage, as IB-Stim’s Category I CPT code is set for utilization on January 1, 2026. Additionally, we recently secured inclusion of our proprietary PENFS technology in clinical practice guidelines from leading academic societies-a significant endorsement that supports expanded access on a broader scale. We expect this expanded coverage to drive substantial revenue growth and improved gross margins, as more devices are reimbursed at full commercial rates.

We also achieved a major regulatory milestone with FDA clearance to expand IB-Stim’s indication to include pediatric Functional Dyspepsia. This expansion significantly increases our total addressable market and enables us to leverage our existing provider and payer relationships.

Operational performance remained strong in the second quarter, with revenue increasing 46% year-over-year and units sold rising 58%. Importantly, we are beginning to see operating leverage in the business, as operating losses declined by 22% year-over-year. Based on our strong top-line momentum and strategic positioning, we remain confident in achieving breakeven in 2026.”

Second Quarter 2025 Financial Results

Revenues in the second quarter of 2025 were $894 thousand, up 46% compared to $612 thousand in the second quarter of 2024. Unit sales increased approximately 58% year over year 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 build momentum as the second quarter of 2025 marked the fourth straight quarter of revenue growth year over year.

Gross margin in the second quarter of 2025 declined to 83.6% from 88.0% in the second quarter of 2024. Despite the increase in sales volume, the decrease in gross margin was due

to higher discounting based on lower income levels of patients participating in the Company's financial assistance programs and expired RED inventory. As the Company continues to treat all patients regardless of their financial position, gross margin will vary quarter to quarter.

Operating expenses in the second quarter of 2025 were $2.5 million, a decrease of 10% compared to $2.7 million in the second quarter of 2024. The decrease was primarily due to (i) the absence of certain one-time, non-recurring severance, consulting and advisory costs incurred in 2024 and (ii) lower accounting, investor relations, insurance and advertising costs as new hires in 2024 have internally absorbed certain services, partially offset by third party costs incurred to enhance the Company's internal control environment.

Operating loss in the second quarter of 2025 was $1.7 million, a decrease of 22% compared to $2.2 million in the second quarter of 2024. The decrease was primarily due to higher sales volume and better general and administrative expense leverage, partially offset by a lower gross margin and higher selling costs that are a function of revenue.

Net loss in the second quarter of 2025 was $1.7 million, a decrease of 42% compared to $2.9 million in the second quarter of 2024. The decrease was due to higher sales volume, better general and administrative expense leverage and the absence of a one-time, non-recurring 2024 settlement of certain claims relating to pre-IPO Series A Preferred Stock shareholders.

Cash on hand as of June 30, 2025, was $6.0 million. The Company secured $5.0 million through an equity-only financing round, backed by both existing and new institutional investors. Cash used in operations for the six months ended June 30, 2025 of $3.1 million was $124 thousand higher than the six months ended June 30, 2024, primarily due to higher inventory purchases to support sales growth and 2025 payments of the 2024 annual short-term incentive plan, partially offset by increased cash collections.

Conference Call Details

Date and Time: Tuesday, August 12, 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/8yd7cjue. 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 Call In 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/8yd7cjue.

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) and Functional Dyspepsia and associated Nausea Symptoms 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, 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
(Unaudited)

	(Unaudited) Three Months Ended June 30,		(Unaudited) Six Months Ended June 30,	
	2025	2024	2025	2024
Net sales	$ 894,086	$ 611,500	$ 1,789,741	$ 1,258,135
Cost of goods sold	146,643	73,458	286,118	148,539
Gross profit	747,443	538,042	1,503,623	1,109,596
Selling expenses	142,253	62,274	276,206	142,304
Research and development	58,319	54,312	108,012	59,882
General and administrative	2,264,729	2,628,288	5,132,360	4,946,362
Operating loss	(1,717,858)	(2,206,832)	(4,012,955)	(4,038,952)
Other income (expense):				
Financing charges	–	–	–	(230,824)
Interest expense, net	(13,434)	(80,697)	(15,672)	(107,257)
Change in fair value of warrant liability	(119)	7,576	1,712	(1,708)
Amortization of debt discount and issuance costs	–	(63,817)	–	(85,500)
Other income	40,993	2,961	57,813	2,961
Other expense	–	(576,901)	–	(577,081)
Total other income (expense), net	27,440	(710,878)	43,853	(999,409)
Net loss	$ (1,690,418)	$ (2,917,710)	$ (3,969,102)	$ (5,038,361)