NeurAxis Reports Strong First Quarter 2025 Financial Results Driven by a 39% Growth in Revenues

May 12, 2025

Conference call will be held today, Monday, May 12 at 9:00 am ET

CARMEL, Ind., May 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 first quarter 2025 for the period ended March 31, 2025.

1Q25 Financial highlights

- Revenues increased 39% year over year to $896 thousand in 1Q25 compared to $647 thousand in 1Q24.
- Revenues increased 18% quarter over quarter to $896 thousand in 1Q25 compared to $761 thousand in 4Q24.
- Operating loss (excluding a one-time legal settlement) improved by 9% compared to the first quarter of 2024.
- Cash balance was $2.0 million as of March 31, 2025.

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, “Q1 2025 marked another strong quarter for NeurAxis, with revenue growing 39% year-over-year, extending the momentum that began in Q3 2024. Our progress is becoming increasingly evident in the numbers. In the first quarter alone, 300 patients were treated through full PO or PAP programs—an annualized rate of 1,200 patients. While this marks important growth, it still represents just 0.2% of the 600,000 severely affected children in the U.S. suffering from IBS who are in urgent need of IB-Stim.

This robust growth is driven by physicians gaining greater comfort with billing and coding processes, alongside broader awareness of academic society guidelines that recognize PENFS with the highest GRADE of evidence. Today, positive coverage policies now encompass approximately 51 million lives, and several additional payers are actively engaged in policy development.

While our revenue trajectory has accelerated in recent quarters, it’s important to recognize we are still reaching only a small fraction of our total addressable market, primarily because national policy coverage and the implementation of the Category I CPT code are still forthcoming. We expect the upcoming publication of academic society guidelines to be a significant catalyst for broader insurance coverage, with the goal of securing treatment access for the majority of affected children in the U.S. These coverage expansions, alongside the Category I code taking effect on January 1, 2026, are the two critical milestones that position us for large-scale national growth.

In parallel, we have submitted for FDA clearance to expand IB-Stim’s indication to include pediatric Functional Dyspepsia, and we are cautiously optimistic for approval in 2025. A successful clearance would effectively double our pediatric addressable market.

Our vision is clear: we are methodically executing against our milestones to drive growth, expand access, and deliver on our revenue expectations. We anticipate meaningful acceleration in revenue growth as we move closer to cash flow breakeven, fueled by two catalysts — the continued expansion of positive payer coverage for IB-Stim (PENFS) and the commercialization of RED, alongside the Category I CPT code becoming effective in early 2026."

First Quarter 2025 Financial Results

Revenues in the first quarter of 2025 were $896 thousand, up 39% compared to $647 thousand in the first quarter of 2024. Unit sales increased approximately 46% 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 see great improvements in recent months, gaining positive policy coverage for the PENFS technology, and recent results are indicative of that success.

Gross margin in the first quarter of 2025 declined to 84.4% from 88.4% in the first quarter of 2024. Despite the increase in sales volume, the decline in gross margin is the result of higher growth from financial assistance customers with discounted pricing due to lack of insurance coverage compared to full reimbursement customers with insurance coverage and higher device manufacturing and shipping costs.

Operating expenses in the first quarter of 2025 were $3.1 million, an increase of 27% compared to $2.4 million in the first quarter of 2024. The increase is due to (i) the settlement of a lawsuit, (ii) higher selling expenses corresponding directly with sales volume and (iii) higher research and development costs as the Company completed RED development and initiated expenditures on a new medical research project. Excluding the one-time legal settlement charge, the Company's operating expenses in the first quarter of 2025 would have remained relatively flat compared to the first quarter of 2024.

Operating loss in the first quarter of 2025 was $2.3 million, an increase of 25% compared to $1.8 million in the first quarter of 2024. Excluding the one-time legal settlement charge, the Company's operating loss in the first quarter of 2025 would have improved 9% compared to the first quarter of 2024.

Net loss in the first quarter of 2025 was $2.3 million, an increase of 8% compared to $2.1 million in the first quarter of 2024. Excluding the one-time legal settlement charge, the Company's net loss in the first quarter of 2025 would have improved 22% compared to the first quarter of 2024.

Cash on hand as of March 31, 2025, was $2.0 million. Cash used in operations in the first quarter of 2025 was $271 thousand higher than in the first quarter of 2024 primarily due to past due payables in the first quarter of 2024 that was a function of the Company's liquidity position at the time. The Company has no long-term debt.

Conference Call Details

Date and Time: Monday, May 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/hn59d9cm. 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/ orhttps://edge.media-server.com/mmc/p/hn59d9cm.

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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	(Unaudited) For the Three Months Ended March 31,	
	2025	**2024**
Net Sales	**$ 895,655**	$ 646,635
Cost of Goods Sold	**139,475**	75,081
Gross Profit	**756,180**	571,554
Selling Expenses	**133,954**	80,030
Research and Development	**60,556**	5,570
General and Administrative	**2,856,768**	2,318,074
Operating Loss	**(2,295,098)**	(1,832,120)
Other income (expense):		
Financing charges	**—**	(230,824)
Interest expense	**(2,237)**	(26,560)
Change in fair value of warrant liability	**1,831**	(9,284)
Amortization of debt discount and issuance cost	**—**	(21,683)
Other income	**16,820**	**—**
Other expense	**—**	(180)
Total other income (expense), net	**16,414**	(288,531)
Net loss	**(2,278,684)**	(2,120,651)
Preferred stock dividends	**(213,543)**	**—**
Net loss available to common stockholders	**$ (2,492,227)**	$ (2,120,651)
Per-Share Data		
Basic and diluted loss per share	**$ (0.33)**	$ (0.32)
Weighted Average Common Shares Outstanding		
Basic and diluted	**7,463,578**	6,550,567