August 11, 2023

NEURAXIS, INC.

(NYSE AMERICAN: NRXS)

Industry: MedTech

6-12 Mo. Price Target: $14

NEURAXIS, INC.

Innovative First Mover in Underserved Market Poised for Exponential Growth

Rob Goldman
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COMPANY SNAPSHOT

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 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.

KEY STATISTICS

Price as of 8/10/23	$6.07
52 Week High – Low	$6.93 - $4.85
Est. Shares Outstanding	6.1M
Market Capitalization	$37.0M
Average Volume	376,638
Exchange	NYSE American

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

Innovative medtech provider NeurAxis, Inc. went public in a successful IPO on August 9, 2023, and it appears that substantial upside exists. Future, exponential top-line growth appears to be driven by a series of new insurance companies payer coverages, which exponentially increases the market opportunity with each new insurer.

The Company's flagship product, is the first FDA cleared therapy for functional abdominal pain associated with irritable bowel syndrome (IBS) in adolescents 11-18 years old. With a first mover advantage, and highly efficacious evidence-based results in studies, broad adoption appears set to occur.

The TAM for the current indication and a series of other pediatric indications in the pipeline represents $9B. NRXS also boasts a proprietary technology platform, Percutaneous Electrical Nerve Field Stimulation (PENFS), along with 8 patents and 18 pending.

We currently forecast that NRXS revenue could jump from $5M in 2023 to $22M in 2025. With an enviable 88% gross margin, meaningful operating margin and positive EPS should be recorded beginning in 2024.

Our 6-12-month price target is $14, more than double the IPO price. This target is based on a price/sales multiple on our 2024 sales forecast of $12.7M.

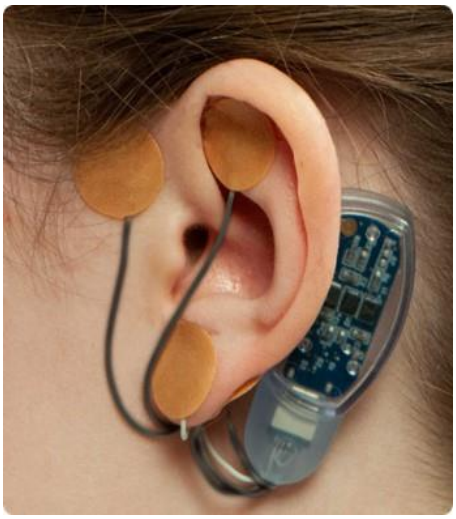
COMPANY OVERVIEW

The View from 30,000 Feet

On August 9, 2023, Carmel, Indiana-based **NeurAxis, Inc. (NYSE American: NRXS)** went public at $6M and had a solid first day of trading. Looking ahead, we believe NRXS is poised to revolutionize treatment strategies for children and adults who suffer from chronic and debilitating conditions. The Company boasts a first-mover advantage, strong IP, deep evidence-based studies of hundreds of published patients, a total addressable market of $30B, and an FDA-cleared product that serves a major need in a badly underserved market.

Plus, its flagship product carries an 88% gross margin and insurance payer coverage by insurers across the US is growing rapidly---representing a series of major catalysts to drive the shares in the coming months. Against this backdrop, we project substantial revenue growth, with operating profit set to occur, beginning in 2024, and a higher valuation ahead.

The Product, The Tech, The Market, The Pipeline



The Company's first FDA-cleared product, IB-Stim™, is based on Percutaneous Electrical Nerve Field Stimulation (PENFS) technology, which was developed internally by the Company. IB-Stim™ is intended for patients 11-18 years of age with functional abdominal pain (FAP) associated with Irritable Bowel Syndrome (IBS). IB-Stim™ aids in pain reduction via neuromodulation to branches of Cranial Nerves to improve the quality of life of pediatric patients. Unlike drug and surgical device therapies, IB-Stim™ is non-drug, non-surgical that can be placed in patients in an outpatient clinic. The device is worn for 120 hours per week for up to 3-4 consecutive weeks, with device replacement each week until the end of the therapy.

The current targeted pediatric market is estimated to represent $1B and lacks FDA-approved treatment options, with many drugs used off-label and carrying a poor side effect profile. At present, insurance companies representing 4.75M potential patients have payer coverage for the Company's therapy, with many more firms expected to reimburse patients based on the CPT billing code.

Leveraging 8 patents and 18 pending, NRXS is focused on additional pediatric indications using its core PENFS technology. These include chronic nausea, post-concussion, and chemotherapy-induced nausea and vomiting, which combined represent a $9B TAM. Following the planned deployment in the pediatric market, NRXS plans to enter the adult market for FAP IBS and similar indications to the ones noted above.

Financial Forecasts and Valuation

For the full year 2023, we currently forecast sales of $5M, a nearly 100% year-over-year increase. Sales are projected to be driven by recent and new insurance payer coverage for the IB-Stim™ therapy. Our model

assumes an operating and net loss of ($3.7M) and ($5.4M), respectively. In 2024, we project $12.7M in sales (IB-Stim™ only) and operating profit of $826K, for a healthy 6.5% margin. EPS of $0.14 for the year is currently forecasted but this figure could be modified slightly as we get a better handle on non-opex expenses.

At this time, we have elected to introduce preliminary projections for 2025, which could also include first meaningful sales of the Company's chronic nausea product currently in R&D. Our 2025 sales estimate is $22M, with a strong operating margin of 26.5% and net income of $4.2M, or $0.61.

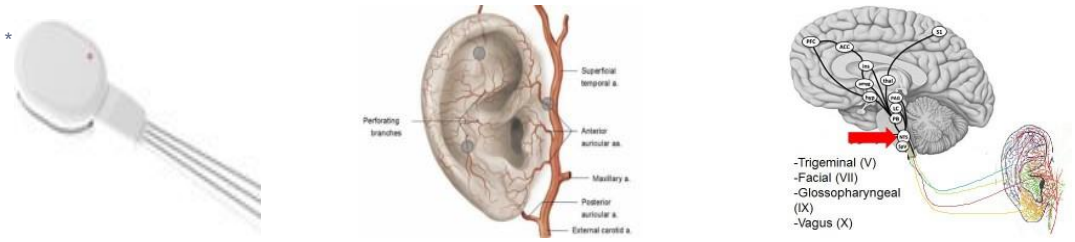
Our 6-12-month price target of $14 reflects a 6.7x price/sales multiple on our forecasted 2024 sales forecast of $12.7M. On the surface, this P/S ratio may appear a bit aggressive. Conversely, we believe it is quite reasonable, given inherent competitive advantages including first mover positioning, exponential sales growth led by a likely exponential market growth opportunity via new insurance plan reimbursement. The Company's approach is a quality-of-life improvement that could lead IB-Stim™ to emerge as a first line therapy or standard of care. Finally, with software-like gross margins, meaningful profit is around the corner. Thus, our $14 target is within reach in the coming months, in our view.

NOVEL EFFICACIOUS APPROACH, MAJOR OPPORTUNITIES

As the first FDA-cleared treatment for pediatric FAP/IBS, we believe that NRXS is sitting in the catbird seat due to the FDA process itself. The IB-Stim™ was an FDA De Novo clearance and the stated classification was actually the Company's PENFS technology---a major credibility enhancer for pediatric gastroenterologists and pediatricians alike. Of course, the Company raised $17M in capital since inception (prior to yesterday's IPO).

Percutaneous Electrical Nerve Field Stimulation (PENFS)

How Does Neuromodulation Work?



1. Access — Direct access to central nervous system (CNS) through peripheral cranial nerves

2. Stimulate — Stimulation reduces firing of amygdala

3. Change — Induces changes in brain pathways/connectivity

5 * Second Generation Device Pictured

NeurAxis

The novel treatment targets the brain and with more than 300 published patients using the device, it clearly has extended, longer term, efficacious advantages over other well known neuromodulation techniques such as TENS (Transcutaneous electrical nerve stimulation). TENS technologies are not highly regarded due to a lack of clinical evidence although they appear to offer an incrementally and temporarily favorable effect for patients with pain. In our view, PENFS is light years ahead of other neuromodulation approaches since its method sends gentle electrical impulses into cranial nerves thereby stimulating the brain areas involved in processing pain. Many competing approaches seek to only provide temporary relief at the pain site.

IB-Stim™

IB-Stim™ is intended for patients 11-18 years of age with functional abdominal pain (FAP) associated with Irritable Bowel Syndrome (IBS) and is the first FDA cleared product for this indication. Unlike drug and surgical device therapies, IB-Stim™ is non-drug, non-surgical therapy that can be placed in patients in an outpatient clinic. While the device is placed in patients by a trained technician, unlike an invasive procedure whereby the patient may be placed under anesthesia, this device is attached using microneedles. The device is worn for 120 hours per week for up to 3-4 consecutive weeks, with device replacement each week until the end of the therapy. The patient has no restrictions while wearing it---he/she can engage in sports, bathe, etc. In addition to its efficacy, the side effect profile of competing therapies to IB-Stim™ are a bit concerning.

IB-Stim™ Competitive Landscape

			Antidepressants		Adult Use (Peripherally Acting at the Gut Level)			
	IB-Stim™	Psychological Therapy	Amitriptyline	Citalopram	Amitiza	Linzess	Trulance	Viberzi
FDA Approved for IBS in Children and Adolescents	✓	✓						
Improves Functional Disability	✓	✓						
Targets Brain-Gut Axis	✓	✓	✓	✓				
Better Than Placebo for Pain in IBS	✓	✓			✓	✓	✓	✓
Improves Pain Catastrophizing	✓	✓						
Improves Global and Somatic Symptoms	✓	✓						
Most Serious Potential Side Effects	Localized Skin Irritation	None	Suicidal Ideation, Dementia (long term use)	Suicidal Ideation, Dementia (long term use)	Abdominal Pain, Allergic Reaction	Diarrhea, Abdominal Pain	Diarrhea, Serious Allergic Reaction	Pancreatitis, Serious Allergic Reaction, Intestinal Obstruction
Easily Accessible	✓		✓	✓	✓	✓	✓	✓

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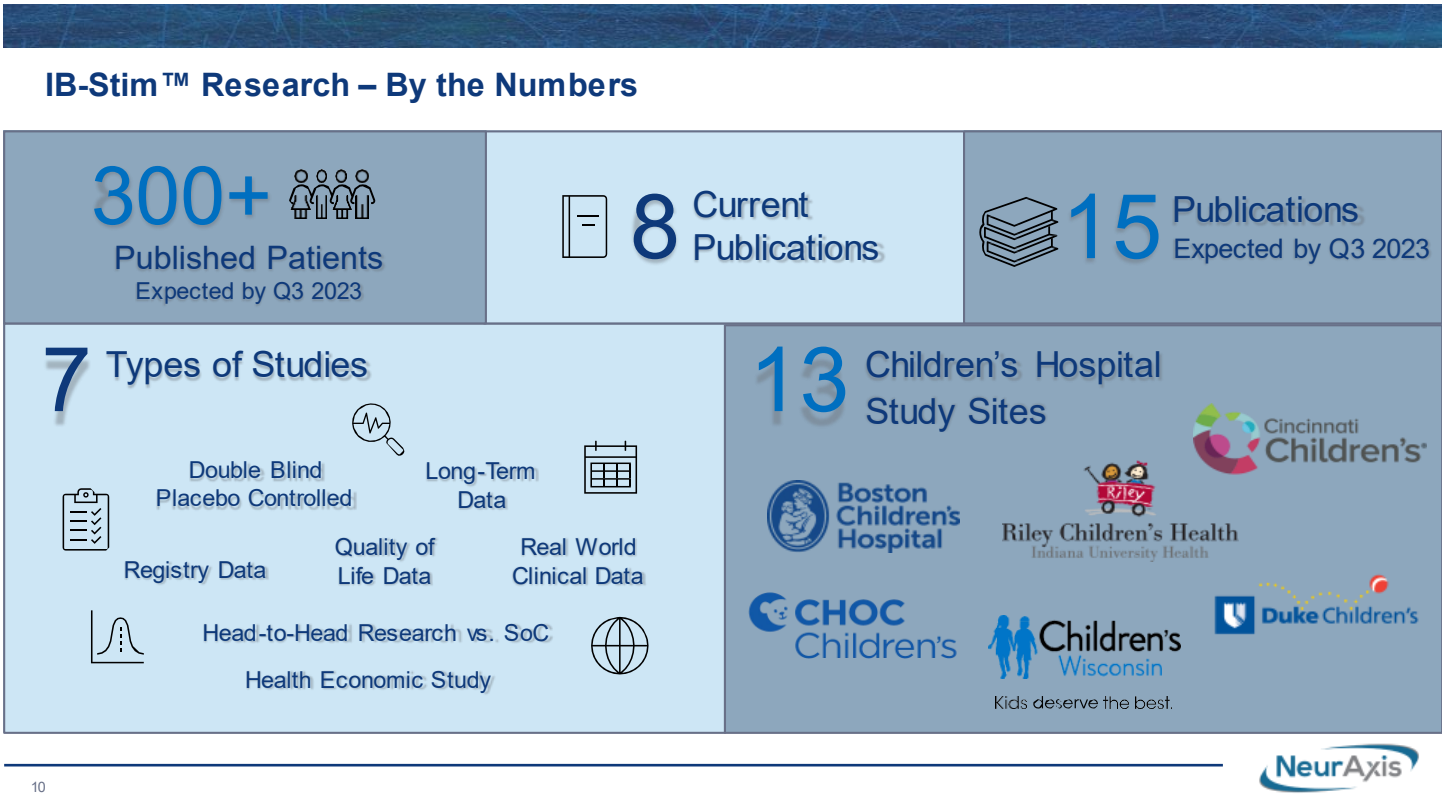
The Company has 4 insurer plans with a total of 4.75M lives covering the product and firms totaling an additional 10M currently in the review phase. With every new insurer coming on board with a CPT billing code, it should have a meaningfully favorable impact on the stock, especially if the carrier is of size. Meanwhile, the Company's direct sales force is in contact with the 260 children's hospitals in the US, which represent low-hanging fruit considering most of the decisions and device placement are made by physicians in these facilities. In addition, the Company seeks to reach out to the 33,000 pediatricians as a number of them may not be familiar with the Company's flagship, or its deep, evidence-based research.



Looking ahead, leveraging its 8 patents and 18 pending, NRXS is focused on additional pediatric indications using its core PENFS technology. These include chronic nausea, post-concussion, and chemotherapy-induced nausea and vomiting, which combined represent a $9B TAM. Following the planned deployment in the pediatric market, NRXS plans to enter the adult market for FAP IBS and similar indications to the ones noted above. At this time, we believe a 510(k) submission for the chronic nausea indication could occur in 2024, with decisions on timing of the adult market to be determined. Thus, our focus is on the $9B pediatric market, for which no FDA cleared products exist and utilize the Company's PENFS technology, which should give investors confidence in additional approved products. Moreover, management's likely confidence in future indications comes from the fact that NRXS would be treating conditions affected by the exact same pathophysiology.

THE NEURAXIS LEADERSHP TEAM

Corporate Executives

Brian Carrico, President, Chief Executive Officer and Director

Brian Carrico joined the Company in 2012. During his tenure, Mr. Carrico has held multiple leadership positions of increasing responsibility, including Vice President of Sales and President before becoming CEO on January 1, 2018. As an early employee in the Company's life cycle, Mr. Carrico was instrumental in setting the strategic agenda for the Company, raising start-up capital, championing new product development, and bringing the Company's technology to market. Prior to joining Neuraxis, Mr. Carrico worked selling in the operating room at Bard Medical and in the Cath lab at St. Jude Medical. He attended Indiana State University and holds a Bachelor of Science in Business Marketing.

John Seale, Chief Financial Officer

John Seale is a certified public accountant and a certified information technology professional. He has served as our Chief Financial Officer since August 2022 and is also the managing partner of RBSK Partners PC ("RBSK"), a CPA firm that offers a blend of accounting, audit, tax and specialized advisory services to individuals and business clients and has been with RBSK since 1984. Mr. Seale, through RBSK, has prepared the Company's financial statements since 2017. Mr. Seale specializes in delivering services to clients in a variety of industries, including health care, manufacturing, professional services, agriculture, warehousing, real estate and not-for-profits. Mr. Seale is also qualified to perform peer reviews of CPA firms in accordance with standards established by the Peer Review Board of the AICPA.

Mr. Seale is a member of the American Institute of CPAs (AICPA), the Indiana CPA Society, the Ohio CPA Society and the Association of Certified Fraud Examiners. He formerly served on the Indiana Society's Peer Review Committee and the Review Acceptance Board, is a former member of the AICPA Information Technology Executive Committee and was the designated audit committee financial expert on the board of directors of MainSource Financial Group.

Dan Clarence, Chief Operating Officer

Dan Clarence, a proven senior executive with results oriented general management skills and a consistent track record of successful sales and marketing initiatives over his career of thirty plus years, has served as our COO since 2018. Mr. Clarence attained a bachelor's degree from Central Michigan University, followed by Graduate Studies at the University of Chicago MBA program.

In his role as VP of Sales and Senior Director of Sales at Euro-Pro/Shark Ninja, a multi-Billion dollar privately held corporation, from 2011 to 2018, Mr. Clarence was responsible for pioneering the Wal-Mart/Sam's Club business.

Adrian Miranda, Chief Medical Officer, Senior Vice President of Science and Technology

Adrian Miranda has served as our Chief Medical Officer since 2018 and brings a unique background of research and clinical expertise to his role. Prior to joining Neuraxis, Dr Miranda was an Assistant professor at the Medical College of Wisconsin. He is a board-certified pediatric gastroenterologist. He obtained his undergraduate degree in Biology from San Diego State University and obtained his medical degree from the Medical College of Wisconsin. He completed his residency and subspecialty training in pediatric gastroenterology at Children's Hospital of Wisconsin.

As a physician scientist, he has spent the past 20 years of his career investigating the pathophysiology of visceral and somatic pain, as well as exploring new therapeutic options. His focus has been on studying the effects of adverse early life events, neuroplasticity and the development of chronic pain. He has an extensive publication record and has lectured nationally and internationally.

Thomas Carrico, Chief Regulatory Officer

Thomas Carrico has served as our Chief Regulatory Officer since November 2017. He joined the Company in February 2012 as Director of Regulatory Affairs. Prior to and during his early years with Neuraxis, he was President & Clinic Director at Spine and Neuromuscular Associates in Lawrenceburg, Indiana from January 2002 to December 2018. He has over 40 years of experience in the healthcare field and has been involved in the study and application of techniques and treatments that directly affect the autonomic nervous system, especially regarding homeostasis and balance of the parasympathetic and the sympathetic nervous system. Dr. Carrico has a history of working with attorneys while serving on state and national boards, which has positioned him to integrate into regulatory responsibilities at the Company. Dr. Carrico received his undergraduate education from Indiana University and his Doctorate from Palmer College of Chiropractic.

Christopher Robin Brown, Director of Innovation, Founder and Director

Dr. Brown is a co-founder of the Company. He developed clinical protocol, initial practice guidelines, designed and implemented the practitioner certification program, initiated the company 401K, and personally financed the first two years of the Company. After developing the technique of transillumination to isolate auricular neurovascular bundles, he authored and designed the initial studies establishing neurovascular and tissue energy transfer theories upon which the devices' use are based. Dr. Brown established initial communications with Dr. Thomas Carrico (Chief Regulatory Officer), Dr. Adrian Miranda (Chief Medical Officer), John Seale (Accountant & CFO) and our IP attorneys at Barnes and Thornburg. Dr. Brown is listed as the sole or principal inventor on all Neuraxis patents and is currently active in further device development working closely with compliance, product design and engineering.

Upon graduation from the Indiana University School of Dentistry in 1982, while serving as clinic chief in the United States Army Reserve (USAR) dental corps at Fort Benjamin Harrison in Indianapolis, Indiana, Dr. Brown started a private practice (current) concentrating in head, neck, and facial pain developing the first hospital based facial pain clinic in Indiana. He received his master's degree in Biomechanical Trauma in 1996 from Lynn University, one of only 12 dentists in the United States to hold the combination of DDS and MPS degrees. Dr.

Brown has authored several textbook chapters, published peer reviewed articles on the physics of soft tissue trauma, pain, financial management, was regional editor for a national facial pain management Journal, and has lectured extensively nationally and internationally. He served on the Board of Directors of the American Academy of Pain Management for 15 years, helping grow the organization from 800 members to over 5000. Throughout his tenure, he developed educational tracks, served as Industry liaison, one term as treasurer and one term as President. He served on the national board of The Alliance of TMD practitioners, serving one term as president.

Throughout his career, Dr. Brown has been active in the purchasing and management of several destressed clinics, re-structuring them into profitable enterprises. He has performed extensive volunteer work overseas providing surgical care in the Dominican Republic, local dental clinics serving the underprivileged, and recently provided dental screenings for the deployment of soldiers in the USAR and National Guard.

Gary Peterson, Director of Design and Engineering

Gary Peterson is our founder, Director of Design and Engineering, and Director. Mr. Peterson was the Chief Executive Officer of the Company from the time of founding in 2011 until January 1, 2018. Mr. Peterson then moved to a member of the board of directors and Director of Design and Engineering of the Company.

Non-Executive Board Members

Timothy Henrichs, Director

Timothy Henrichs has been a finance executive for the last 14 years. Mr. Henrichs currently serves as the Chief Financial Officer of HomeRenew Buyer, Inc. (d/b/a Renovo Home Partners), a privately held short-term home improvement installer of bathrooms, kitchens, windows, doors, cabinets, roofing and siding across the United States. Prior to joining Renovo Home Partners, Mr. Henrichs served as the Executive Vice President and Chief Financial Officer from 2008 to 2022 of Follett Corporation, a privately held retailer and distributor of print and digital course materials, textbooks, trade books, library books and general merchandise and developer of software technology to the educational market including 80,000 schools. From 2005 to 2008, Mr. Henrichs served as the Global Controller of General Electric Company's Healthcare Clinical Systems division responsible for the manufacture and distribution of patient monitoring, maternal and infant care, ultrasound, diagnostic cardiology and anesthesiology equipment. From 2003 to 2005, Mr. Henrichs served as the Financial Reporting Manager at Federal Signal Corporation. From 1995 to 2003, Mr. Henrichs served in various roles of increasing responsibility at Ernst & Young LLP in Chicago, Illinois and Frankfurt, Germany including Capital Markets and Mergers and Acquisitions Transaction Support, ultimately serving as a Senior Manager in the Audit and Assurance practice. Mr. Henrichs holds a B.B.A in Accounting from the University of Notre Dame and is a Certified Public Accountant with an inactive license in the State of Illinois.

Bradley Mitch Watkins, Director

Bradley Mitch Watkins has overseen four companies through their early commercialization periods within the medical device sector over the last 20 years. He has directly reported to the CEO or board of directors and operated as the lead for all field operations. Over his 20 years in a multitude of medical device markets, Mr.

Watkins has overseen $410 million in company acquisitions in an array of leadership roles. He has thrived in early commercialization, recruitment, and strategic company direction. These duties have groomed Mr. Watkins with a wide array of responsibilities beyond sales, including marketing, clinical study design, manufacturing, R&D, FDA submissions, and fiscal oversight. Mr. Watkins has been the National Sales Manager of Terumo Interventional Systems since 2015, where he has led multiple new technology sales teams within the peripheral IV and Electrophysiology markets. Mr. Watkins received his bachelor's degree in behavioral science from the University of Maryland.

Beth Keyser, Director

With more than 20 years' experience in executive roles in population health, Beth Keyser is skilled at understanding the unique, complex needs of multiple market segments and devises solutions that meet their specific goals. Ms. Keyser is the President, BCBS of Indiana at Anthem, Inc. since 2020. From 2018 to 2020, Ms. Keyser served as the President, Create at Brighton Health Plan Solutions. From 2015 to 2020, Ms. Keyser served as the Senior Vice President, International and Hawaii Markets at Sharecare, Inc. Ms. Keyser received her master's degree in Executive Master of Science, Health Administration, from University of Alabama at Birmingham.

FINANCIALS SNAPSHOT

NRXS has enjoyed solid sales since 2021 and has markedly improved gross margin profitability beginning in 2022. For 2022, NRXS recorded $2.7M in revenue, with a whopping gross margin of 88.9%. Many software companies may not achieve such a margin! The Company generated a ($3.4M) operating loss and a ($4.8M) net loss, which included non-recurring items below the operating line.

Already in 2023, some financial improvement has been recorded, along with sales growth. For 1Q23, NRXS reported $805K in revenue and an operating loss of ($896K) and a net loss of ($2.2M). As with 2022, a number of non-recurring items, mainly related to IPO expenses, prompted the loss for the period, a short trend we project will continue this year, before giving way to operating and net profit in 2024.

For the full year 2023, we currently forecast sales of $5M, a nearly 100% year-over-year increase. Sales are projected to be driven by recent and new insurance payer coverage for the IB-Stim™ therapy. Our model assumes an operating and net loss of ($3.7M) and ($5.4M), respectively. In 2024, we project $12.7M in sales (IB-Stim™ only) and operating profit of $826K, for a healthy 6.5% margin. EPS of $0.14 for the year is currently forecasted but this figure could be modified slightly as we get a better handle on non-opex expenses.

At this time, we have elected to introduce preliminary projections for 2025, which could also include first meaningful sales of the Company's Chronic Nausea product currently in R&D. Our 2025 sales estimate is $22M, with a strong operating margin of 26.5% and net income of $4.2M, or $0.61, which includes income tax expenses for the first time as well.

It should be noted that weekly device revenue (typically running 3-4 weeks) is roughly $1200 per patient. Some patients may elect to undergo a 3-week regimen and there may be some overlap of the treatment cycle from one quarter into the next. As a result, our model assumed device revenue per patient closer to the 3-week figure than

4 weeks. We believe that this approach is reasonable and conservative but also allows for upside to the average per patient revenue in our top-line forecasts. Additionally, although it is early, our model assumes the chronic nausea product contribution at the same pricing as IB-Stim™.

RISK FACTORS

In our view, the Company's biggest risk is related to the timing of insurance companies coming online regarding payer coverage. If there are delays in large plans and markets, it could have a modest negative impact on patient enrollment. Other risks include a slowing in the continued successful fostering of relationships with children's hospitals, where most of the devices are placed on pediatric patients. Despite its high degree of efficacy for the unmet need, its non-invasive nature, the novel approach and technology are new, and can require the education of the market to fully reach its deployment and utilization potential. The next major risk is related to the timing and success of other indications in the pipeline such as chronic nausea, along with the 510(k) submission. Separately, competitive risks may include lower pricing, more effective sales/marketing, greater efficacy of competing products and approaches.

The aforementioned risks could come from larger competitors, existing firms, or new entrants. Still, these future concerns are consistent with firms of NRXS's size and standing. Moreover, we believe that NRXS's seasoned management team is prepared to overcome these hurdles and generate significant top-line growth, leveraging its studies covering hundreds of patients, whose outcomes have been highlighted in numerous publications.

Volatility and liquidity are typical concerns for microcap stocks that are newly listed on US stock exchanges, including the NYSE American as it can take time to generate awareness, a following, and broad stock ownership. Still, we believe that if management meets expectations, the Company and shareholders could be rewarded with greater trading and higher prices/valuations. Finally, although NRXS is losing money, we believe that operating profit is in the cards during 2024, leveraging the enviable roughly 90% gross margin the Company enjoys. An overriding financial benefit as a public company is the favorable access to and the availability of capital to fund product launches M&A, and other initiatives. Since the proceeds of any future funding would be used in large part to advance major business development and sales, we believe that any dilutive effect from such a funding could be offset by related increases in market value.

VALUATION AND CONCLUSION

Innovative medtech provider NeurAxis, Inc. went public in a successful IPO on August 9, 2023, and it appears that substantial upside exists. Future, exponential top-line growth appears to be driven by a series of new insurance companies payer coverages, which exponentially increases the market opportunity with each new insurer.

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proprietary technology platform, Percutaneous Electrical Nerve Field Stimulation (PENFS), along with 8 patents and 18 pending.

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Table I. NeurAxis, Inc.
Pro Forma Projected Income Statement: Fiscal Year

	FY22A	FY23E	FY24E	FY25P^
NET SALES	**$2,684,735**	**$4,966,924**	**$12,711,413**	**$21,982,735**
Cost of Sales	$297,060	$546,362	$1,334,698	$2,308,187
Gross Profit	**$2,387,675**	**$4,420,562**	**$11,376,715**	**$19,674,548**
Gross Margin	*88.9%*	*89.0%*	*89.5%*	*89.5%*
Operating Expenses:				
Selling expenses	$410,883	$844,377	$1,461,812	$2,308,187
Research & Development	$225,610	$596,031	$826,242	$1,209,050
General & Administrative	$5,123,420	$6,705,347	$8,262,418	$10,331,885
Total Operating Expenses	$5,759,913	$8,145,755	$10,550,473	$13,849,123
Operating Income (Loss)	**($3,372,238)**	**($3,725,193)**	**$826,242**	**$5,825,425**
Operating Margin	*N/A*	*N/A*	*6.5%*	*26.5%*
Financing charges	($2,322,216)	($800)	$10,000	$25,000
Interest expense	($318,666)	($300,000)	$25,000	$40,000
Change in FV warrant liab	$606,049	$100,000	$20,000	$20,000
Change in FV deriv fin instr	$713,989	$100,000	$25,000	$25,000
Amort debt disc, issuance cost	($98,935)	($2,662,655)	$0	$0
Ext of deriv liab		$1,129,500	$0	$0
Other income and expenses	$11,956	($8,000)	$5,000	$10,000
Total Other Income (Expense)	($1,407,823)	($1,641,955)	$85,000	$120,000
Income tax	$0	$0	$0	$1,664,719
Net Income (Loss)	**($4,780,061)**	**($5,367,148)**	**$911,242**	**$4,160,706**
Net Loss Per Share	**($2.77)**	**($0.88)**	**$0.14**	**$0.61**
Wtd. Shares Outstanding	2,003,322	6,110,090	6,500,000	6,800,000

^ P is Preliminary

Sources: NRXS, SEC, GSCR

Table II. NeurAxis, Inc.

Balance Sheet Snapshot

($, thousands)

Pro Forma, as Adjusted

Cash & cash equiv	$7,323
Total Liabilities	$3,171
Common stock	6,110
Add'l paid-in capital	$35,479
Accum deficit	($30,616)
Total Equity	$4,870
Capitalization	$8,040

Sources: NRXS, Company S-1, and GSCR

SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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