NeurAxis, Inc. (NYSE: NRXS)

Rating: Buy

Price Target: $4.75
Share Price: $2.10

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March 31, 2025

Company Data	
Avg. 3M Daily Volume (M)	0.02
52-Week Range	3.78-1.99
Shares Outstanding (M)	7.22
Market Cap (M)	15.38
Enterprise Value (M)	12.16
Total Cash (M), mrq	3.70
Total Debt (M)	0.473
Total Debt to Cap	10.09%

Estimates				
FYE: Dec		2024A	2025E	2026E
EPS	Q1	(0.32)	(0.24)	N/A
	Q2	(0.42)	(0.25)	N/A
	Q3	(0.25)	(0.24)	N/A
	Q4	(0.23)	(0.24)	N/A
	FY	(1.22)	(0.98)	(0.51)
P/E		NM	NM	NM
Rev	Q1	0.647	0.725	N/A
	Q2	0.612	0.785	N/A
	Q3	0.667	0.900	N/A
	Q4	0.761	1.250	N/A
	FY	2.686	3.660	8.000
EV/Sales		4.5x	3.3x	1.5x

One-Year Performance Chart

As of March 28, 2025. Source: E*Trade.

Pioneering Neuromodulation: NeurAxis Offers a Non-Drug Alternative to Address Chronic and Debilitating Conditions in Children and Adults

Initiate With a Buy Rating Based on Significant Unmet Need, Good Safety Profile, and Solid Pipeline

Summary

We initiate coverage of NeurAxis, Inc., a growth-stage medical technology company developing neuromodulation therapies to address chronic and debilitating conditions in children and adults, with a Buy rating and a price-to-sales-based price target of $4.75. NeurAxis markets two FDA-cleared medical devices, IB-Stim and RED, each with significant market expansion potential.

Our rating is based on the view that NeurAxis occupies a market leadership position in applying Percutaneous Electrical Nerve Field Stimulation (PENFS) technology to the treatment of gastrointestinal conditions with large unmet clinical need.

Management has built significant momentum on two fronts: (i) expanding the company's customer base of gastroenterologists in children's hospitals and (ii) securing major insurance payer coverage to drive adoption of its technology. Together with expansion into additional disease indications in both the pediatric and adult markets, we see these factors driving revenue growth over at least the next two to three years.

The company’s current gross margin, 87%, is substantial, and its technology enjoys strong intellectual property protection. As a result, NeurAxis is well-positioned to capitalize on upcoming

clinical and commercial catalysts. We predict that the company will achieve cash flow breakeven in 2027. While we expect the stock to appreciate significantly over the next 12-24 months, we also anticipate volatility that is typical of early stage, high-tech micro-cap companies.

Our $4.75 price target is based on a target price/sales multiple of 4.6x our FY26 revenue forecast of $8.0 million, assuming 7.8 million shares outstanding.

Key Points

- **Large and growing U.S. and global markets for pediatric and adult gastroenterology indications**. NeurAxis's IB-Stim therapy is FDA-cleared and being marketed for functional abdominal pain (FAP) associated with irritable bowel syndrome (IBS), a $3 billion pediatric market. Together with expansion markets functional dyspepsia (nausea/indigestion characterized by pain or discomfort in the upper abdomen, typically after eating, $2-3 billion), concussion ($2 billion), cyclic vomiting syndrome ($1 billion), and chemotherapy-induced nausea and vomiting ($500 million), pediatric target markets present a $9 billion market opportunity in the U.S. alone. The adult target market for FAP/IBS of $12 billion and Rectal Expulsion Device market of $2 billion will bring the total addressable $U.S. market to $23 billion.

- **Unique, innovative technology supported by clinical evidence**. NeurAxis's differentiated percutaneous electric nerve field stimulation platform technology represents a safe and efficacious novel treatment option with mild or no side effects. It is easy to administer in an outpatient setting. Safety and efficacy have been established in 16 clinical studies in over 700 patients.

- **Significant unmet clinical need**. Medical conditions targeted by NeurAxis's IB-Stim technology present physicians with few effective treatment options. In current clinical practice, abdominal pain and nausea symptoms are insufficiently addressed with the off-label prescription of pharmacological treatments such as tricyclic antidepressants, cyproheptadine, and antispasmodics. These have very low to no evidence of clinical efficacy in children while risking serious side effects. In a systematic review and meta-analysis for treatment of irritable bowel syndrome and functional abdominal pain in children, published in May 2024, the North American Society for Pediatric Gastroenterology (NASPGHAN) concluded that the evidence for hypnotherapy and auricular neurostimulation present the highest-grade certainty level and the largest magnitude of effect. Publication of a position statement from the American Academy of Pediatrics and NASPGHAN and clinical guidelines that support IB-Stim as standard of care and first-line therapy for pediatric functional abdominal pain (FAP) is expected during 2025.

- **Clear commercial pathway**. NeurAxis secured a procedure-specific Category III CPT billing code for IB-Stim that was assigned by the American Medical Association (AMA) and became effective on July 1, 2022. In 2024, IB-Stim was assigned a Category I CPT code, the most common type of CPT code used for billing and reporting medical services, which will take effect on January 1, 2026. Category I CPT codes describe established medical procedures and services, are more

widely recognized, and generally have a greater chance of reimbursement than technology-specific CPT codes, which are temporary and used to track the utilization of emerging technologies. In addition to Medicaid, major insurance payer coverage is in effect through Blue Cross Blue Shield in various states, Geisinger Health, and Quartz of Wisconsin, currently amounting to policy coverage by 17 plans covering a total of about 51 million lives. Clinical guidelines recommending IB-Stim as standard of care and first-line therapy for FAP, combined with an effective Category I CPT code would accelerate reimbursement through other major commercial payers, including Anthem, United Healthcare, Cigna, and Aetna.

- **Strong intellectual property protection**. NeurAxis's 13 issued and 9 pending device and method patents confer intellectual property protection in the U.S., Japan, and Canada through 2039. In addition, the company received a freedom-to-operate opinion from a qualified intellectual property attorney that concludes that IB-Stim may be made, used, and sold without infringing another party's existing intellectual property rights.

Potential catalysts for 2025 include (i) a change in clinical guidelines for treatment of functional abdominal pain associated with irritable bowel syndrome (FAP/IBS) paving the way to significantly broaden insurance coverage and the number of covered lives, (ii) FDA clearance of IB-Stim for functional dyspepsia, and (iii) a ramp up of RED sales accelerating revenue growth.

Company Description

NeurAxis, Inc., a Carmel, Indiana-based medical technology firm founded in 2011 under the name of Innovative Health Solutions, is a growth-stage company developing neuromodulation therapies to address chronic and debilitating gastrointestinal conditions in children and adults.

Its lead product, IB-Stim, is a non-surgical device that employs Percutaneous Electrical Nerve Field Stimulation (PENFS) technology, sending gentle electrical impulses into cranial nerve bundles located behind the ear. IB-Stim is FDA-cleared for FAP/IBS in children and adolescents aged 8-21 years.

A second product, Rectal Expulsion Device (RED), received FDA 510(k) clearance in December 2024 and is being sold as a screening tool for patients with chronic constipation and pelvic floor dysfunction.

The company converted to become a Delaware corporation in June 2022 and completed its initial public offering on August 9, 2023. Its common stock trades on the NYSE American under the symbol "NRXS."

Background

Functional Abdominal Pain

Functional abdominal pain (FAP) in children is one of the most common conditions seen by pediatricians and pediatric gastroenterologists. Changes in brain pathways are known to be involved in the pathophysiology of functional bowel disorders and IBS. 40-45% of children with FAP continue to have symptoms into adulthood, impacting quality of life and healthcare spending.

There is insufficient evidence for the use of medications such as tricyclic antidepressants, selective serotonin reuptake inhibitors (SSRIs), and gabapentinoids in pediatric FAP disorders, with IB-Stim being the only medical therapy shown to improve pain, global symptoms, and functional disability in children with FAP and IBS. IB-Stim is the only medical therapy currently in use that outperformed placebo in a randomized clinical trial and received FDA clearance for pediatric IBS.

Constipation

Constipation is one of the most common gastrointestinal complaints in clinical practice. The condition causes reduced quality of life, diminished work-related productivity, and billions of dollars in health expenditures. Clinical practice guidelines recommend empiric treatment of chronically constipated patients with fiber supplements or laxative therapies. For the 40% of patients who do not adequately respond to laxative therapy, anorectal physiology testing represents the next diagnostic step.

An anorectal function test measures rectal sensitivity and assesses pelvic floor dysfunction. The current standard is to refer patients to specialized motility centers for evaluation, requiring a separate visit to a gastrointestinal physiology laboratory where patients undergo elaborate volumetric testing to assess sensation and expulsion. While rectal sensation is an important metric to guide clinical care, given the complexity of the diagnostic process, only 2% of patients with constipation currently receive proper treatment.

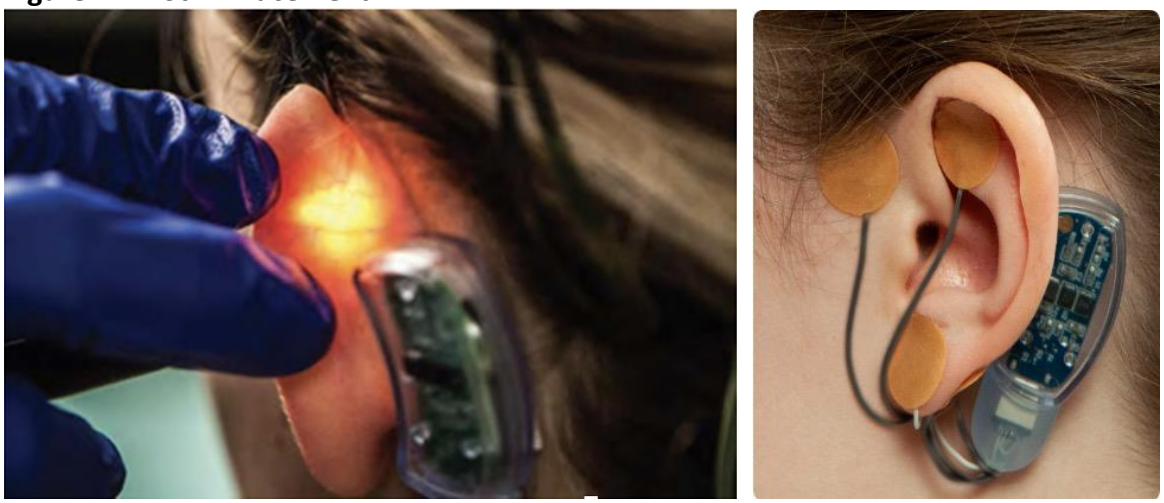
Rectal hypersensitivity is addressed by pelvic floor physical therapists who deliver education and sensory re-training to help the patient align the desire to defecate with the actual volume of stool contained within the rectal vault.

Products

IB-Stim

IB-Stim is a US FDA Class II medical device designed for percutaneous electrical nerve field stimulation (PENFS), which is placed behind the patient's ear (Fig. 1). It was FDA-cleared through a *de novo* process in June 2019 and is indicated in patients 8-21 years of age with functional abdominal pain (FAP) associated with irritable bowel syndrome (IBS). IB-Stim is currently being marketed and sold by NeurAxis.

Figure 1: IB-Stim Placement



Source: NeurAxis, Inc.

The device consists of three components: the electrical nerve field stimulator, four multi-pin wire percutaneous electrode arrays that attach to different portions of the ear, and a pen light to illuminate the cranial nerves and help position the percutaneous electrode arrays near their nerve endings.

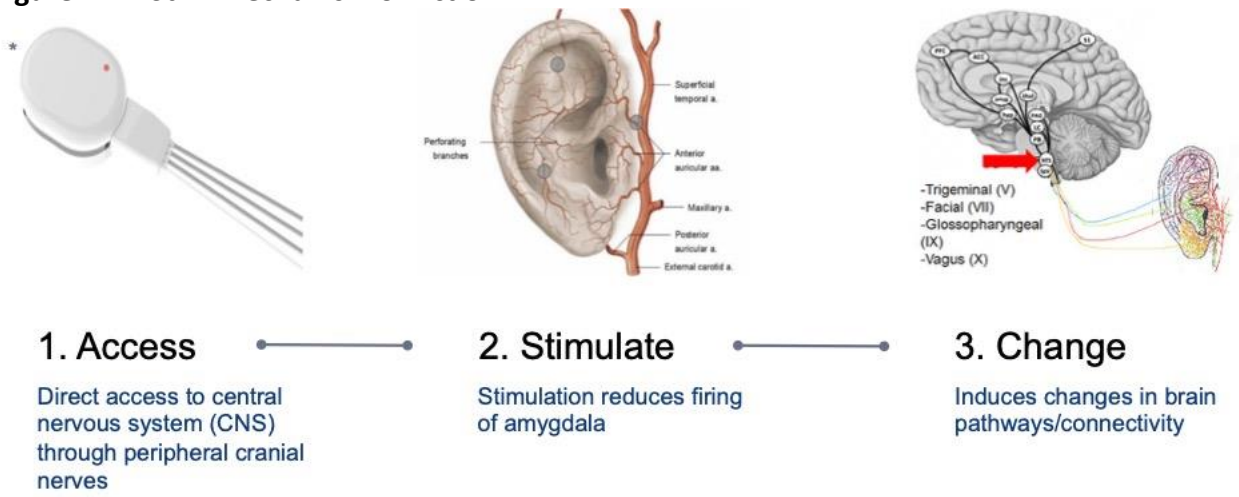
The device aids in pain reduction via neuromodulation to the branches of four cranial nerves, which terminate at the human ear. IB-Stim is a non-drug, non-implantable, non-surgical device therapy that can be placed at an outpatient clinic by a physician, physician's assistant, or nurse practitioner. The device is used continuously for 120 hours (5 days), followed by a 2-day pause. After 5 days of use, the battery is exhausted and the patient or their caregiver removes and discards the device. A new device is then placed at an outpatient clinic after the 2-day pause. A treatment cycle consists of 4 consecutive weeks.

The device gains access to the patient's central nervous system (CNS) via the termini of four peripheral cranial nerves– trigeminal (V), facial (VII), glossopharyngeal (IX), and vagus (X)–using an array of needles that penetrate the top layer of the patient's skin. Nerve stimulation commences when a mild electrical current originating from the device creates an electrical field between the needles, and gentle electrical impulses are conducted via the four peripheral nerves to the brain's amygdala.

This stimulation modulates emotional and executive control centers in the brain, targeting brain areas involved in processing pain. In response, the amygdala reduces the number of nerve impulses firing along the gut-brain axis. Over time, the treatment will induce changes in brain pathways/connectivity and significantly reduce abdominal pain via modulation of the autonomic nervous system (Fig. 2). Studies have demonstrated significant improvement and long-term benefits of 6-12-month duration in functional disability, psychological comorbidities, and pain scores, with no serious adverse events and minimal to no side effects[1].

[1] Santucci NR, King C, El-Chammas KI, Wongteerasut A, Damrongmanee A, Graham K, Fei L, Sahay R, Jones C, Cunningham NR, Coghill RC. Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders. Neurogastroenterol Motil. 2022; 34:e14358.

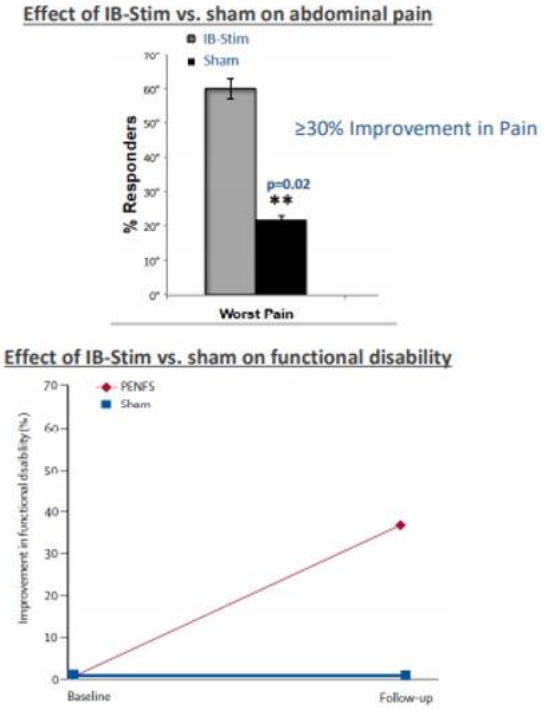
Figure 2: IB-Stim Mechanism of Action



Source: NeurAxis, Inc.

Functional abdominal pain associated with IBS is believed to involve abnormal signal processing between the brain and the gut, along the gut-brain axis, which IB-Stim effectively modulates to alleviate such pain.

Figure 3: Effects of IB-Stim on Abdominal Pain and Functional Disability

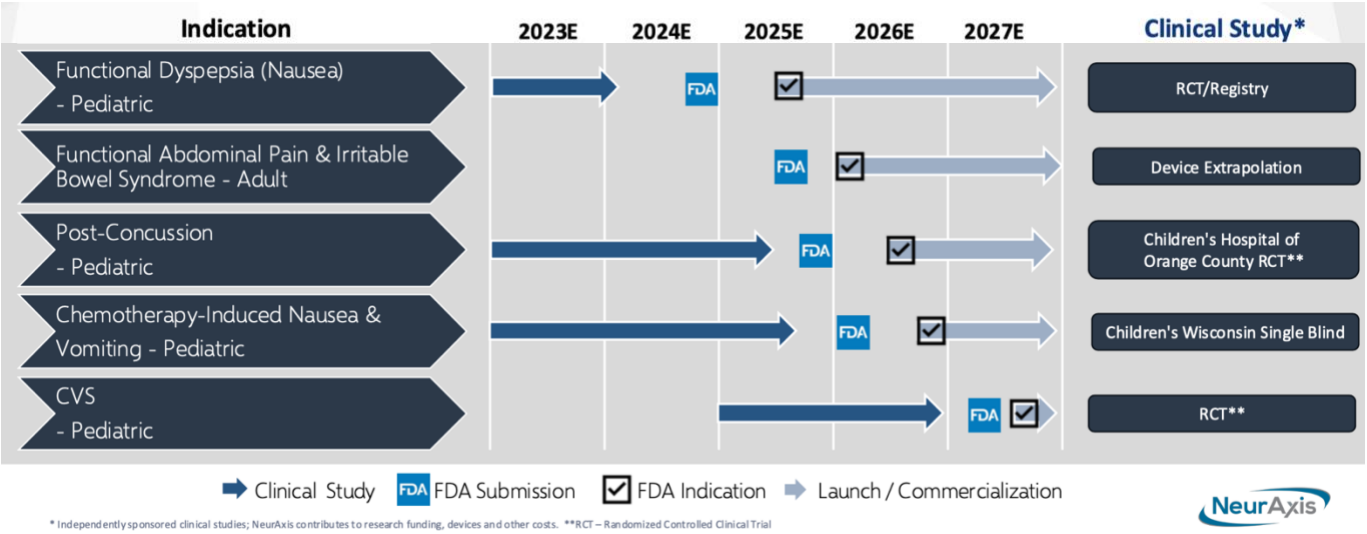


Source: The Lancet Gastroenterology and Hepatology, August 2017.

We note that according to study results published in The Lancet[2], prior to IB-Stim treatment, 70% of patients had failed to improve with an average of four medications trialed. Clinical results show that 81% of patients had meaningful symptom improvement with IB-Stim, versus 26% of patients reporting improvement in the placebo group, with no serious adverse events and minimal to no side effects. Worst pain and composite pain scores were significantly improved, and functional disability changed from moderate to minimal at long-term (6-12-month) follow-up. 59% of patients showed at least 30% improvement in worst pain at the end of 3 weeks. 36% of patients reported improvement in functional disability, versus 0% in the placebo group (Fig. 3). Taken together, these results are evidence of significant and life-altering symptom improvement.

One clinically meaningful endpoint is the number needed to treat (NNT), used in treatment for abdominal pain-related functional gastrointestinal disorders in adolescents. NNT indicates the number of patients that need to be treated for one patient to achieve the targeted improvement in pain of 30% or greater. IB-Stim's NNT is 3, compared to an NNT of 6-14 with IBS drugs in adults[3].

Figure 4: IB-Stim Development Milestones



Source: NeurAxis, Inc.

Ongoing IB-Stim development targets additional brain-gut disorders, such as pediatric functional dyspepsia, adult FAP/IBS, pediatric post-concussion syndrome, pediatric chemotherapy-induced nausea and vomiting, as well as pediatric cyclic vomiting syndrome.

NeurAxis recently filed a 510(k) application with the FDA for clearance of IB-Stim for the treatment of pediatric functional dyspepsia, and management is cautiously optimistic that the company will receive this expanded indication of its PENFS technology during 2025, thereby nearly doubling the total addressable pediatric market for IB-Stim from $3 billion to $5-6 billion.

[2] Kovacic, Katja, et al. Neurostimulation for abdominal pain-related functional gastrointestinal disorders in adolescents: a randomized, double-blind, sham-controlled trial. Lancet Gastroenterol Hepatol. 2017; 2:727-737.
[3] Wall GC, et al. Irritable bowel syndrome: a concise review of current treatment concepts. World J Gastroenterol 2014.

Rectal Expulsion Device (RED)

Figure 5: Rectal Expulsion Device

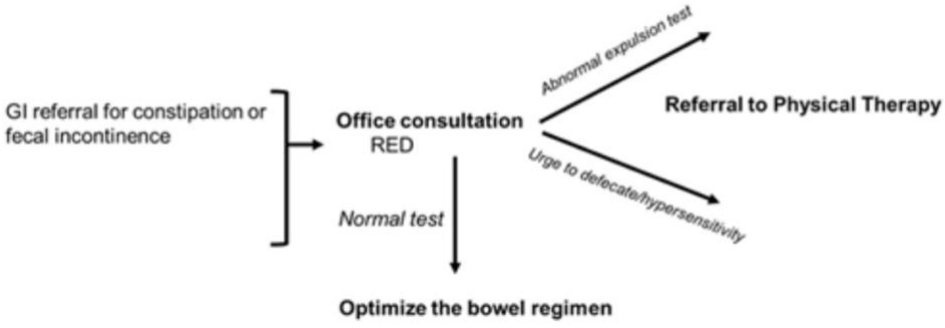
NeurAxis's second product, Rectal Expulsion Device (RED), is indicated to evaluate the neuromuscular function of a patient's ability to expel its contents from the rectum, identifying patients with an evacuation disorder, and as a qualitative test for rectal hypersensitivity in patients with chronic constipation who experience the desire or urge to defecate at lower volumes of distention.

RED is a point-of-care (in office) test intended to be used in clinical settings by trained health care providers in adult populations, which helps determine why patients may not respond to conventional laxative therapy and identify patients who will respond to pelvic floor therapy.

The design of RED allows for it to be used as a self-inflating expulsion device and as a balloon to assess patients who experience rectal hypersensitivity. When it is opened to atmospheric pressure, RED safely self-inflates and contains a foam that mimics the "feel" of stool. The device provides an efficient, accurate, and cost-effective in-office alternative to sensation and expulsion testing in specialized motility centers, without affecting clinical workflow.

RED was demonstrated to be safe in a clinical setting and effective for patients who failed a trial of laxative therapy, reliably identifying patients for whom pelvic floor physical therapy was unlikely to provide substantial benefit, but who were more likely to benefit from intensifying medical therapy. Additionally, RED demonstrated greater than 95% sensitivity as a screening tool for detecting evacuation disorders.

RED can impact clinical decision making by identifying patients who would benefit from physical therapy versus those who would require optimization of laxatives, as shown in the flow chart below:



Source: NeurAxis, Inc.

RED is also able to qualitatively assess rectal hypersensitivity, which was evident in nearly one-third of patients with chronic constipation who failed a trial of fiber/laxatives.

NSS-2 Bridge

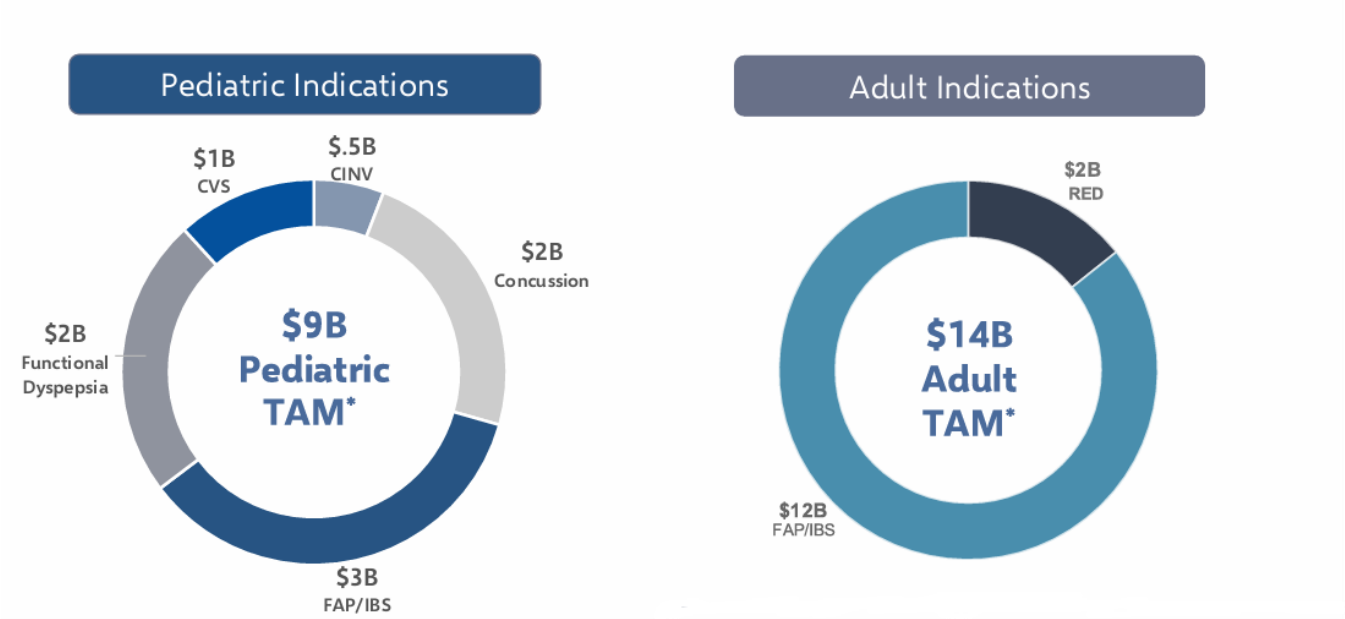
NSS-2 Bridge is a PENFS device that is similar in design and function to IB-Stim, indicated for use in the reduction of opioid withdrawal symptoms. The NSS-2 Bridge device was licensed to Masimo in April 2020 for a one-time licensing fee of $250,000. The term of the agreement is in effect until the expiration or lapse of the last intellectual property rights.

Market Opportunity

The fact that no drug therapies have been approved by the FDA for the treatment of FAP or IBS in children results in a unique market opportunity for NeurAxis, which has focused its marketing efforts on the 260 children's hospitals within the U.S. To date, IB-Stim has been sold to 57 children's hospitals within the company's target market.

Following its FDA clearance in December 2024, NeurAxis launched RED during Q1 2025, with sales expected to accelerate throughout the remainder of 2025.

Figure 6: $23 Billion Total Addressable U.S. Market for IB-Stim and RED Pipeline Indications



* Calculated as the total number of patients in the targeted treatment indication multiplied by the revenue potential for each patient. For pediatric FAP/IBS, the target market consists of 600,000 children who are functionally debilitated by the condition.
Source: NeurAxis, Inc.

IB-Stim is the first FDA-cleared treatment for pediatric functional abdominal pain associated with irritable bowel syndrome (FAP/IBS), comprising a $3 billion US market. Targeted pediatric expansion markets include functional dyspepsia (nausea; $2-3 billion), post-concussion syndrome ($2 billion), chemotherapy-induced nausea and vomiting ($0.5 billion), and cyclic vomiting syndrome ($1 billion). Targeted adult expansion markets include FAP/IBS ($12 billion) (Fig. 6).

If clinical guidelines are published to recommend IB-Stim as first line therapy for FAP/IBS, we expect that NeurAxis will be able to capture at least 10% of total market share in this indication.

NeurAxis launched an internal Prior Authorization team in 2023 to expand patient access to PENFS procedures and IB-Stim technology. The team addresses prior authorization process barriers for physicians and children's hospitals and streamlines patient access to NeurAxis's Patient Advocacy and Financial Assistance program, which offers self-pay discounts of up to 65% of IB-Stim's list price to patients without insurance coverage for IB-Stim, based on the patient's household income and size. While the financial assistance program has resulted in a lower gross margin, it has also helped to expand the overall number of patients treated. NeurAxis's management team expects the company's gross margin to rebound once IB-Stim's Category I CPT Code becomes effective on January 1, 2026.

For RED, eight million patients annually present with constipation, of which $3.2 million do not adequately respond to laxative therapy, constituting a $2 billion U.S. market. RED is billable under Category I CPT code 91120, receiving Medicare reimbursement of $463, on average.

Competitive Landscape

There are few FDA-approved therapies for children with chronic and debilitating conditions. Current treatments include drugs with insufficient data and serious potential side effects that are prescribed to children and adolescents off-label, as outlined in Fig. 7. Psychological treatments such as cognitive behavioral therapy, guided imagery, and hypnotherapy have been some of the most effective treatments for these conditions but are limited by access to trained therapists.

Figure 7: IB-Stim Safety and Efficacy Versus Off-Label Pharmacological Treatments

			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	✓		✓	✓	✓	✓	✓	✓

Source: NeurAxis, Inc.

The neurostimulation market is predominantly comprised of surgically implanted, invasive technologies that are not directly competitive with NeurAxis's IB-Stim. While many companies are exploring the neuromodulation space, there are currently no competitors targeting the CNS or the brain-gut axis through auricular nerves for functional bowel disorders or IBS. NeurAxis's method patents currently limit other devices from targeting IBS via the limbic system through stimulation of cranial nerve branches near the ear.

NeurAxis's public peer group includes Helius Medical Technologies, electroCore, NeuroPace, and Inspire Medical Systems, detailed in Table 1 below. Of its peers, Helius and electroCore are comparable to NeurAxis in size and scope, while NeuroPace and Inspire have a more established commercial presence.

Table 1: NeurAxis's Public Peer Group

			Market Data ($)				Financial ($)			Valuation	
Company Name	Ticker	Fiscal Period	Price	Mkt Cap (M)	EV (M)	Cash & ST Investments (M)	Total Debt (M)	Interest Coverage	FY24 Revenue (M)	P/S FY23	P/S FY24
Helius Medical Technologies	HSDT	12/31/24	$0.42	2.3	1.2	1.1	0.0	NM	0.5	3.54	4.38
electroCore	ECOR	12/31/24	$6.45	46.4	38.6	12.0	4.1	NA	25.2	2.89	1.84
NeuroPace	NPCE	12/31/24	$11.85	385.8	406.4	52.8	73.3	NM	79.9	5.90	4.83
Inspire Medical Systems	INSP	12/31/24	$157.24	4,665.2	4,251.4	445.6	31.8	NM	802.8	7.47	5.81
Median										4.72x	4.61x
NeurAxis	NRXS	12/31/24	2.10	15.4	12.2	3.7	0.5	NM	2.7	6.25x	5.73x

As of March 28, 2025. Source: Capital IQ.

Helius Medical Technologies, Inc.

Helius Medical Technologies, Inc., a neurotechnology company, focuses on developing, licensing, and acquiring non-implantable technologies for the treatment of symptoms caused by neurological disease or trauma. The company's product is Portable Neuromodulation Stimulator, a non-surgical medical device intended for use as a short-term treatment of gait deficit due to symptoms from multiple sclerosis and balance deficit due to mild-to-moderate traumatic brain injury, as well as to be used in conjunction with supervised therapeutic exercise. Helius Medical Technologies was incorporated in 2014 and is headquartered in Newtown, Pennsylvania.

electroCore, Inc.

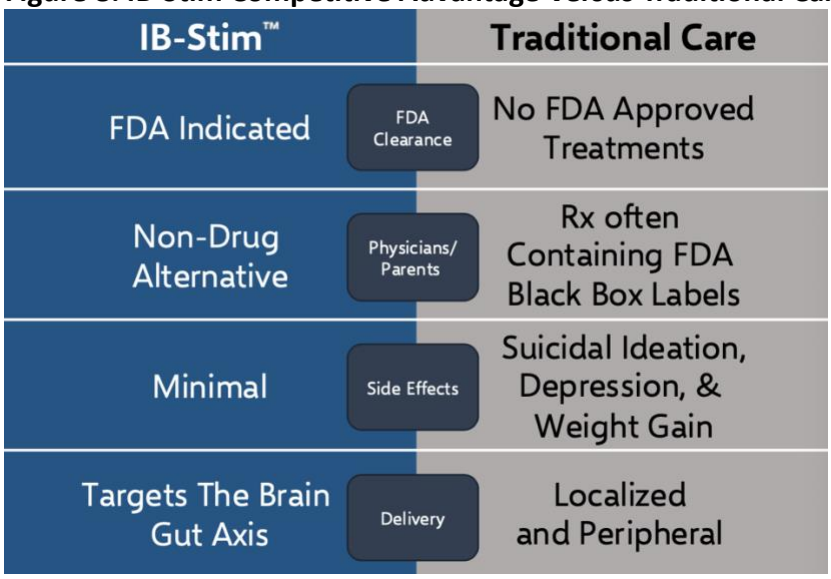
electroCore, Inc., a commercial stage bioelectronic medicine and wellness company, provides a non-invasive vagus nerve stimulation technology platform in the U.S., the UK, and internationally. The company is developing gammaCore, a prescription-only handheld device intended for regular or intermittent use for the acute treatment of pain associated with migraine and episodic cluster headache, as well as for the treatment of hemicrania continua and paroxysmal hemicrania. It also develops Truvaga for the support of general health and wellbeing; and TAC-STIM for human performance. In addition, the company offers gammaCore Sapphire, a portable, reusable, rechargeable, and reloadable prescription medical device for various primary headache conditions. electroCore was incorporated in 2005 and is headquartered in Rockaway, New Jersey.

NeuroPace, Inc.
NeuroPace, Inc. operates as a medical device company in the United States. The company develops RNS System, a brain-responsive neuromodulation system that delivers personalized, real-time treatment at the seizure source for treating drug-resistant focal epilepsy. It also records continuous brain activity data and enables clinicians to monitor patients in person and remotely. Its RNS System includes RNS neurostimulator, cortical strip and depth leads, and Patient Remote Monitor, as well as other implantable and non-implantable accessories. In addition, the company provides Physician Tablet, Patient Data Management System, and nSight Platform, which facilitates ongoing patient monitoring and streamlines patient support. It sells its products to hospital facilities for initial RNS System implant procedures and for replacement procedures. NeuroPace was incorporated in 1997 and is headquartered in Mountain View, California.

Inspire Medical Systems, Inc.
Inspire Medical Systems, Inc., a medical technology company, focuses on the development and commercialization of minimally invasive solutions for patients with obstructive sleep apnea (OSA) in the U.S. and internationally. The company offers Inspire system, a neurostimulation technology that provides a safe and effective treatment for moderate to severe OSA. It also develops a novel, closed-loop solution that continuously monitors a patient's breathing and delivers mild hypoglossal nerve stimulation to maintain an open airway. The company was incorporated in 2007 and is headquartered in Golden Valley, Minnesota.

Key Differentiating Factors

Figure 8: IB-Stim Competitive Advantage Versus Traditional Care



Source: NeurAxis, Kingswood Research.

Additional differentiating factors include NeurAxis's first-to-market advantage, as well as the company's strong intellectual property portfolio, clinical data, pediatric pipeline, and academic society support.

Customers, Insurance Coverage, and Medical Society Support

IB-Stim is being marketed to pediatric gastroenterologists at 260 children's hospitals and pediatric clinics in the U.S. The list price for the device is $1,195. With 4 devices recommended per treatment cycle, per patient revenue amounts to $4,780 per treatment cycle. Sales are typically made on a purchase order basis rather than through long-term purchase commitments.

In addition to Medicaid, 17 commercial health insurers, including Blue Cross Blue Shield plans in several states, Quartz of Wisconsin, and Geisinger Health, have instituted formal medical policy coverage for PENFS, representing approximately 51 million covered lives in aggregate. NeurAxis's in-house direct sales force is actively leveraging its peer-reviewed scientific publications to expand coverage to additional insurers.

NeurAxis anticipates academic medical society support in the form of a position paper and an update to treatment guidelines to support the use of PENFS as a standard of care for the treatment of IBS in the coming weeks, which is considered a prerequisite for positive coverage decisions by a number of major commercial health insurers, including Anthem, United Healthcare, Cigna, and Aetna.

Intellectual Property

NeurAxis's intellectual property consists of patents, trademarks, and trade secrets.

The company works with one of the largest U.S. intellectual property law firms, Barnes & Thornburg, to prosecute its intellectual property. NeurAxis currently has 12 issued device and method patents and 7 pending patent applications in the U.S., conferring protection through 2039, as well as one granted patent in Japan and two pending patent applications in Canada.

The field of art pertains to an electrical stimulation device, including a stimulator containing a generator to deliver electrical pulses with defined parameters, and a power supply for supplying the electrical energy through four separate needles, at least one of which is a needle array.

A summary of NeurAxis's U.S. and international patents and patent applications is shown in Tables 2-4 below.

Table 2: NeurAxis-Owned U.S. Granted Patents

Patent No.	Filing Date	Issue Date	Anticipated Expiration Date	Title	Licensing Status	Abstract/Full Text
9,662,269	5/14/14	5/30/17	5/14/34	System and Method for Auricular Peripheral Nerve Field Stimulation	Out-licensed	https://patents.google.com/patent/US9662269B2/en?oq=9%2c662%2c269
9,839,577	5/15/17	12/12/17	5/14/34	System and Method for Auricular Peripheral Nerve Field Stimulation	Out-licensed	https://patents.google.com/patent/US9839577B2/en?oq=9%2c839%2c577
10,010,479	11/13/17	7/3/18	5/14/34	System and Method for Auricular Peripheral Nerve Field Stimulation	Out-licensed	https://patents.google.com/patent/US10010479B2/en?oq=10%2c010%2c479
10,322,062	6/21/18	6/18/19	5/14/34	Auricular Peripheral Nerve Field Stimulator and Method of Operating Same	Out-licensed	https://patents.google.com/patent/US10322062B2/en?oq=10%2c322%2c062
10,413,719	4/14/17	9/17/19	4/14/37	Methods of Treating Disease Using Auricular Peripheral Nerve Field Stimulation	Out-licensed	https://patents.google.com/patent/US10413719B2/en?oq=10%2c413%2c719
11,077,019	5/9/19	8/3/21	7/16/34	Auricular Peripheral Nerve Field Stimulator and Method of Operating Same	Out-licensed	https://patents.google.com/patent/US11077019B2/en?oq=11%2c077%2c019
11,331,473	8/7/19	5/17/22	4/14/37	Methods of Treating Disease Using Auricular Peripheral Nerve Field Stimulation		https://patents.google.com/patent/US11331473B2/en?oq=11%2c331%2c473
11,369,791	4/25/19	6/28/22	6/21/39	Auricular Nerve Field Stimulation Device		https://patents.google.com/patent/US11369791B2/en?oq=11%2c369%2c791
11,654,082	6/30/21	5/23/23	7/29/34	Auricular Peripheral Nerve Field Stimulator and Method of Operating Same	Out-licensed	https://patents.google.com/patent/US11654082B2/en?oq=11%2c654%2c082
11,813,448	4/21/22	11/14/23	4/14/37	Auricular Nerve Field Stimulation Device and Method for Using the Same		https://patents.google.com/patent/US11813448B2/en?oq=11%2c813%2c448
12,029,701	1/13/23	7/9/24	5/14/34	Auricular Peripheral Nerve Field Stimulator and Method of Operating Same	Out-licensed	https://patents.google.com/patent/US12029701B2/en?oq=12%2c029%2c701
12,097,371	4/7/22	9/24/24	1/4/40	Auricular Nerve Field Stimulation Device		https://patents.google.com/patent/US12097371B2/en?oq=12%2c097%2c371

Table 3: NeurAxis-Owned U.S. Pending Patent Applications

Patent Application No.	Filing Date	Title	Licensing Status	Abstract/Full Text
17/617364	6/23/20	External Auditory Canal Photobiomodulation and Audio Therapy Device		https://patents.google.com/patent/US20220249860A1/en?oq=17%2f617364
17/589082	1/31/22	External Auditory Canal Photobiomodulation Device		https://patents.google.com/patent/US20220176151A1/en?oq=17%2f589082
17/830411	6/2/22	Device and Method for Eradicating Pathogens in Nasal Passages		https://patents.google.com/patent/US20220387817A1/en?oq=17%2f830411
17/861646	7/11/22	External Auditory Canal Therapy Device		https://patents.google.com/patent/US20220347474A1/en?oq=17%2f861646
18/173893	2/24/23	Auricular Nerve Field Stimulation Device and Methods for Using the Same		https://patents.google.com/patent/US20230241375A1/en?oq=18%2f173893
18/377968	10/9/23	Methods of Treating Disease Using Auricular Peripheral Nerve Field Stimulation		https://patents.google.com/patent/US20240033505A1/en?oq=18%2f377968
18/736834	6/7/24	Auricular Peripheral Nerve Field Stimulator and Method of Operating Same	Out-licensed	https://patents.google.com/patent/US20240315923A1/en?oq=18%2f736834

Table 4: NeurAxis-Owned International Patents and Patent Applications

Country	Patent No.	Filing Date	Issue Date	Anticipated Expiration Date	Title	Status
JP	7,252,319	10/23/20	3/27/23	4/25/39	Auricular Nerve Field Stimulation Device	Granted
CA	3,096,494	4/25/19			Auricular Nerve Field Stimulation Device	Pending
CA	3,243,826	8/7/24			Auricular Nerve Field Stimulation Device and Methods for Using the Same	Pending

In 2020, NeurAxis entered into an exclusive license agreement with TKBMN, LLC–a company managed by Dr. Thomas Carrico, NeurAxis's Chief Regulatory Officer, in which both Dr. Thomas Carrico and Brian Carrico, the company's CEO and Dr. Thomas Carrico's son, maintain an ownership interest–to license U.S. patents no. 10,792,500 and 11,684,782. Both patents are titled "Systems and methods for electro-

therapy treatment" and expire on October 18, 2037. Dr. Carrico is the sole inventor listed on the TKBMN patents, of which the auricular portion of the rights have been assigned to NeurAxis.

Pursuant to the license agreement, TKBMN agreed to grant an exclusive, worldwide, non-transferable, royalty-free license to NeurAxis to develop, market, and sell licensed products in the field of electro-therapy treatment by stimulation of cranial nerves, cranial nerve branches, auricular nerves, auricular nerve branches, auricular nerve bundles, and/or auricular anatomical structures in human patients for a one-time license fee of $1.00. NeurAxis has the right to grant sublicenses to the patent rights in the field. The company agreed to cover fees and expenses associated with the maintenance, prosecution, and additional associated/continuation patent filings for the TKBMN patents. The exclusive license agreement expires on October 18, 2037. Upon expiration or termination of the exclusive license agreement, all rights will revert to TKBMN.

Table 5: TKBMN-Owned U.S. Granted Patents Licensed by NeurAxis

Patent No.	Issue Date	Anticipated Expiration Date	Title	Abstract/Full Text
10,792,500	10/2/20	10/18/37	Systems and Methods for Electro-threapy Treatment	https://patents.google.com/patent/US10792500B2/en?oq=10%2c792%2c500
11,684,782	6/7/23	10/18/37	Systems and Methods for Electro-threapy Treatment	https://patents.google.com/patent/US11684782B2/en?oq=11%2c684%2c782

NeurAxis also owns seven registered trademarks and two allowed pending applications for registration.

In addition to patents and trademarks, NeurAxis received a freedom to operate opinion that concludes that IB-Stim may be made, used, and offered for sale without infringing on another party's intellectual property rights.

NeurAxis seeks to protect trade secrets such as product formulas, research and development, and unpatentable know-how with confidentiality agreements.

Management

Brian Carrico, President & Chief Executive Officer

Brian Carrico is the President and Chief Executive Officer of NeurAxis and serves on the company's Board of Directors. He joined NeurAxis in 2012 as Vice President of Sales before becoming CEO on January 1, 2018. Mr. Carrico was instrumental in setting the strategic agenda for NeurAxis, raising start-up capital, guiding new product development, and bringing the new technology to market. He has worked with thought leaders throughout the country to bring evidence-based peripheral neuromodulation

technology from idea to placebo-controlled trials to FDA clearance and commercialization. Prior to joining NeurAxis, Mr. Carrico worked in sales roles at Bard Medical and St. Jude Medical. He attended Indiana State University and holds a Bachelor of Science degree in Business Marketing.

Timothy Henrichs, Chief Financial Officer

Mr. Henrichs has served as the company's CFO since February 2024, after serving as a board member from August 2023 to February 2024. He has over 20 years of leadership experience across several industries, including healthcare, home improvement, retail, software, and education. Previously, Mr. Henrichs served as Chief Financial Officer of Renovo Home Partners beginning in 2022, Executive Vice President and Chief Financial Officer of Follett Corporation from 2008 to 2022, and Global Controller of General Electric Company's Healthcare Clinical Systems division responsible for the manufacture and distribution of medical devices to the ultrasound, patient monitoring, and anesthesiology markets from 2005 to 2008. He has held positions at Federal Signal Corporation and Ernst & Young LLP. Mr. Henrichs earned his bachelor's degree in accounting from the University of Notre Dame and is a Certified Public Accountant with an inactive license in the State of Illinois.

Dr. Adrian Miranda, MD, Chief Medical Officer and Senior VP of Science & Technology

Dr. Miranda has served as NeurAxis's Chief Medical Officer since 2018 and brings a unique background of research and clinical expertise to his role. Prior to joining NeurAxis, he was an Assistant Professor of Pediatrics-Gastroenterology 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 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. He has an extensive publication record and has lectured nationally and internationally. Dr. Miranda has been included in the "Best Doctors in America" list consistently for the past 8 years.

Dr. Christopher Brown, DDS, MPS, Director of Innovation

Dr. Brown is a co-founder of NeurAxis and played an active part in the theory and design of NeurAxis's devices. He is listed as the sole or principal inventor on all NeurAxis patents. Dr. Brown's degrees include a BS from the University of Indianapolis, a Master's of Professional Studies (MPS) from Lynn University in Biomechanical Trauma, and a Doctorate (DDS) from the Indiana University School of Dentistry. He served on the board of directors of The American Academy of Pain Management for 15 years, including one term as President. He also served in the United States Army Reserve for 6 years, achieving the rank of Captain and acting clinic chief. Dr. Brown has authored several articles and textbook chapters on the diagnosis and treatment of acute and chronic pain, biomechanical trauma, and the physics involved in energy transfer through human tissue. In addition to his role as Director of Innovation at NeurAxis, Dr. Brown continues in private practice in Indiana with a concentration in head, neck, and facial pain advancing clinical applications of percutaneous electrical nerve field stimulation (PENFS).

Dr. Thomas Carrico, Chief Regulatory Officer

Dr. Carrico has served as NeurAxis's Chief Regulatory Officer since 2017. He joined the company in 2012 as Director of Regulatory Affairs while also serving as President and Clinic Director at Spine and Neuromuscular Associates in Lawrenceburg, Indiana, a role he held from 2002 through 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. Dr. Carrico received his undergraduate education from Indiana University and his Doctorate from Palmer College of Chiropractic.

Risks to Our Price Target

- **Current products generate limited revenue**. NeurAxis's business and prospects depend on two products, IB-Stim and RED, which do not currently generate enough revenue for the company to operate at cash flow breakeven. IB-Stim remains subject to regulatory review for indications beyond pediatric functional abdominal pain. An inability to secure, or delay in obtaining FDA clearance for additional medical indications would prevent NeurAxis from achieving cash flow breakeven and profitability on its anticipated timeline.

- **Clinical studies are subject to inherent uncertainty**. Clinical studies can be delayed or take longer than anticipated to complete due to difficulties in enrolling patients. Once completed, negative or inconclusive study results may not support regulatory clearance.

- **Commercial success requires successful scaling of sales and marketing capabilities**. NeurAxis may not be able to successfully develop adequate sales and marketing capabilities to achieve its growth objectives. Because the company's current products require physician training and education, sales will be more difficult to scale, and the company's sales and marketing organization may need to grow substantially as NeurAxis expands its approved indications and markets. As a result, the growth of NeurAxis's sales and marketing expenses may outpace the revenues it may be able to generate from product sales.

- **Slower than anticipated product adoption**. Lack of visibility and market awareness may result in slower than anticipated product adoption. In addition, achieving patient acceptance could be difficult as not all patients are willing to comply with treatment protocol requirements or may forgo the company's products for financial, privacy, cosmetic, visibility, or mobility reasons.

- **Customer concentration**. NeurAxis's three largest customers accounted for 40% of net sales for the year ended December 31, 2024. The largest of the three customers accounted for 20% of total revenue. Losing one or more of these large customers would adversely affect revenue growth and NeurAxis's path to profitability.

- **Lack of insurance coverage may restrict sales growth**. Failure to secure and maintain adequate coverage and reimbursement from additional third-party payers would jeopardize broad adoption

of IB-Stim. NeurAxis expects that the majority of its revenues will come from third-party payers, which may decline to cover and reimburse certain products, procedures, or services or which may challenge the prices charged. In addition, physicians are less likely to prescribe a therapy when there is no certainty that adequate reimbursement will be available for the time, effort, skill, practice expense and malpractice costs required to provide the therapy to patients.

- **Competitive products can cause technological obsolescence or limit profitability**. In a market with low barriers to entry, the rapid pace of innovation can result in technology obsolescence. Numerous pharmaceutical, biotechnology, drug delivery and medical technology companies, hospitals, research organizations, and nonprofit organizations, some with greater financial resources than the company's, are engaged in the development of alternatives to NeurAxis's technology and may achieve greater market share than NeurAxis or force NeurAxis to lower its prices to remain competitive.

- **Contract manufacturing limits control over manufacturing process and quality assurance**. NeurAxis employs a sole contract manufacturer to assemble IB-Stim. Disruption to the manufacturer's operations or facilities would be beyond NeurAxis's control while interrupting IB-Stim product distribution. NeurAxis's product sales and operations could suffer as a result.

- **Internal control deficiencies can affect investor confidence and access to growth capital**. NeurAxis had material weaknesses in its internal controls over financial reporting during the years ended December 31, 2023 and 2024 that remain unremedied. A material weakness is a significant deficiency, or combination of significant deficiencies, in internal controls over financial reporting such that it is reasonably possible that a material misstatement of the annual or interim financial statements will not be prevented or detected. Internal control deficiencies could adversely affect the company's financial condition, results of operations, investor confidence, and access to capital.

Financial Perspective

NeurAxis's future capital requirements will depend upon numerous factors, including the rate of progress developing, manufacturing, and marketing its technologies, time and costs involved in prosecuting and enforcing patent claims and other proprietary rights, ability to establish collaborative arrangements, competing technological and marketing developments, and potential regulatory changes and overall economic conditions in NeurAxis's target markets.

NeurAxis's ability to achieve cash flow breakeven and profitability is correlated with the adoption of insurance coverage by commercial insurance carriers nationally, as this will drive customer expansion and revenue growth.

In light of NeurAxis's significant G&A expenses, which, at $8.95 million, we consider high for a company of NeurAxis's size, number of employees (22, according to PitchBook), and development stage, existing cash resources of $3.70 million at year-end 2024 will need to be replenished in the coming months via a

public or private offering of debt or equity securities. NeurAxis's G&A expenses primarily consist of wages and benefits, professional fees including legal and audit, insurance, investor relations, advertising, facility costs, utilities, and travel.

According to management, achieving cash flow breakeven will require $10-$12 million in total annual revenue, which we believe can be achieved in 2027.

NeurAxis, Inc. Income Statement 2024-2026

NeurAxis, Inc. (NRXS)	MAR 24 A	JUN 24 A	SEP 24 A	DEC 24 A	FY 24 A	MAR 25 E	JUN 25 E	SEP 25 E	DEC 25 E	FY 25 E	FY 26 E
Revenue	646,635	611,500	666,625	761,165	2,685,925	725,000	785,000	900,000	1,250,000	3,660,000	8,000,000
Cost of Goods Sold	75,081	73,458	97,050	116,413	362,002	108,750	117,750	135,000	187,500	549,000	1,040,000
Gross Profit	571,554	538,042	569,575	644,752	2,323,923	616,250	667,250	765,000	1,062,500	3,111,000	6,960,000
GM (%)	88.4%	88.0%	85.4%	84.7%	86.5%	85.0%	85.0%	85.0%	85.0%	85.0%	87.0%
Operating Expenses:											
Selling Expenses	80,030	62,274	95,430	86,974	324,708	87,000	94,200	108,000	150,000	439,200	960,000
Research and Development	5,570	54,312	72,422	73,803	206,107	80,000	75,000	50,000	35,000	240,000	140,000
General and Administrative	2,318,074	2,628,288	2,052,996	1,950,567	8,949,925	2,000,000	2,100,000	2,200,000	2,500,000	8,800,000	9,000,000
Total Operating Expenses	2,403,674	2,744,874	2,220,848	2,111,344	9,480,740	2,167,000	2,269,200	2,358,000	2,685,000	9,479,200	10,100,000
Operating Loss/Income	-1,832,120	-2,206,832	-1,651,273	-1,466,592	-7,156,817	-1,550,750	-1,601,950	-1,593,000	-1,622,500	-6,368,200	-3,140,000
Other (Expense)/Income:											
Financing Charges	-230,824	-	-	-	-230,824	-	-	-	-	-	-
Interest Expense, net	-26,560	-80,697	-64,676	-2,395	-174,328	-	-	-	-	-	-
Change in Fair Value of Warrant Liability	-9,284	7,576	-6,726	7,493	-941	-	-	-	-	-	-
Amortization of Debt Discount and Issuance Costs	-21,683	-63,817	-40,888	1	-126,387	-	-	-	-	-	-
Other (Expense)/Income, net	-180	-573,940	8,329	13,587	-552,204	-	-	-	-	-	-
Total Other (Expense)/Income	-288,531	-710,878	-103,961	18,686	-1,084,684	-	-	-	-	-	-
Net Loss	-2,120,651	-2,917,710	-1,755,234	-1,447,906	-8,241,501	-1,550,750	-1,601,950	-1,593,000	-1,622,500	-6,368,200	-3,140,000
Preferred Stock Dividends	-	-	-	-211,268	-211,268	-216,509	-216,509	-216,509	-216,509	-866,034	-866,034
Net Loss Available to Common Stockholders	-2,120,651	-2,917,710	-1,755,234	-1,659,174	-8,452,769	-1,767,259	-1,818,459	-1,809,509	-1,839,009	-7,234,234	-4,006,034
Per Share Data											
Net Loss per Share, Basic and Diluted	-0.32	-0.42	-0.25	-0.23	-1.22	-0.24	-0.25	-0.24	-0.24	-0.98	-0.51
Weighted Average Shares Outstanding											
Basic and Diluted	6,550,567	6,921,004	7,172,229	7,273,000	6,918,887	7,215,864	7,350,000	7,450,000	7,550,000	7,400,000	7,800,000
All figures in thousands of U.S. Dollar except per share items.											

Sources: Capital IQ (2024 data), Kingswood estimates.

NeurAxis Financial Ratio Trends

	12 Months Ended December 31		
	2022	**2023**	**2024**
Profitability			
Return on Assets	-188.1%	-418.6%	-169.8%
Return on Equity	NM	NM	-2,480.5%
Margin Analysis			
Gross Profit Margin	88.9%	87.7%	86.5%
Operating Margin	NM	NM	NM
Net Profit Margin	NM	NM	NM
Unlevered Free Cash Flow Margin Ratio	117.4%	NM	-133.5%
Asset Turnover Ratios			
Accounts Receivable Turnover	18.5x	19.9x	16.9x
Inventory Turnover	6.8x	8.7x	11.0x
Total Asset Turnover	2.4x	2.5x	1.0x
Short Term Liquidity			
Current Ratio	0.1x	0.1x	1.8x
Quick Ratio	0.1x	0.1x	1.6x
Days Payable Outstanding	NM	NM	NM
Long-Term Solvency			
Total Debt/Equity	NM	NM	22.9%
Total Debt/Capital	NM	NM	18.6%
Long-Term Debt/Equity	NM	NM	12.4%
Long-Term Debt/Capital	NM	NM	10.1%
Total Liabilities/Total Assets	476.4%	375.4%	56.5%
Interest Coverage	NM	NM	NM

Source: Capital IQ.

Valuation

As an innovator and pioneer in the neuromodulation medical device space, NeurAxis has few direct public company competitors, some of which are still in the pre-revenue stage. Given NeurAxis's recent IPO and lack of profitability, we have chosen price/sales ratio as the most appropriate valuation method, as it is frequently used for high-tech growth companies with negative earnings and is not influenced by a firm's accounting decisions, R&D expenses, or non-recurring items. Applying the 4.61x median FY24 price/sales multiple of NeurAxis's peer group to our FY26 revenue forecast of $8.0 million and estimate of 7.8 million NRXS shares outstanding at year-end 2026, we arrive at a target price of $4.73, which we have rounded to $4.75.

Investment Thesis

- Commercial potential:
  - Large U.S. and global markets in pediatric and adult gastroenterology
  - $9 billion total addressable US market for target pediatric pipeline indications
  - $14 billion total addressable US market for target adult pipeline indications
  - Improved, 2nd generation device in development

- Near-to medium-term catalysts:
  - Update to medical society clinical treatment guidelines establishing IB-Stim as first-line treatment and standard of care for FAP/IBS
  - Broader commercial insurance coverage
  - Category I CPT code taking effect January 1, 2026
  - FDA clearance for additional pediatric and adult indications for IB-Stim
  - Commercial traction for RED

- Significant unmet clinical need:
  - High refractory, off-label pharmacological treatments with serious adverse side effects
  - IB-Stim medical device is FDA-cleared as first-line therapy for pediatric FAP/IBS
  - Single point of call (gastroenterologists) for future expansion indications

- Strong intellectual property protection:
  - 13 issued and 9 pending device and method patents confer U.S. and international intellectual property protection through 2039
  - Freedom to operate opinion

- Clear commercial pathway
  - IB-Stim is FDA-cleared and marketed for pediatric functional abdominal pain associated with irritable bowel syndrome
  - RED is FDA-cleared for chronic constipation, with established Category I CPT billing code
  - Expansion markets: pediatric functional nausea, post-concussion syndrome, chemotherapy-induced nausea and vomiting, cyclic vomiting syndrome; adult FAP/IBS
  - Technology-specific Category III CPT (Current Procedural Terminology) billing code effective since July 1, 2022
  - Category I CPT billing code to become effective January 1, 2026
  - Major insurance payer coverage initiated
  - Endorsed by key opinion leaders and American Academy of Pediatrics (AAP)/North American Society for Pediatric Gastroenterology, Hepatology & Nutrition (NASPGHAN); expecting Society position paper and guideline changes supporting IB-Stim as standard of care

DISCLOSURES

Analyst Certification

The Research Analyst(s) denoted by an "AC" on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an "AC" on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst's personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report.

I, Karen Sterling, certify that (1) the views expressed in this report accurately reflect my own views about any and all of the subject companies and securities; and (2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by me in this report.

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Kingswood Capital Partners, LLC uses the following rating system:

Buy - Buy-rated stocks are expected to have a total return of at least 15% over the following 12 months and are the most attractive stocks in the sector coverage area.

Hold - We believe this stock will perform in line with the average return of others in its industry over the following 12 months.

Sell - Sell-rated stocks are expected to have a negative total return of at least 15% over the following 12 months and are the least attractive stocks in the sector coverage area.

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Company-Specific Disclosures

Distribution of Ratings Kingswood Capital Partners, LLC			Investment Banking Services/Past 12 Months	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY	4	66.67	1	25.00
HOLD	1	16.67	0	0.00
SELL	0	0.00	0	0.00
NOT RATED	1	16.67	1	100.00

As of March 2025.

In August 2023, Kingswood Investments, a division of Kingswood Capital Partners, managed MIRA Pharmaceutical's initial public offering. Kingswood received compensation from MIRA Pharmaceuticals for investment banking activity during 2023.

NeurAxis, Inc. Rating History as of March 28, 2025

Other Disclosures

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