



NeuroMetrix Reports Q1 2024 Business Highlights

May 15, 2024

WOBURN, Mass., May 15, 2024 (GLOBE NEWSWIRE) -- NeuroMetrix, Inc. (Nasdaq: NURO) today reported financial and business highlights for the quarter ended March 31, 2024. The Company's mission is to reduce the impact of neurological disorders and pain syndromes through innovative non-invasive medical devices.

"We are focused on maximizing shareholder value," said Shai N. Gozani, M.D., Ph.D., Chief Executive Officer of NeuroMetrix. "Shareholders have recently provided valuable insights in addition to those of our financial advisor, Lucid Capital Markets (formerly Ladenburg Thalmann & Co.). Our process to evaluate strategic options has led to the expansion of our Board of Directors, and a decision to curtail equity fundraising. In addition, we decided to reduce operating expenses with a smaller workforce."

Dr. Gozani continued, "Quell[®] Fibromyalgia has posted sequential revenue growth in each quarter since launch in late 2022. We have two primary sales channels; commercial health care providers which is cash pay and the Veterans Administration (VA) which is reimbursed. Most of our sales in the current quarter came from the commercial channel, as we just entered the VA in the first quarter. Revenue in the current quarter also benefited from higher electrode refill pricing."

"Our DPNCheck[®] business continues to reflect revenue erosion as the Medicare Advantage (MA) market enters the second year of the Centers for Medicare and Medicaid Services (CMS) three-year phase-out of compensation for patient screening for a number of conditions, including peripheral neuropathy. The environment is challenging; however, we continue to support our existing accounts and explore value-based care opportunities outside MA."

Business Highlights:

- Quell Fibromyalgia operating metrics in Q1 2024 demonstrated continuing growth. In the successive quarters of Q1 2024 versus Q4 2023, unique prescribers in our commercial channel were up to 221 (11% increase) and a total of 895 (54% increase) prescriptions were written. A total of 454 (28% increase) devices were shipped between the commercial and VA channels. The total number of electrode refills increased to 666 months (26% increase).
- In March, the Company reported that over 2,000 patients with fibromyalgia have been prescribed Quell Fibromyalgia since its strategic commercial launch in December 2022.
- The Company noted the recent publication of a large study by Professor Kamiya and his colleagues ([Hayashi and colleagues](#)) demonstrating that DPNCheck combined with standard EKG or DPNCheck alone accurately detects diabetic peripheral neuropathy. This study adds to the already sizeable body of clinical validation for the DPNCheck technology.

Financial Results:

Revenue in Q1 2024 of \$1.1 million was lower by \$0.6 million or 37% from Q1, 2023 primarily due to reduced sales volume for DPNCheck. The gross margin rate of 47% in Q1 2024 declined from 69% in Q1 2023 reflecting the reduction in high-margin DPNCheck revenue, reduced absorption of indirect manufacturing costs, and inventory reserve charges primarily for excess parts. Operating expenses were \$3.8 million in Q1 2024, an increase of \$0.9 million from the comparable period in 2023. This increase included costs related to the reduction in employee headcount of \$0.6 million. In addition, professional services costs, primarily related to the strategic review process, increased by \$0.3 million from Q1 2023. The Q1 2024 net loss was \$3.0 million (\$1.67 per share) versus a net loss of \$1.6 million (\$1.64 per share) in Q1 2023.

About NeuroMetrix

NeuroMetrix is a commercial stage healthcare company that develops and commercializes neurotechnology devices to address unmet needs in the chronic pain and diabetes markets. The Company's products are wearable or hand-held medical devices enabled by proprietary consumables and software solutions that include mobile apps, enterprise software and cloud-based systems. The Company has two commercial brands. Quell[®] is a wearable neuromodulation platform. DPNCheck[®] is a point-of-care screening test for peripheral neuropathy. For more information, visit www.neurometrix.com.

Safe Harbor Statement

The statements contained in this press release include 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, including, without limitation, statements regarding the company's or management's expectations regarding the business, as well as events that could have a meaningful impact on the company's revenues and cash resources. While the company believes the forward-looking statements contained in this press release are accurate, there are a number of factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements, including, without limitation, estimates of future performance, and the ability to successfully develop, receive regulatory clearance, commercialize and achieve market acceptance for any products. There can be no assurance that future developments will be those that the company has anticipated. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors referred to in the company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, as well as other documents that may be filed from time to time with the Securities and Exchange Commission or otherwise made public. The company is providing the information in this press release only as of the date hereof, and expressly disclaims any intent or obligation to update the information included in this press release or revise any forward-looking statements.

Source: NeuroMetrix, Inc.

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NeuroMetrix, Inc.
Statements of Operations
(Unaudited)

	Quarters Ended March 31,	
	2024	2023
Revenues	\$ 1,093,556	\$ 1,724,771
Cost of revenues	576,539	526,372
Gross profit	517,017	1,198,399
Operating expenses:		
Research and development	943,552	699,425
Sales and marketing	1,061,729	815,872
General and administrative	1,765,727	1,393,171
Total operating expenses	3,771,008	2,908,468
Loss from operations	(3,253,991)	(1,710,069)
Other income	224,417	135,895
Net loss	\$ (3,029,574)	\$ (1,574,174)

NeuroMetrix, Inc.
Condensed Balance Sheets
(Unaudited)

	March 31, 2024	December 31, 2023
	Cash, cash equivalents and securities	\$ 17,599,110
Other current assets	2,552,823	2,857,291
Noncurrent assets	512,195	569,999
Total assets	<u>\$ 20,664,128</u>	<u>\$ 21,424,441</u>
Current liabilities	\$ 1,847,170	\$ 1,240,639
Lease obligation, net of current portion	60,946	92,485
Stockholders' equity	18,756,012	20,091,317
Total liabilities and stockholders' equity	\$ 20,664,128	\$ 21,424,441

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Source: NeuroMetrix, Inc.