



**OTCQB: ZYXI**

# Forward Looking Statements



Statements made in this presentation include financial estimates and forward-looking statements that are not historical facts. Each of these estimates and forward-looking statements involves risk and uncertainties. These estimates are based on present circumstances, information currently available, and assumptions about future revenues, industry growth, and general economic conditions. Estimates are inherently uncertain as they are based on assumptions concerning future events. No representations can be made as to the accuracy of such information or the reliability of such assumptions. Accordingly, actual revenues and expenditures may vary significantly from the Company's estimates, and actual results or developments may differ materially from those expressed or implied by the forward-looking statements. Factors that could cause actual results to differ from the financial estimates and forward-looking statements in this presentation include those described in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as updated in 2016 quarter periods. Therefore, neither the Company's estimates nor the assumptions upon which they are based are to be interpreted as a guarantee or promise of the Company or management. The Company has no obligation to modify, amend, update, alter, or change the estimates contained herein.

## **Investor Relations**

Zynex, Inc.

9990 Park Meadows Drive

Lone Tree, CO 80124

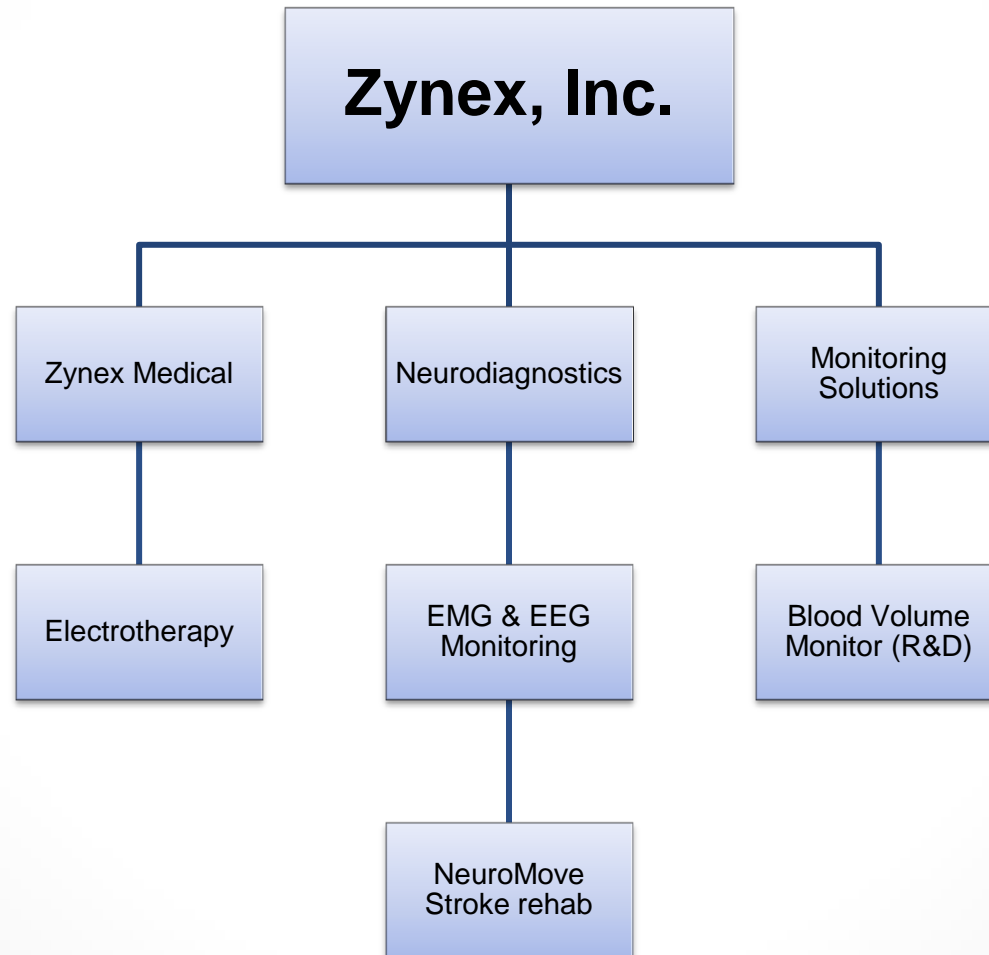
Telephone: (303) 703-4906 Facsimile: (303) 347-9153 [www.zynex.com](http://www.zynex.com)

# Zynex Overview



- Medical Device Manufacturer
  - Non-invasive, conservative pain treatment
  - Neuro-Monitoring, Stroke Recovery
  - Blood volume monitoring
- Publicly Traded OTCQB: **ZYXI**
- In operation since 1996, headquartered in Lone Tree, Colorado
- >60%+ recurring revenue with more than 300,000 patients treated since inception
- High Gross Profit Margin of >70%
- Estimated \$3b market potential

# Business Structure



# Business Unit Summary



- ZYNEX MEDICAL (ZMI)
  - Non-invasive electrotherapy pain management devices “TENS” (90% of historical revenue)
    - RX required, insurance billed
    - >70% GPM, >60% recurring revenue (consumable supplies and rentals)
- ZYNEX NEURODIAGNOSTICS (ZND)
  - EEG EMG diagnostics B:B products
  - NeuroMove Stroke Rehab product
- ZYNEX MONITORING SOLUTIONS (ZMS)
  - In development, non-invasive blood volume monitor (Zero revenue)

# Products – Zynex Medical



- Complete line of electrotherapy pain management devices-FDA cleared and CE marked
- Augments healing, alleviates swelling through increased blood circulation, and reduces both acute/chronic pain through the use of electrical currents
- Requires a prescription
- Requires Consumables
- Reimbursed by US health insurances
- May be rented or purchased
- \$500 million industry worldwide



**NexWave**

Consumables (battery/electrode)

# Products – Zynex Medical



- Stroke/spinal cord rehabilitation devices-FDA cleared and CE marked
- Augment healing, as well as assist in recovery for stroke, Spinal Cord Injuries and Traumatic Brain Injury, retrains muscles, increases range of motion
- Consumables required



## NeuroMove

Consumables (electrodes)

# Products – Monitoring Solutions



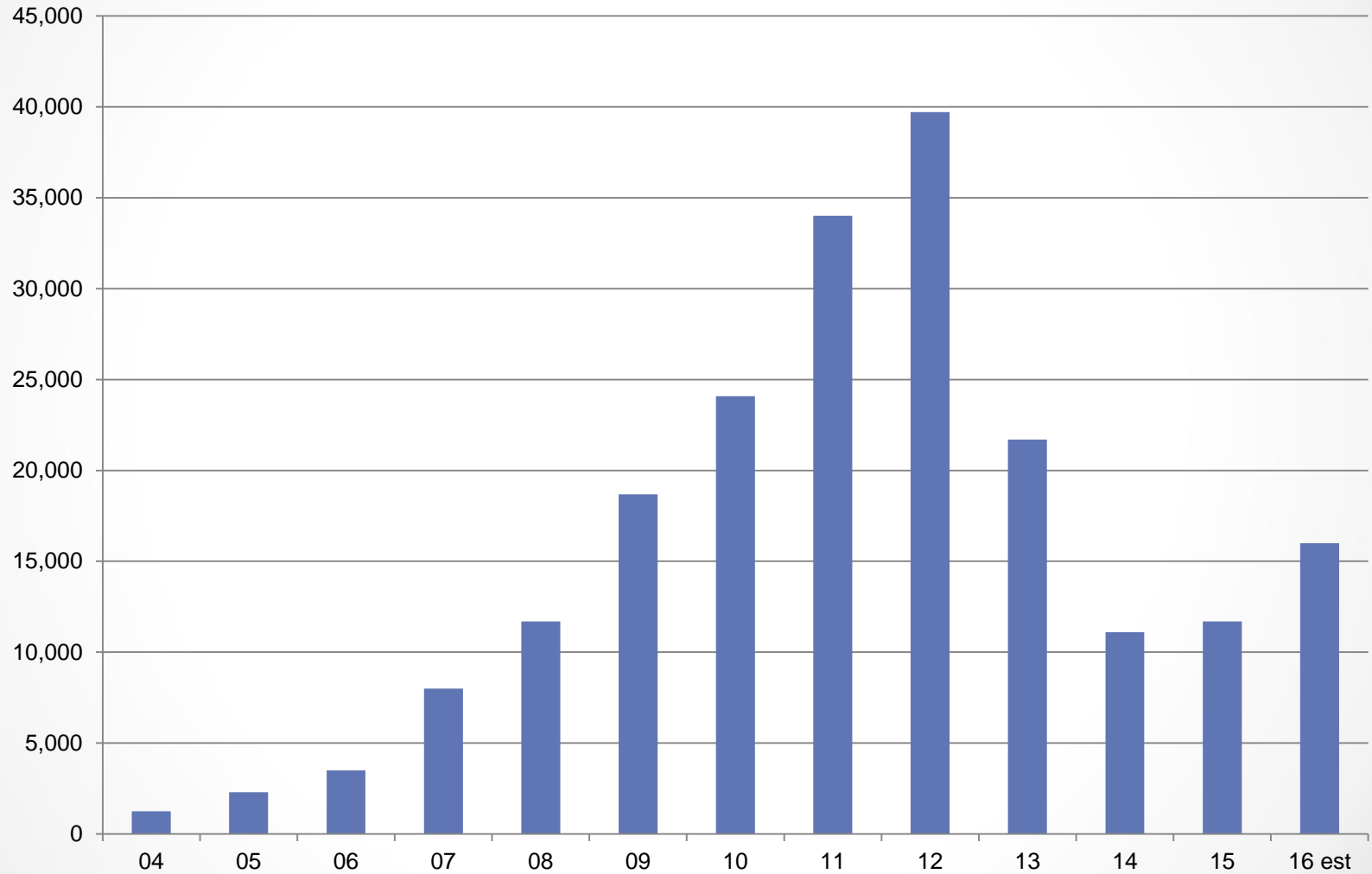
- CM1500 – non invasive blood volume monitor
- Used in operating and recovery rooms to detect blood loss and internal bleeding
- FDA 510(k) application submitted in Sept. 2015. Ongoing clinical evaluation underway
- Patents filed
- \$3b market potential



Blood Volume Monitor  
*(in development)*



# Revenue Growth (\$1,000's)



# Financial Summary



Annual Financial Data	2015	2014	2013	2012	2011	2010	2009	2008	2007
(1,000's) except per share									
<b>Net Revenue</b>	\$11,641	\$11,117	\$21,684	\$39,666	\$34,148	\$24,085	\$18,681	\$11,764	\$8,048
<b>Gross Profit</b>	\$6,704	\$6,160	\$13,544	\$30,896	\$26,777	\$18,883	\$14,888	\$9,524	\$7,319
<b>Net Income (Loss)</b>	(\$2,934)	(\$6,231)	(\$7,301)	\$1,553	\$1,564	\$350	\$2,382	\$111	\$2,131
<b>Cash</b>	\$8	\$63	\$323	\$823	\$789	\$602	\$863	0	0
<b>EPS</b>	(\$0.09)	(\$0.20)	(\$0.23)	\$0.05	\$0.05	\$0.01	\$0.08	\$0.00	\$0.07
<b>Cash Flow from Operations</b>	\$341	\$961	(\$382)	(\$879)	(\$362)	(\$665)	\$3,648	(\$715)	\$746
<b>Total Stockholder's Equity</b>	(\$4,071)	(\$1,267)	\$4,848	\$12,055	\$10,140	\$8,182	\$7,486	\$4,774	\$3,618
<b>Common Shares</b>	31,271	31,208	31,171	31,148	30,800	30,600	30,500	29,900	26,800

# Available Market



## AVAILABLE MARKET ~\$3.7B

### **ZYNEX MEDICAL**

Electrotherapy Devices

**\$500M**

### **ZYNEX MONITORING SOLUTIONS**

Cardiac Monitoring Devices

**\$3B**

### **ZYNEX NEURODIAGNOSTICS**

Biofeedback/Rehab

**\$220M**

*Market size based on internal management estimates and various market sources*

# Current Business Factors



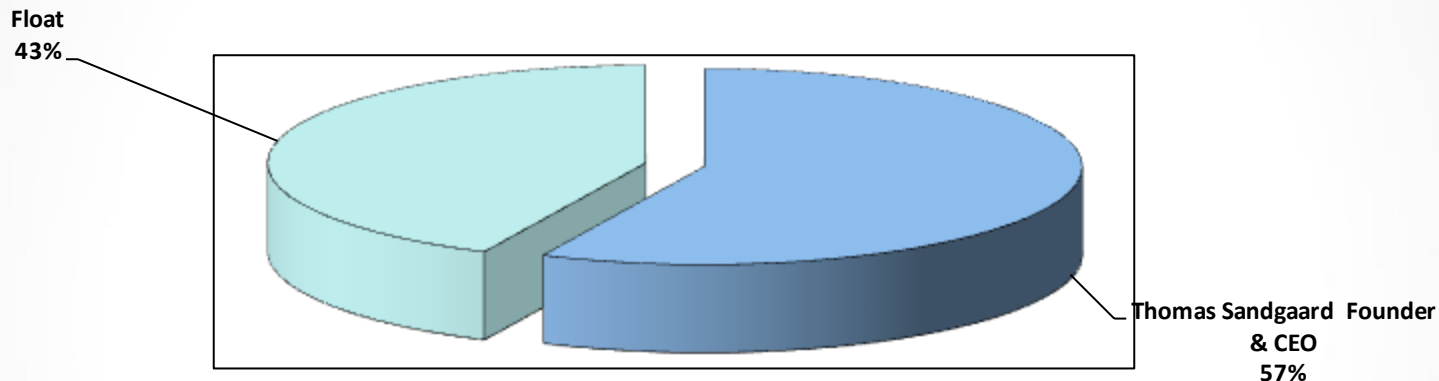
- Zynex Medical – Electrotherapy TENS
  - TENS business impacted in 2013 due to Affordable Healthcare Act implementation & reimbursement changes
  - TENS business stabilized in 2014, and begins to grow in 2015
  - DJO/EMPI exit from TENS market late 2015
    - Zynex service EMPI accounts & recruit top tier EMPI sales reps. Empi's annual revenue was \$250 million.
  
- Zynex Monitoring Solutions - CM1500
  - Sept 2015 – FDA 510(k) application filed for clearance of CM1500 monitoring device.
  - The CM1500 is capable of monitoring a patient's fluid levels, including blood loss, during surgery and in recovery.

# Long Term Objectives



- Listing on NYSE MKT or NASDAQ
- Grow recurring revenue streams
- Generate consistent net earnings and positive free cash flow
- Reinvest to develop devices and applications with high GPM
- Focus on driving value through organic growth and strategic acquisitions

# Corporate & Ownership Structure



Common Stock: 31,271,234 shares outstanding  
OTCBB: ZYXI  
Auditors: GHP Horwath  
Counsel: Burns, Figa and Will

# Major Milestones



- 1996 • Founded by Thomas Sandgaard
- 1999 • FDA clearance on first Zynex E-Stim device
- 2001 • Shifted from wholesale to direct sales to physicians and patients
- 2004 • Reverse merger into a public entity
- 2008 • Received European CE mark on key products
- 2010 • Established NeuroDiagnostics (EEG/Sleep) and Monitoring (blood volume) subsidiaries
- 2011 • Commenced clinical evaluations for Blood Volume Monitor device
- 2013 • Impacted by Health Care Reform – restructured core business
- 2015 • TENS business begins to grow. EMPI (largest competitor) exits TENS market

# Management Team Bio



**Thomas Sandgaard** has been the *Chairman of the Board, President and Chief Executive Officer* of Zynex, Inc. since founding the company in 1996. He has previously held management positions with companies such as ITT, Siemens, GN ReSound, Dataco and Philips. Most of his work has been in the areas of international sales and distribution, technology transfers, mergers and marketing management in the semiconductor, telecommunications, data communications and medical equipment industries. Mr. Sandgaard has a bachelor's degree in electronics engineering from University of Southern Denmark and an MBA from Copenhagen Business School. Mr. Sandgaard has an in-depth knowledge of the industry and is the driving force as to the Company strategies.

**Rick Luckenbill** has more than 20 years' experience in in multiple industries with proven leadership in finance, accounting and system integration roles. Mr. Lukenbill's work experience includes debt restructure, cash flow optimization, profitability improvement and system integration. Prior to joining Zynex, Mr. Luckenbill, during 2015 and 2016, served as Chief Financial Officer / Vice President of Finance with CPP, Inc., an engineering consulting business in Fort Collins, CO. Previously, Mr. Luckenbill served in various accounting roles with Medtronic, Inc. (2013-2015), Thermo Fisher Scientific, Inc (2009-2011), Omnitrax, Inc (2009) and Motorola, Inc. (1996-2009) and as director of systems integration with Motorola Solutions, Inc. (2011-2013). Mr. Luckenbill holds an MBA, Finance from the Keller Graduate School of Management of DeVry University, Scottsdale, AZ and a BS, Finance/Organizational Development, Elmhurst College, Elmhurst, IL.



# Management Team Bio



**Skip Mogill** has more than 30 year of experience in the medical device industry with proven leadership in production, supply chain and operational process efficiency roles. Prior to joining Zynex, Mr. Mogill served as Vice President of Operations with Surgical Technologies Sector SQE and Solta Medical/SST. Previously, Mr. Mogill served in various operations management positions with Glucon Inc., Dentsply International and various other medical device manufacturing companies including Covidien between 1986 and 2006. Mr. Mogill holds a BS in Mechanical Engineering Technology from Metro State University of Denver.

**Michael Frabotta** VP of sales and is responsible for Zynex Medical's sales organization promoting electrotherapy and compound pharmacy products throughout the United States. Mr. Frabotta has over 14 years of successful sales and management experience with RS Medical and ERMI, Inc. At RS Medical a once national competitor in the electrotherapy arena he successfully served as a Director of Sales, National Director of Payor Contracting, Regional Manager, and Sales Representative. Mr. Frabotta received a Bachelor of Science in Nursing from the University of Pittsburgh where he specialized in Orthopaedics.

**Robert Bird** Robert Bird is the VP of Marketing responsible for all marketing, in-side sales and compounding products within the rehabilitation and pain management markets for the Zynex Medical division of Zynex. Mr. Bird has over 20 years of sales and management experience and holds a B.S. Degree in Business Administration from California State University, Hayward.

# Contact Information



For more information, please contact:

## **Investor Relations**

Zynex, Inc.  
9990 Park Meadows Drive  
Lone Tree, CO 80124  
Telephone: (303) 703-4906 Facsimile: (303) 347-9153  
[www.zynex.com](http://www.zynex.com)

# Stock Symbol



**ZYXI**