



ZYNEX™

The logo features the word "ZYNEX" in a bold, black, sans-serif font. A large, dark blue, glossy swoosh arches over the letters, starting under the 'Z' and ending under the 'X'. A small "TM" trademark symbol is positioned to the upper right of the 'X'.

# 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, 2012, as updated in 2013 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

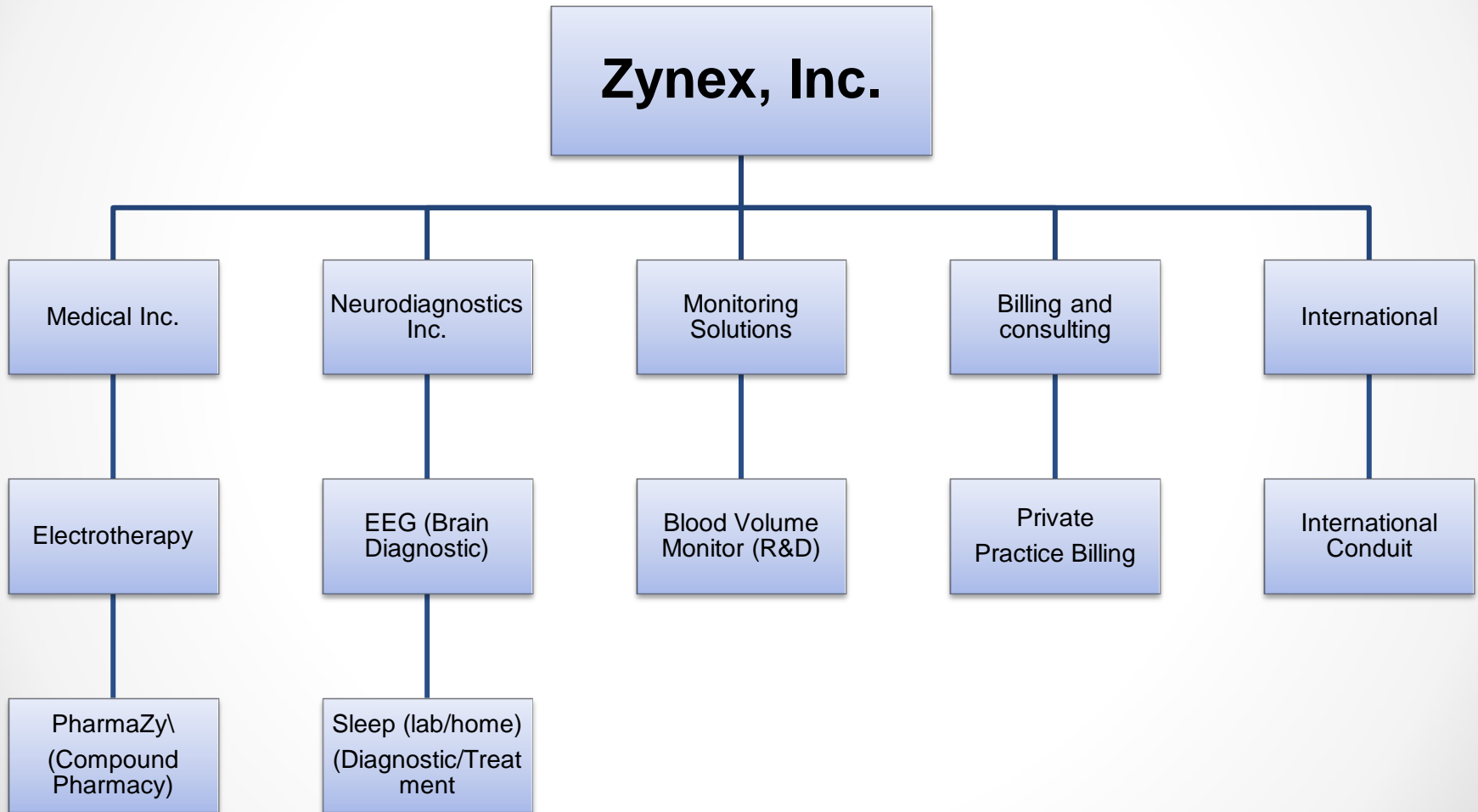
Telephone: (303) 703-4906 Facsimile: (303) 347-9153 [www.zynex.com](http://www.zynex.com)

# Zynex Overview



- Medical Device Manufacturer & Compound Pharmacy
  - Non-invasive, conservative pain treatment
  - EEG & Sleep diagnostics
  - Blood volume monitoring
  - Physician and hospital billing
  - International sales
- Publicly Traded OTCQB: **ZYXI**
- In operation since 1996, headquartered in Lone Tree, Colorado
- >40%+ recurring revenue with more than 200,000 patients treated since inception
- High GPM of >70%
- Estimated \$6b market

# Business Structure



# Business Unit Summary



- ZYNEX MEDICAL (ZMI)
  - Non-invasive electrotherapy pain management devices “TENS” (98% of historical revenue)
    - RX required, insurance billed
    - >70% GP, >40% recurring revenue (consumable supplies)
  - Topical/transdermal pain cream (introduced Dec 2013)
    - RX required, insurance billed, complimentary to TENS
    - Expect >80% GP and recurring monthly refill prescriptions
- ZYNEX NEURODIAGNOSTICS (ZND)
  - EEG and sleep diagnostics B:B products (1% of historical revenue)
- ZYNEX MONITORING SOLUTIONS (ZMS)
  - In development, non-invasive blood volume monitor (Zero revenue, in development)
- ZYNEX BILLING AND CONSULTING (ZBC)
  - Outsourced billing for physicians and hospitals (1% of historical revenue)
- ZYNEX INTERNATIONAL (ZINT)
  - International conduit for all Zynex products (1% of historical revenue-all divisions)

# 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
- Consumables required
- Require a prescription
- Reimbursed by health insurance
- May be rented or purchased



<b>NexWave</b>
TruWave+
E-Wave
IF8000
IF8100
Iontophoresis
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 – Zynex Neurodiagnostics



- EEG/Sleep diagnostic devices used in Neuro clinics, sleep diagnosis labs and for home sleep diagnosis
- B:B sale
- Not dependent on insurance reimbursement



**BWIII – (in lab)**

Sleep Diagnostic product



**Sleep Profiler– (home)**

Sleep Diagnostic product



# Products – Monitoring Solutions

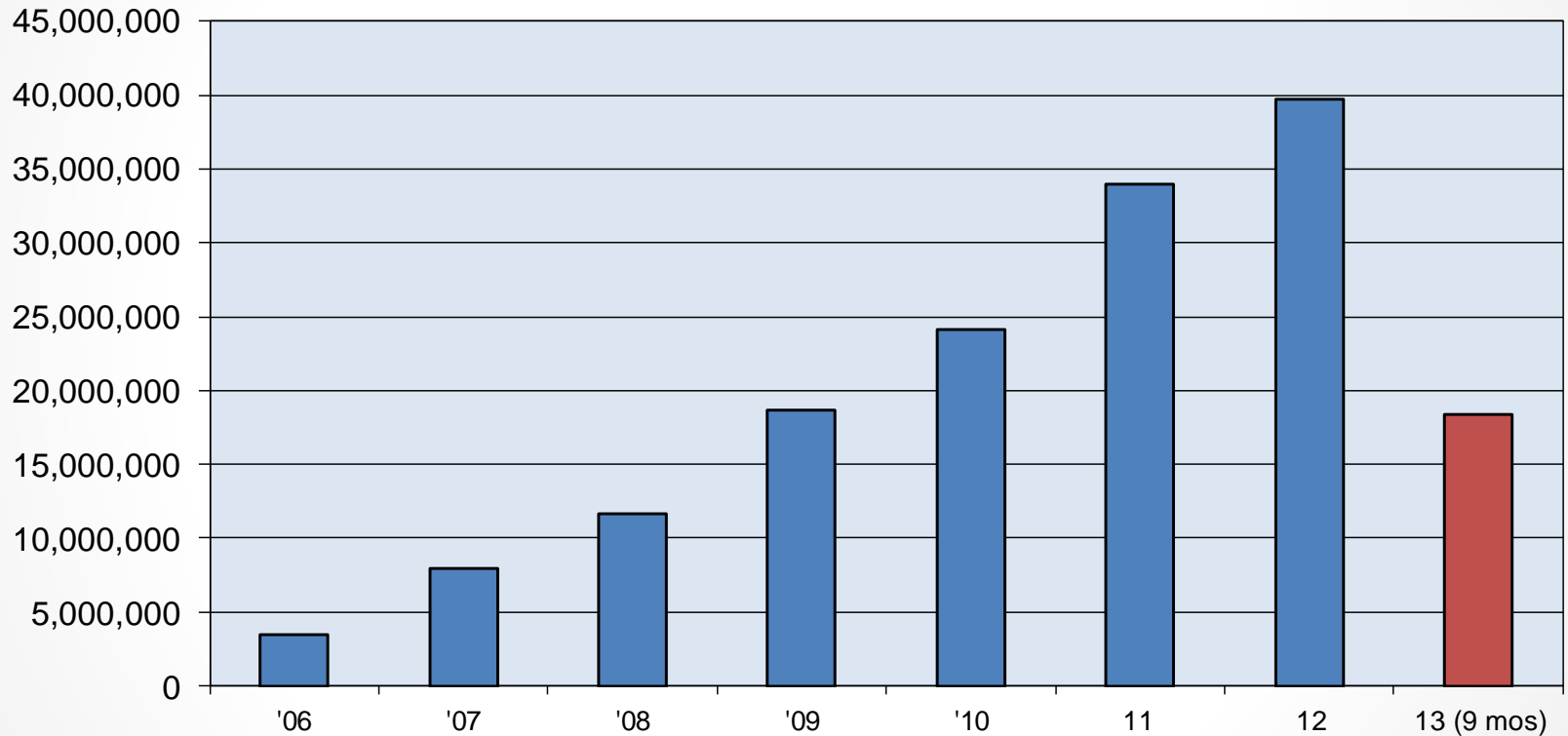


- In development – non invasive blood volume monitor
- Used in operating and recovery rooms to detect blood loss and internal bleeding
- Clinical trials commenced
- Patent filed



Blood Volume Monitor  
*(in development)*

# Revenue Growth



# Financial Summary



Annual Financial Data (000's) except per share	2013(9 mos)	2012	2011	2010	2009	2008	2007
Net Revenue	\$18,331	\$39,666	\$34,148	\$24,085	\$18,681	\$11,764	\$8,048
Gross Profit	12,711	30,896	26,777	18,883	14,888	9,524	7,319
Net Income (loss)	(2,758)	1,553	1,564	350	2,382	111	2,131
Cash	468	823	789	602	863	--	--
EPS	(0.09)	0.05	0.05	0.01	0.08	0.00	0.07
Cash Flow from Operations	(676)	(879)	(362)	(665)	3,648	(715)	746
Total Stockholders Equity	9,367	12,050	10,140	8,182	7,486	4,774	3,618
Common Shares Outstanding	31,148	31,148	30,800	30,600	30,500	29,900	26,800

# Balance Sheet



Balance Sheet	Sep-13	Dec-12	Dec-11
<b>Cash</b>	468	823	789
<b>A/R</b>	8,824	12,224	10,984
<b>Inventory</b>	6,131	6,160	4,557
<b>Other Assets</b>	3,745	2,155	1,718
<b>Current Assets</b>	19,168	21,362	18,048
<b>PP&amp;E</b>	3,282	3,851	3,422
<b>Other Assets</b>	909	723	315
<b>TOTAL ASSETS</b>	23,359	\$25,936	\$21,785
<b>Line of Credit</b>	6,291	5,906	3,290
<b>Other Liabilities</b>	5,319	6,187	6,460
<b>Current Liabilities</b>	11,610	12,093	9,750
<b>Other Liabilities</b>	2,382	1,788	1,896
<b>Total Liabilities</b>	13,992	13,881	11,646
<b>Common Stock</b>	31	31	31
<b>Paid-in-capital</b>	5,528	5,448	5,095
<b>Retained Earnings</b>	3,808	6,566	5,013
<b>Total Stockholders' Equity</b>	9,367	12,055	10,139
<b>Total Liab. And S.Equity</b>	23,359	\$25,936	\$21,785

# Available Market



## PAST AVAILABLE MARKET ~\$4B

<b>ZYNEX MEDICAL</b>	
Electrotherapy Devices	<b>\$550M</b>
<b>ZYNEX MONITORING SOLUTIONS</b>	
Cardiac Monitoring Devices	<b>\$3B</b>
<b>ZYNEX NEURODIAGNOSTICS</b>	
Biofeedback/Rehab	<b>\$220M</b>

## CURRENT AVAILABLE MARKET ~\$7B

<b>ZYNEX MEDICAL</b>	
Electrotherapy Devices	<b>\$275M</b>
Compound Pain Cream	<b>\$1.8B</b>
<b>ZYNEX MONITORING SOLUTIONS</b>	
Cardiac Monitoring Devices	<b>\$3B</b>
<b>ZYNEX NEURODIAGNOSTICS</b>	
Biofeedback/Rehab	<b>\$220M</b>
Sleep Diagnostics	<b>\$360M</b>
EEG/Epilepsy Monitoring	<b>\$270M</b>
Sleep Therapy	<b>\$120M</b>
High Definition EEG	<b>\$425M</b>
Intraoperative EEG Monitoring	<b>\$275M</b>
Brain Mapping/Research	<b>\$100M</b>

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

# What Happened to Business



- Electrotherapy Industry (Zynex Medical – TENS)
  - Healthcare Reform
    - CMS Decision TENS devices
      - Lower Back Pain indication no longer covered by Medicare
    - Affordable Care Act
  - Commercial insurance following CMS
  - Physicians confused by general “reform” change and required to generate significantly more paperwork
  - Harder to obtain prescriptions

# Zynex Path to Recovery



- Zynex
  - Improve current TENS business as quickly as possible
    - Expense reductions to current demand (headcount/other ancillary)
    - Renegotiated current building lease
    - Focus on workers compensation electrotherapy (TENS) orders (highest collection rate)
  - Diversification
    - Pain Cream
      - Created in-house compound pharmacy (topical pain creams)
        - Utilize existing TENS sales channel (same order point as core business (TENS)) and existing infrastructure
        - High insurance reimbursement
        - Large market (~1.8b)
        - Complements non-invasive pain management TENS device, places Zynex as a “full service” conservative pain management company
        - High gross profit >80%
    - Zynex NeuroDiagnostic
      - Growing EEG/sleep market
      - Not dependent on insurance reimbursement
      - B:B
      - Product development

# Zynex Path to Recovery



- Zynex Monitoring Solutions
  - Untapped market need blood volume monitoring (safer surgery/recovery)
  - Non-invasive
  - B:B
  - Product development
- Zynex Billing and Consulting
  - Service based revenue
  - Leverage insurance billing core competency



# Zynex – Looking Forward



- Zynex Medical (ZMI)
  - Pain Cream/Compound Pharmacy facts
    - **Complements Zynex TENS non-invasive pain management product and is sold through same TENS channel and customer**
    - Highly fragmented with low concentration
    - Approximately 80%+ GM
- Zynex NeuroDiagnostics(ZND)
  - EEG/Sleep Diagnostic distributor agreements
    - Adds product breadth to ZND
    - Market/End Users
      - EEG Diagnostic – Neurology hospital and private practice doctors
      - Sleep Diagnostic – Hospital, private practice sleep labs, home use (portable)
      - Sleep Treatment – End user home treatment (Apnea)

# Zynex – Looking Forward



- Zynex Monitoring Solutions:
  - Blood Volume Monitor at commercialization
    - Early warning that patient condition is likely to deteriorate
    - Utilizes multiple physiological
    - Enables a higher level of care than traditional vital sign monitoring
    - Effective in multiple care environments (e.g. operating room, recovery and trauma)
- Zynex Billing and Consulting(ZBC)
  - Insurance billing and consulting for physicians and hospitals
  - Looking to assume/acquire additional billing companies
  - Provides recurring service based revenue, while leveraging insurance billing core competency

# Future Objectives



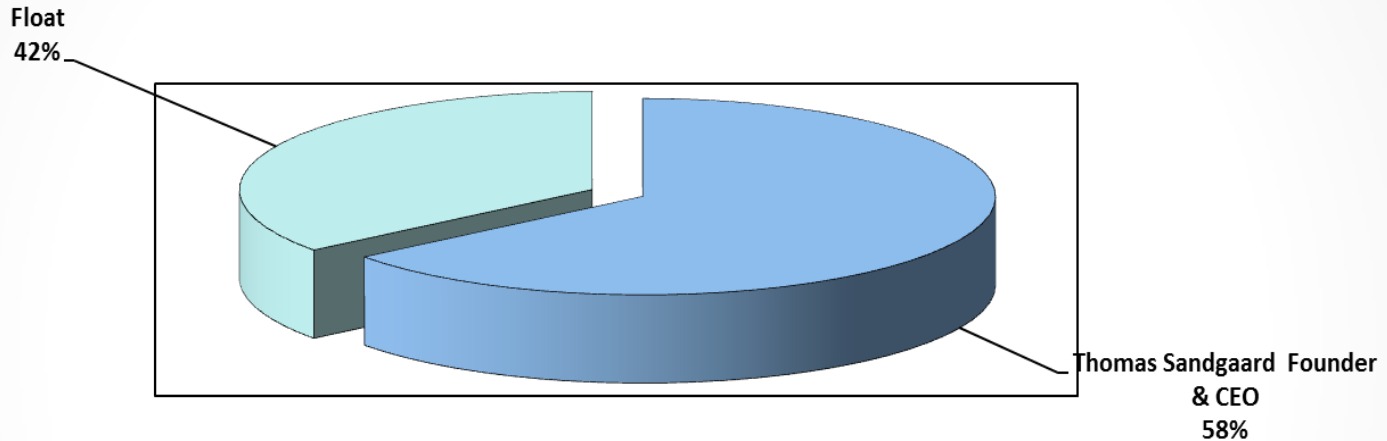
- Listing on AMEX/NASDAQ
- Develop devices and applications with high GPM
- Continue to grow recurring revenue
- Take only calculated risks
- Continue net earnings growth plan
- Positive free cash flow
- Utilize a mix of acquisitions and organic based growth to drive valuation=stock price=private equity with low dilution and/or loan-based financing

# History



- 1996 • Founded by Thomas Sandgaard
- 1999 • FDA clearance on first Zynex device
- 2001 • Shifted from wholesale to direct sales to physicians and patients
- 2004 • Reverse merger into a public shell
- 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, expanded product offers to in-house compounded pain cream

# Corporate & Ownership Structure



Common Stock: 31,000,000 shares outstanding  
OTCBB: ZYXI  
Auditors: GHP Horwath  
Counsel: Perkins Coie

# 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 Danavox, 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 degree in electronics engineering from Denmark's Odense University of Engineering 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.

**Anthony Scalese** has been *Chief Financial Officer* of Zynex, Inc. since September 2010. Mr. Scalese has over 15 years of experience in accounting, finance and operations and has spent the past 13 years of his career in the high-tech and healthcare industries. His most recent position was Chief Financial Officer for Qualmark Corporation, in which he also served as President for various subsidiaries of Qualmark. He previously held positions at Coram Healthcare (now Apria Healthcare) as well as Foundation Health Systems (now Healthnet). Mr. Scalese is a Certified Public Accountant licensed in Colorado, received a Masters in Business Administration from the University of Colorado and a Bachelor of Science in Business Administration-Accounting from Colorado State University.

# Management Team Bio



**Robert "Bob" Cozart** is the *VP of Technical Operations* who develops and manages all of the teams that make up the Purchasing, Production, Service, Warehouse, Facilities, and Shipping and Receiving departments. Mr. Cozart has over 26 years of management experience in electronics manufacturing, primarily with Class II and Class III medical devices with such companies as HEI, Colorado Medtech, Pfizer/Valleylab and Medtronic. Mr. Cozart holds an MBA from Creighton University in Omaha and a BS in Business from the University of Colorado in Boulder.

**Robert Bird** is the *Vice President of Sales* responsible for all domestic sales within the rehabilitation and pain management markets and directs all domestic sales activities 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.

**Dave Empey** is the *Director of Regulatory and Compliance* for Zynex Inc. Mr. Empey has over 35 years of healthcare, clinical services, management, operations, medical equipment, accreditation, quality and compliance experience. Mr. Empey holds an MBA from the University of Denver and is a Registered Respiratory Therapist.

# Summary



- High GPM of >70%
- >40%+ recurring revenue
- >40,000 units in the field
- >200,000 patients helped since inception
- Estimated \$7b market





# Contact Information



For more information, please contact:

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# Stock Symbol



**ZYXI**