

INSIGHTFUL WALL STREET RESEARCH


Company Description

Zynex is the leading provider of Electrotherapy Medical Devices used for pain management and rehabilitation. The company is also pioneering development of an Innovative Blood Volume Monitor.

Estimates (Dec.)	2017A	2018E	2019E
Sales (\$Thsds)	\$23,432.0	\$31,867.5	\$44,614.5
EPS	\$0.22	\$0.31	\$0.41
P/E (x)	13.9	10.1	7.5
2Q EPS	\$0.05A	\$0.08E	\$0.09E
EBITDA	\$9,415.0	\$11,616.8	\$15,579.8
EV/EBITDA (x)	11.8	9.5	7.1
EV/Sales (x)	4.7	3.5	2.5
Stock Data			
52-Week Range		\$0.30-\$5.50	
Shares Out (Thsds)		34,414	
Market Cap (Mil)		\$106.0	
Enterprise Value (Mil)		\$111.0	
Average Daily Volume		27,429	
Management			
Founder, President and CEO	Thomas Sandgaard		
CFO	Dan Moorhead		



► Current Price (ZYXI)	\$3.08
► Target Price	\$7.00

Catalysts/Keys:

1. ZYXI reported 1Q18 EPS of \$0.06 on revenue of \$6.9 million, in-line with our forecast of \$0.06 on revenue of \$7.0 million. This compares to 1Q17 revenue of \$3.4 million on EPS of \$0.01. **The growth on the top-line this quarter is up 100% over 1Q17** versus -1% growth Y/Y in 1Q17 over 1Q16. **We believe this is exceptional as growth in this quarter is typically seasonally the lowest.**
2. Management took this opportunity to provide guidance for 2Q18E. Management expects revenue in the range of \$7.5-\$8.0 million, EBITDA in the range of \$2.5 - \$3.0 million and EPS of \$0.08.
3. As a result of this quarter's performance, management's guidance and our follow-up conversations with management; we are making modest tweaks to our model. For 2018E we now forecast revenue of \$31.9 million down from \$34.2 million previously. As mentioned, device order growth was impressive during the quarter, but we are playing it conservative as to when it will benefit the quarters throughout the year. For 2018E we now forecast EBITDA of \$11.7 million, up from \$7.3 million previously. For 2018E our EPS forecast remains unchanged at \$0.31. For 2019E we now forecast revenue of \$44.6 million (\$47.9 million previously), EBITDA of \$15.6 million (\$9.5 million previously) and EPS of \$0.41 (unchanged).

Conclusion

Our Investment Thesis is intact and we are glad to see that the ongoing paradigm shift at ZYXI is proving beneficial to investors. As a result of our new forecasts we are leaving our fair value estimate of \$7 unchanged, which assumes ZYXI can achieve an EV/EBITDA of 15.8x (11.6x previously), 17.1x P/E (17.2x previously) and EV/Sales of 5.5x (2.4x previously). Given the increased predictability/stability of the financials, we believe the modest change to the target multiples is appropriate.

Investment Thesis/Summary

ZYXI reported 1Q18 EPS of \$0.06 on revenue of \$6.9 million, in-line with our forecast of \$0.06 on revenue of \$7.0 million. This compares to 1Q17 revenue of \$3.4 million on EPS of \$0.01. The growth on the top-line this quarter is up 100% over 1Q17 versus -1% growth Y/Y in 1Q17 over 1Q16. We believe this is exceptional as growth in this quarter is typically seasonally the lowest.

Highlights from the release and call:

- **This quarter represents the seventh quarter of consecutive profitability.**
- Adjusted EBITDA of \$2.0 million increased 257% Y/Y.
- **During the quarter 25 salespeople were added,** bringing the company total to about 130 and is still on track to have 150 by year end. The growth in the sales force is starting to yield results as device order growth during the quarter was up 36% vs. order growth of 8% in 1Q17. This order growth is sure to yield solid results in the next few quarters.
- **Progress is being made towards the up-listing of the company's shares** as well as the approval to sell the CFM-1500. Management believes that there may be a positive announcement on the European market made shortly.
- According to management, \$1.8 million of the previously announced \$2.0 million stock buyback has been executed. **Additionally, last night, management announced its intention to buyback an additional \$2 million of stock.**
- Management is still working on the acceptance of their technology to help with the Opioid epidemic. Management has created some marketing credentials to continue the education of its customers.
- Management took this opportunity to provide guidance for 2Q18E. Management expects revenue in the range of \$7.5 - \$8.0 million, EBITDA in the range of \$2.5 - \$3.0 million and EPS of \$0.08. This type of granularity/predictability is certainly impressive, as it is unusual for a company of this size. We believe this speaks volumes about

management's ability.

- As a result of this quarter's performance, management's guidance and our follow-up conversations with management we are making modest tweaks to our model. For 2018E we now forecast revenue of \$31.9 million down from \$34.2 million previously. As mentioned, device order growth was impressive during the quarter, but we are playing it conservative as to when it will benefit the quarters throughout the year. For 2018E we now forecast EBITDA of \$11.7 million, up from \$7.3 million previously. For 2018E our EPS forecast remains unchanged at \$0.31. For 2019E we now forecast revenue of \$44.6 million (\$47.9 million previously), EBITDA of \$15.6 million (\$9.5 million previously) and EPS of \$0.41 (unchanged).

Our Investment Thesis is intact and we are glad to see that the on-going paradigm shift at ZYXI is proving beneficial to investors. As a result of our new forecasts we are leaving our fair value estimate of \$7 unchanged, which assumes ZYXI can achieve an EV/EBITDA of 15.8x (11.6x previously), 17.1x P/E (17.2x previously) and EV/Sales of 5.5x (2.4x previously). Given the increased predictability/stability of the financials, we believe the modest change to the target multiples is appropriate.

Company Overview

Zynex, Inc. (ZYXI) is currently headquartered in Englewood, CO, having recently moved from Lone Tree, CO, less than a mile away, doubling its office space in an effort to meet robust demand. The company was founded in 1996 by Thomas Sandgaard (Founder, Chairman, President and CEO) and designs, manufactures and markets FDA (Food and Drug Administration), CE (Conformité Européene) and SFDA (State Food and Drug Administration) cleared medical devices and is dedicated to supporting the sales and marketing of ZYXI products through a network of medical distributors worldwide.

The company operates in the following segments:

Zynex Medical, Inc.
(ZMI – 90%+ of Historical Sales and EBITDA):

ZMI designs, manufactures and markets medical devices that treat chronic and acute pain, as well as activate and exercise muscles for rehabilitative purposes with electrical stimulation. The efficacy of these products is such that they require a physician's prescription before they can be dispensed in the U.S. ZMI devices are intended for pain management to reduce reliance on drugs and medications and provide rehabilitation and increased mobility through the utilization of non-invasive muscle stimulation, electromyography technology. The ZMI devices are small, portable, battery operated and include an electrical pulse generator, which is connected to the body via electrodes.

The products are cost effective when compared to traditional physical therapy and often result in better mobility and less pain.

ZMI's primary product is the NexWave™ device, which is marketed to physicians and therapists by field sales representatives. **The NexWave™** requires consumable supplies, such as electrodes and batteries, which are shipped to patients on a recurring monthly basis, as needed.

Notable features of NexWave™ include prescription-strength (prescription from doctor triggers order) electrical stimulations and the ability to offer three technologies in one device:

- ▶ **IFC (Interferential Stimulation):** low frequency stimulation therapy administered to nerves.
- ▶ **NMES (NeuroMuscular Electrical Stimulation):** uses electrical pulses to stimulate impaired and/or paralyzed muscles. NMES targets the muscle itself, specifically through the motor nerves.
- ▶ **TENS (Transcutaneous Electrical Nerve Stimulation):** Administers electric current to stimulate nerves for therapeutic purposes. TENS specifically targets the sensory nerves, which are responsible for sending pain signals to the brain.

As part of the research process at Consilium Global Research (CGR), we discovered that many electro therapy devices are offered at retailers including Amazon, but they all offer one technology or maybe two and don't require a prescription. As a result, we believe NexWave's 3-in-1 offering is truly a differentiator and presents a value-added to its customers.

NexWave™ Product



Source: ZYXI, Consilium Global Research

The NexWave™ unique 3-modalities-in-1-device is designed to break the pain cycle by:

- ▶ Managing symptomatic relief of chronic intractable pain, post traumatic and post-surgical pain
- ▶ Relaxing Muscle Spasms
- ▶ Increasing local blood circulation
- ▶ Maintaining or Increasing ROM (range of motion)
- ▶ Preventing or retarding disuse atrophy
- ▶ Re-educating muscles

ZMI also designs, manufactures and markets the **NeuroMove™** product, which contains electromyography and electric stimulation technology.

- ▶ Electromyography (EMG) is an electrodiagnostic medicine technique for evaluating and recording the electrical activity produced by skeletal muscles. EMG is performed using an instrument called an electromyograph to produce a record called an electromyogram. An electromyograph detects the electric potential generated by muscle cells when these cells are electrically or neurologically activated. The signals can be analyzed to detect medical abnormalities, activation level, or recruitment order, or to analyze the biomechanics of human or animal movement.

The product is a neurological re-learning tool, a therapy device that has been proven to help stroke, traumatic brain injury and spinal cord injury patients recover lost movement. Once a stroke has occurred, the brain has lost neurons that cause paralysis to limbs. This rehabilitation tool can be used even in the most extreme situations, such as when there is no muscle movement. It is sophisticated enough to use in the clinic, yet simple enough for patients to use at home. The product works through Biofeedback Triggered Stimulation that facilitates the recovery of paralyzed patients from Stroke, SCI, and TBI. The user interface is simple, after the sensor/electrodes are placed on any muscle group, only one setting is necessary and the product guides the patient through the therapy steps. The human brain is able to recreate neural pathways in undamaged areas of the brain stimulating Neuroplasticity. This combination of biofeedback and reward facilitates the regeneration of lost mobility and independence.

NeuroMove™ Product



Source: ZYXI, Consilium Global Research

In September, ZYXI announced it is expanding its sales efforts with new pain management products: **JetStream Hot/Cold therapy, Aspen LSO Backbracing and Comfortrac cervical traction.** These products help broaden out ZYXI's offerings, but also serve as a nice way to introduce the company's other products.

Zynex Monitoring Solutions (ZMS):

ZMS was formed in 2011 to develop and market medical devices for non-invasive cardiac monitoring. The newest product, the CM-1500 is a non-invasive blood volume monitor, which will be sold into the hospital market to be used in operating rooms and post-op recovery rooms to detect blood loss and internal bleeding. ZYXI believes the CM-1500 will be the first device to provide an indication of fluid balance and blood loss in the operating room or potential post-surgical internal bleeding in recovery. The device monitors five variables linked to internal bleeding from readings in sensors applied to the patient's skin, including: increased heart rate, decreased peripheral blood flow, changes in skin temperature, changes in skin humidity and reduced bioimpedance. This device has been subjected to

multiple clinical studies which are being utilized for collecting data to further validate the algorithm used to determine changes in central blood volume and planning for future additional clinical studies. The blood volume monitor has been tested in several international review boards (IRB) studies and during 2015 was used in several blood donation settings where hundreds of subjects donated half a liter of blood with a strong correlation to the index on the device.

ZYXI has built a number of commercial devices in pilot production and continue to refine the algorithms for the blood volume index (BVI). A utility patent has been filed for this unique application (pending) which management believes could serve a currently unmet need in the market for safer surgeries and post-op monitoring. Additionally the CE market is in progress.

It is important to note that the monitor does not indicate absolute blood volume in a patient, only relative changes to the index. Currently this product is awaiting clearance from the FDA from its 510K class 2 device application. Management believes the market opportunity for this product alone is \$3 billion.

CM-1500 Product



Source: ZYXI, Consilium Global Research

Risks

We believe an investment in ZYXI involves the following risks:

- ▶ **Supplier Concentration.** The Company sourced 42% of its components for its electrotherapy products from one vendor during the years ended December 2016 and 2015, respectively. A change/disruption with this key supplier will have a material adverse effect on the business.
- ▶ **Intellectual Property.** The Company does not hold any patents, however the Company believes the software to be proprietary.
- ▶ **Shareholder Concentration.** The Company's Founder, Chairman and CEO, Thomas Sandgaard, owns approximately 53% of total shares outstanding. We point to the above as a risk as many investors believe Mr. Sandgaard's controlling stake in ZYXI serves as a barrier to ZYXI being acquired. We believe that Mr. Sandgaard's interests are clearly aligned with that of shareholders.
- ▶ **Competition.** While ZYXI has been largely successful in growing its business, the company will likely face stiffer competition in the years ahead.
- ▶ **Financial Condition.** ZYXI just exited a precarious

financial period. While the company has paid down debt and generated cash flow in 2017, its window of error remains small. Consequently, we see the balance sheet as a key risk for ZYXI given the company has only recently begun to emerge from this burden and also due to the unpredictability of the payment cycle from customers in its industry.

- ▶ **Government Regulation.** ZYXI operates in the highly regulated healthcare industry. Its products must be cleared for sale by the FDA. ZYXI's products are currently classified as Class II (Medium Risk) medical devices by the FDA. ZYXI is also regulated by the FDA's GMP and QSR (Quality Systems Regulation). The company is also exposed to changes to the healthcare system that affect reimbursement/payment processes and billing practices and terms for insurers. The process of determining what products will be reimbursed by third-party payers and the amounts that they will reimburse is complex and depends on a variety of conditions and procedures that may change and also vary among providers.
- ▶ **Liquidity.** ZYXI trades about 57,000 shares a day. Some investors believe this may make it difficult to build/exit a large position.

ZYXI's, Annual and Quarterly Income Statement (2015A-2019E)
Zynex, Inc.
Annual and Quarterly Income Statement (F2005A-F2010E)

(fiscal year ends Dec 31)	2016A	2017A	2018E					2019E						
(\$ thsds, except EPS)	2015A	2016A	2017A	1Q18A	2Q18E	3Q18E	4Q18E	2018E	1Q19E	2Q19E	3Q19E	4Q19E	2019E	
Net Revenue														
Product Devices	\$2,480.0	\$9,032.0	\$8,755.0	\$1,588.0	\$2,872.9	\$3,028.1	\$4,302.0	\$11,791.0	\$3,307.4	\$3,734.8	\$3,936.5	\$5,528.7	\$16,507.4	
Product Supplies	\$9,161.0	\$4,281.0	\$14,677.0	\$5,288.0	\$4,891.7	\$5,155.9	\$4,740.9	\$20,076.5	\$5,631.4	\$6,359.3	\$6,702.7	\$9,413.7	\$28,107.2	
	\$11,641.0	\$13,313.0	\$23,432.0	\$6,876.0	\$7,764.7	\$8,184.0	\$9,042.8	\$31,867.5	\$8,938.8	\$10,094.1	\$10,639.2	\$14,942.4	\$44,614.5	
Operating Expenses														
Cost of revenue rental, product and supply	\$ 4,937.0	\$ 3,517.0	\$ 4,819.0	\$ 1,236.0	\$ 1,475.3	\$ 1,555.0	\$ 1,788.6	\$ 6,054.8	\$ 1,698.4	\$ 1,917.9	\$ 2,032.1	\$ 2,873.0	\$ 8,521.4	
% of sales	42.4%	26.4%	20.6%	18.0%	19.0%	19.0%	19.8%	19.0%	19.0%	19.0%	19.1%	19.2%	19.1%	
SG&A	\$9,185.0	\$9,156.0	\$9,668.7	\$3,685.0	\$3,261.2	\$3,437.3	\$3,638.3	\$14,021.7	\$3,486.1	\$3,936.7	\$4,149.3	\$5,827.6	\$17,399.7	
% of sales	78.9%	68.8%	41.3%	53.6%	42.0%	42.0%	40.2%	44.0%	39.0%	39.0%	39.0%	39.0%	39.0%	
Income (loss) from operations	(\$2,481.0)	\$640.0	\$8,944.3	\$1,955.0	\$3,028.2	\$3,191.8	\$3,616.0	\$11,791.0	\$3,754.3	\$4,239.5	\$4,457.8	\$6,241.9	\$18,693.5	
% of sales	-21.3%	4.8%	38.2%	28.4%	39.0%	39.0%	40.0%	37.0%	42.0%	42.0%	41.9%	41.8%	41.9%	
Other income (expense)														
Interest expense	\$ (503.0)	\$ (352.0)	\$ (1,450.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (460.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (460.0)	
Other income (expense)	\$ (7.0)	\$ (204.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ (510.0)	\$ (556.0)	\$ (1,450.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (460.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (115.0)	\$ (460.0)	
Income (loss) before income taxes														
Income tax benefit (expenses)	(\$2,991.0)	\$84.0	\$7,494.0	\$1,840.0	\$2,913.2	\$3,076.8	\$3,501.0	\$11,331.0	\$3,639.3	\$4,124.5	\$4,342.8	\$6,126.9	\$18,233.5	
	\$ 57.0	\$ 15.0	\$ (129.0)	\$ (81.0)	\$ (90.8)	\$ (95.8)	\$ (108.5)	\$ (376.1)	\$ (375.4)	\$ (424.0)	\$ (445.8)	\$ (624.2)	\$ (1,869.3)	
Net income (loss)														
Plus: net loss - non-controlling interest	(\$2,934.0)	\$69.0	\$7,365.0	\$1,921.0	\$2,822.4	\$2,981.0	\$3,392.5	\$10,954.9	\$3,263.9	\$3,700.6	\$3,897.0	\$5,502.7	\$16,364.1	
Net income (loss) - attributable to Zynex, Inc.	(\$2,911.0)	\$69.0	\$7,365.0	\$1,921.0	\$2,822.4	\$2,981.0	\$3,392.5	\$10,954.9	\$3,263.9	\$3,700.6	\$3,897.0	\$5,502.7	\$16,364.1	
EPS - diluted	(\$0.09)	\$0.00	\$0.22	\$0.06	\$0.08	\$0.08	\$0.09	\$0.31	\$0.08	\$0.09	\$0.10	\$0.13	\$0.41	
Shares - diluted	31,271.2	31,271.2	33,347.0	34,414.0	35,410.0	36,410.0	37,410.0	35,911.0	38,410.0	39,410.0	40,410.0	41,410.0	39,910.0	
% Change:														
Total Revenue	NA	14%	76%	100%	54%	20%	13%	36%	30%	30%	30%	65%	40%	
EPS - operating	NA	NM	NM	407%	76%	25%	-15%	38%	52%	18%	18%	47%	34%	

E=Consilium Global Research

NA = Not Applicable

NM = Not Meaningful

ZYXI's Statement of Cash Flow (2015A-2019E)*

Zynex, Inc.

Statement of Cash Flows 2015A-2019E

(fiscal year ends Dec 31)

(\$ in thousands)

	2015A	2016A	2017A	2018E	2019E
Operating activities					
Net income	\$ (2,934.0)	\$ 69.0	\$ 7,365.0	\$ 10,954.9	\$ 16,364.1
Depreciation expense	367.0	395.0	252.0	325.0	325.0
Write-off rental units	0.0	30.0	227.0	0.0	0.0
Loss on the disposal of property and equipment	0.0	22.0	0.0	0.0	0.0
Provision for losses on accounts receivable	1,040.0	1,433.0	0.0	0.0	0.0
Amortization of intangible assets	57.0	40.0	34.0	50.0	50.0
Amortization of debt issuance costs	0.0	0.0	511.0	0.0	0.0
Provision for obsolete inventory	28.0	0.0	0.0	0.0	0.0
Employee stock-based compensation and warrant expense	130.0	200.0	66.0	250.0	250.0
Interest expense realted to common stock and private placement	0.0	0.0	739.0	0.0	0.0
Non-cash compensation to consult	0.0	0.0	228.0	0.0	0.0
Accounts receivable	(277.0)	(2,018.0)	843.0	(2,000.0)	(2,000.0)
Inventory	1,602.0	198.0	(316.0)	0.0	0.0
Prepaid expenses	223.0	(14.0)	(473.0)	0.0	0.0
Income tax receivable	268.0	0.0	0.0	0.0	0.0
Deposits and other current assets	(53.0)	0.0	0.0	0.0	0.0
Deferrred revenue	(23.0)	845.0	0.0	0.0	0.0
Accounts payable	(67.0)	402.0	(1216.0)	0.0	0.0
Accrued liabilities	(20.0)	167.0	0.0	0.0	0.0
Net cash and cash equivalents provided by operating activities	\$341.0	\$1,769.0	\$8,260.0	\$9,579.9	\$14,989.1
Investing activities					
Net disposals of equipment	\$ 9.0	\$ -	\$ -	\$ -	\$ -
Change in inventory used for rental	\$ 99.0	\$ -	\$ -	\$ -	\$ -
Purchases used for rental	0.0	\$ (226.0)	-87.0	0.0	0.0
Net cash and cash equivalents provided by investing activities	\$ 108.0	\$ (226.0)	\$ (87.0)	\$ -	\$ -
Financing activities					
Net repayments on lines of credit	\$ (440.0)	\$ (1,232.0)	\$ (2,771.0)	\$ 0.0	\$ 0.0
Purchase of treasury stock	\$ -	\$ -	\$ (222.0)	\$ 0.0	\$ 0.0
Proceeds from unsecured promissory notes	\$ -	\$ -	\$ 1,035.0	\$ 0.0	\$ 0.0
Proceeds from the issuance of stock	\$ -	\$ -	\$ 39.0	\$ 0.0	\$ 0.0
Payments on capital leases and other oblig	\$ -	\$ (72.0)	\$ (936.0)	\$ 0.0	\$ 0.0
Net cash and cash equivalents provided by financing activities	\$ (440.0)	\$ (1,304.0)	\$ (2,855.0)	\$ -	\$ -
Net increase in cash and cash equivalents	\$ (55.0)	\$ 239.0	\$ 5,318.0	\$ 9,579.9	\$ 14,989.1
Cash and cash equivalents at beginning of period	63.0	8.0	247.1	5,565.1	15,145.0
Cash and cash equivalents at end of period	\$ 8.0	\$ 247.1	\$ 5,565.1	\$ 15,145.0	\$ 30,134.1

ZYXI's Balance Sheet (2015A-2019E)

Zynex, Inc.
Balance Sheet 2015A-2019E
(Thousands)
(fiscal year ends Decmeber 31)

	2015A	2016A	2017A	1Q18A	2Q18E	3Q18E	2018E	2019E
Assets								
Cash	\$8.0	\$247.1	\$5,565.1	\$4,366.0	\$6,844.6	\$9,481.9	\$15,145.0	\$30,134.1
Accounts receivable, net	\$2,426.0	\$3,028.0	\$2,185.0	\$2,668.0	\$2,668.0	\$2,558.0	\$2,668.0	\$2,800.0
Inventory, net	305.0	107.0	423.0	710.0	710.0	710.0	710.0	0.0
Prepaid expenses	27.0	40.0	198.0	615.0	615.0	615.0	615.0	700.0
Total Current Assets	2,766.0	3,422.1	8,371.1	8,359.0	10,837.6	13,364.9	19,138.0	33,634.1
Property/Equip.,Net	801.0	580.0	188.0	575.0	575.0	575.0	575.0	600.0
Deposits	55.0	55.0	370.0	375.0	375.0	375.0	375.0	375.0
Intangible assets,net	74.0	34.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	\$3,696.0	\$4,091.1	\$8,929.1	\$9,309.0	\$11,787.6	\$14,314.9	\$20,088.0	\$34,609.1
Liabilities & Shareholders' Equity								
Line of credit	\$4,002.0	\$2,771.0	0.0	0.0	0.0	0.0	0.0	0.0
Current portion of unsecured notes	\$0.0	\$0.0	231.0	7.0	7.0	8.0	8.0	9.0
Current portion of capital leases	109.0	118.0	123.0	93.0	93.0	93.0	93.0	95.0
Accounts payable	2,477.0	2,879.0	2,243.0	2,112.0	2,112.0	2,112.0	2,112.0	3,000.0
Deferred revenue	89.0	54.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred insurance reimbursement	0.0	880.0	880.0	880.0	890.0	890.0	890.0	900.0
Income taxes payable	79.0	94.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued payroll and payroll taxes	484.0	732.0	538.0	661.0	661.0	661.0	675.0	700.0
Other accrued liabilities	299.0	217.0	0.0	329.0	329.0	329.0	329.0	400.0
Total Current liabilities	7,539.0	7,745.0	4,015.0	4,082.0	4,092.0	4,093.0	4,107.0	5104.0
Capitalized leases, less current portion	216.0	136.0	0.0	0.0	0.0	0.0	0.0	0.0
Warranty liability	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Total liabilities	7,767.0	7,893.0	4,027.0	4,094.0	4,104.0	4,105.0	4,119.0	5,116.0
Stockholders' equity:								
Preferred stock, \$0.0001 par value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock, \$0.0001 par value	31.0	31.0	33.0	33.0	33.0	33.0	33.0	33.0
Paid-in capital	5,832.0	6,032.0	7,612.0	7,761.0	7,761.0	7,761.0	7,761.0	7,761.0
Treasury Stock	-	-	(243.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)
Accumulated deficit	(9,845.0)	(9,776.0)	0.0	(490.0)	(490.0)	(490.0)	(490.0)	(490.0)
Total Zynex, Inc.stockholders deficit	<u>(3,982.0)</u>	<u>(3,713.0)</u>	<u>(2,411.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Non-controlling interest	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>	<u>(89.0)</u>
Total stockholders' Equity	<u>(4,071.0)</u>	<u>(3,802.0)</u>	<u>4,902.0</u>	<u>5,215.0</u>	<u>5,304.0</u>	<u>5,304.0</u>	<u>5,304.0</u>	<u>5,304.0</u>
Total liabilities and stockholders' equity	3,696.0	4,091.0	8,929.0	9,309.0	9,408.0	9,409.0	9,423.0	10,420.0
Debt	\$228.0	\$148.0	\$12.0	\$12.0	\$12.0	\$12.0	\$12.0	\$12.0
Equity	-\$4,071.0	-\$3,802.0	\$4,902.0	\$5,215.0	\$5,304.0	\$5,304.0	\$5,304.0	\$5,304.0
Total Capitalization	-\$3,843.0	-\$3,654.0	\$4,914.0	\$5,227.0	\$5,316.0	\$5,316.0	\$5,316.0	\$5,316.0
Debt/Capital	-6%	-4%	0%	0%	0%	0%	0%	0%
Net Debt	-\$85.0	-\$206.1	-\$5,976.1	-\$5,064.0	-\$7,542.6	-\$10,179.9	-\$15,843.0	-\$30,122.1
Net Debt/Capital	2%	6%	-122%	-97%	-142%	-191%	-298%	-567%

E=Consilium Global Research

Disclosures and Risks

Consilium Global Research (CGR) is an independent research organization. CGR is not registered as a securities broker-dealer or an investment advisor with the U.S. Securities and Exchange Commission or with any State Securities Regulating Authority.

The content of this report has been compiled primarily from information available to the public released by the Company. The Company is solely responsible for the accuracy of that information.

We do not recommend or solicit an investment in any particular stock or other security. We have prepared our research based upon information and sources considered to be reliable. We are compensated by the issuer. We may distribute our research through other organizations or companies. Additionally, we may perform consulting or advisory services for Companies that we produce research for.

The opinions expressed in this report are the true opinions of the analyst about this company and industry. Some of the information in this research report relates to future events or future business and financial performance. Such statements constitute forward looking information within the meaning of the Private Securities Litigation Act of 1995. Any "forward looking statements" are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary.

THIS REPORT IS PUBLISHED SOLELY FOR INFORMATIONAL PURPOSES AND IS NOT TO BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY STATE OR PROVINCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

DO NOT MAKE ANY INVESTMENT DECISIONS BASED UPON THIS REPORT. ALWAYS CONSULT WITH YOUR FINANCIAL ADVISOR BEFORE MAKING ANY INVESTMENT DECISIONS.

The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.

Caution: Always check the average daily trading volume of each stock. Microcap stocks may be problematic when trying to unwind any equity position.