UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number**: 001-40439**

NeuroOne Medical Technologies Corporation
(Exact name of Registrant as specified in its charter)

Delaware	**27-0863354**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
7599 Anagram Drive Eden Prairie, MN	**55344**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **952-426-1383**

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, $0.001 par value	NMTC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Non-accelerated filer	☒
Accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the registrant's common stock as of May 9, 2025 was 49,817,835.

NEUROONE MEDICAL TECHNOLOGIES CORPORATION
FORM 10-Q

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NeuroOne Medical Technologies Corporation
Condensed Balance Sheets

	As of	
	March 31, 2025	September 30, 2024
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 1,320,251	$ 1,460,042
Accounts receivable	318,780	176,636
Inventory	1,834,607	2,635,153
Deferred offering costs	72,377	142,633
Prepaid expenses	208,067	216,461
Total current assets	3,754,082	4,630,925
Intangible assets, net	56,104	67,262
Right-of-use asset	311,652	254,910
Property and equipment, net	334,853	416,843
Total assets	$ 4,456,691	$ 5,369,940
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 910,754	$ 1,029,206
Accrued expenses and other liabilities	852,587	1,184,014
Total current liabilities	1,763,341	2,213,220
Warrant liability	1,360,519	2,140,315
Operating lease liability, long term	206,973	194,392
Total liabilities	3,330,833	4,547,927
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; no shares issued or outstanding.	—	—
Common stock, $0.001 par value; 100,000,000 shares authorized; 31,385,526 and 30,816,499 shares issued and outstanding as of March 31, 2025 and September 30, 2024, respectively.	31,385	30,816
Additional paid–in capital	76,584,171	75,795,610
Accumulated deficit	(75,489,698)	(75,004,413)
Total stockholders' equity	1,125,858	822,013
Total liabilities and stockholders' equity	$ 4,456,691	$ 5,369,940

See accompanying notes to condensed financial statements

NeuroOne Medical Technologies Corporation
Condensed Statements of Operations
(unaudited)

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Product revenue	$ 1,386,550	$ 1,377,294	$ 4,660,717	$ 2,354,943
Cost of product revenue	615,489	986,875	1,962,767	1,698,210
Product gross profit	771,061	390,419	2,697,950	656,733
License revenue	—	—	3,000,000	—
Operating expenses:				
Selling, general and administrative	1,940,414	2,002,949	3,983,868	4,176,421
Research and development	1,510,663	1,273,568	2,682,891	2,756,885
Total operating expenses	3,451,077	3,276,517	6,666,759	6,933,306
Loss from operations	(2,680,016)	(2,886,098)	(968,809)	(6,276,573)
Fair value change in warrant liability	390,351	—	779,796	—
Financing costs	—	—	(324,738)	—
Other income, net	19,058	31,008	28,466	76,583
Loss before income taxes	(2,270,607)	(2,855,090)	(485,285)	(6,199,990)
Provision for income taxes	—	—	—	—
Net loss	$ (2,270,607)	$ (2,855,090)	$ (485,285)	$ (6,199,990)
Net loss per share:				
Basic and diluted	$ (0.07)	$ (0.11)	$ (0.02)	$ (0.25)
Number of shares used in per share calculations:				
Basic and diluted	31,111,786	25,910,478	30,973,149	24,947,813

See accompanying notes to condensed financial statements

NeuroOne Medical Technologies Corporation
Condensed Statements of Changes in Stockholders' Equity
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at September 30, 2023	23,928,945	$ 23,929	$ 68,911,778	$ (62,686,303)	$ 6,249,404
Issuance of common stock attributed to equity financings	868,243	868	1,255,403	—	1,256,271
Issuance costs related to equity financings	—	—	(37,698)	—	(37,698)
Stock-based compensation	—	—	308,638	—	308,638
Issuance of common stock upon vesting of restricted stock units	45,078	45	(45)	—	—
Share repurchases for the payment of employee taxes	(11,176)	(11)	(13,548)	—	(13,559)
Net loss	—	—	—	(3,344,900)	(3,344,900)
Balance at December 31, 2023	24,831,090	24,831	70,424,528	(66,031,203)	4,418,156
Issuance of common stock attributed to equity financings	1,461,353	1,461	2,092,735	—	2,094,196
Issuance costs related to equity financings	—	—	(148,382)	—	(148,382)
Stock-based compensation	—	—	356,858	—	356,858
Issuance of common stock upon vesting of restricted stock units	37,689	38	(38)	—	—
Share repurchases for the payment of employee taxes	(8,382)	(8)	(11,287)	—	(11,295)
Net loss	—	—	—	(2,855,090)	(2,855,090)
Balance at March 31, 2024	26,321,750	$ 26,322	$ 72,714,414	$ (68,886,293)	$ 3,854,443

	Common Stock		Additional Paid–In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at September 30, 2024	30,816,499	$ 30,816	$ 75,795,610	$ (75,004,413)	$ 822,013
Stock-based compensation	—	—	339,224	—	339,224
Issuance of common stock upon vesting of restricted stock units	37,798	37	(37)	—	—
Share repurchases for the payment of employee taxes	(12,467)	(12)	(11,255)		(11,267)
Net income	—	—	—	1,785,322	1,785,322
Balance at December 31, 2024	30,841,830	30,841	76,123,542	(73,219,091)	2,935,292
Issuance of common stock attributed to equity financings	355,899	356	413,681	—	414,037
Issuance costs related to equity financings	—	—	(95,929)	—	(95,929)
Stock-based compensation	—	—	250,170	—	250,170
Issuance of common stock upon vesting of restricted stock units	282,128	282	(282)	—	—
Share repurchases for the payment of employee taxes	(94,331)	(94)	(107,011)	—	(107,105)
Net loss	—	—	—	(2,270,607)	(2,270,607)
Balance at March 31, 2025	31,385,526	$ 31,385	$ 76,584,171	$ (75,489,698)	$ 1,125,858

See accompanying notes to condensed financial statements

NeuroOne Medical Technologies Corporation
Condensed Statements of Cash Flows
(unaudited)

	For the Six Months Ended March 31,	
	2025	**2024**
Operating activities		
Net loss	$ (485,285)	$ (6,199,990)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization and depreciation	130,761	119,557
Stock-based compensation	589,394	665,496
Amortization of deferred offering costs	192,647	—
Non-cash lease expense	55,156	58,335
Fair value change in warrant liability	(779,796)	—
Debt termination costs reclassed to financing activities	132,091	—
Change in assets and liabilities:		
Accounts receivable	(142,144)	(555,639)
Inventory	800,546	415,013
Prepaid expenses	8,394	(144,031)
Accounts payable	80,885	76,899
Accrued expenses, deferred revenue, operating leases and other liabilities	(430,744)	(420,194)
Net cash provided by (used in) operating activities	151,905	(5,984,554)
Investing activities		
Purchase of property and equipment	(27,587)	(68,491)
Net cash used in investing activities	(27,587)	(68,491)
Financing activities		
Proceeds from issuance of common stock attributed to equity financings	414,037	3,350,467
Issuance costs related equity financings	(261,832)	(160,406)
Financing costs in connection with debt facility	(297,942)	—
Share repurchases for the payment of employee taxes	(118,372)	(24,854)
Net cash (used in) provided by financing activities	(264,109)	3,165,207
Net decrease in cash and cash equivalents	(139,791)	(2,887,838)
Cash and cash equivalents at beginning of period	1,460,042	5,322,493
Cash and cash equivalents at end of period	$ 1,320,251	$ 2,434,655
Supplemental non-cash financing and investing transactions:		
Unpaid issuance costs in accounts payable and accrued expenses	$ 72,377	$ 25,674
Modification of right-of-use asset and associated lease liability	$ 111,898	$ —
Purchased property and equipment in accounts payable	$ 10,026	$ 14,800

See accompanying notes to condensed financial statements

NOTE 1 – Description of Business and Basis of Presentation

NeuroOne Medical Technologies Corporation (the "Company" or "NeuroOne"), a Delaware corporation, is a medical technology company focused on the development and commercialization of thin film electrode for continuous electroencephalogram ("cEEG") and stereoelectrocencephalography ("sEEG") recording, monitoring, ablation, drug delivery and brain stimulation solutions to diagnose and treat patients with epilepsy, Parkinson's disease, dystonia, essential tremors, chronic pain due to failed back surgeries and other related neurological disorders.

The Company has received 510(k) clearance from the United States ("U.S.") Food and Drug Administration ("FDA") for three of its devices: (i) its Evo cortical electrode technology for recording, monitoring, and stimulating brain tissue for up to 30 days, (ii) its Evo® sEEG electrode technology for temporary (less than 30 days) use with recording, monitoring, and stimulation equipment for the recording, monitoring, and stimulation of electrical signals at the subsurface level of the brain; and (iii) its OneRF ablation system for creation of radiofrequency lesions in nervous tissue for functional neurosurgical procedures. The Company has a distribution agreement with Zimmer, Inc. ("Zimmer") providing Zimmer with a license to commercialize and distribute these three products in the brain. The Company's other products and indications are still under development.

The Company is based in Eden Prairie, Minnesota.

Global Economic Conditions

Generally, worldwide economic conditions remain uncertain, particularly due to the conflicts between Russia and Ukraine and in the Middle East, disruptions in the banking system and financial markets, and increased inflation. The general economic and capital market conditions both in the U.S. and worldwide, have been volatile in the past and at times have adversely affected the Company's access to capital and increased the cost of capital. The capital and credit markets may not be available to support future capital raising activity on favorable terms or at all. If economic conditions continue to decline, the Company's future cost of equity or debt capital and access to the capital markets could be adversely affected. The Company does not currently anticipate any meaningful impact from current or proposed tariffs on imported goods.

The Company's operating results could be materially impacted by changes in the overall macroeconomic environment and other economic factors. Changes in economic conditions, supply chain constraints, logistics challenges, labor shortages, the conflicts in Ukraine and the Middle East, disruptions in the banking system and financial markets, and steps taken by governments and central banks, have led to higher inflation, which has led to an increase in costs and has caused changes in fiscal and monetary policy, including increased interest rates.

Basis of presentation

The accompanying unaudited condensed financial statements have been prepared by the Company, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. The condensed financial statements may not include all disclosures required by U.S. GAAP; however, the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ended September 30, 2024 included in the Company's Annual Report on Form 10-K. The condensed balance sheet at September 30, 2024 was derived from the audited financial statements of the Company.

In the opinion of management, all adjustments, consisting of only normal recurring adjustments that are necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, have been made. The results of operations for the interim periods are not necessarily indicative of the operating results for the full fiscal year or any future periods.

NOTE 2 – Liquidity

The accompanying condensed financial statements have been prepared on the basis that the Company will continue as a going concern. The Company has incurred losses since inception, negative cash flows from operations since inception, and an accumulated deficit of $75.5 million as of March 31, 2025. To date, the Company's revenues have not been sufficient to cover its full operating costs, and as such, it has been dependent on funding operations through the issuance of debt and sale of equity securities which previously resulted in substantial doubt regarding the Company's ability to continue as a going concern. As of March 31, 2025, the Company had $1.3 million in cash and cash equivalents and, as disclosed in "Note 13 – Subsequent Events," the Company received net proceeds of approximately $8.2 million from the April 2025 Financing. The Company believes its current available cash and cash equivalents inclusive of the April 2025 Financing, coupled with the anticipated increase in product revenues from minimum purchases and improved gross margins under the Zimmer Amendment and forecasted operating expense reductions, will be sufficient to fund the Company's planned expenditures and meet its obligations for at least twelve months from the date of issuance of these financial statements.

In the future, the Company may need to raise additional funds until it is able to generate sufficient revenues to fund its development activities. The Company's future operating activities, coupled with its plans to raise capital or issue debt financing, may provide additional liquidity in the future; however, these actions are not solely within the control of the Company and the Company is unable to predict the outcome of these actions to generate the liquidity ultimately required.

NOTE 3 – Summary of Significant Accounting Policies

Management's Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Segment Information

Operating segments are components of an enterprise for which separate financial information is available and are evaluated regularly by the Company's chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. The Company's Chief Executive Officer views the Company's operations and manages its business in one operating segment, which is the business of development and commercialization of products related to comprehensive neuromodulation cEEG and sEEG recording, monitoring, ablation, and brain stimulation solutions. Accordingly, the Company has a single reporting segment.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original contractual maturity on date of purchase of less than or equal to three months to be classified and presented as cash equivalents on the condensed balance sheets. Cash equivalents are stated at cost, which approximates fair value. The Company's cash and cash equivalents may include demand deposit accounts with large financial institutions, institutional money market funds, U.S. Treasury securities, and corporate notes and bonds. The Company monitors the creditworthiness of the financial institutions, institutional money market funds, and corporations in which the Company invests its surplus funds. The Company has experienced no credit losses from its cash and cash equivalent investments.

Revenue Recognition

The Company entered into a development and distribution agreement which has current and future revenue recognition implications. See "Note 7 – Zimmer Distribution Agreement and Other Product Revenue."

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Accounting Standards Codification ("ASC") Topic 606 ("ASC 606"). Performance obligations may include license rights, development services, and services associated with regulatory submission and approval processes. Significant management judgment is required to determine the level of effort required under an arrangement and the period over which the Company expects to complete its performance obligations under the arrangement. If the Company cannot reasonably estimate when its performance obligations are either completed or become inconsequential, then revenue recognition is deferred until the Company can reasonably make such estimates. Revenue is then recognized over the remaining estimated period of performance using the cumulative catch-up method.

Product Revenue

Revenues from product sales are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. At the inception of each customer contract, performance obligations are identified and the total transaction price is allocated to the performance obligations.

Cost of Product Revenue

Cost of product revenue consists of the manufacturing and materials costs incurred by the Company's third-party contract manufacturers in connection with OneRF Ablation system (the "OneRF Products"), strip and grid cortical electrodes (the "Strip/Grid Products"), depth electrodes ("sEEG Products) and outside supplier materials costs in connection with the electrode cable assembly products ("Electrode Cable Assembly Products"). In addition, cost of product revenue includes royalty fees incurred in connection with the Company's license agreements.

License Revenue

As part of the accounting for collaboration arrangements, the Company must develop assumptions that require judgment to determine the stand-alone selling price of each performance obligation identified in the contract. The Company uses key assumptions to determine the stand-alone selling price, which may include forecasted revenues, development timelines, reimbursement rates for personnel costs, discount rates and probabilities of technical and regulatory success. The Company allocates the total transaction price to each performance obligation based on the estimated relative standalone selling prices of the promised goods or service underlying each performance obligation.

Licenses of intellectual property: If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenues from non-refundable, up-front fees allocated to the license when the license is transferred to the customer, and the customer can use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, up-front fees. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

Milestone payments: At the inception of each arrangement that includes milestone payments, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal will not occur, the value of the associated milestone (such as a regulatory submission) is included in the transaction price. Milestone payments that are not within the control of the Company, such as approvals from regulators, are not considered probable of being achieved until those approvals are received. When the Company's assessment of probability of achievement changes and variable consideration becomes probable, any additional estimated consideration is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised goods or service underlying each performance obligation and recorded in license revenues based upon when the customer obtains control of each element.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (a) when the related sales occur, or (b) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Warrant Liability

The Company issued warrants in connection with its 2024 Private Placement. See "Note 12– Stockholders' Equity". The Company accounts for these warrants as a liability at fair value when warrant pricing protection provisions are not available to other common stockholders. Additionally, issuance costs associated with the warrant liability are expensed as incurred and reflected as a financing cost in the accompanying condensed statements of operations. The Company adjusts the liability for changes in fair value until the earlier of the exercise or expiration of the warrants for any period when pricing protections remain in place. Any future change in the fair value of the warrant liability is recognized in the condensed statements of operations under the fair value change in the warrant liability line item.

Fair Value of Financial Instruments

The Company's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the Financial Accounting Standards Board ("FASB") fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Company at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

As of March 31, 2025 and September 30, 2024, the fair values of cash, cash equivalents, accounts receivable, inventory, prepaids and deferred offering costs, accounts payable and accrued expenses and other liabilities approximated their carrying values because of the short-term nature of these assets or liabilities. The fair value of the warrant liability was based on Level 3 inputs as well as the Company's underlying stock price and associated volatility, expected term of the warrants and market interest rates. There were no transfers between fair value hierarchy levels during the three and six months ended March 31, 2025 and 2024.

The fair value of financial instruments measured on a recurring basis is as follows:

	As of March 31, 2025			
Description	**Total**	**Level 1**	**Level 2**	**Level 3**
Liabilities:				
Warrant liability	$ 1,360,519	$ —	$ —	$ 1,360,519
Total liabilities at fair value	$ 1,360,519	$ —	$ —	$ 1,360,519

	As of September 30, 2024			
Description	**Total**	**Level 1**	**Level 2**	**Level 3**
Liabilities:				
Warrant liability	$ 2,140,315	$ —	$ —	$ 2,140,315
Total liabilities at fair value	$ 2,140,315	$ —	$ —	$ 2,140,315

The following table provides a roll-forward of the warrant liability measured at fair value on a recurring basis using unobservable level 3 inputs for the six months ended March 31, 2025.

	2025
Warrant liability	
Balance as of beginning of period	$ 2,140,315
Change in fair value of warrant liability	(779,796)
Balance as of end of period	$ 1,360,519

There were no financial instruments measured on a non-recurring basis during the periods presented.

Intellectual Property

The Company has entered into two licensing agreements with major research institutions, which allow for access to certain patented technology and know-how. Payments under those agreements are capitalized and amortized to selling, general and administrative expense over the expected useful life of the acquired technology.

Property and Equipment

Property and equipment is recorded at cost and reduced by accumulated depreciation. Depreciation expense is recognized over the estimated useful lives of the assets using the straight-line method. The estimated useful life for equipment and furniture ranges from three to seven years. Tangible assets acquired for research and development activities and that have alternative use are capitalized over the useful life of the acquired asset. Estimated useful lives are periodically reviewed, and, when appropriate, changes are made prospectively. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts. Maintenance and repairs are charged directly to expense as incurred.

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets, which consist of licensed intellectual property, property and equipment and right-of-use assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. The Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the asset is considered to be impaired, the amount of impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

Accounts Receivable and Allowances for Credit Losses

The Company records a provision for credit losses, when appropriate, based on historical experience, current conditions and reasonable supportable forecasts. In estimating the allowance for credit losses, the Company considers, among other factors, the estimate of credit losses over the remaining expected life of the asset, primarily using historical experience and current economic conditions that could affect the collectability of the balances in the future. Account balances are charged off against the allowance when the Company believes that it is probable that the receivable will not be recovered. Actual write-offs may be in excess of the Company’s estimated allowance. The Company has not incurred any bad debt expense to date and no allowance for credit losses has been recorded during the periods presented.

Inventory

Inventory is stated at the lower of cost (using the first-in, first-out "FIFO" method) or net realizable value. The Company calculates inventory valuation adjustments for excess and obsolete inventory, when appropriate, based on current inventory levels, movement, expected useful lives, and estimated future demand of the products and spare parts. The Company's inventory is currently comprised of Strip/Grid Products, sEEG Products, OneRF Products and Electrode Cable Assembly Products component, work-in-process and finished good product. The Strip/Grid Products, sEEG Products and OneRF Products are produced by a third-party contract manufacturer and the Electrode Cable Assembly Products are obtained from outside suppliers. No inventory valuation allowance was required during the periods presented.

Research and Development Costs

Research and development costs are charged to expense as incurred. Research and development expenses comprise of costs incurred in performing research and development activities, including compensation and benefits for research and development employees (including stock-based compensation), overhead expenses, cost of laboratory supplies, clinical trial and related clinical manufacturing expenses, costs related to regulatory operations, fees paid to consultants and other outside expenses. Non-refundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity is performed or when the goods have been received, rather than when payment is made, in accordance with ASC 730, *Research and Development*.

Advertising Expense

Advertising expense is charged to selling, general and administrative expenses during the period that it is incurred. Total advertising expense amounted to $45,000 and $83,543 for the three and six months ended March 31, 2025, respectively. Total advertising expense amounted to $15,781 and $65,053 for the three and six months ended March 31, 2024, respectively.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of personnel-related costs including stock-based compensation for personnel in functions not directly associated with research and development activities. Other significant costs include legal and litigation costs relating to corporate matters, intellectual property costs, professional fees for consultants assisting with financial and administrative matters, and sales and marketing in connection with the commercial sales of the Company's products.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, *Compensation — Stock Compensation* ("ASC 718"). Accordingly, compensation costs related to equity instruments granted are recognized at the grant-date fair value over the requisite service period. The Company records forfeitures when they occur. Stock-based compensation arrangements to non-employees are accounted for in accordance with the applicable provisions of ASC 718.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Net Loss Per Share

For the Company, basic loss per share of common stock is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period.

Diluted earnings or loss per share of common stock is computed similarly to basic earnings or loss per share except the weighted average shares outstanding are increased to include additional shares from the assumed exercise of any common stock equivalents, if dilutive. The Company's warrants, stock options, and restricted stock units while outstanding are considered common stock equivalents for this purpose. Diluted earnings or loss per share of common stock is computed utilizing the treasury method for the warrants, stock options and restricted stock units. No incremental common stock equivalents were included in calculating diluted loss per share because such inclusion would be anti-dilutive given the net loss reported for the three and six months ended March 31, 2025 and 2024.

The following potential common shares were not considered in the computation of basic net loss per share as their effect would have been anti-dilutive for the three and six months ended March 31, 2025 and 2024:

	2025	2024
Warrants	7,045,875	4,863,566
Stock options	2,865,171	2,879,096
Restricted stock units	886,739	1,329,881

Recent Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 - *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which enhances reportable segment disclosure requirements, primarily through disclosures of significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance must be applied retrospectively to all prior periods presented. The Company adopted this guidance on October 1, 2024. The adoption of this ASU did not have a material impact on the Company's financial statements.

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance also includes certain other amendments to improve the effectiveness of income tax disclosures. This ASU is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years and should be applied on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements.

NOTE 4 – Commitments and Contingencies

WARF License Agreement

The Company has entered into an exclusive start-up company license agreement with the Wisconsin Alumni Research Foundation ("WARF") for WARF's neural probe array and thin film micro electrode technology. The Company entered into an Amended and Restated Exclusive Start-up Company License Agreement (the "WARF License") with WARF on January 21, 2020, which amended and restated in full the prior license agreement between WARF and NeuroOne, LLC, a predecessor of the Company, dated October 1, 2014, as amended on February 22, 2017, March 30, 2019 and September 18, 2019.

The WARF License grants to the Company an exclusive license to make, use and sell, in the United States only, products that employ certain licensed patents for a neural probe array or thin-film micro electrode array and method. The Company agreed to pay WARF a royalty equal to a single-digit percentage of our product sales pursuant to the WARF License, with a minimum annual royalty payment of $50,000 for 2020, $100,000 for 2021 and $150,000 for 2022 and each calendar year thereafter that the WARF License is in effect. If the Company or any of its sublicensees contest the validity of any licensed patent, the royalty rate will be doubled during the pendency of such contest and, if the contested patent is found to be valid and would be infringed by the Company if not for the WARF License, the royalty rate will be tripled for the remaining term of the WARF License.

WARF may terminate the WARF License on 30 days' written notice if we default on the payments of amounts due to WARF or fail to timely submit development reports, actively pursue our development plan or breach any other covenant in the WARF License and fail to remedy such default in 90 days or in the event of certain bankruptcy events involving us. WARF may also terminate the WARF License (i) on 90 days' notice if we had failed to have commercial sales of one or more FDA-approved products under the WARF License by June 30, 2021 or (ii) if, after royalties earned on sales begin to be paid, such earned royalties cease for more than four calendar quarters. The first commercial sale occurred on December 7, 2020, prior to the June 30, 2021 deadline. The WARF License otherwise expires by its terms on the date that no valid claims on the patents licensed thereunder remain. The Company expects the latest expiration of a licensed patent to occur in 2030.

During the three months ended March 31, 2025 and 2024, $37,500 in royalty fees were incurred related to the WARF License during each of these periods. During the six months ended March 31, 2025 and 2024, $75,000 in royalty fees were incurred during each of these periods related to the WARF License. The royalty fees were reflected as a component of cost of product revenue.

Mayo Agreement

The Company has an exclusive license and development agreement with the Mayo Foundation for Medical Education and Research ("Mayo") related to certain intellectual property and development services for thin film micro electrode technology ("Mayo Agreement"). If the Company is successful in obtaining regulatory approval, the Company is to pay royalties to Mayo based on a percentage of net sales of products of the licensed technology through the term of the Mayo Agreement, set to expire May 25, 2037. During the three months ended March 31, 2025 and 2024, zero and $4,146 in royalty fees were incurred related to the Mayo Agreement, respectively. During the six months ended March 31, 2025 and 2024, zero and $4,415 in royalty fees were incurred related to the Mayo Agreement, respectively. The royalty fees were reflected as a component of cost of product revenue.

Facility Leases

Headquarters Lease

On May 20, 2024, the Company amended its non-cancellable headquarters lease (the "Lease") with certain landlords (together, the "Landlord") pursuant to which the Company leases office space located at 7599 Anagram Drive, Eden Prairie, Minnesota (the "Premises"). The Company took possession of the Premises on November 1, 2019, with the term of the Lease ending June 30, 2028, as amended, unless terminated earlier (the "Lease Term"). The base rent for the Premises ranges from $6,410 per month to $7,107 per month by the end of the Lease Term as amended. In addition, as long as the Company is not in default under the Lease, the Company will be entitled to an abatement of its base rent for the first two months of the amended Lease Term beginning in April 2025 and for the last month of the amended Lease Term (June 2028). In addition, the Company pays its pro rata share of the Landlord's annual operating expenses associated with the Premises.

Los Gatos Lease

On July 1, 2021, the Company entered into a non-cancellable facility lease (the "Los Gatos Lease"), pursuant to which the Company agreed to rent office space for its research and development operations located at 718 University Avenue, Suite #111, Los Gatos, California. The facility space under the Los Gatos Lease is approximately 1,162 square feet. The Company took possession of the office space on July 2, 2021. The initial monthly rent under the Los Gatos Lease was $4,241. On November 4, 2022, the Los Gatos Lease was extended for an additional two years to December 31, 2024. The rent under the extended Los Gatos Lease ranged from $4,453 to $4,632 per month beginning on January 1, 2023. On December 17, 2024, the Los Gatos Lease was extended again for an additional two years to December 31, 2026. The rent under the newly extended Los Gatos Lease ranges from $4,939 to $5,087 per month beginning on January 1, 2025.

During the three and six months ended March 31, 2025, rent expense associated with the facility leases amounted to $70,065 and $139,243, respectively. During the three and six months ended March 31, 2024, rent expense associated with the facility leases amounted to $43,052 and $86,105, respectively

Supplemental cash flow information related to the operating leases was as follows:

	For the Six Months Ended March 31,	
	2025	**2024**
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating leases	$ 71,164	$ 68,673
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 111,898	$ —

Supplemental balance sheet information related to the operating leases was as follows:

	As of March 31, 2025	As of September 30, 2024
Right-of-use assets	$ 311,652	$ 254,910
Lease liabilities	$ 311,413	$ 260,160
Weighted average remaining lease term (years)	2.8	3.6
Weighted average discount rate	7.2%	7.4%

Maturity of the lease liabilities was as follows:

Calendar Year	As of March 31, 2025
2025	$ 89,317
2026	139,985
2027	81,708
2028	34,815
Total lease payments	345,825
Less imputed interest	(34,412)
Total	311,413
Short-term portion (included in other liabilities)	(104,440)
Long-term portion	$ 206,973

Other Contingencies

In the ordinary course of business, from time to time, the Company may be subject to a broad range of claims and legal proceedings that relate to contractual allegations, patent infringement and other claims. The Company establishes accruals when applicable for matters and commitments which it believes losses are probable and can be reasonably estimated. To date, no loss contingency for such matters and potential commitments have been recorded. Although it is not possible to predict with certainty the outcome of these matters or potential commitments, the Company is of the opinion that the ultimate resolution of these matters and potential commitments will not have a material adverse effect on its results of operations or financial position.

NOTE 5 – Supplemental Balance Sheet Information

Inventory

Inventory consisted of the following:

	As of March 31, 2025	As of September 30, 2024
Component inventory	$ 959,059	$ 877,065
Work-in-process	329,877	192,360
Finished goods	545,671	1,565,728
Total	$ 1,834,607	$ 2,635,153

Intangibles

Intangible assets rollforward is as follows:

	Useful Life	
Net Intangibles, September 30, 2024	12-13 years	$ 67,262
Less: amortization		(11,158)
Net Intangibles, March 31, 2025		$ 56,104

Amortization expense was $5,579 and $11,158 for the three and six months ended March 31, 2025, respectively, and $5,579 and $11,158 for the three and six months ended March 31, 2024, respectively.

Property and Equipment, Net

Property and equipment held for use by category are presented in the following table:

	As of March 31, 2025	As of September 30, 2024
Equipment and furniture	$ 1,013,916	$ 976,303
Total property and equipment	1,013,916	976,303
Less accumulated depreciation	(679,063)	(559,460)
Property and equipment, net	$ 334,853	$ 416,843

Depreciation expense was $60,055 and $119,603 for the three months and six months ended March 31, 2025, respectively, and $55,321 and $108,399 for the three and six months ended March 31, 2024, respectively.

NOTE 6 – Accrued Expenses and Other Liabilities

Accrued expenses consisted of the following at March 31, 2025 and September 30, 2024:

	As of March 31, 2025	As of September 30, 2024
Accrued payroll	$ 650,064	$ 950,260
Operating lease liability, short term	104,440	65,768
Royalty payments	37,500	108,036
Other	60,583	59,950
Total	$ 852,587	$ 1,184,014

NOTE 7 – Zimmer Distribution Agreement and Other Product Revenue

On October 25, 2024, the Company entered into the Zimmer Amended and Restated Distribution Agreement (the "Amendment") with Zimmer pursuant to which the Company granted Zimmer the exclusive right and license to distribute its OneRF Ablation System for an upfront payment of $3.0 million, with eligibility for an additional $1.0 million payment from Zimmer upon achievement of certain specified net sales milestones.

The Company and Zimmer previously entered into an Exclusive Development and Distribution Agreement dated July 20, 2020, related to the sEEG and Strip/Grid Product Systems, which was subsequently amended pursuant to the terms and conditions of a letter agreement dated January 6, 2021, a Second Amendment to Exclusive Development and Distribution Agreement dated June 28, 2022, and a Third Amendment to Exclusive Development and Distribution Agreement dated August 2, 2022 (collectively, the "EDDA").The EDDAs executed prior to the Amendment granted Zimmer exclusive global rights to distribute the Strip/Grid Products and the Electrode Cable Assembly Products. Additionally, the Company granted Zimmer the exclusive right and license to distribute certain sEEG Products developed by the Company and together with the Strip/Grid Products and Electrode Cable Assembly Products, the "Products". In addition, under the prior EDDAs, the Company and Zimmer agreed to collaborate with respect to development activities through a joint development committee composed of an equal number of representatives of Zimmer and the Company.

Under the Amendment, Zimmer paid the Company $3.0 million for an exclusive RF Distribution License (the "RF Distribution License" and "License") for commercialization of its OneRF™ product. In addition, the Company is eligible to receive a future milestone payment of $1.0 million upon reaching a one-time sales volume threshold.

The revised term under the Amendment (the "Term") began on the effective date of the Amendment and will remain in effect until October 31, 2034. Upon the expiration of the Term, it may be renewed upon the mutual written of the parties. The Amended and Restated Exclusive Development and Distribution Agreement may be terminated before the expiration of the Term in accordance with certain terms under the Amendment. In addition, the license rights granted to Zimmer under this Amendment shall be exclusive (i) until September 30, 2032 for the sEEG Products and Strip/Grid Products; and (ii) until October 31, 2034 for the OneRF™ Product System.

License Revenue

The Amendment was accounted for under the provisions of ASC 606 as a separate contract from the prior EDDAs. In accordance with the provisions under ASC 606, the Company identified the transfer of the RF Distribution License as the sole performance obligation of the RF Distribution License. The distribution rights granted to Zimmer, inclusive of the access to the underlying intellectual property for future production of the OneRF Product if required, was found to have significant standalone functionality as no additional substantive input was required by the Company on a go forward basis. Lastly, ancillary support related to the Amendment was concluded to be a perfunctory obligation and de minimis in terms of required resources.

The transaction price associated with the Amendment was $3.0 million, which was comprised solely of the OneRF Exclusivity Fee and was allocated totally to RF Distribution License performance obligation.

Sales Volume Milestone and Payment

The sales volume milestone associated with the Amendment was determined by sales or usage-based thresholds. The sales volume milestone was accounted for under the sales milestone recognition constraint and will be accounted for as constrained variable consideration. The Company has applied the sales volume constraint to the milestone payment and will not recognize revenue until the sales volume threshold occurs.

Recognition of License Revenue

The Company determined that the RF Distribution License represented functional intellectual property given Zimmer's access to the underlying intellectual property associated with the OneRF Product. As such, the revenue related to the licenses was recognized at the point in time in which the license/know-how was delivered to Zimmer which occurred in October 2024. Revenue recognized under the Amendment during the six months ended March 31, 2025 was $3.0 million.

Product Revenue

Product revenue related to the Company's Strip/Grid Products, sEEG Products, OneRF Products and Electrode Cable Assembly Products.

Product revenue recognized during the three and six months ended March 31, 2025 was $1,386,550 and $4,660,717, respectively and was comprised solely of OneRF Product revenue. OneRF Products were subject to the Amendment upon its execution in October 2024.

Product revenue recognized during the three and six months ended March 31, 2024 was $1,377,294 and $2,354,943, respectively, and was comprised of Strip/Grid Products, sEEG Products and Electrode Cable Assembly Products.

NOTE 8 – Stock-Based Compensation

During the three and six months ended March 31, 2025 and 2024, stock-based compensation expense related to stock-based awards was included in selling, general and administrative and research and development costs as follows in the accompanying condensed statements of operations.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Selling, general and administrative	$ 195,559	$ 280,516	$ 465,189	$ 523,714
Research and development	54,611	76,342	124,205	141,782
Total stock-based compensation expense	$ 250,170	$ 356,858	$ 589,394	$ 665,496

2025 Equity Incentive Plan

On January 10, 2025, the Board of Directors of the Company adopted the NeuroOne Medical Technologies Corporation 2025 Equity Incentive Plan (the "2025 Plan"). On February 14, 2025, at the 2025 annual meeting of stockholders, the stockholders of the Company approved the 2025 Plan.

The 2025 Plan is the successor to and continuation of the 2017 Plan and to the 2016 Plan (the "Prior Plans"). As of the Effective Date, (i) no additional awards may be granted under the Prior Plans; (ii) any Returning Shares will become available for issuance pursuant to Awards granted under the 2025 Plan; and (iii) all outstanding awards granted under the Prior Plans will remain subject to the terms of the Prior Plans (except to the extent such outstanding awards result in returning shares that become available for issuance pursuant to awards granted under the 2025 Plan.

Initially, the maximum number of shares of the Company's Common Stock (the "Common Stock"), that may be issued under the 2025 Plan may not exceed (1) 3,000,000 and (2) any shares subject to outstanding stock awards under the NeuroOne Medical Technologies 2017 Equity Incentive Plan that are forfeited or otherwise returned to the share reserve.

Inducement Plan

In October 2021, the Company adopted the NeuroOne Medical Technologies Corporation 2021 Inducement Plan (the "Inducement Plan"), pursuant to which the Company reserved 420,350 shares of its common stock to be used exclusively for grants of awards to individuals who were not previously employees or directors of the Company, as an inducement material to the individual's entry into employment with the Company within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The Inducement Plan was approved by the Company's Board of Directors without stockholder approval in accordance with such a rule. On November 9, 2023, the Company's Board of Directors adopted the First Amendment to the Company's Inducement Plan, increasing the aggregate number of shares of common stock that may be issued pursuant to equity incentive awards under the Inducement Plan by 150,000 shares for a total of 570,350 shares of common stock that may be issued pursuant to equity incentive awards under the Inducement Plan.

2017 Plan and Evergreen Provision

On January 1, 2025, 1,124,446 shares were added to the 2017 Plan as a result of the evergreen provision within the 2017 Plan. However, upon the adoption of the 2025 Plan, there will be no further issuance of grants under the 2017 Plan and any forfeitures of grants issued under the 2017 Plan will be added to the amount available for future issuance under the 2025 Plan. Grants issued under the 2017 Plan will continue to be governed under the terms of the 2017 Plan.

Stock Options

During the three months ended March 31, 2025 and 2024, the Company granted 51,075 and 65,000 stock options, respectively, to its board of directors and employees. During the six months ended March 31, 2025 and 2024, the Company granted 51,075 and 1,225,669 stock options, respectively, to its board of directors, officers, employees and consultants. Vesting generally occurs over a 12 to 48 month period based on a time of service condition. The grant date fair value of the grants issued during the three months ended March 31, 2025 and 2024 was $0.98 and $0.91 per share, respectively. The grant date fair value of the grants issued during the six months ended March 31, 2025 and 2024 was $0.98 and $1.08 per share, respectively.

The total expense for the three months ended March 31, 2025 and 2024 related to stock options was $128,378 and $214,188 , respectively. The total expense for the six months ended March 31, 2025 and 2024 related to stock options was $331,332 and $401,619, respectively. The total number of stock options outstanding as of March 31, 2025 and September 30, 2024 was 2,865,171 and 2,814,096, respectively.

The weighted-average assumptions used in the Black-Scholes option-pricing model are as follows for the stock options granted during the three and six months ended March 31, 2025 and 2024:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Expected stock price volatility	110.2%	111.7%	110.2%	111.9%
Expected life of options (years)	5.25	6.0	5.25	6.1
Expected dividend yield	0%	0%	0%	0%
Risk free interest rate	4.3%	4.3%	4.3%	4.6%

During the three months ended March 31, 2025 and 2024, 109,535 and 48,295 stock options vested, respectively, and zero stock options were forfeited. During the six months ended March 31, 2025 and 2024, 503,965 and 104,911 stock options vested, respectively, and zero and 55,000 stock options were forfeited during these periods, respectively. During the three and six months ended March 31, 2025 and 2024, no options were exercised.

Restricted Stock Units

During the three and six months ended March 31, 2025, the Company granted an aggregate of 83,334 restricted stock units (“RSUs”) to non-employee directors under the 2025 Plan. The weighted average grant date fair value of the RSUs granted during the three and six months ended March 31, 2025 was $1.20 per RSU. The RSUs granted vest over a one-year period in equal monthly installments, subject to the recipient’s continued service on such dates.

During the three and six months ended March 31, 2024, the Company granted an aggregate of 1,006,725 RSUs to its employees and consultants under the 2017 Plan. The weighted average grant date fair value of the RSUs granted during the three and six months ended March 31, 2024 was $1.03 per RSU. The RSUs granted vest over a four-year period in equal annual installments on the anniversary date of the grant, subject to the recipient’s continued service on such dates.

During the three months ended March 31, 2025 and 2024, 288,548 and 32,535 RSUs vested, respectively, and no RSUs were forfeited. During the six months ended March 31, 2025 and 2024, 326,358 and 70,214 RSUs vested, respectively, and no RSUs were forfeited. The total expense for the three months ended March 31, 2025 and 2024 related to these RSUs was $121,792 and $142,670, respectively. The total expense for the six months ended March 31, 2025 and 2024 related to these RSUs was $258,062 and $263,877, respectively.

General

As of March 31, 2025, 4,477,630 shares were available in the aggregate for future issuance under the 2025 Plan and Inducement Plan. Unrecognized stock-based compensation was $1,934,234 as of March 31, 2025. The unrecognized share-based expense is expected to be recognized over a weighted average period of 2.3 years.

NOTE 9 – Concentrations

Revenue

For the three months and six months ended March 31, 2025, one customer accounted for 100% and 94% of the Company's product revenue, respectively. For the three and six months ended March 31, 2024, one customer accounted for all of the Company's product and license revenue.

Supplier concentration

One contract manufacturer produces all of the Company's Strip/Grid Products and sEEG Products and another supplier was responsible for the development of the Company's OneRF Ablation generator and manufactures it.

NOTE 10 – Income Taxes

The effective tax rate for the three and six months ended March 31, 2025 and 2024 was zero percent. As a result of the analysis of all available evidence as of March 31, 2025 and September 30, 2024, the Company recorded a full valuation allowance on its net deferred tax assets. Consequently, the Company reported no income tax benefit during the three and six months ended March 31, 2025 and 2024. If the Company's assumptions change and the Company believes that it will be able to realize these deferred tax assets, the tax benefits relating to any reversal of the valuation allowance on deferred tax assets will be recognized as a reduction of future income tax expense. If the assumptions do not change, each period the Company could record an additional valuation allowance on any increases in the deferred tax assets.

NOTE 11 - Debt Financing

Debt Facility Financing

On August 2, 2024, the Company entered into a loan and security agreement (the "Debt Facility Agreement") with Growth Opportunity Funding, LLC, as the lender (the "Lender"), which provided for a delayed draw term loan facility in an aggregate principal amount not to exceed $3.0 million (the "Debt Facility"). The Company was permitted to borrow loans under the Debt Facility from time to time (collectively, the "Loans"), for general corporate purposes and subject to certain specified conditions, until the earliest of: (i) November 30, 2024, (ii) the occurrence of any Monetization Event (as defined in the Debt Facility Agreement) or Change of Control (as defined in the Debt Facility Agreement), or (iii) at the Lender's option, upon the occurrence and during the continuance of an event of default under the Debt Facility Agreement. On November 7, 2024, the Company terminated the Debt Facility Agreement, and no amounts were drawn under the Debt Facility Agreement. The Company paid a termination fee of $125,000 to the Lender and incurred additional legal fees of $7,091 related to the termination. The Company also incurred non-termination Debt Facility costs of $192,647 during the six months ended March 31, 2025.

At closing of the Debt Facility, the Company issued to the Lender a warrant exercisable for five years for 100,000 shares of common stock at an exercise price of $0.66 per share, subject to adjustment (the "Closing Date Debt Facility Warrant"). The Closing Date Debt Facility Warrant was accounted for and classified as equity on the accompanying condensed balance sheets.

NOTE 12 – Stockholders' Equity

August 2024 Private Placement

On August 1, 2024, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain accredited investors (the "Purchasers"), pursuant to which the Company, in a private placement (the "2024 Private Placement"), agreed to issue and sell an aggregate of (i) 2,944,446 shares of the Company's common stock and (ii) warrants to purchase an aggregate of 2,208,333 shares of common stock (the "PIPE Warrants") at a purchase price of $0.90 per unit, consisting of one share and a PIPE Warrant to purchase 0.75 shares of common stock, resulting in total gross proceeds of approximately $2.65 million before deducting expenses. Issuance costs attributed to 2024 Private Placement amounted to approximately $0.2 million. The 2024 Private Placement closed on August 2, 2024.

The PIPE Warrants are exercisable beginning on the date of issuance, have an exercise price of $1.19 per share, subject to adjustment, and will expire on the third anniversary of the date of issuance. One of the Purchasers in the 2024 Private Placement included Paul Buckman, a director on the Company's Board of Directors.

The PIPE Warrants were accounted for and classified as liabilities on the accompanying condensed balance sheets given certain price reset provisions not used for a fair valuation under a fixed for fixed settlement scenario as required for equity balance sheet classification. A Monte Carlo simulation model was used to estimate the aggregate fair value of the PIPE Warrants. Input assumptions used were as follows on March 31, 2025 and September 30, 2024: risk-free interest rate 3.82% and 3.53%, respectively; expected volatility of 99.3% and 115.7%; respectively; expected life of 2.34 years and 2.84 years, respectively; and expected dividend yield zero percent for both dates. The underlying stock price used was the market price as quoted on Nasdaq as of March 31, 2025 and September 30, 2024. The Company recorded the fair value change of the PIPE Warrants in the amount of $390,351 and $779,796, respectively, to the fair value change in warrant liability line item on the accompanying condensed statements of operations for the three and six months ended March 31, 2025.

At-The-Market Offering

On December 21, 2022, the Company entered into a Capital on Demand™ Sales Agreement (the "Sales Agreement") with JonesTrading Institutional Services LLC ("JonesTrading") that created an at-the-market offering program ("ATM") under which the Company may offer and sell common stock having an aggregate offering price of up to $14.5 million. JonesTrading is entitled to a commission at a fixed commission rate of up to 3% of the gross proceeds. On July 24, 2023, the Company decreased the amount of common stock that can be sold pursuant to the Sales Agreement, such that the Company was offering up to an aggregate of $2.6 million of its common stock for sale under the Sales Agreement, including the shares of common stock previously sold. Subsequently on December 1, 2023, however, the Company increased the amount of common stock that can be sold pursuant to the Sales Agreement, such that the Company was offering up to an aggregate of $4.8 million of its common stock for sale under the Sales Agreement, including the shares of common stock previously sold. On January 5, 2024, the Company further increased the amount of common stock that can be sold pursuant to the Sales Agreement, such that the Company was offering up to an aggregate of $9.3 million of its common stock for sale under the Sales Agreement, including the shares of common stock previously sold. On August 16, 2024, the Company increased the amount of common stock that can be sold pursuant to the Sales Agreement by $3.0 million. On April 3, 2025, the Company decreased the amount of common stock that can be sold pursuant to the Sales Agreement to zero. See "*Note 13 – Subsequent Events.*"

During the three and six months ended March 31, 2025, 355,899 shares of common stock were issued under the ATM for an aggregate offering price of $414,037. Issuance costs incurred under the ATM during the three and six months ended March 31, 2025 were $95,929.

During the three and six months ended March 31, 2024, 1,461,353 and 2,329,596 shares of common stock were issued, respectively, under the ATM for an aggregate offering price of $2,094,196 and $3,350,467, respectively. Issuance costs incurred under the ATM during the three and six months ended March 31, 2024 were $148,382 and $186,080, respectively.

The total aggregate offering price and common stock issued since inception of the ATM though March 31, 2025 was $8,000,600 and 5,544,489 shares, respectively.

Warrant Activity and Summary

There were no warrant exercises or expirations during the three and six months ended March 31, 2025.

The following table summarizes information about warrants outstanding at March 31, 2025:

Warrant Activity and Summary

	Warrants	Exercise Price Per Warrant	Weighted Average Exercise Price	Weighted Average Term (Years)
Outstanding and exercisable at September 30, 2024	7,045,875	$ 0.66-5.61	$ 3.81	1.98
Issued	—	$ —	$ —	—
Exercised	—	$ —	$ —	—
Expired	—	$ —	$ —	—
Outstanding and exercisable at March 31, 2025	7,045,875	$ 0.66-5.61	$ 3.78	1.48

The following table summarizes information about warrants outstanding at March 31, 2024:

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual life (Years)	Number Exercisable at March 31, 2025
$ 0.66	100,000	4.34	100,000
$ 1.08	2,208,338	2.34	2,208,338
$ 3.00	350,000	2.34	350,000
$ 5.25	4,166,682	0.79	4,166,682
$ 5.61	220,855	3.25	220,855
Total	7,045,875		7,045,875

As provided in the PIPE Warrant agreement, the exercise price of the PIPE Warrants was adjusted downward from $1.19 per share to $1.08 per share as a result of the ATM financing that occurred in February 2025.

NOTE 13 – Subsequent Events

ATM Reduction

On April 3, 2025, the Company decreased the amount of common stock that can be sold pursuant to the Sales Agreement to zero. At this time, no sales can be made under the program.

April 2025 Financing

On April 4, 2025, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Ladenburg Thalmann & Co. Inc. as underwriter (the "Underwriter"), relating to the issuance and sale of 16,000,000 shares of the Company's common stock at a price to the public of $0.50 per share (the "April 2025 Financing"). In addition, under the terms of the Underwriting Agreement, the Company granted the Underwriter an option, exercisable for 45 days, to purchase up to an additional 2,400,000 shares of common stock on the same terms as the offering, which overallotment was exercised in full. Issuance costs in connection with the April 2025 Financing amounted to approximately $1.0 million which included a 7% commission to the Underwriter and legal and other expenses in the amount of $0.3 million. Net proceeds to the Company were approximately $8.2 million.

The following table sets forth the Company's total stockholders' equity as reported as of March 31, 2025 and as adjusted on a pro forma basis to reflect the recently completed April 2025 Financing (amounts in thousands):

Total stockholders' equity as of March 31, 2025	$	1,126
Net proceeds from April 2025 Financing		8,239
Pro forma total stockholders' equity as of March 31, 2025	$	9,365

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Report contains forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "project," "potential," "target," "seek," "contemplate," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Report, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. Forward-looking statements include statements about:

- our ability to maintain regulatory clearance of our cortical strip and grid electrode technology, and our OneRF ablation system;
- our ability to successfully commercialize our technology in the United States;
- our ability to achieve or sustain profitability;
- our ability to raise additional capital and to fund our operations;
- the availability of additional capital on acceptable terms or at all as or when needed;
- the clinical utility of our cortical strip, grid and depth electrode, RF ablation system, and technology under development;
- our ability to develop additional applications of our cortical strip, grid and depth electrode technology with the benefits we hope to offer as compared to existing technology, or at all;
- the results of our development and distribution relationship with Zimmer, Inc. ("Zimmer");
- we have been the victim of a cyber-related crime, and our controls may not be successful in avoiding future cyber-related crimes;
- the performance, productivity, reliability and regulatory compliance of our third-party manufacturers of our cortical strip, grid electrode and depth electrode and RF ablation technology;
- our ability to develop future generations of our cortical strip, grid and depth electrode technology;
- our future development priorities;
- our ability to obtain reimbursement coverage for our cortical strip, grid and depth electrode technology;
- our expectations about the willingness of healthcare providers to recommend our cortical strip, grid and depth electrode and RF ablation technology to people with epilepsy, Parkinson's disease, dystonia, essential tremors, chronic pain due to failed back surgeries and other related neurological disorders;
- our future commercialization, marketing and manufacturing capabilities and strategy;
- our ability to comply with applicable regulatory requirements;
- our ability to maintain our intellectual property position;

- our expectations regarding international opportunities for commercializing our cortical strip, grid and depth electrode technology under including technology under development;

- our estimates regarding the size of, and future growth in, the market for our technology, including technology under development; and

- our estimates regarding our future expenses and needs for additional financing.

Forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate, and management's beliefs and assumptions are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. You should refer to the "Risk Factors" section of our Annual Report on Form 10-K for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all.

These forward-looking statements speak only as of the date of this Report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks and other information we describe in the reports we will file from time to time with the Securities and Exchange Commission (the "SEC") after the date of this Report.

Overview

We are a medical technology company focused on the development and commercialization of thin film electrode technology for continuous electroencephalogram ("cEEG") and stereoelectrocencephalography ("sEEG"), spinal cord stimulation, brain stimulation, drug delivery and ablation solutions for patients suffering from epilepsy, Parkinson's disease, dystonia, essential tremors, chronic pain due to failed back surgeries and other related neurological disorders. We are also developing the capability to use our sEEG electrode technology to deliver drugs or gene therapy while being able to record brain activity before, during, and after delivery. Additionally, we are investigating the potential applications of our technology associated with artificial intelligence.

We have received 510(k) clearance for three of our devices from the FDA, including: (i) our Evo cortical electrode technology for recording, monitoring, and stimulating brain tissue for up to 30 days, (ii) our Evo sEEG electrode technology for temporary (less than 30 days) use with recording, monitoring, and stimulation equipment for the recording, monitoring, and stimulation of electrical signals at the subsurface level of the brain, and (iii) our OneRF ablation system for creation of radiofrequency lesions in nervous tissue for functional neurosurgical procedures. Our other products are still under development. We distribute each of these three devices with Zimmer Biomet.

We have incurred mostly losses since inception. As of March 31, 2025, we had an accumulated deficit of $75.5 million, primarily as a result of expenses incurred in connection with our research and development, selling, general and administrative expenses associated with our operations and interest expense, fair value adjustments and loss on extinguishments related to our debt, offset in part by license and product revenues.

Prior to FDA clearance of certain of our products, our main sources of cash, cash equivalents and short-term investments were proceeds from the issuances of notes, common stock, warrants and unsecured loans. See "*Liquidity and Capital Resources—Capital Resources*" below. While we have begun to generate revenue from the sale of products based on our cEEG and sEEG technology, and OneRF System, and through milestone and other payments from our current collaboration and distribution arrangement with Zimmer, we expect to continue to incur significant expenses and may incur increasing operating and net losses for the foreseeable future until we generate a higher level of revenue from commercial sales.

Recent Developments

Corporate Updates

510(k) Submission for Trigeminal Facial Pain

On April 22, 2025, we filed a 510(k) submission to the FDA for our OneRF® Trigeminal Nerve Ablation System to treat facial pain.

April 2025 Financing

On April 4, 2025, we entered into an Underwriting Agreement (the "Underwriting Agreement") with Ladenburg Thalmann & Co. Inc. as underwriter (the "Underwriter"), relating to the issuance and sale of 16,000,000 shares of the Company's common stock, at a price to the public of $0.50 per share (the "April 2025 Financing"). In addition, under the terms of the Underwriting Agreement, we granted the Underwriter an option, exercisable for 45 days, to purchase up to an additional 2,400,000 shares of common stock on the same terms as the offering, which was exercised in full. Net proceeds to the Company were approximately $8.2 million.

Zimmer Amended and Restated Distribution Agreement

On October 25, 2024, we entered into the Zimmer Amended and Restated Distribution Agreement (the "Amendment") with Zimmer, Inc. ("Zimmer") pursuant to which we granted Zimmer the exclusive right and license to distribute our OneRF Ablation System for an upfront payment of $3.0 million, with eligibility for an additional $1.0 million payment from Zimmer upon achievement of certain specified net sales milestones.

We previously entered into an Exclusive Development and Distribution Agreement dated July 20, 2020 with Zimmer, related to the sEEG and Strip/Grid Product Systems, which was subsequently amended pursuant to the terms and conditions of a letter agreement dated January 6, 2021, a Second Amendment to Exclusive Development and Distribution Agreement dated June 28, 2022, and a Third Amendment to Exclusive Development and Distribution Agreement dated August 2, 2022 (collectively, the "EDDA").The EDDAs executed prior to the Amendment granted Zimmer exclusive global rights to distribute the Strip/Grid Products and the Electrode Cable Assembly Products. Additionally, we granted Zimmer the exclusive right and license to distribute certain sEEG Products developed by the Company and together with the Strip/Grid Products and Electrode Cable Assembly Products, the "Products". In addition, under the prior EDDAs, we agreed to collaborate with respect to development activities through a joint development committee composed of an equal number of representatives of Zimmer and the Company.

Under the Amendment, Zimmer paid us $3.0 million for an exclusive RF Distribution License (the "RF Distribution License" and "License") for commercialization of its OneRF™ product. In addition, we are eligible to receive a future milestone payment of $1.0 million upon reaching a one-time sales volume threshold.

The revised term under the Amendment (the "Term") began on the Effective Date and will remain in effect until October 31, 2034. Upon the expiration of the Term, it may be renewed upon the mutual written of the Parties. The Amended and Restated Exclusive Development and Distribution Agreement may be terminated before the expiration of the Term only by the Parties in accordance with certain terms under the Amendment. In addition, the license rights granted to Zimmer under this Amendment shall be exclusive (i) from the Original Effective Date until September 30, 2032 for the sEEG Products and Strip/Grid Products (the "sEEG and Strip/Grid Product Term"); and (ii) from the Effective Date until October 31, 2034 for the OneRF™ Product System (the "RF Term").

Global Economic Conditions

Generally, worldwide economic conditions remain uncertain, particularly due to the conflicts between Russia and Ukraine and in the Middle East, disruptions in the banking system and financial markets, and increased inflation. The general economic and capital market conditions both in the U.S. and worldwide, have been volatile in the past and at times have adversely affected our access to capital and increased the cost of capital. The capital and credit markets may not be available to support future capital raising activity on favorable terms or at all. If economic conditions continue to decline, our future cost of equity or debt capital and access to the capital markets could be adversely affected. We do not currently anticipate any meaningful impact from current or proposed tariffs on imported goods.

Our operating results could be materially impacted by changes in the overall macroeconomic environment and other economic factors. Changes in economic conditions, supply chain constraints, logistics challenges, labor shortages, increased inflation, the conflicts in Ukraine and the Middle East, disruptions in the banking system and financial markets, and steps taken by governments and central banks, have led to higher inflation, which has led to an increase in costs and has caused changes in fiscal and monetary policy, including increased interest rates.

Financial Overview

Product Revenue

Our product revenue was derived from the sale of our Strip/Grid Products, the sEEG Products and the Electrode Cable Assembly Products based on Evo cortical electrode technology and the OneRF Products, which are products based on our OneRF Ablation System. We anticipate that we will generate additional revenue from the sale of products based on Evo cortical electrode technology and our OneRF Ablation System.

We have received FDA 510(k) clearance for our cortical electrode for temporary (less than 30 days) recording, monitoring, and stimulation on the surface of the brain, our Evo sEEG electrode technology for temporary (less than 30 days) use with recording, monitoring, and stimulation equipment for the recording, monitoring, and stimulation of electrical signals at the subsurface level of the brain, and our OneRF Ablation System for creation of radiofrequency lesions in nervous tissue for functional neurosurgical procedure.

Product Gross Profit

Product gross profit represents our product revenue less our cost of product revenue. Our cost of product revenue consists of the manufacturing and materials costs incurred by our third-party contract manufacturers in connection with our Strip/Grid Products, sEEG Products, OneRF Products and outside supplier materials costs of producing the Electrode Cable Assembly Products. In addition, the cost of product revenue includes royalty fees incurred in connection with our license agreements.

License Revenue

The Company determined that the RF Distribution License granted under the Zimmer Amended and Restated Distribution Agreement represented functional intellectual property given Zimmer’s access to the underlying intellectual property associated with the OneRF Product. As such, the revenue related to the license was recognized at the point in time in which the license/know-how was delivered to Zimmer which occurred in October 2024. Revenue recognized under the Amendment during the six months ending March 31, 2025 was $3.0 million. For further discussion about the determination of license revenue, product revenue and cost of product revenue, and for a discussion of milestones and royalty payments under the Amended and Restated Zimmer Distribution Agreement, see “—Liquidity and Capital Resources—Liquidity Outlook” below and see “Note 7 — Zimmer Distribution Agreement and Other Product Revenue” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of personnel-related costs including stock-based compensation for personnel in functions not directly associated with research and development activities. Other significant costs include legal and litigation costs relating to corporate matters, intellectual property costs, professional fees for consultants assisting with financial and administrative matters, and sales and marketing in connection with the commercial sale of cEEG strip/grid, sEEG depth electrode, OneRF ablation system and electrode cable assembly products. We anticipate that our selling, general and administrative expenses will increase in the future to support our continued research and development activities, further commercialization of our cortical strip and grid technology, ablation system and our depth electrode technology, and the increased costs of operating as a public company. These increases will include increased costs related to the hiring of additional personnel and fees for legal and professional services, as well as other public company-related costs.

Research and Development

Research and development expenses consist of expenses incurred in performing research and development activities in developing our technology. Research and development expenses include compensation and benefits for research and development employees including stock-based compensation, overhead expenses, laboratory supplies, clinical trial and related clinical manufacturing expenses, costs related to regulatory operations, fees paid to consultants and other outside expenses. Research and development costs are expensed as incurred and costs incurred by third parties are expensed as the contracted work is performed.

Fair Value Change in Warrant Liability

The net change in the fair value line item is attributed to the warrant liability while outstanding.

Financing Costs

Financing costs consists of the amortization of the deferred issuance costs and other lending costs in connection with the debt facility (as described further below).

Other Income

Other income primarily consists of interest income related to our cash and cash equivalents,

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and 2024

The following table sets forth the results of operations for the three months ended March 31, 2025 and 2024, respectively.

	For the Three Months Ended March 31, (unaudited)		
	2025	2024	Period to Period Change
Product revenue	$ 1,386,550	$ 1,377,294	$ 9,256
Cost of product revenue	615,489	986,875	(371,386)
Product gross profit	771,061	390,419	380,642
Operating expenses:			
Selling, general and administrative	1,940,414	2,002,949	(62,535)
Research and development	1,510,663	1,273,568	237,095
Total operating expenses	3,451,077	3,276,517	174,560
Loss from operations	(2,680,016)	(2,886,098)	206,082
Fair value change in warrant liability	390,351	—	390,351
Other income	19,058	31,008	(11,950)
Loss before income taxes	(2,270,607)	(2,855,090)	584,483
Provision for income taxes	—	—	—
Net loss	$ (2,270,607)	$ (2,855,090)	$ 584,483

Product Revenue and Product Gross Profit

Product revenue was $1.4 million during the three months ended March 31, 2025 with a gross profit and gross profit percentage of $0.8 million and 55.6%, respectively. Product revenue was $1.4 million during the three months ended March 31, 2024 with a gross profit and gross profit percentage of $0.4 million and 28.3%, respectively. The increase in gross profit percentage during the current period was largely due to the higher margin OneRF Products being sold in the current period under the Amendment with Zimmer. Product revenue consisted of Strip/Grid Products, sEEG Products, Electrode Cable Assembly Products, and for the current three-month period, OneRF Product sales. The cost of product revenue consisted of the manufacturing and materials costs incurred by our third-party contract manufacturers in connection with our Strip/Grid Products, sEEG Products and OneRF Products, and outside supplier materials costs in connection with the Electrode Cable Assembly. In addition, cost of product revenue included royalty fees incurred of approximately $38,000 and $42,000 in connection with our license agreements during the three months ended March 31, 2025 and 2024, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $1.9 million and $2.0 million during the three months ended March 31, 2025 and 2024, respectively. The $0.1 million expense decrease in the current quarter over the comparable prior year quarter was largely attributed to lower administrative payroll and stock-based compensation of $0.1 million, lower legal costs of $0.1 million and lower public company costs of $0.1 million, partially offset by higher professional services and marketing expenses of $0.2 million. Selling, general and administrative expenses included $0.2 million and $0.3 million of stock-based compensation during the three months ended March 31, 2025 and 2024, respectively.

Research and Development Expenses

Research and development expenses were $1.5 million for the three months ended March 31, 2025, compared to $1.3 million for the three months ended March 31, 2024. The $0.2 million increase in the current period over the prior year period was attributed largely to the timing of product development activities in the current quarter when compared to the comparable prior year quarter. Research and development expenses primarily included salary-related expenses and costs related to consulting services, materials and supplies associated with the development of sEEG Products and to a much lesser extent Strip/Grid Products. Research and development expenses included $55,000 and $76,000 of stock-based compensation during the three months ended March 31, 2025 and 2024, respectively.

Fair Value Change in Warrant Liability

The net change in fair value of the warrant liability during the three months ended March 31, 2025 was $0.4 million benefit. The change was due primarily to fluctuations in our common stock fair value. There were no warrants outstanding during the three months ended March 31, 2024 that were measured on a fair value basis.

Other Income

Other income during the three months ended March 31, 2025 and 2024 related to interest income on our cash, cash equivalents and short-term investments in the amount of $19,000 and $31,000, respectively.

Comparison of the Six Months Ended March 31, 2025 and 2024

The following table sets forth the results of operations for the six months ended March 31, 2025 and 2024, respectively.

	For the Six Months Ended March 31, (unaudited)		
	2025	2024	Period to Period Change
Product revenue	$ 4,660,717	$ 2,354,943	$ 2,305,774
Cost of product revenue	1,962,767	1,698,210	264,557
Product gross profit	2,697,950	656,733	2,041,217
License revenue	3,000,000	—	3,000,000
Operating expenses:			
Selling, general and administrative	3,983,868	4,176,421	(192,553)
Research and development	2,682,891	2,756,885	(73,994)
Total operating expenses	6,666,759	6,933,306	(266,547)
Loss from operations	(968,809)	(6,276,573)	5,307,764
Fair value change in warrant liability	779,796	—	779,796
Financing costs	(324,738)	—	(324,738)
Other income	28,466	76,583	(48,117)
Loss before income taxes	(485,285)	(6,199,990)	5,714,705
Provision for income taxes	—	—	—
Net loss	$ (485,285)	$ (6,199,990)	$ 5,714,705

Product Revenue and Product Gross Profit

Product revenue was $4.7 million during the six months ended March 31, 2025 with a gross profit and gross profit percentage of $2.7 million and 57.9%, respectively. Product revenue was $2.4 million during the six months ended March 31, 2024 with a gross profit and gross profit percentage of $0.7 million and 27.9%, respectively. The increase in gross profit percentage during the current period was largely due to higher margin OneRF Products being sold in the current period under the Amendment with Zimmer. Product revenue consisted of Strip/Grid Products, sEEG Products, Electrode Cable Assembly Products, and for the current six-month period, OneRF Product sales. The cost of product revenue consisted of the manufacturing and materials costs incurred by our third-party contract manufacturers in connection with our Strip/Grid Products, sEEG Products and OneRF Products, and outside supplier materials costs in connection with the Electrode Cable Assembly Products. In addition, cost of product revenue included royalty fees incurred of approximately $75,000 and $79,000 in connection with our license agreements during the six months ended March 31, 2025 and 2024, respectively.

License Revenue

License revenue was $3.0 million for the six months ended March 31, 2025. License revenue during the current period related to the distribution license granted to Zimmer for the OneRF Product in October 2024. No license revenue was generated from the Amended and Restated Zimmer Development Agreement during the six months ended March 31, 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $4.0 million for the six months ended March 31, 2025, compared to $4.2 million for the six months ended March 31, 2024. The $0.2 million decrease in the current six-month period compared to the comparable prior year period was primarily due to lower administrative payroll of $0.1 million, lower legal costs of $0.2 million, lower public company costs of $0.3 million, offset by higher professional fees of $0.3 million and facility costs and other general operating expenses of $0.1 million on a net basis. Selling, general and administrative expenses included $0.5 million of stock-based compensation during each of the six months ended March 31, 2025 and 2024.

Research and Development Expenses

Research and development expenses were $2.7 million for the six months ended March 31, 2025, compared to $2.8 million for the six months ended March 31, 2024. The $0.1 million decrease period over period was attributed to the timing and an overall reduction in OneRF Product development activities during the current six-month period when compared to the comparable prior year period. Research and development primarily included salary-related expenses and costs related to consulting services, materials and supplies associated with the development of sEEG Products and to a much lesser extent Strip/Grid Products. Research and development expenses included $0.1 million of stock-based compensation during each of the six months ended March 31, 2025 and 2024.

Fair Value Change in Warrant Liability

The net change in fair value of the warrant liability during the six months ended March 31, 2025 was $0.8 million. The change was due primarily to fluctuations in our common stock fair value. There were no warrants outstanding during the six months ended March 31, 2024 that were measured on a fair value basis.

Financing Costs

Financing costs during the six months ended March 31, 2025 consisted of the amortization of the deferred issuance costs associated with the debt facility (described further below) in the amount of $0.2 million and additional legal and loan facility termination costs of $0.1 million upon the termination of the Debt Facility in November 2024. We did not incur any financing costs during the six months ended March 31, 2024.

Other Income

Other income during the six months ended March 31, 2025 and 2024 consisted of $28,000 and $77,000 related to interest income attributed to our cash and cash equivalents, respectively.

Liquidity and Capital Resources

Overview

As of March 31, 2025, our principal source of liquidity consisted of cash and cash equivalents in the aggregate of approximately $1.3 million. Subsequently, on April 7, 2025, we received net proceeds of approximately $8.2 million from the April 2025 Financing.

Capital Resources

Our sources of cash and cash equivalents to date have been limited to license, collaboration and product revenues, along with proceeds from the issuances of notes with warrants, common stock with and without warrants and unsecured loans with the terms of our more recent financings described below.

April 2025 Financing

On April 4, 2025, we entered into an Underwriting Agreement (the "Underwriting Agreement") with Ladenburg Thalmann & Co. Inc. as underwriter (the "Underwriter"), relating to the issuance and sale of 16,000,000 shares of our common stock, at a price to the public of $0.50 (the "April 2025 Financing"). In addition, under the terms of the Underwriting Agreement, we granted the Underwriter an option, exercisable for 45 days, to purchase up to an additional 2,400,000 shares of common stock on the same terms as the offering, which was exercised in full. Issuance costs in connection with the April 2025 Financing amounted to approximately $1.0 million which included a 7.0% commission to the Underwriter and legal and other expenses in the amount of $0.3 million. The Company received approximately $8.2 million in net proceeds.

August 2024 Private Placement

On August 1, 2024, we entered into a Securities Purchase Agreement with certain Purchasers, pursuant to which we, in a private placement, agreed to issue and sell an aggregate of (i) 2,944,446 shares of our Company's common stock (the "Shares"), par value $0.001 per share and (ii) warrants to purchase an aggregate of 2,208,333 shares of common stock (the "PIPE Warrants") at a purchase price of $0.90 per unit, consisting of one share and a PIPE Warrant to purchase 0.75 shares of common stock, resulting in total gross proceeds of approximately $2.65 million before deducting estimated expenses. The 2024 Private Placement closed on August 2, 2024. Issuance costs attributed to the 2024 Private Placement amounted to $0.2 million.

The PIPE Warrants are exercisable beginning on the date of issuance, have an exercise price of $1.19 per share, subject to adjustment, and will expire on the third anniversary of the date of issuance**.**

In connection with the 2024 Private Placement, we agreed to file a registration statement with the SEC covering the resale of the Shares and the shares of common stock issuable upon exercise of the PIPE Warrants which became effective on September 13, 2024.

At-The-Market Offering

On December 21, 2022, we entered into a Capital on Demand^{TM} Sales Agreement ("Sales Agreement") with JonesTrading Institutional Services LLC ("JonesTrading") to create an at-the-market offering program ("ATM") under which we may offer and sell shares having an aggregate offering price of up to $14.5 million. JonesTrading is entitled to a commission at a fixed commission rate of up to 3% of the gross proceeds. On July 24, 2023, we decreased the amount of common stock that can be sold pursuant to the Sales Agreement, such that we were offering up to an aggregate of $2.6 million of our common stock for sale under the Sales Agreement, including the shares of our common stock previously sold. Subsequently, on December 1, 2023, however, we increased the amount of common stock that can be sold pursuant to the Sales Agreement, such that we were offering up to an aggregate of $4.8 million of our common stock for sale under the Sales Agreement, including the shares of our common stock previously sold. On January 5, 2024, we further increased the amount of common stock that can be sold pursuant to the Sales Agreement, such that we are offering up to an aggregate of $9.3 million of our common stock for sale under the Sales Agreement, including the shares of common stock previously sold. Through March 31, 2025, we have issued 5,544,489 shares of common stock under the ATM for gross proceeds in the amount of $8.0 million. We incurred issuance costs in connection with the ATM in the amount of $0.6 million through March 31, 2025. On August 16, 2024, we increased the amount of common stock that can be sold pursuant to the Sales Agreement by $3.0 million. On April 3, 2025, we decreased the amount of common stock that can be sold pursuant to the Sales Agreement to zero.

Debt Facility Financing

On August 2, 2024, we entered into the Debt Facility Agreement with Growth Opportunity Funding, LLC, as the Lender, which provided for a delayed draw term loan facility in an aggregate principal amount not to exceed $3.0 million. We were permitted to borrow loans under the Debt Facility Agreement from time to time, for general corporate purposes and subject to certain specified conditions, until the earliest of: (i) November 30, 2024, (ii) the occurrence of any Monetization Event as defined in the Debt Facility Agreement or a change of control, or (iii) at the Lender's option, upon the occurrence and during the continuance of an event of default under the Debt Facility Agreement. On November 7, 2024, the Company terminated the Debt Facility Agreement, and no amounts were drawn under the Debt Facility Agreement. Total costs incurred under the debt facility financing was $0.4 million.

Funding Requirements

Certain of our cash requirements relate to the funding of our ongoing product development and commercialization operations and our milestone and royalty obligations under our intellectual property licenses with WARF and Mayo. See “Part 1, Item 1—Business—Clinical Development and Regulatory Pathway—Clinical Experience, Future Development and Clinical Trial Plans” in our Annual Report on Form 10-K for the year ended September 30, 2024 for a discussion of design, development, pre-clinical and clinical activities that we may conduct in the future, including expected cash expenditures required for some of those activities, to the extent we are able to estimate such costs.

On January 21, 2020, we entered into an Amended and Restated License Agreement (the “WARF License”) with WARF, which amended and restated in full our prior license agreement with WARF, dated October 1, 2014. Under the WARF License, we have agreed to pay WARF a royalty equal to a single-digit percentage of our product sales pursuant to the WARF License, with a minimum annual royalty payment of $50,000 for 2020, $100,000 for 2021 and $150,000 for 2022 and each calendar year thereafter that the WARF License is in effect. If we or any of our sublicensees contest the validity of any licensed patent, the royalty rate will be doubled during the pendency of such contest and, if the contested patent is found to be valid and would be infringed by us if not for the WARF License, the royalty rate will be tripled for the remaining term of the WARF License.

Under the Amended and Restated License and Development Agreement with Mayo (the “Mayo Development Agreement”), we have agreed to pay Mayo a royalty equal to a single-digit percentage of our product sales pursuant to the Mayo Development Agreement. See “Note 4 – Commitments and Contingencies” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report for more information about the WARF License and the Mayo Development Agreement.

Our other cash requirements within the next twelve months include accounts payable, accrued expenses, purchase commitments and other current liabilities. Our other cash requirements greater than twelve months from various contractual obligations and commitments include operating leases and contracted services. Refer to “Note 4 – Commitments and Contingencies” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report for further detail of our lease obligations and the timing of expected future payments. Contracted services include agreements with third-party service providers for clinical research, product development, manufacturing, supplies, payroll services, equipment maintenance services, and audits for periods up to fiscal year 2027.

We expect to satisfy our short-term and long-term obligations through cash on hand and revenue from commercial sales to cover expenses.

Liquidity Outlook

For a discussion of potential fee payments under the Amended and Restated Zimmer Development Agreement, see “Note 7 — Zimmer Distribution Agreement and Other Product Revenue” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report. Even though we have received regulatory clearance to expand the use of our Evo sEEG electrode technology for up to 30 days, commercial sales of the sEEG electrodes and OneRF Products are expected to take some time to be a significant source of liquidity. Zimmer has exclusive global rights to distribute our strip and grid cortical electrodes, depth electrodes and electrode cable assembly products. Zimmer’s failure to timely develop or commercialize these products would have a material adverse effect on our business and operating results. On October 2024, we entered into an Amended and Restated Distribution Agreement with Zimmer to provide Zimmer with the exclusive right and license to distribute also our OneRF Ablation System for an upfront payment of $3.0 million, with eligibility for an additional $1.0 million payment from Zimmer upon achievement of certain specified net sales milestones.

At March 31, 2025, we had cash and cash equivalents in the aggregate of approximately $1.3 million. Subsequently, on April 7, 2025, we received net proceeds of approximately $8.2 million from the April 2025 Financing. Our independent registered public accounting firm included an explanatory paragraph in the report on our financial statements as of and for the years ended September 30, 2024 and 2023, respectively, noting the existence of substantial doubt about our ability to continue as a going concern. We believe our current available cash and cash equivalents inclusive of the April 2025 Financing, coupled with the anticipated increase in product revenues from minimum purchases and improved gross margins under the Zimmer Amendment and forecasted operating expense reductions, will be sufficient to fund our planned expenditures and meet our obligations for at least twelve months from the date of issuance of these financial statements.

In the future, however, in the absence of an adequate level of commercial sales to cover expenses, we may need to secure additional funding through public or private equity or debt financings, through collaborations or partnerships with other companies or other sources. We may not be able to raise additional capital on terms acceptable to us, or at all. Any failure to raise capital when needed could compromise our ability to execute on our business plan. If we are unable to raise additional funds, or if our anticipated operating results are not achieved, we believe planned expenditures may need to be reduced in order to extend the time period that existing resources can fund our operations. If we are unable to obtain the necessary capital in the future from operating results or future financing, it may have a material adverse effect on our operations and the development of our technology, or we may have to cease operations altogether.

The development and commercialization of our cortical strip, grid electrode, depth electrode, ablation system technology and future products and technology is subject to numerous uncertainties, and we could use our cash and cash equivalent resources sooner than we expect. Additionally, the process of developing medical devices is costly, and the timing of progress in pre-clinical tests and clinical trials is uncertain. Our ability to successfully transition to profitability will be dependent upon achieving further regulatory approvals and achieving a level of product sales adequate to support our cost structure. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

Cash Flows

The following is a summary of cash flows for each of the periods set forth below.

	For the Six Months Ended March 31,	
	2025	**2024**
Net cash provided by (used in) operating activities	$ 151,905	$ (5,984,554)
Net cash used in investing activities	(27,587)	(68,491)
Net cash (used in) provided by financing activities	(264,109)	3,165,207
Net decrease in cash and cash equivalents	$ (139,791)	$ (2,887,838)

Net cash provided by (used in) operating activities

Net cash provided by operating activities was $152,000 for the six months ended March 31, 2025, which consisted of a net loss of $0.5 million partially offset by non-cash stock-based compensation, depreciation, amortization related to intangible assets, a fair value change in warrant liability and operating lease expense, totaling approximately $0.2 million in the aggregate. Our net loss was further adjusted to account for the reclassification of debt termination costs to financing activities in the amount of $0.1 million. The net change in our net operating assets and liabilities associated with fluctuations in our operating activities resulted in a cash source of approximately $0.3 million. The net cash source stemming from the change in operating assets and liabilities was primarily attributable to both a decrease in inventory and prepaid expenses, partially offset by a net decrease in our aggregate accrued expenses, other liabilities and accounts payable as well as by an increase in our accounts receivable attributed to the timing of payments.

Net cash used in operating activities was $6.0 million for the six months ended March 31, 2024, which consisted of a net loss of $6.2 million partially offset principally by non-cash stock-based compensation, depreciation, amortization related to intangible assets, operating lease expense, totaling approximately $0.8 million in the aggregate. The net change in our net operating assets and liabilities associated with fluctuations in our operating activities resulted in a cash use of approximately $0.6 million. The net cash use stemming from the change in operating assets and liabilities was primarily attributable to both an increase in our accounts receivable and prepaid expense as well as attributed to a net decrease in our accrued expenses and other liabilities. Partially offsetting the net cash used for the period was the reduction in inventory purchases and increase in our account payable attributed to the timing of payments.

Net used in investing activities

Net cash used in investing activities was $28,000 for the six months ended March 31, 2025 and consisted of outlays for purchases of property and equipment.

Net cash used in investing activities was $68,000 for the six months ended March 31, 2024 and consisted of outlays for purchases of property and equipment.

Net cash (used in) provided by financing activities

Net cash used in financing activities was $0.3 million for the six months ended March 31, 2025, which consisted of issuance costs and repurchases of common stock for the payment of employee taxes in the amount of $0.7 million in the aggregate, offset partially by proceeds from the ATM of $0.4 million.

Net cash provided by financing activities was $3.2 million for the six months ended March 31, 2024, which consisted of net proceeds from the ATM of $3.2 million, offset partially by repurchases of common stock for the payment of employee taxes in the amount of $25,000.

Critical Accounting Estimates

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles. These accounting principles require us to make estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenue and expense during the periods presented. We believe that the estimates and judgments upon which we rely are reasonably based upon information available to us at the time that we make these estimates and judgments. To the extent that there are material differences between these estimates and actual results, our financial results will be affected. The accounting policies that reflect our more significant estimates and judgments and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described in “Note 3 — Summary of Significant Accounting Policies” to our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report.

Of these policies, the following are considered critical to an understanding of our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report as they require the application of the most subjective and the most complex judgments:

Revenues:

For discussion about the determination of license revenue and product revenue, see “Note 7 — Zimmer Distribution Agreement and Other Product Revenue” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report. To date, we have not had, nor expect to have in the future, significant variable consideration adjustments related to product revenue, such as chargebacks, sales allowances and sales returns.

Stock-based Compensation

For discussions about the application of grant date fair value associated with our stock-based compensation, see “Note 8 — Stock-Based Compensation” included in our condensed financial statements included in “Part 1, Item 1 – Financial Statements” in this Report.

Fair Value of Warrant liability

We issued warrants in connection with our August 2024 Private Placement. The warrants were classified as a liability on our balance sheet and were recorded at fair value as certain provisions precluded equity accounting treatment for these instruments. We will continue to adjust the liabilities for changes in fair value until the earlier of the exercise, expiration, or until such time that cash settlement or indexation provisions are no longer in effect for the warrants. For discussions about the application of fair value associated with the warrants, see "Note 12 – Stockholders' Equity" included in "Part 1, Item 1 – Financial Statements" in this Report.

Income Tax Assets and Liabilities

Income tax assets and liabilities include income tax valuation allowances. For additional information, see "Note 10 — Income Taxes" included in our condensed financial statements included in "Part 1, Item 1 – Financial Statements" in this Report and "Note 12 – Income Taxes" in "Part II, Item 8 - Financial Statements" of our Annual Report on Form 10-K for the year ended September 30, 2024.

Contingencies

We are subject to numerous contingencies arising in the ordinary course of business, including legal contingencies. For additional information, see "Note 4 — Commitments and Contingencies" included in our condensed financial statements included in "Part 1, Item 1 – Financial Statements" in this Report.

Recent Accounting Pronouncements

Refer to "Note 3— Summary of Significant Accounting Policies" to our condensed financial statements included in "Part 1, Item 1 – Financial Statements" in this Report for a discussion of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, under the direction of the Chief Executive Officer and the Chief Financial Officer, we have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report. Our management has concluded that the financial statements included elsewhere in this Quarterly Report present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

Changes in Internal Control over Financial Reporting

There has not been any change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

In addition to the other information set forth elsewhere in this Report, you should carefully consider the factors discussed in "Part I, Item 1A - Risk Factors" of the Company's Annual Report on Form 10-K for the year ended September 30, 2024. Such factors, if they were to occur, could cause our actual results to differ materially from those expressed in our forward-looking statements in this Report, and materially adversely affect our financial condition or future results. Although we are not aware of any other factors that we currently anticipate will cause our forward-looking statements to differ materially from our future actual results, or materially affect the Company's financial condition or future results, additional risks and uncertainties not currently known to us or that we currently deem to be immaterial might materially adversely affect our actual business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable to our Company.

Item 5. Other Information

Rule 10b5-1 Trading Plans – Directors and Section 16 Officers

During the three months ended March 31, 2025, none of the Company's directors or Section 16 officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement".

Item 6. Exhibits

Exhibit No.	Document
3.1	Certificate of Incorporation of NeuroOne Medical Technologies Corporation (incorporated by reference to Exhibit 3.4 on the Registrant's Current Report on Form 8-K filed on June 29, 2017).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of NeuroOne Medical Technologies Corporation (incorporated by reference to Exhibit 3.1 on the Registrant's Current Report on Form 8-K filed on March 31, 2021).
3.3	Amended and Restated Bylaws of NeuroOne Medical Technologies Corporation (incorporated by reference to Exhibit 3.1 on the Registrant's Current Report on Form 8-K filed on June 21, 2024.
10.1	NeuroOne Medical Technologies Corporation 2025 Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Form 8-K filed on February 20, 2025).
10.2	NeuroOne Medical Technologies Corporation 2025 Equity Incentive Plan Form of Restricted Stock Unit Grant Agreement (incorporated by reference from Exhibit 10.2 to the Form 8-K filed on February 20, 2025).
10.3	NeuroOne Medical Technologies Corporation 2025 Equity Incentive Plan Form of Option Grant Agreement (incorporated by reference from Exhibit 10.3 to the Form 8-K filed on February 20, 2025).
10.4	Underwriting Agreement, dated April 4, 2025, between NeuroOne Medical Technologies Corporation and Ladenburg Thalmann & Co. Inc. (incorporated by reference to Exhibit 1.1 on the Registrant's Current Report on Form 8-K filed on April 7, 2025).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Documents are furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 13, 2025

NeuroOne Medical Technologies Corporation

By: /s/ David Rosa
David Rosa
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Ronald McClurg
Ronald McClurg
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)