



**CNS Response, Inc.**  
(OTCQB: CNSO)

**May 18, 2015**  
**Recent Price: \$0.13**

**Market Data**

Fiscal Year	September 30
Industry	Healthcare Tech
Market Cap	\$13.2M
Price/Earnings (ttm)	N/A
Price/Book (mrq)	N/A
Price/Sales (ttm)	140x
Insider Ownership	58%
Shares Outstanding	101.7M
Float	15.7M
Avg. Daily Vol. (3 mos.)	4.359
<i>As of May 15, 2015</i>	

**Income Snapshot**

	TTM
Revenue	\$0.13M
EBITDA	(\$4.2M)
Net Loss	(\$10.9M)
<i>As of September 30, 2013</i>	

**Balance Sheet Snapshot**

	MRQ
Cash	\$1.3M
Debt	\$0.0M
<i>As of September 30, 2013</i>	

**Company Overview**

CNS Response (“CNSO”) is a neuroscience company focused on improving the quality of treatment for patients with brain disorders by providing objective information to prescribers. CNSO’s PEER Online service is a cloud-based platform which allows physicians to exchange outcome data referenced to their patients’ unique neurophysiology. This outcome data is used to better treat patients by improving treatment efficacy and by reducing the negative side effects associated with psychotropic medications. A patient’s data is obtained through their electroencephalography (EEG), one of the oldest and most reliable measurements of brain activity on the market. The relationship between EEG and drug outcomes, which form the basis of CNSO’s platform, has been validated by over 82 peer-reviewed publications. CNSO has recently commenced a reimbursed 2,000 patient clinical trial at Walter Reed National Military Medical Center (“Walter Reed”) and Fort Belvoir Community Hospital focusing on patients with depression, PTSD and mild traumatic brain injury.

**Value Proposition**

CNSO’s platform has been validated by multiple peer-reviewed studies which have indicated an increase in efficacy while reducing the probability of severe negative side effects. Over time, the value of CNSO’s platform will increase with more data endpoints leading to even greater specificity of results and the creation of a valuable network effect. CNSO plans to initially serve the military, which has approximately one million soldiers diagnosed with mental health problems. Success in this market will lead to entry into larger markets, including the Veterans Administration and the civilian population at large. International expansion also presents a very large market opportunity. The CNSO platform also has the potential of working with pharmaceutical/biotech companies for psychotropic drug development.

**Investment Highlights**

**Cloud-based platform is scalable over the long-term**

- PEER platform currently has 37,000 endpoints; additional studies/usage over time adds additional relevant and timely data, increasing platform value
- Database has been built over 25 years

**Multiple studies show a significant increase in efficacy when using PEER**

- Studies have shown a 2 to 3 times increase in efficacy in treating behavioral disorders
- Additionally, studies have shown a significant reduction in suicidal ideation

**2,000 patient trial at Walter Reed further validates CNSO’s technology and provides potential access to the military market**

- Military provides a \$540 million potential market (one million soldiers at \$540/test)
- 91% gross margins projected per test
- Publication of interim results are expected in the near-term

**U.S mental health pharmaceutical industry projected at \$20 billion by 2015**

- Approximately 30 million people are on antidepressants

**Current treatment-as-usual has poor efficacy and can be very dangerous**

- Current efficacy estimates are around 30% due to treatments being administered in a “trial and error” manner
- A study at Yale stated that 25% of drugs, such as antidepressants, can worsen symptoms; negative side effects can be as severe as suicide, causing the FDA to put a “black box” warning on all mental health drugs