

Aclarion, Inc.

Q3 FY24 expenses below forecast. Company continues to make progress with KOLs and payers. Lowering PT to \$1.30 from \$1.50 to reflect higher share count.

COMPANY UPDATE

Rating: BUY

Ticker: ACON

Price: \$0.18

Target: \$1.30
(from \$1.50)

Q3 FY24 beat on lower expenses: Q3 EPS came in at \$(0.15), ahead of our estimate of \$(0.18) and consensus estimate of \$(0.19). Total operating expenses for the quarter were \$1.3 million, compared to \$1.1 million in the prior quarter, and our estimate of \$1.4 million. No forward guidance was provided.

Revenues still pre-commercial: Revenues for the quarter were \$14,100 (-24% yoy) and lower than our forecast of \$32,000. Revenues are still nominal at this point, and primarily reflect the use of Nociscan in clinical trials.

Adjusting estimates: We are raising our FY24 EPS estimate to \$(0.79), versus \$(0.89) previously, reflecting lower expenses and higher share count. Our FY25 estimate is now \$(0.65), versus \$(0.73) previously. Consensus estimates are \$(0.87) and \$(0.55), for FY24 and FY25, respectively.

Lower back pain represents the single largest spend in healthcare. Over 550,000 lower back surgeries are performed each year in the US, and the US lumbar spine diagnostics and treatment market is estimated at \$40 billion annually. With 16 million chronic low back pain sufferers in the US each year and 266 million patients with degenerative spine disease and lower back pain worldwide, Aclarion's addressable market is vast. We estimate Aclarion's available market opportunity in the US alone at over \$400 million per year.

Aclarion has successfully garnered interest from KOLs (Key Opinion Leaders) and medical payers. Per an interview with Aclarion's CEO in September, the company now has 10 of the top spine surgeons in the world advocating for its technology and engaging with payers to influence coverage decisions. Having obtained temporary CPT codes already, and with payers starting to cover Nociscan, Aclarion is primed for a ramp in commercial revenues.

75% of major payers in London now cover Nociscan: Through a partnership with the London Clinic, a leading spine care center, Aclarion has is now covered by 3 out of 4 large insurance payers in London, including AXA, Aviva, and Vitality. Payer coverage is the most important catalyst to drive revenues and stock price performance.

ACON continues to lay the groundwork for commercial sales in the US: Through an agreement with ATEC, a major spine implant company, Aclarion is gaining access to KOLs in the US who can highlight the company's clinical success in helping to provide better outcomes for spine care. In addition, Aclarion has executed commercial agreements providing access to Nociscan in key markets such as New York, New Jersey, Arizona, Colorado, and Michigan. This groundwork will lead to increasing payer acceptance and greater awareness of the cost savings and avoided suffering enabled by ACON's technology.

More fundraising required: Having raised \$1.4 million equity capital in Q3 FY24, ACON exited September with \$1.3 million in cash on the balance sheet, approximately 3 months' worth of runway. We expect the company will need to raise at least \$4 million through 1H FY25 to fund its operations.

Adjusting 12-month price target to \$1.30 (from \$1.50) to reflect higher share count: We are maintaining our whole company NPV estimate but adjusting our 12-month target to account for increased share count. Our new target of \$1.30 represents 6.2x upside from the current share price. With a market cap of just \$1.7 million, and a 9-figure market opportunity, we believe the stock offers favorably risk reward, though equity offerings will lead to substantial dilution.

Company Description

Based in Colorado, Aclarion is a healthcare diagnostic company that uses AI-driven imaging to improve clinical treatment of lower back and neck pain.

United States
Healthcare

November 26, 2024

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.16 – 7.39
Shares Outstanding (million):	9.4
Market cap (\$million):	\$1.7
EV (\$million):	\$0.4
Debt (\$million):	\$0.0
Cash (\$million):	\$1.3
Avg. Daily Trading Vol. (\$ million):	\$0.1
Float (million shares):	7.7
Short Interest (million shares):	0.4
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Cur.)
Q1 Mar	0.01A		0.03E	0.03E
Q2 Jun	0.01A		0.03E	0.03E
Q3 Sep	0.01A	0.03E	0.04E	0.09E
Q4 Dec	0.02E	0.02E	0.05E	0.07E
Total	0.06E	0.08E	0.14E	0.22E
EV/Revs	NM	NM	NM	NM

Earnings per Share (pro forma, \$)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Cur.)
Q1 Mar	(0.44)A		(0.16)E	(0.18)E
Q2 Jun	(0.15)A		(0.15)E	(0.16)E
Q3 Sep	(0.15)A	(0.18)E	(0.17)E	(0.19)E
Q4 Dec	(0.15)E	(0.17)E	(0.17)E	(0.19)E
Total	(0.79)E	(0.86)E	(0.65)E	(0.73)E
P/E	NA	NA	NA	NA

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

Exhibit 1: Aclarion, Inc. Investment Highlights

Key Takeaways



- ✓ Address a leading cause of healthcare expenditures in the U.S. – up to \$134.5B market ¹
- ✓ Industry 1st noninvasive diagnostic with strong clinical evidence of value
- ✓ 39 issued US & International patents with another 13 pending – supports a platform technology
- ✓ CPT codes issued & regulatory path secured in US, EU & UK – gateway to commercialization
- ✓ Strong value proposition for patients, doctors, imaging centers and payers
- ✓ Established path to success for AI algorithms in heart disease and stroke
- ✓ Successful management team with relevant industry knowledge

¹ Dieleman JL. JAMA. (2020). 323(9)
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Source: Company Reports

Exhibit 2: Aclarion, Inc. Reimbursement Landscape

Reimbursement Landscape



CPT Category III Codes secured January 1, 2021

CPT Code	Description
0609T	MRS, determination & localization of discogenic pain (cervical, thoracic, or lumbar); acquisition of single voxel data, per disc, in ≥3 discs – PAID TO IMAGING CENTER
0611T	MRS, determination & localization of discogenic pain (cervical, thoracic, or lumbar); postprocessing for algorithmic analysis of biomarker data for determination of relative chemical differences between discs – PAID TO ACLARION



Transition to Category I codes



Increase volume of Category III code billing



Partner with surgeon KOL's & societies to engage payers

International Society for the Advancement of Spine Surgery indicates MRS as a SOC alternative to discogram

Source: Company Reports

Exhibit 3: Gornet Study and First Big Clinical Win

Better Surgical Outcomes

Gornet et al

2019	139	85%	63%	2 year
Gornet study published in European Spine Journal ¹	139 cLBP patients with 73 undergoing surgery	85% of patients improved if all Nociscan positive discs treated ²	63% of patients improved if a Nociscan positive disc was not treated ²	Durable at 2 year follow up ²

Published in the European Spine Journal in 2019 & 2023

¹ Gornet et al. Magnetic resonance spectroscopy (MRS) can identify painful lumbar discs and may facilitate improved clinical outcomes of lumbar surgeries for discogenic pain. European Spine Journal. 2019; 28: 674-687

² Gornet et al. Magnetic resonance spectroscopy (MRS) identification of chemically painful lumbar discs leads to improved 6-12-24 month outcomes for discogenic low back pain surgeries. European Spine Journal. 2023; 32(6): 1973-1984

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Source: Company Reports

Exhibit 4: Aclarion, Inc. Key Catalyst for Revenue Growth

Local Payer Coverage Decisions – Key Catalyst

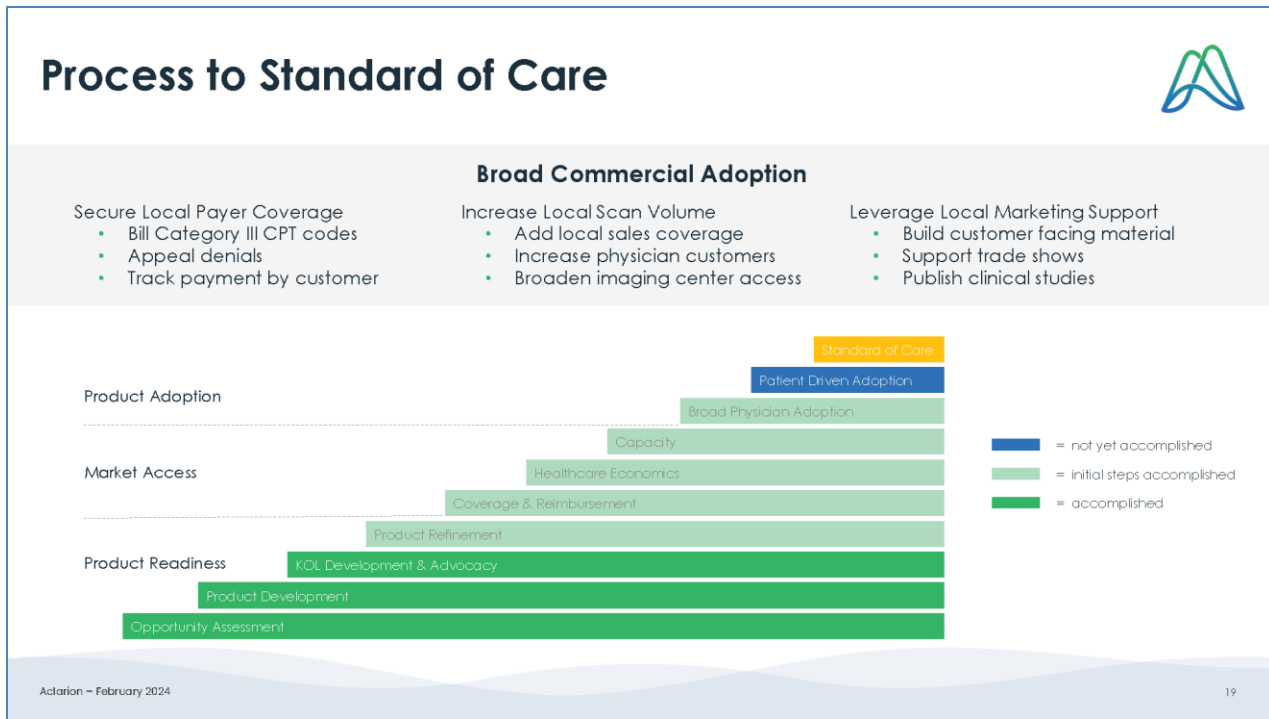
Key Near Term Catalysts

- MRI activations for KOLs
- Increased scan volumes
- Coverage decision from local payers

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Source: Company Reports

Exhibit 5: Aclarion, Inc. Roadmap to Standard of Care



Source: Company Reports

Exhibit 6: Aclarion’s Strategic Partnership with ATEC

Strategic Partnership

Executed a multi-step strategic partnership:


- ATEC is a medical device company dedicated to revolutionizing the approach to spine surgery through clinical distinction
- Key Opinion Leader (KOL) surgeons have been identified to evaluate Nociscan technology
- Clinical evaluations will assess synergies between Nociscan and ATEC’s AlphaInformatiX platform
- ATEC and Aclarion will co-market Nociscan in targeted markets
- ATEC earns certain exclusive distribution rights to include Nociscan as part of an integrated procedural solution


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Source: Company Reports


Exhibit 7: Aclarion's Intellectual Property

Intellectual Property







22 issued U.S. Patents




17 issued International Patents



13 Pending Patent Applications



Exclusive worldwide license from UCSF for intervertebral disc biomarkers & ratios



IP broadly covers:

- Use of proprietary biomarkers & ratios to identify clinically painful and non-painful discs

- Post processing technologies to more reliably & accurately measure biomarkers from MRS spectra

- AI to correlate raw spectra to clinical outcomes

- Use of internal tissue controls when using MRS

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Source: Company Reports

Exhibit 8: Aclarion's Senior Leadership

Management Team





Jeff Thramann, MD
Executive Chairman

- Serial entrepreneur with multiple exits
- Over 100 US & International patents
- Public company board experience
- Neurosurgeon & spine fellow
- U.S. Military Academy @ West Point
- Cornell University Medical College
- Barrow Neurological Institute



Brent Ness
CEO & Director

- Experienced healthcare leader with highly relevant background
- AI experience at HeartFlow & Cleerly
- Spine experience at Medtronic, Mighty Oak & ProNerve
- Imaging experience at GE Healthcare
- University of North Dakota
- University of Colorado MBA



John Lorbiecki
CFO

- Seasoned financial executive
- Divisional CFO at Kyphon & SNT within Medtronic
- Crossover operational experience
- Early & late stage company exposure
- University of St. Thomas magna cum laude
- University of Chicago MBA



Ryan Bond
Chief Strategy Officer

- Leading strategy since 2018
- Instrumental in securing Cat III CPT codes
- Coordinated key clinical trials
- Spine experience at Nuvasive
- Ohio University

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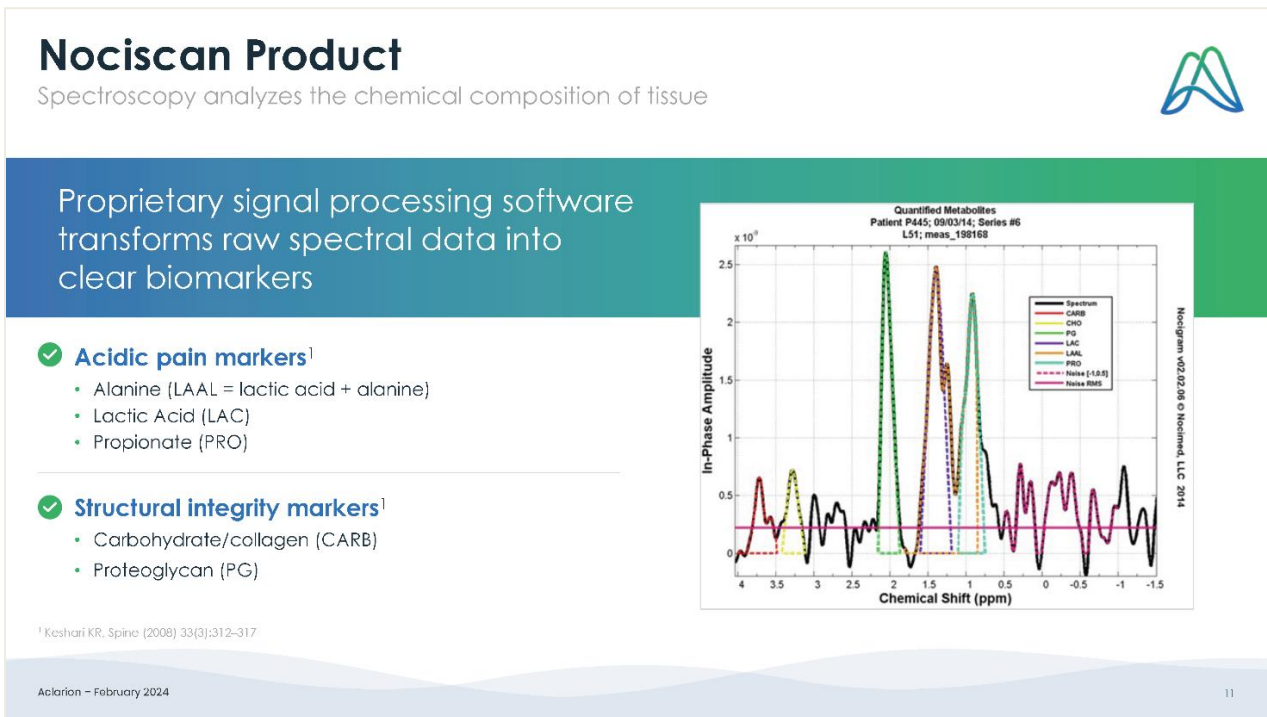
Source: Company Reports

Exhibit 9: NOCISCAN's Market Opportunity



Source: Company Reports

Exhibit 10: NOCISCAN Transforms Raw Spectral Data into Clear Biomarkers



Source: Company Reports

Exhibit 11: Key Opinion Leader and Scientific Advisory Boards

Key Opinion Leader Advocacy & Scientific Advisory

Key Opinion Leader Advocacy

George Frey MD	Christopher Ames MD	Sig Berven MD	Juan Uribe MD	John Keller MD
Region: Denver, CO	San Francisco, CA	San Francisco, CA	Phoenix, AZ	Grand Rapids, MI

Eric Polts MD	Roger Harff MD	Greg Basal MD	Apeesh Patel MD	Dean Karahalios MD
Region: Indianapolis, IN	New York City, NY	Miami, FL	Evanston, IL	Chicago, IL

Scientific Advisory

Jeff Lotz, PhD

Larry Tanenbaum, MD

Bob Eastlack, MD

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Source: Company Reports

Exhibit 12: Aclarion, Inc. Consensus Expectations

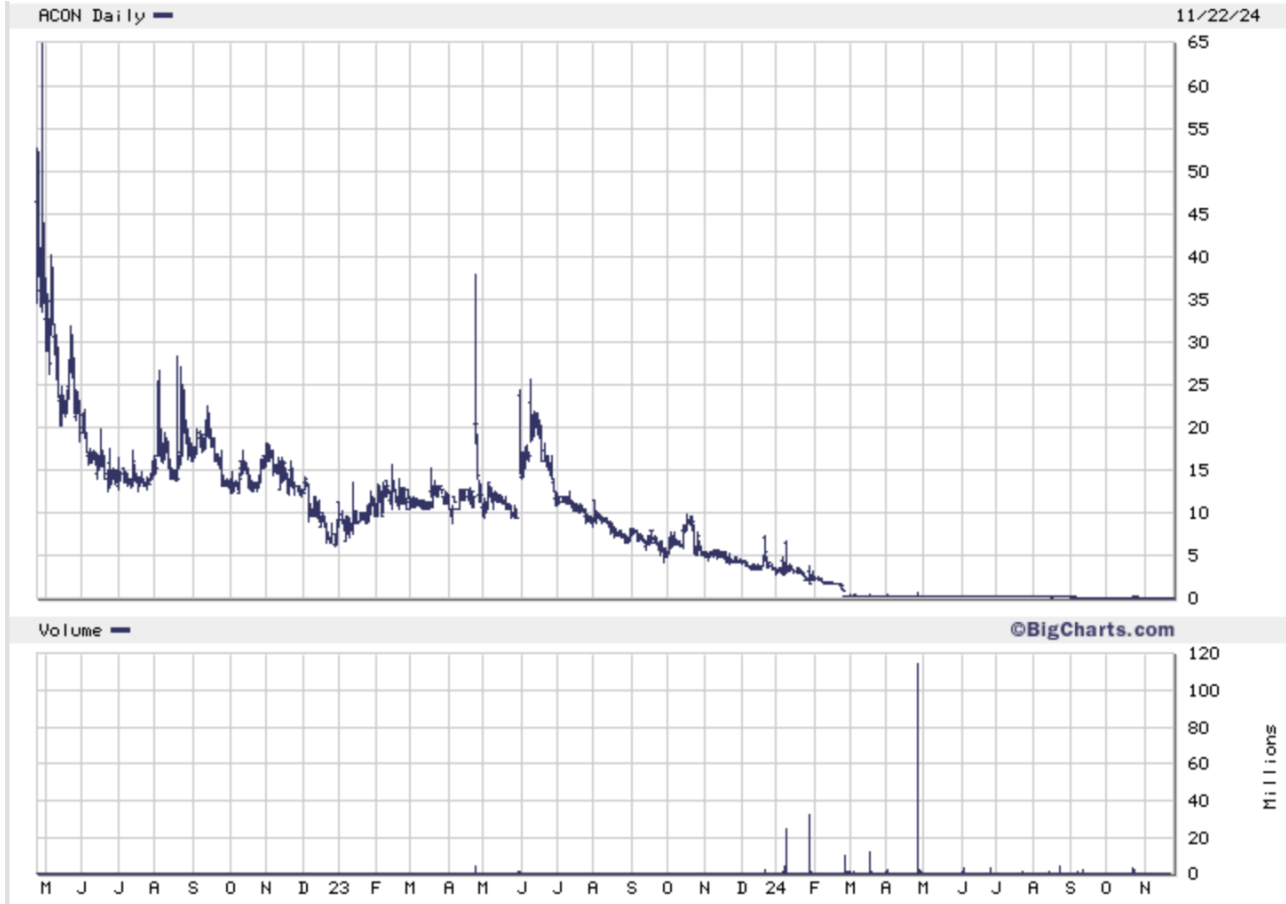
24-Nov-24

Revenue consensus (\$ million)			EPS consensus (pro forma)		
	FY2024E	FY2025E		FY2024E	FY2025E
Q1 Mar	0.01A	0.03E	Q1 Mar	(0.44)A	(0.15)E
Q2 Jun	0.01A	0.04E	Q2 Jun	(0.15)A	(0.13)E
Q3 Sep	0.01A	0.09E	Q3 Sep	(0.15)A	(0.14)E
Q4 Dec	0.02E	0.10E	Q4 Dec	(0.15)E	(0.13)E
Total	0.07E	0.26E	Total	(0.87)E	(0.55)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: CapitalIQ, Company Reports, Ascendant Capital Markets Estimates

Exhibit 13: Aclarion, Inc. Daily Stock Price Since IPO (April 2022)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

Aclarion, Inc. (ACON)

Income Statement (\$ mils)	2020	2021	2022	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Revenue														
Total revenue	0.05	0.06	0.06	0.08	0.01	0.01	0.01	0.02	0.06	0.03	0.03	0.04	0.05	0.14
Cost of revenue	0.07	0.07	0.07	0.08	0.02	0.02	0.02	0.03	0.10	0.04	0.05	0.05	0.08	0.22
Gross profit (Loss)	(0.0)	(0.0)	(0.0)	(0.0)	-0.01	-0.01	-0.01	-0.01	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Operating expenses														
Sales and marketing	1.4	0.3	0.5	0.8	0.2	0.2	0.2	0.2	0.9	0.2	0.3	0.3	0.2	1.0
Research and development	1.1	0.8	1.1	0.9	0.2	0.2	0.2	0.3	0.9	0.3	0.2	0.2	0.3	1.0
General and administrative	-	1.8	4.0	3.2	0.8	0.7	0.9	0.9	3.3	1.0	0.8	1.0	1.0	3.8
Other Operating Expense/(Income)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	2.5	2.9	5.6	4.9	1.3	1.1	1.3	1.3	5.0	1.5	1.3	1.5	1.5	5.8
Loss from operations	(2.5)	(3.0)	(5.6)	(4.9)	(1.3)	(1.1)	(1.3)	(1.4)	(5.1)	(1.5)	(1.3)	(1.5)	(1.6)	(5.9)
Other income (expense)														
Interest Expense	(0.2)	(0.5)	(1.5)	(0.6)	-0.3	-0.1	-0.1	-0.1	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Loss on exchange of debt	(0.0)	-	-	(0.1)	-1.1	0.0	0.0	-	(1.1)	-	-	(0.0)	-	(0.0)
Loss on extinguishment of debt	-	0.4	-	-	-0.1	0.0	-	-	(0.1)	-	-	-	-	-
Changes in fair value of warrant	-	(1.9)	-	0.6	0.3	0.0	0.0	-	0.3	-	-	-	-	-
Other, net	(2.0)	0.0	0.0	(0.0)	0.1	0.0	0.0	-	0.1	-	-	-	-	-
Total other income (expense)	(2.2)	(2.0)	(1.5)	(0.0)	(1.1)	(0.1)	(0.1)	(0.1)	(1.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Net loss	(4.6)	(5.0)	(7.1)	(4.9)	(2.4)	(1.2)	(1.4)	(1.4)	(6.4)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)
Pref. Dividends and Other Adj.	0.9	(1.0)	(0.4)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	-	-	-	-
Net loss to common	(3.8)	(6.0)	(7.5)	(4.9)	(2.4)	(1.2)	(1.4)	(1.4)	(6.4)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)
Weighted average common share	0.1	0.1	0.5	0.7	5.4	8.2	9.4	9.4	8.1	9.4	9.4	9.4	9.4	9.4
Shares, Diluted	0.1	0.1	0.5	0.7	5.4	8.2	9.4	9.4	8.1	9.4	9.4	9.4	9.4	9.4
EPS Basic (GAAP)	(66.83)	(105.22)	(15.21)	(7.22)	(0.44)	(0.15)	(0.15)	(0.15)	(0.79)	(0.16)	(0.15)	(0.17)	(0.17)	(0.65)
EPS Diluted (GAAP)	(66.83)	(105.22)	(15.21)	(7.22)	(0.44)	(0.15)	(0.15)	(0.15)	(0.79)	(0.16)	(0.15)	(0.17)	(0.17)	(0.65)
Margins														
Gross margin	-36%	-15%	-8%	0%	-93%	-112%	-48%	-69%	-76%	-69%	-87%	-30%	-49%	-55%
General and admin	0%	3028%	6602%	4304%	8363%	6345%	5973%	4181%	5816%	3847%	2919%	2747%	1923%	2675%
Sales and marketing	2893%	549%	824%	1004%	1790%	2051%	1616%	1038%	1519%	823%	944%	743%	478%	699%
Operating margin	-5092%	-4898%	-9201%	-6466%	-12609%	-10351%	-8966%	-6567%	-9016%	-5827%	-4796%	-4146%	-3038%	-4167%
Tax rate, GAAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net margin	-9526%	-8211%	-11694%	-6513%	-23721%	-11285%	-9483%	-6913%	-11451%	-6110%	-5057%	-4363%	-3176%	-4376%
Y/Y % change														
Revenue	81%	24%	0%	25%	-60%	-36%	-24%	50%	50%	150%	150%	150%	150%	150%
COGS	5%	4%	-6%	16%	12%	21%	9%	80%	80%	120%	120%	120%	120%	120%
General and administrative ex	NM	NM	119%	-19%	5%	-26%	12%	20%	3%	15%	15%	15%	15%	15%
Total operating expenses	-38%	20%	89%	-12%	6%	-20%	11%	20%	20%	15%	15%	15%	15%	15%
Operating Income	-38%	19%	88%	-12%	8%	-19%	12%	21%	4%	16%	16%	16%	16%	16%
Net income	15%	7%	43%	-31%	103%	-15%	37%	13%	31%	-36%	12%	15%	15%	-4%
EPS	10049%	57%	-86%	-53%	-82%	-95%	-92%	-92%	-89%	-63%	-2%	14%	15%	-18%
D&A as % of PPE and IA	16%	12%	13%	14%	14%	14%	14%	14%	16%	14%	14%	14%	14%	14%

Source: Company reports, Ascendant Capital Markets estimates

Aclarion, Inc. (ACON)

Balance Sheet (\$ mils)	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q4A	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets												
Cash	0.0	0.4	1.5	1.0	2.1	1.2	1.3	(0.1)	(1.6)	(3.0)	(4.6)	(6.2)
Restricted cash		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Prepays and other current assets	0.1	0.3	0.2	0.2	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total current assets	0.1	0.7	1.7	1.3	2.5	1.9	1.9	0.5	(1.0)	(2.3)	(3.9)	(5.5)
Property and equipment, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets, net	1.2	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3
Total assets	1.3	1.9	2.9	2.5	3.7	3.1	3.2	1.8	0.3	(1.0)	(2.6)	(4.2)
Liabilities and Stockholders' Equity												
Current liabilities												
Accounts payable	0.9	1.1	0.5	0.8	0.2	0.2	0.3	0.4	0.4	0.4	0.5	0.5
Accrued and other liabilities	0.3	0.7	0.2	0.9	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Note payable, net of discount	2.4	2.0	-	1.1	0.7	0.8	-	-	-	-	-	-
Warrant liability	4.9	-	-	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative liability	-	-	-	0.1	0.0	0.0	-	-	-	-	-	-
Liability to issue equity	-	-	-	0.0	-	-	-	0.0	0.0	0.0	0.0	0.0
Preferred dividends payable	-	3.9	-	-	-	-	-	-	-	-	-	-
Total current liabilities	8.4	7.6	0.7	3.2	1.2	1.4	0.7	0.7	0.8	0.8	0.8	0.9
Total Liabilities	8.4	7.6	0.7	3.2	1.2	1.4	0.7	0.7	0.8	0.8	0.8	0.9
Stockholders' Equity												
Pref. Stock, Convertible	0.0	7.1	-	-	-	-	-	-	-	-	-	-
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid In Capital	18.8	19.1	41.6	43.6	49.2	49.6	51.8	51.8	51.8	51.8	51.8	51.8
Retained Earnings	(25.9)	(31.9)	(39.4)	(44.3)	(46.7)	(47.9)	(49.3)	(50.7)	(52.2)	(53.6)	(55.2)	(56.9)
Comprehensive Inc. and Other	-	-	-	-	-	-	-	-	-	-	-	-
Total stockholders' equity	(7.1)	(5.7)	2.2	(0.7)	2.5	1.6	2.5	1.1	(0.5)	(1.9)	(3.4)	(5.1)
Total liabilities and stockholders' equity	1.3	1.9	2.9	2.5	3.7	3.1	3.2	1.8	0.3	(1.0)	(2.6)	(4.2)

Balance Sheet Drivers

	Dec-21	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
	Q4A	Q4A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E	
Book & Cash Value (per share)												
Book Value per Share (diluted)	(125.14)	(101.22)	4.52	(1.07)	0.46	0.20	0.27	0.11	(0.05)	(0.20)	(0.36)	(0.54)
Cash per Share (diluted)	1.32	12.47	3.40	1.86	0.46	0.22	0.20	0.05	(0.11)	(0.26)	(0.42)	(0.60)
Net cash per Share (diluted)	0.26	7.64	2.99	1.50	0.39	0.14	0.14	(0.01)	(0.17)	(0.32)	(0.48)	(0.66)

Source: Company reports, Ascendant Capital Markets estimates

Aclarion, Inc. (ACON)

Cash Flow Statement (\$ mils)	2021	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																		
Net Loss	(5.0)	(7.1)	(1.2)	(1.5)	(1.0)	(1.3)	(4.9)	(2.4)	(1.2)	(1.4)	(1.5)	(6.5)	(1.6)	(1.4)	(1.6)	(1.7)	(6.3)	
(Growth factor for forecasts)												0.1					0.1	
Adjustments to reconcile net income (loss) to net cash used in operating activities:																		
Depreciation and amortization	0.2	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.2	
Share-based compensation	0.2	1.2	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.2					-	
Share-based vendor payments		0.1	-	-	-	-	-	-	-	-	-	-					-	
Interest conversion discount settled in equity		1.3	-	-	-	-	-	-	-	-	-	-					-	
Loss on disposal of furniture and equip		0.0	-	-	-	-	-	-	-	-	-	-					-	
Loss on exchange of debt		-	-	-	-	-	-	1.1	-	0.0	-	1.1					-	
Loss on extinguishment of debt		-	-	-	-	-	-	0.1	-	-	-	0.1					-	
Amortization of deferred issuance cos		-	-	0.0	0.1	0.3	0.5	0.3	0.1	0.1	-	0.5					-	
Change in fair value related to warrant		-	-	0.0	(0.3)	(0.3)	(0.6)	(0.3)	(0.0)	(0.0)	-	(0.3)					-	
Change in assets and liabilities		-	-	-	-	-	-	-	-	-	-	-					-	
Non-cash interest related to bridge fur		-	-	0.0	0.0	0.0	0.1	-	0.0	0.0	-	0.1					-	
Warrants issued as non-cash finance		0.0	-	-	-	0.1	0.1	-	-	-	-	-					-	
Gain on forgiveness of PPP loans		(0.4)	-	-	-	-	-	-	-	-	-	-					-	
1.9		-	-	-	-	-	-	-	-	-	-	-					-	
Accounts receivable		0.0	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Prepays and other current assets		(0.2)	(0.1)	(0.0)	0.0	0.0	(0.1)	(0.0)	(0.1)	(0.3)	0.1	(0.3)	-	-	-	-	-	
Changes in fair value of redeemable p		-	-	-	-	0.0	(0.0)	-	-	-	-	-					-	
Accounts payable		0.2	(0.6)	0.1	(0.0)	0.1	0.0	(0.6)	0.1	0.1	0.0	(0.4)	0.1	0.0	0.0	0.0	0.2	
Accrued and other liabilities		0.5	(0.1)	(0.0)	0.3	(0.1)	0.3	(0.4)	0.1	(0.1)	-	(0.3)	-	-	-	-	-	
Accrued interest on promissory and co		0.1	0.2	-	-	-	(0.0)	-	-	-	-	-					-	
Note payable, net of discount		-	-	-	-	-	-	-	(0.0)	-	-	-					-	
Net cash used in operating activities	(2.4)	(4.9)	(1.0)	(0.9)	(1.0)	(0.7)	(3.6)	(2.2)	(1.1)	(1.1)	(1.4)	(5.8)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	
Investing Activities																		
Capital Expenditure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of Property, Plant, and Equipment		-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale (Purchase) of Intangible assets		(0.1)	(0.2)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-	(0.3)					-	
Net cash used in investing activities	(0.1)	(0.2)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-	(0.3)	-	-	-	-	-	
Financing Activities																		
IPO/bridge funding issuance costs		-	-	(0.1)	(0.2)	0.3	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from bridge funding		-	-	1.3	0.8	(2.0)	-	-	-	-	-	-	-	-	-	-	-	
Issuance of common stock and warra		-	-	-	-	-	-	2.7	-	-	-	2.7	-	-	-	-	-	
Proceeds from equity line		-	-	-	-	1.5	1.5	1.4	0.3	-	-	1.8	-	-	-	-	-	
Proceeds from common stock and warrant RegA+ offering		-	-	-	-	-	-	-	-	0.5	-	0.5	-	-	-	-	-	
Proceeds from sales of C-Series preferred stock and warrants		-	-	-	-	-	-	-	-	1.0	-	1.0	-	-	-	-	-	
Common stock cash issuance costs		-	-	-	-	-	-	-	-	(0.7)	-	(0.7)	-	-	-	-	-	
Preferred stock cash issuance costs		-	-	-	-	-	-	-	-	(0.0)	-	(0.0)	-	-	-	-	-	
IPO cash issuance costs		(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repayment of promissory notes		(2.0)	-	-	-	-	-	(0.3)	-	0.0	-	(0.3)	-	-	-	-	-	
Issuance of common stock and warrant		8.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity line cash issuance costs		-	-	-	-	-	-	(0.3)	(0.0)	0.3	-	-	-	-	-	-	-	
Public offering cash issuance costs		-	-	-	-	-	-	(0.1)	(0.1)	0.3	-	-	-	-	-	-	-	
Bridge fund cash issuance costs		-	-	-	-	(0.3)	(0.3)	(0.0)	-	-	-	(0.0)	-	-	-	-	-	
Equity line issuance costs		-	-	-	-	(0.1)	(0.1)	-	-	-	-	-	-	-	-	-	-	
Proceeds from issuance of PPP Loan		0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from issuance of convertib		0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from issuance of promiss		2.0	-	-	-	2.3	2.3	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of Series A prefer		-	-	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-	-	
Redemption of Series A Preferred stoc		-	-	(0.0)	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-	
Issuance of Pref. Stock		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Financing Activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash provided by financing activiti	2.9	6.2	-	1.2	0.5	1.6	3.3	3.4	0.2	1.3	-	4.9	-	-	-	-	-	
Net cash increase (decrease)	0.4	1.0	(1.0)	0.2	(0.4)	0.9	(0.5)	1.1	(1.0)	0.1	(1.4)	(1.1)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	
Cash balance at beginning of period	0.0	0.5	1.5	0.5	0.6	0.2	1.5	1.0	2.1	1.2	1.3	1.0	(0.1)	(1.6)	(3.0)	(4.6)	(0.1)	
Cash balance at end of period	0.5	1.5	0.5	0.6	0.2	1.0	1.0	2.1	1.2	1.3	(0.1)	(0.1)	(1.6)	(3.0)	(4.6)	(6.2)	(6.2)	

Source: Company reports, Ascendant Capital Markets estimates

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Ratings Distribution and Investment Banking Disclosure (As of October 11, 2024)

	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	21	36%

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