

Aclarion, Inc.

Aclarion Q2 FY 2024 results beat on lower operating expenses. New payer announcements very positive, but product revenues have yet to come through. Lowering PT to \$1.50 from \$1.60.

COMPANY UPDATE

Rating: BUY

Ticker: ACON

Price: \$0.23

Target: \$1.50
(from \$1.60)

Q2 FY 2024 beat on lower expenses: Q2 EPS came in at \$(0.15), in line with consensus and ahead of our estimate of \$(0.23). Total operating expenses for the quarter came in at \$1.1 million, compared to \$1.3 million in the prior quarter, and our estimate of \$1.7 million. No forward guidance was provided.

Revenue ramp slower than expected: Revenues for the quarter were \$11,100 (-36% yoy) and lower than our forecast of \$29,000. R&D expenses were \$202,102 for the quarter (-19% YOY), and lower than our forecast of \$300,000.

Adjusting estimates: We are raising our FY24 EPS estimate to \$(0.86), versus \$(0.99) previously, reflecting cost reductions and a high share-count. Our FY25 estimate is now \$(0.73), versus \$(0.95) previously. Consensus estimates are \$(0.88) and \$(0.84), 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 recommend Aclarion's available market opportunity in the US alone at over \$400 million per year.

Aclarion has successfully garnered interest from key opinion leaders (KOLs) and medical payers. Medical payers have started to recognize the potential savings from avoided surgeries and ineffective treatments. On June 26, 2024, the company announced initial payer coverage of NOCISCAN by AXA insurance throughout Greater London in a recent move to expand its business footprint outside the US.

New payers announced in the US and UK: In August 2024, the company announced it has secured two new payer relationships with Aviva and Vitality, both in the UK. Payer coverage is the most important catalyst to drive new revenue and higher valuation. In addition, on August 14, Aclarion entered a partnership with Sheridan Community Hospital, marking its expansion into the US market.

More fundraising required: With \$1.2 million in cash exiting the June fiscal quarter, and a current cash burn rate of ~\$1.5 million per quarter, Aclarion will need to raise significant capital to fund its roadmap. In the last quarter, the company raised gross proceeds of \$0.3 million, providing insufficient runway through the current (Q3 FY24) quarter. We estimate the company will need to raise an additional \$3-4 million in 2H FY24 and at least \$0.5 million in the current quarter.

Lowering 12-month price target to \$1.50 (from \$1.60) to reflect a slower NOCISCAN commercial ramp: Our new 12-month target of \$1.50 reflects a slower ramp of NOCISCAN sales relative to our previous forecast. Our target is based on an NPV and represents a 5.5x upside from the current share price. We believe this valuation appropriately balances out the company's business risks with the company's high growth prospects and significant stock upside potential.

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.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.20 – 9.90
Shares Outstanding (million):	8.6
Market cap (\$million):	\$2.0
EV (\$million):	\$1.6
Debt (\$million):	\$0.8
Cash (\$million):	\$1.2
Avg. Daily Trading Vol. (\$ million):	\$0.1
Float (million shares):	8.0
Short Interest (million shares):	0.37
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	0.08E
Q3 Sep	0.03E	0.03E	0.09E	0.09E
Q4 Dec	0.02E	0.02E	0.07E	0.07E
Total	0.08E	0.1E	0.22E	0.3E
EV/Revs	NM	NM	NM	NM

Earnings per Share (pro forma, \$)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Cur.)
Q1 Mar	(0.44)A		(0.18)E	(0.22)E
Q2 Jun	(0.15)A	(0.23)E	(0.16)E	(0.28)E
Q3 Sep	(0.18)E		(0.19)E	(0.23)E
Q4 Dec	(0.17)E		(0.19)E	(0.23)E
Total	(0.86)E	(0.99)E	(0.73)E	(0.95)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)
Aclarion – February 2024

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

Aclarion – February 2024

Source: Company Reports

Exhibit 3: Gornet Study and First Big Clinical Win

Better Surgical Outcomes

Gornet et al

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

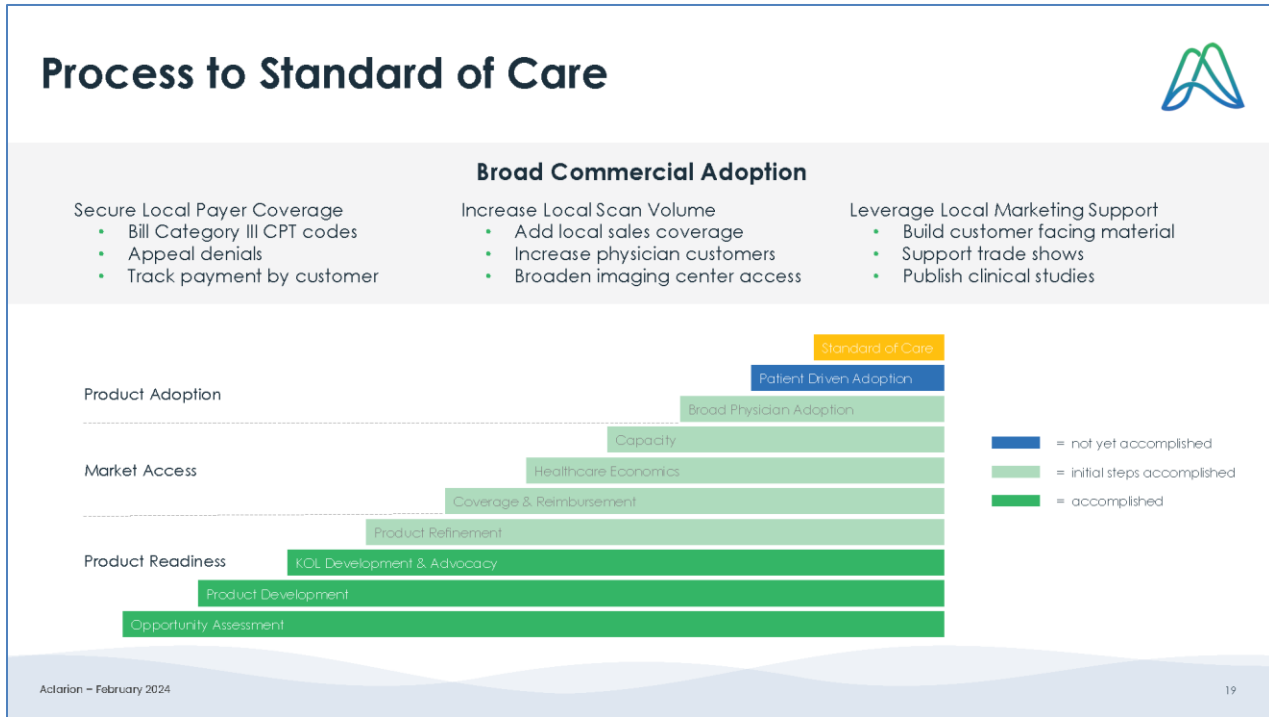
Key Near Term Catalysts

- 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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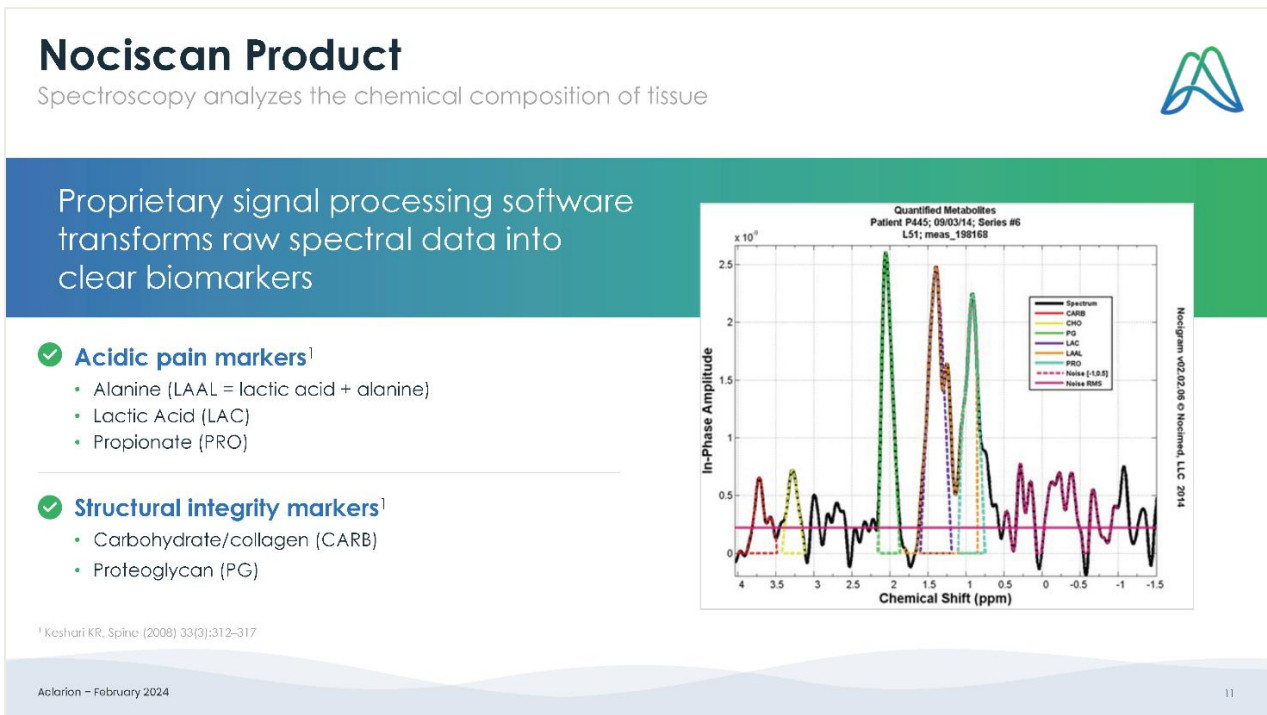
Source: Company Reports

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
Denver, CO	San Francisco, CA	San Francisco, CA	Phoenix, AZ	Grand Rapids, MI

Eric Polts MD	Roger Harff MD	Greg Basal MD	Apesth Patel MD	Dean Karahalios MD
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

21-Aug-24

Revenue consensus (\$ million)				EPS consensus (pro forma)			
	FY2024E	FY2025E	FY2026E		FY2024E	FY2025E	FY2026E
Q1 Mar	0.01A	0.03E	0.07E	Q1 Mar	(0.44)A	(0.21)E	(0.22)E
Q2 Jun	0.01A	0.03E	0.08E	Q2 Jun	(0.15)A	(0.19)E	(0.20)E
Q3 Sep	0.03E	0.09E	0.23E	Q3 Sep	(0.19)E	(0.22)E	(0.22)E
Q4 Dec	0.02E	0.07E	0.16E	Q4 Dec	(0.18)E	(0.22)E	(0.22)E
Total	0.08E	0.22E	0.54E	Total	(0.88)E	(0.84)E	(0.86)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	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	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Revenue																			
Total revenue	0.05	0.06	0.06	0.03	0.02	0.02	0.01	0.08	0.01	0.01	0.03	0.02	0.08	0.03	0.03	0.09	0.07	0.22	
Cost of revenue	0.07	0.07	0.07	0.02	0.02	0.02	0.02	0.08	0.02	0.02	0.04	0.03	0.11	0.04	0.05	0.08	0.08	0.25	
Gross profit (Loss)	(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	(0.0)	(0.0)	
Operating expenses																			
Sales and marketing	1.4	0.3	0.5	0.2	0.2	0.2	0.2	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	0.2	0.3	0.2	0.2	0.9	0.2	0.2	0.2	0.3	0.9	0.3	0.2	0.3	0.3	1.1	
General and administrative	-	1.8	4.0	0.8	0.9	0.8	0.7	3.2	0.8	0.7	0.9	0.9	3.3	0.9	0.8	1.0	1.0	3.7	
Other Operating Expense/(Income)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total operating expenses	2.5	2.9	5.6	1.2	1.4	1.2	1.1	4.9	1.3	1.1	1.4	1.3	5.1	1.4	1.3	1.6	1.5	5.7	
Loss from operations	(2.5)	(3.0)	(5.6)	(1.2)	(1.4)	(1.2)	(1.1)	(4.9)	(1.3)	(1.1)	(1.4)	(1.4)	(5.2)	(1.4)	(1.3)	(1.5)	(1.5)	(5.8)	
Other income (expense)																			
Interest Expense	(0.2)	(0.5)	(1.5)	(0.0)	(0.0)	(0.2)	(0.4)	(0.6)	(0.3)	(0.1)	(0.1)	(0.1)	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	
Loss on exchange of debt	(0.0)	-	-	-	-	-	(0.1)	(0.1)	(1.1)	-	-	-	(1.1)	-	-	-	-	-	
Loss on extinguishment of debt	-	0.4	-	-	-	-	-	-	(0.1)	-	-	-	(0.1)	-	-	-	-	-	
Changes in fair value of warrant and derivativ	-	(1.9)	-	-	(0.0)	0.3	0.3	0.6	0.3	0.0	-	-	0.3	-	-	-	-	-	
Other, net	(2.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.0)	0.1	(0.0)	-	-	0.1	-	-	-	-	-	
Total other income (expense)	(2.2)	(2.0)	(1.5)	(0.0)	(0.1)	0.2	(0.1)	(0.0)	(1.1)	(0.1)	(0.1)	(0.1)	(1.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	
Net Loss	(4.6)	(5.0)	(7.1)	(1.2)	(1.5)	(1.0)	(1.3)	(4.9)	(2.4)	(1.2)	(1.5)	(1.5)	(6.6)	(1.6)	(1.4)	(1.7)	(1.6)	(6.3)	
Pref. Dividends and Other Adj.	0.9	(1.0)	(0.4)	-	-	-	-	0.0	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	
Weighted average common shares outstanding	0.1	0.1	0.5	0.5	0.5	0.5	0.7	0.7	5.4	8.2	8.6	8.6	7.7	8.6	8.6	8.6	8.6	8.6	
Shares, Diluted	0.1	0.1	0.5	0.5	0.5	0.5	0.7	0.7	5.4	8.2	8.6	8.6	7.7	8.6	8.6	8.6	8.6	8.6	
EPS Basic (GAAP)	(96.92)	(105.22)	(15.21)	(2.39)	(2.83)	(1.87)	(1.86)	(7.22)	(0.44)	(0.15)	(0.18)	(0.17)	(0.86)	(0.18)	(0.16)	(0.19)	(0.19)	(0.73)	
EPS Diluted (GAAP)	(96.92)	(105.22)	(15.21)	(2.39)	(2.83)	(1.87)	(1.86)	(7.22)	(0.44)	(0.15)	(0.18)	(0.17)	(0.86)	(0.18)	(0.16)	(0.19)	(0.19)	(0.73)	
Margins																			
Gross margin	-36%	-15%	-8%	31%	-13%	-3%	-41%	0%	-93%	-112%	-9%	-49%	-47%	-51%	-67%	15%	-17%	-15%	
General and admin	0%	3028%	6602%	3171%	5542%	4042%	5226%	4304%	8363%	6345%	2853%	3689%	4330%	3345%	2538%	1141%	1476%	1732%	
Sales and marketing	2893%	549%	824%	686%	1217%	1012%	1298%	1004%	1790%	2051%	714%	916%	1108%	716%	820%	286%	366%	443%	
Operating margin	-6092%	-4898%	-9201%	-4638%	-8237%	-6096%	-8164%	-6466%	-12609%	-10381%	-4310%	-5783%	-6711%	-5058%	-4162%	-1706%	-2311%	-2681%	
Tax rate, GAAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net margin	-9526%	-8211%	-11694%	-4646%	-8579%	-5235%	-9171%	-6513%	-23721%	-11285%	-4704%	-6328%	-8637%	-5509%	-4578%	-1847%	-2505%	-2918%	
Y/Y % change																			
Revenue	81%	24%	0%	182%	60%	5%	-39%	25%	-60%	-36%	70%	70%	70%	180%	180%	180%	180%	180%	
COGS	5%	4%	-6%	4%	35%	15%	12%	16%	12%	21%	80%	80%	80%	120%	120%	120%	120%	120%	
General and administrative expenses	NM	NM	119%	64%	-45%	-35%	23%	-19%	5%	-26%	20%	20%	8%	12%	12%	12%	12%	12%	
Total operating expenses	-38%	20%	89%	55%	-36%	-29%	18%	-12%	6%	-20%	20%	20%	20%	12%	12%	12%	12%	12%	
Operating Income	-38%	19%	88%	53%	-36%	-29%	20%	-12%	8%	-19%	20%	20%	6%	12%	13%	11%	12%	12%	
Net income	15%	7%	43%	26%	-59%	-39%	34%	-31%	103%	-15%	53%	17%	35%	-35%	14%	10%	11%	-5%	
EPS	9593%	9%	-86%	-79%	-60%	-44%	-3%	-53%	-82%	-95%	-91%	-91%	-88%	-59%	9%	10%	11%	-15%	
D&A as % of PPE and IA	16%	12%	13%	13%	14%	14%	14%	13%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	

Source: Company reports, Ascendant Capital Markets estimates

Aclarion, Inc. (ACON)

Balance Sheet (\$ mils)	Dec-20	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	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	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets															
Cash	0.0	0.4	1.5	0.4	0.6	0.2	1.0	2.1	1.2	0.7	(0.8)	(2.4)	(3.8)	(5.4)	(7.1)
Restricted cash	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
Accounts receivable, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2
Prepays and other current assets	0.1	0.3	0.2	0.2	0.2	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	0.7	0.8	0.4	1.3	2.5	1.9	1.4	(0.1)	(1.6)	(3.0)	(4.6)	(6.2)
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	0.0	0.0	0.0
Intangible assets, net	1.2	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Total assets	1.3	1.9	2.9	1.9	2.0	1.5	2.5	3.7	3.1	2.6	1.1	(0.3)	(1.7)	(3.4)	(5.0)
Liabilities and Stockholders' Equity															
Current liabilities															
Accounts payable	0.9	1.1	0.5	0.5	0.6	0.7	0.8	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4
Accrued and other liabilities	0.3	0.7	0.2	0.2	0.5	0.4	0.9	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Note payable, net of discount	2.4	2.0	-	-	0.1	0.7	1.1	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Warrant liability	4.9	-	-	-	0.6	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative liability	-	-	-	-	0.2	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	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	0.7	2.0	2.4	3.2	1.2	1.4	1.5	1.5	1.6	1.6	1.6	1.7
Total Liabilities	8.4	7.6	0.7	0.7	2.0	2.4	3.2	1.2	1.4	1.5	1.5	1.6	1.6	1.6	1.7
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	0.0	0.0	0.0
Additional Paid In Capital	18.8	19.1	41.6	41.7	42.0	42.2	43.6	49.2	49.6	50.6	50.6	50.6	50.6	50.6	50.6
Retained Earnings	(25.9)	(31.9)	(39.4)	(40.6)	(42.0)	(43.0)	(44.3)	(46.7)	(47.9)	(49.4)	(50.9)	(52.5)	(53.9)	(55.6)	(57.2)
Comprehensive Inc. and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total stockholders' equity	(7.1)	(5.7)	2.2	1.1	0.0	(0.8)	(0.7)	2.5	1.6	1.1	(0.4)	(1.9)	(3.3)	(5.0)	(6.7)
Total liabilities and stockholders' equity	1.3	1.9	2.9	1.9	2.0	1.5	2.5	3.7	3.1	2.6	1.1	(0.3)	(1.7)	(3.4)	(5.0)

Balance Sheet Drivers

	Dec-21	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Book & Cash Value (per share)	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	
Book Value per Share (diluted)	(125.14)	(101.22)	4.52	2.27	0.02	(1.95)	(1.07)	0.46	0.20	0.13	(0.04)	(0.22)	(0.39)	(0.58)	(0.77)
Cash per Share (diluted)	1.32	12.47	3.40	1.31	1.50	0.63	1.86	0.46	0.22	0.15	(0.02)	(0.20)	(0.36)	(0.56)	(0.75)
Net cash per Share (diluted)	0.26	7.64	2.99	0.90	1.17	0.30	1.50	0.39	0.14	0.08	(0.10)	(0.28)	(0.44)	(0.63)	(0.83)

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	Q3E	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)	(1.6)	(1.5)	(6.7)	(1.6)	(1.5)	(1.7)	(1.7)	(6.5)
(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	0.0	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	-	-	0.2	-	-	-	-	-
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	-	-	-	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	-	-	0.4	-	-	-	-	-
Change in fair value related to warrant	-	-	-	0.0	(0.3)	(0.3)	(0.6)	(0.3)	(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	-	-	-	-	-
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)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)
Prepays and other current assets	(0.2)	(0.1)	(0.0)	0.0	0.0	(0.1)	(0.0)	(0.1)	(0.3)	-	-	(0.4)	-	-	-	-	-
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	0.2	(0.6)	0.1	0.0	0.0	(0.5)	0.1	0.0	0.0	0.1	0.2
Accrued and other liabilities	0.5	(0.1)	(0.0)	0.3	(0.1)	0.3	0.4	(0.4)	0.1	-	-	(0.3)	-	-	-	-	-
Accrued interest on promissory and cc	0.1	0.2	-	-	-	(0.0)	(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)	(1.5)	(1.5)	(6.3)	(1.5)	(1.4)	(1.7)	(1.7)	(6.3)
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)	(0.0)	(0.1)	(0.1)	(0.1)	-	-	(0.2)	-	-	-	-	-
Net cash used in investing activities	(0.1)	(0.2)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	-	-	(0.2)	-	-	-	-	-
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	-	1.0	-	3.7	-	-	-	-	-
Proceeds from equity line	-	-	-	-	-	1.5	1.5	1.4	0.3	-	-	1.8	-	-	-	-	-
IPO cash issuance costs	-	(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of promissory notes	-	(2.0)	-	-	-	-	-	(0.3)	-	-	-	(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	1.0	-	4.6	-	-	-	-	-
Net cash increase (decrease)	0.4	1.0	(1.0)	0.2	(0.4)	0.9	(0.5)	1.1	(1.0)	(0.5)	(1.5)	(1.9)	(1.5)	(1.4)	(1.7)	(1.7)	(6.3)
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	0.7	1.0	(0.8)	(2.4)	(3.8)	(5.4)	(0.8)
Cash balance at end of period	0.5	1.5	0.5	0.6	0.2	1.0	1.0	2.1	1.2	0.7	(0.8)	(0.8)	(2.4)	(3.8)	(5.4)	(7.1)	(7.1)

Source: Company reports, Ascendant Capital Markets estimates

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Aclarion, Inc.

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Total return is defined as price appreciation plus dividend yield.

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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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