Atossa Therapeutics, Inc.

Q4 inline. Positive breast cancer clinical trials (5 Phase 2) milestones and key data over the next year should be strong catalysts for stock. Raising P/T to $7.25.

United States
Healthcare

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COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $0.62

Target: $7.25
(from $7.00)

Q4 inline: Atossa recently (on March 25) reported its Q4 2024 (ending December) results. Net loss was $6.3 million or EPS of $(0.05), compared with our and consensus estimates of $(0.06). There was no Q4 guidance. Atossa is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $7.2 million, up from $6.4 million in Q3.

No guidance: Management did not provide forward guidance, but we believe ~$7 million to be a reasonable near term quarterly cash burn rate.

Adjusting estimates: We are maintaining our 2025 EPS estimate of $(0.25).

Endoxifen in development: Atossa has one main therapeutic drug candidate, Endoxifen for breast cancer (for 2 settings). The company recently (in March) announced that it will pursue Metastatic Breast Cancer Indication for (Z)-Endoxifen.

Breast cancer: Atossa's breast cancer drug under development is its proprietary form of Endoxifen which is being developed primarily in two settings: 1) to reduce tumor cell activity in breast cancer patients in the "window of opportunity" between diagnosis of breast cancer and surgery; and 2) for women with high mammographic breast density ("MBD") to reduce the density and/or to act as an adjunct to mammography.

5 clinical trial in progress: In December 2021, Atossa began to enroll patients in its clinical study (Karisma) of Endoxifen in Sweden. In February 2023, the first patient has been dosed in the Phase 2 EVANGELINE (Endoxifen Versus exemestane + goserelin) study. In March 2023, Atossa announced that endoxifen will be evaluated in a new study arm of the ongoing I-SPY 2 clinical trial. In conjunction with Quantum Leap Healthcare Collaborative, Atossa announced in August the first patient dosed in (Z)-endoxifen in combination with abemaciclib (VERZENIO) as part of I-SPY 2.

Positive Topline data from KARISMA-Endoxifen Phase 2 study: In November 2024, Atossa released positive topline data from the KARISMA-Endoxifen Phase 2 study of (Z)-endoxifen in premenopausal women with mammographic breast density (MBD). The study, which was conducted through the Karolinska Institute in Stockholm, Sweden, demonstrated that low doses of (Z)-endoxifen significantly reduced MBD and was well tolerated.

Positive initial data from Phase 2 I-SPY 2 Trial: In November 2024, Atossa released a preliminary analysis from its Phase 2 trial of (Z)-endoxifen in ER+/HER2- breast cancer, showing that (Z)-endoxifen meet the primary endpoint with 95 percent (19/20) of patients. The data showed a rapid reduction in key breast cancer biomarkers, including a 69 percent reduction in Ki-67 and a 30.4% reduction in functional tumor volume after three weeks.

Clinical data can be catalysts: Atossa anticipates finishing or making significant milestones in its various clinical trials over the next year. We believe achieving key clinical milestones and data will likely be strong catalysts for the stock.

Positive high risks versus high rewards: Overall, concerns outweighed by growth prospects and valuation. Atossa's drugs still have long development roads left and the high risks of clinical trials failures, but we believe the ~billion dollars market potential presents high rewards for the risks.

Current valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to $7.25 from $7.00 based on a NPV analysis. This represents significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Seattle, WA, Atossa Therapeutics is a clinical-stage biopharmaceutical company focused on COVID-19 and breast cancer drugs development.

Stock Data

Exchange:	NasdaqCM
52-week Range:	$0.55 – 1.81
Shares Outstanding (million):	129
Market cap ($million):	$80
EV ($million):	$9
Debt ($million):	$0
Cash ($million):	$71
Avg. Daily Trading Vol. ($million):	$1
Float (million shares):	129
Short Interest (million shares):	8
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	0E		0E	
Q2 Jun	0E		0E	
Q3 Sep	0E		0E	
Q4 Dec	0E		0E	
Total	**0E**		**0E**	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	(0.06)E		(0.06)E	
Q2 Jun	(0.06)E		(0.06)E	
Q3 Sep	(0.06)E		(0.06)E	
Q4 Dec	(0.06)E		(0.06)E	
Total	**(0.25)E**		**(0.25)E**	
P/E	N/A		N/A	

Important Disclosures

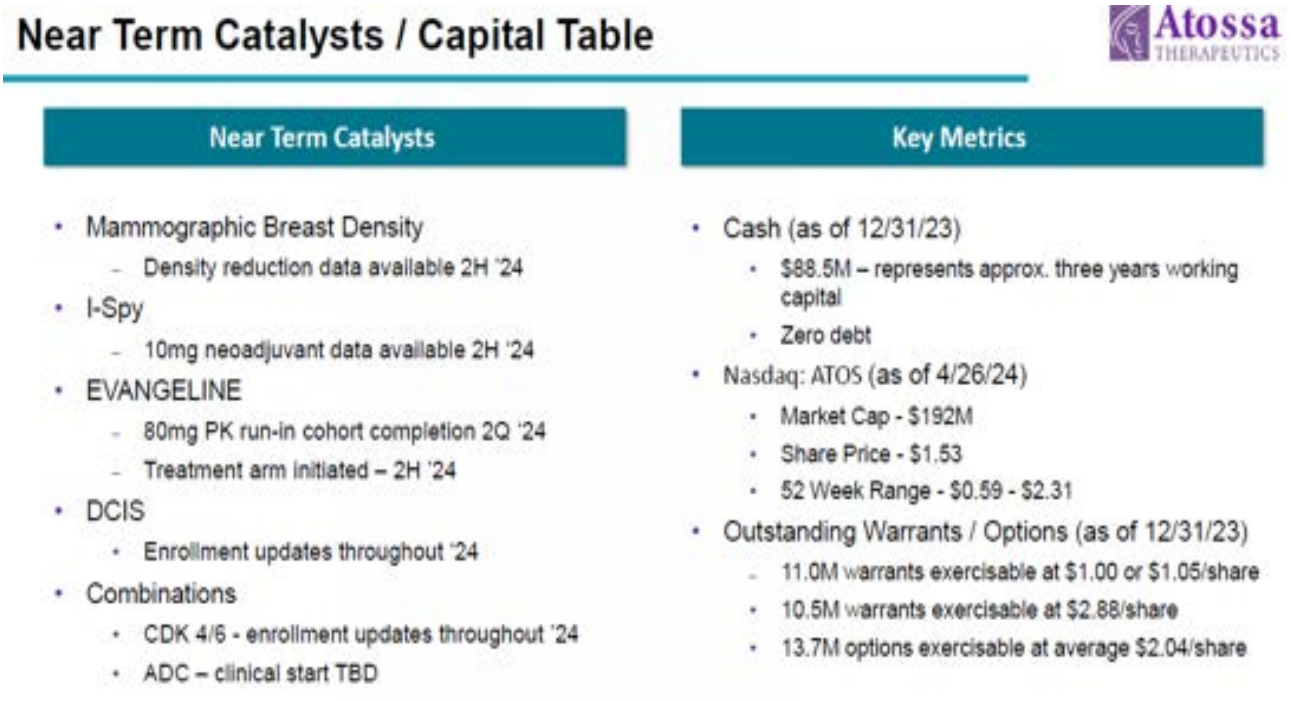
Ascendiant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making 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 14.

Exhibit 1: Atossa Therapeutics Investment Highlights

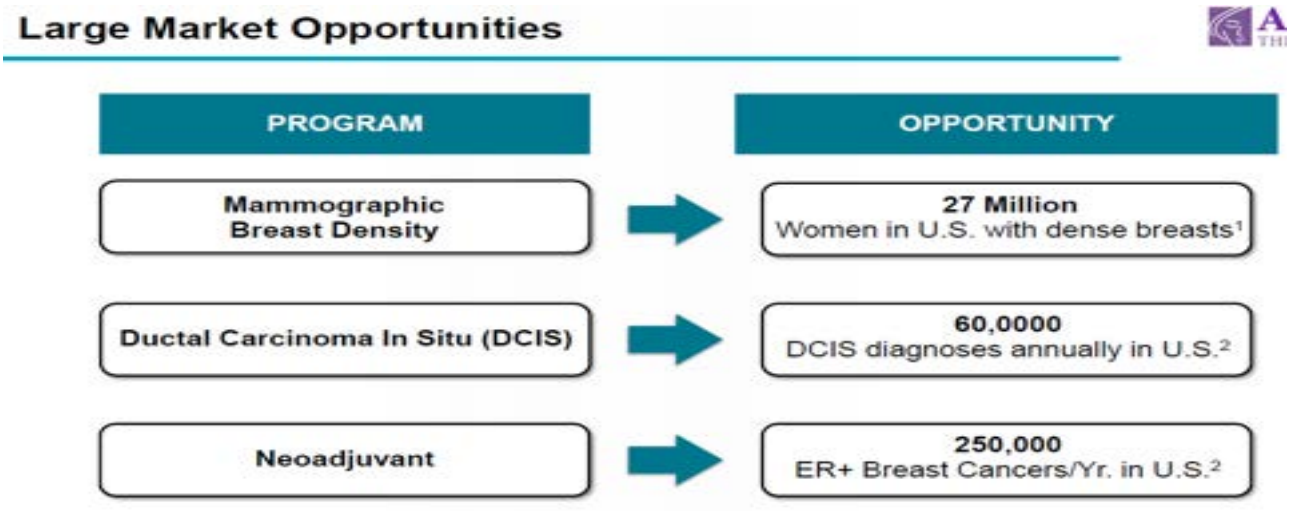
Source: Company reports

Exhibit 2: Accomplishments and Upcoming Milestones (as of May 2024)



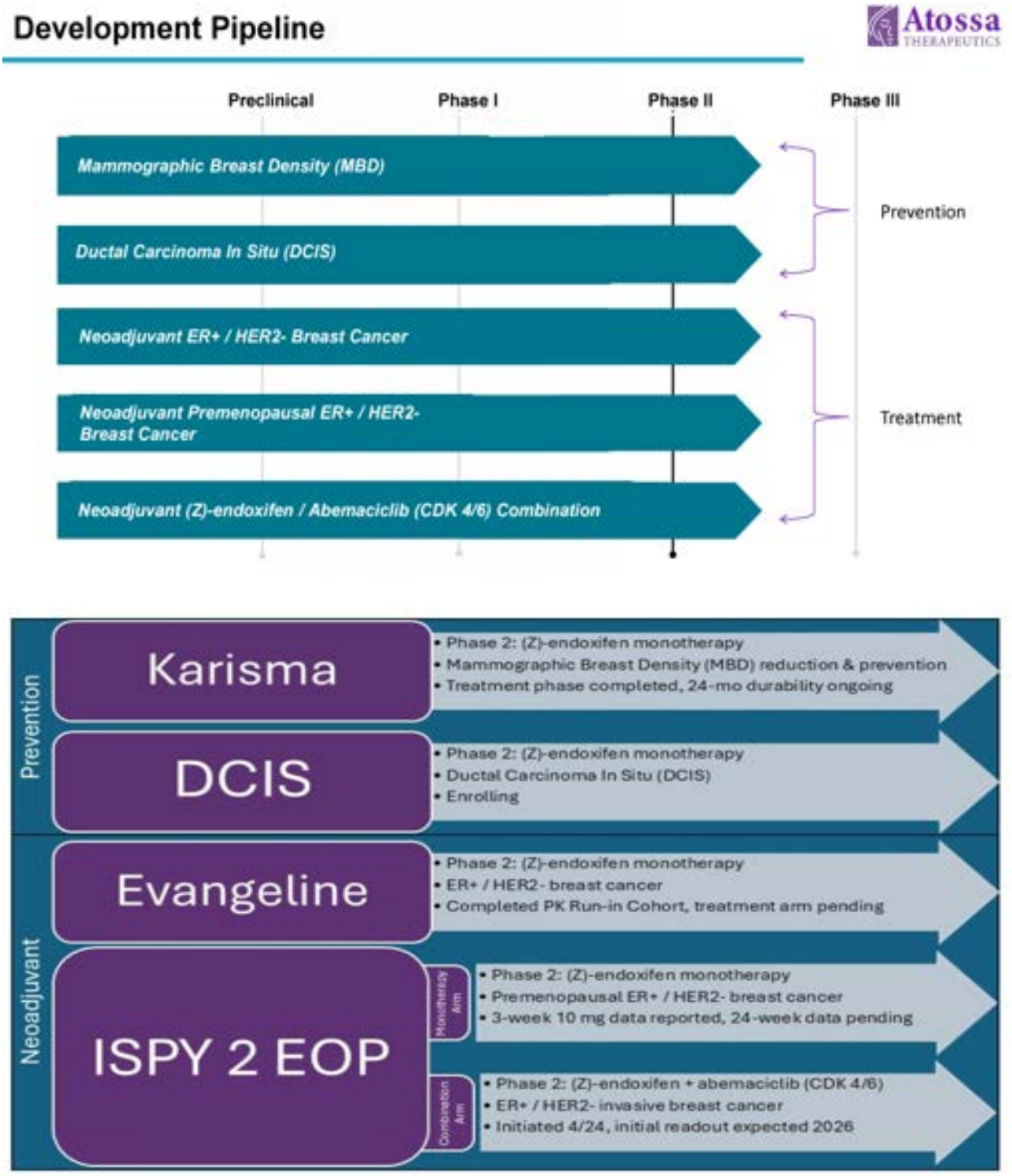
Source: Company reports

Exhibit 3: Atossa Market Opportunities



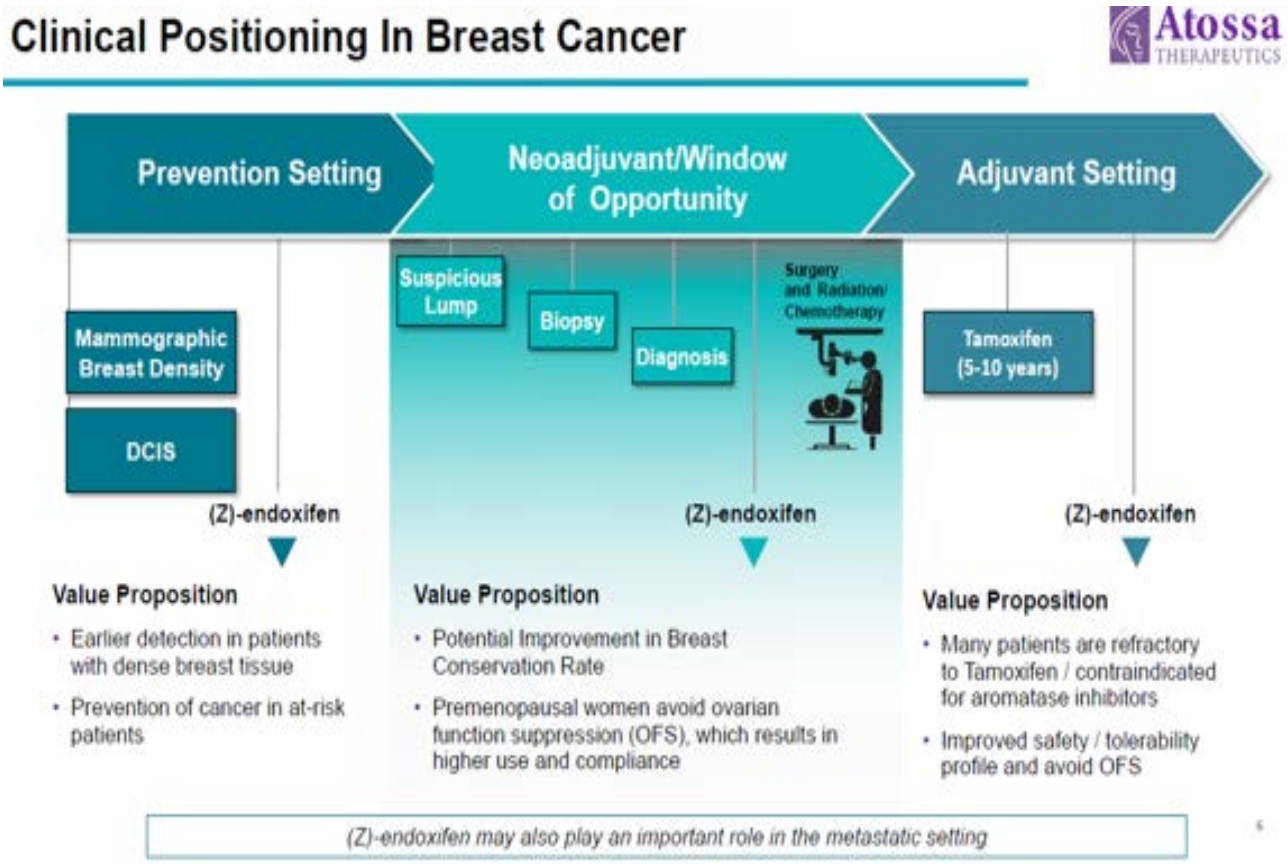
Source: Company reports.

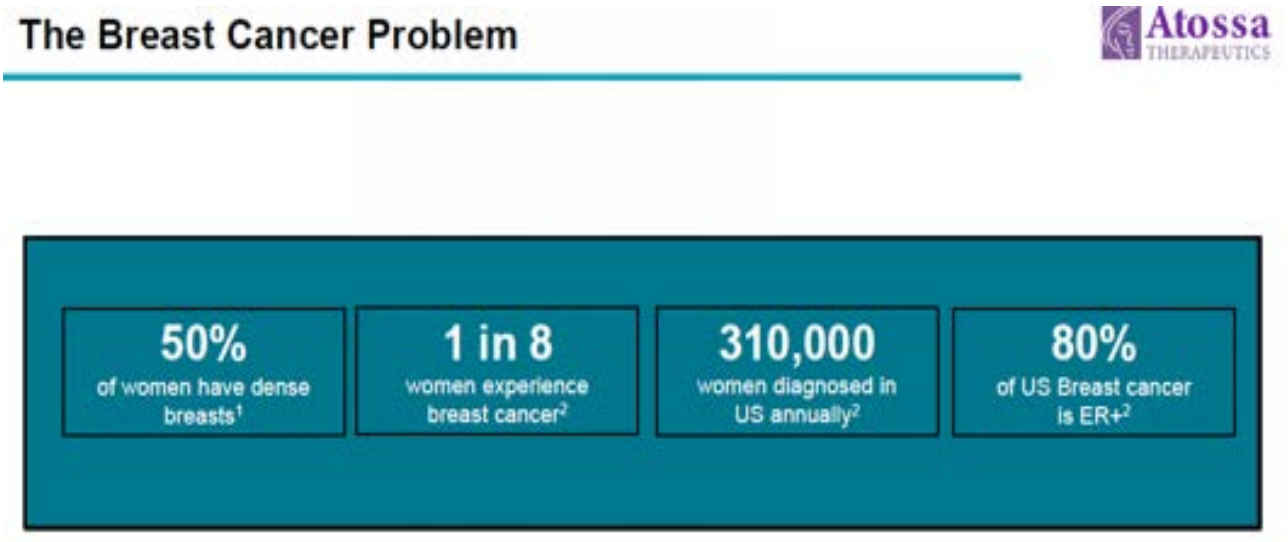
Exhibit 4: Atossa Drug Development Pipeline (as of March 2025)



Source: Company reports

Exhibit 5: ENDOXIFEN





Source: Company reports

Exhibit 6: Endoxifen Clinical Trials

Karisma-Endoxifen Study

Issue

- 50% of the women in the world have dense breast tissue
  - Elevated density is a significant independent risk factor for developing breast cancer
  - Elevated density make mammograms less effective
  - Federal legislation goes into effect Sept. '24 requiring notification of density

Study

- Phase 2, randomized, double-blind, placebo-controlled, study of (Z)-endoxifen in premenopausal women with Measurable Breast Density (MBD)
  - (Z)-endoxifen 1 or 2 mg/day (or PBO) for 6 months
  - Endpoints – change from baseline in MBD at 3 and 6 months and durability of change at 24 months
  - Fully enrolled (n=240) Nov. '23
  - Six-month density reduction data 2H '24

KARISMA-Endoxifen Trial

- **Significant decrease in mammographic breast density in the 1 mg and 2 mg (Z)-endoxifen arms**
  - Decrease is similar to data with 20mg tamoxifen
- **The discontinuation rates and adverse event profiles were similar between 1mg (Z)-endoxifen and placebo**
  - Women in the 2mg (Z)-endoxifen arm reported significantly more hot flashes, night sweats, and vaginal discharge than the placebo group.
  - **(Z)-endoxifen adverse event profile appeared to be more favorable than KARISMA-tamoxifen data.**
  - No issues related to skin rashes, itching (other than genital), dry mouth, fatigue, depression, or sexual interest were reported with (Z)-endoxifen.

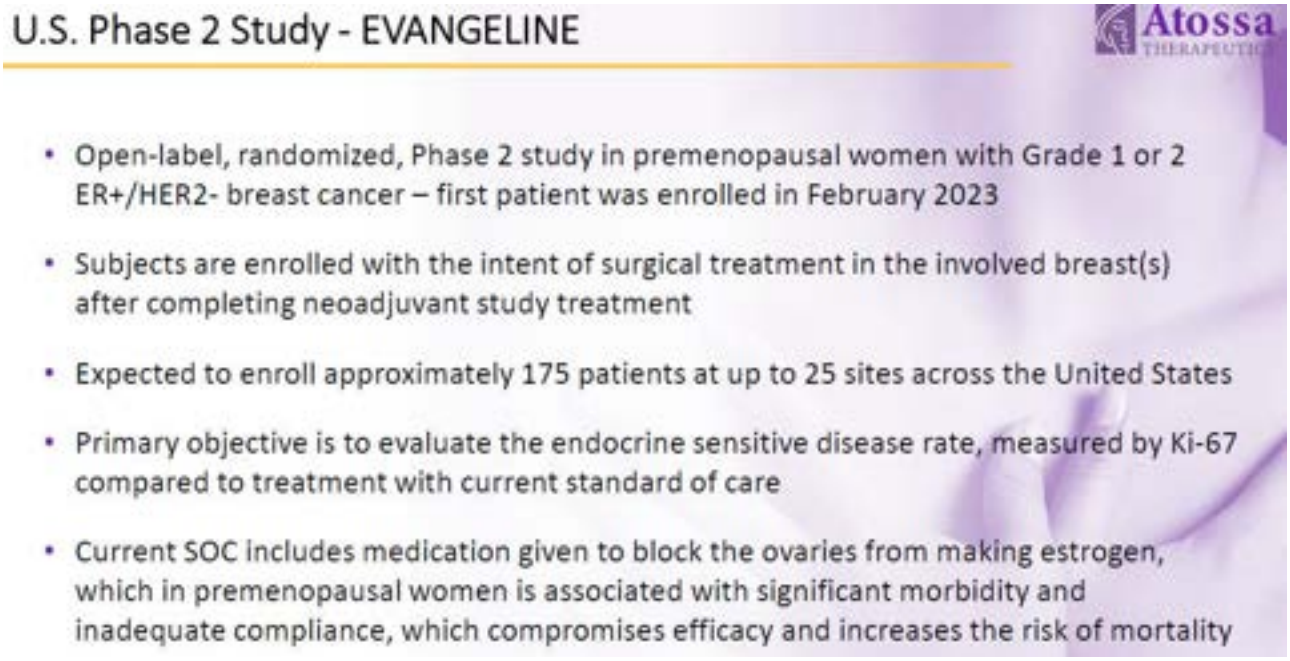
No. of participants, percent density change, (Z)-endoxifen concentrations, no. of early terminators and change in side effects by (Z)-endoxifen and tamoxifen doses

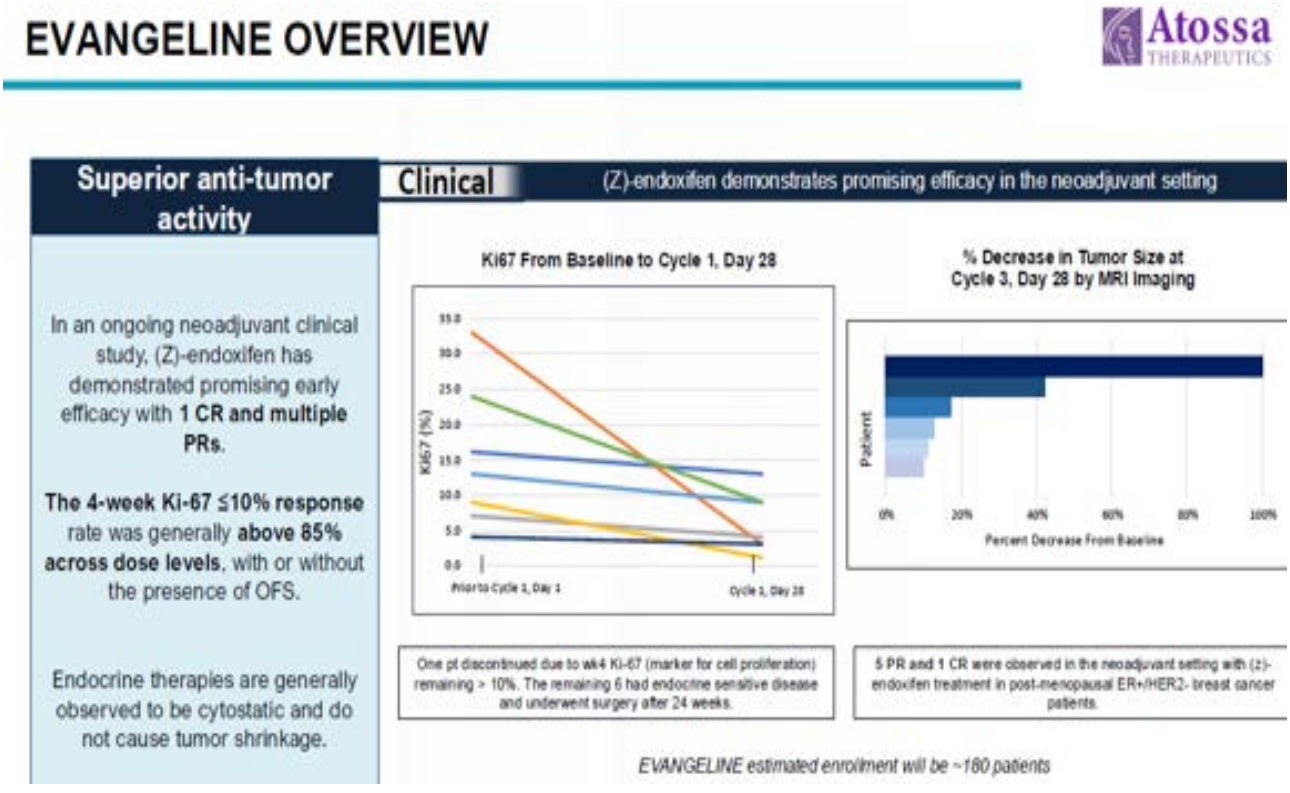
	(Z)-endoxifen dose			Tamoxifen dose	
Variables	0 mg	1 mg	2 mg	5 mg	20 mg
No. of premenopausal women	80	80	80	72[a]	79[a]
Percent density change (from a regression model)	0.27	-17.3*	-23.5*	-19.6*	-18.5*
Mean (Z)-endoxifen concentration at end of study ng/mL	-	4.8	9.7	2.5[b]	12.6[b]
No. of early terminations (%) because of an adverse event related to the IMP#	4 (5.0)	5 (6.3)	11 (13.8)	5 (6.9)	7 (8.9)
Mean change in Likert score from baseline to end of treatment					
Hot Flashes	0.10	0.26	0.45**	0.23*	0.67**
Night Sweats	0.10	0.26	0.58**	0.60*	0.70**
Cold Sweats	0.04	0.12	0.10	0.12	0.33**
Vaginal discharge	-0.06	0.05	0.03**	-0.12	0.18
Genital itching	0.05	0.21	0.12	0.16*	0.22
Pain or cramps in legs and feet	0.14	0.20	0.17	0.22*	0.38*

[a] premenopausal women in the intention to treat populations, * p<0.01, **p<0.05, [b] for normal CYP2D6 metabolizers, IMP#= Investigational Medicinal Product

Source: Company reports

Exhibit 7: Endoxifen Clinical Trials





Source: Company reports

Exhibit 8: Endoxifen Clinical Trials

I-SPY 2 – Neoadjuvant Combination

Issue

- Women with high clinical stage but less proliferative tumors are particularly challenging to treat
  - High risk of late recurrence
  - Currently approved CDK 4/6 combination therapies have sub-optimal safety profile

Study

- Phase 2 neoadjuvant study of (Z)-endoxifen in combination with *abemaciclib* (VERZENIO) in women diagnosed with ER+ / HER2- invasive breast cancer
  - Co-sponsored by Atossa and Eli Lilly & Company
  - Part of the largest and most successful platform trail in history
  - Participants receive 40mg (Z)-endoxifen and 150mg *abemaciclib* daily for six months
  - Endpoints – Ki-67 reduction and objective response – assessed by MRI and pathology
  - Initiated April '24

U.S. Phase 2 Study – I-SPY 2

- Ground-breaking platform trial for neoadjuvant treatment of locally advanced breast cancer
- (Z)-endoxifen is being evaluated in the Endocrine Optimization Pilot Protocol targeting patients with newly diagnosed ER+ invasive breast cancer for whom chemotherapy is expected to provide little or no benefit
- These patients have substantial risk for recurrence
- Approximately 20 patients will be treated with (Z)-endoxifen for up to 24 weeks prior to surgery
- Enrolling patients at all 41 I-Spy sites across the United States

Source: Company reports

Exhibit 9: Q4 2024 Results and Recent Highlights (as of March 25, 2025)

Atossa Therapeutics Announces Full Year 2024 Financial Results and Provides Corporate Update

March 25, 2025 12:00 PM EDT

Ended 2024 with $71.1 million of cash and cash equivalents and no debt

Conference Call and Webcast Scheduled for Tuesday, March 25, 2025, at 8:30 a.m. Eastern Time

SEATTLE, March 25, 2025 (GLOBE NEWSWIRE) -- Atossa Therapeutics, Inc. (Nasdaq: ATOS) ("Atossa" or the "Company"), a clinical-stage biopharmaceutical company developing innovative medicines for breast cancer, today announced its financial results for the full year ended December 31, 2024 and provided an update on recent company developments.

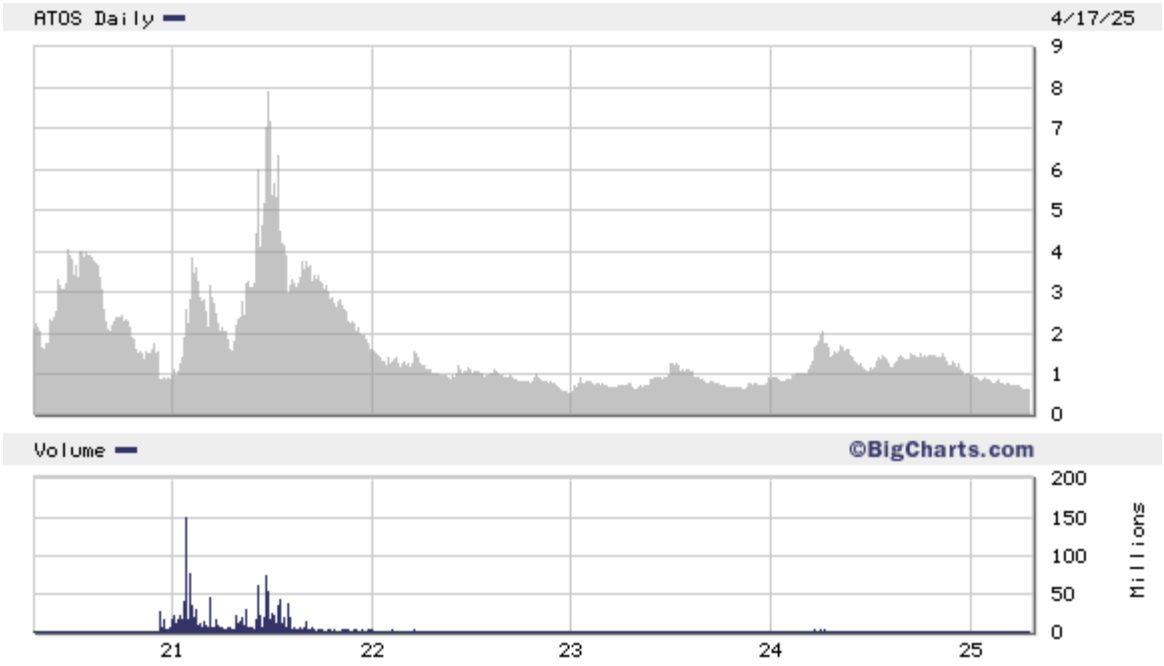
Fourth Quarter and Early 2025 Highlights

- **Strategic Decision to Pursue Metastatic Breast Cancer Indication:** Atossa plans to advance its lead program, *(Z)-endoxifen*, to target metastatic breast cancer. The Company believes this approach may offer a more streamlined regulatory pathway to deliver *(Z)-endoxifen* to patients with urgent unmet medical needs, as the current treatment options for metastatic breast cancer often provides limited durability of response and substantial side effects. *(Z)-endoxifen* —a potent and well-tolerated selective estrogen receptor modulator (SERM)—has showr encouraging signs in previous clinical trials, which Atossa believes supports its potential to fill this critical gap in treatment. Atossa also intends to continue engagement with the U.S. Food and Drug Administration (FDA) to advance additional indications, including breast cancer prevention and neoadjuvant therapy, which typically require larger and longer clinical trials.
- **Tolerability and Pharmacokinetic Data from Phase 2 Evangeline Trial:** Atossa presented three posters at the San Antonio Breast Cancer Symposium (SABCS) highlighting pharmacokinetic (PK) and tolerability data from the Phase 2 EVANGELINE trial. This randomized, non-inferiority study evaluates *(Z)-endoxifen* in premenopausal women with primary ER+/HER2- breast cancer as a neoadjuvant treatment. Substantial tumor suppression was observed across all dosing levels, with or without ovarian function suppression (OFS or goserelin). The 4-week Ki-67 ≤ 10 percent response rate was generally above 85 percent across dose levels, with or without the presence of OFS. Overall, *(Z)-endoxifen* was well tolerated and target tissue steady state concentration (Css) levels were achieved without significant Grade 3 or 4 toxicities. Given the gynecologic events that were previously reported in the 80 mg groups, the study is expected to continue under an amended protocol as a randomized trial that compares *(Z)-endoxifen* 40 mg per day with OFS to exemestane plus OFS, using the 4-week Ki-67 reduction as the primary endpoint. Additionally, the trial is expected to include a single arm cohort with a 40 mg *(Z)-endoxifen* monotherapy neoadjuvant treatment, using a 24-week Ki-67 endpoint.
- **Full Results from Phase 2 KARISMA-Endoxifen Study:** Additional SABCS data showcased the potential of low-dose *(Z)-endoxifen* to significantly reduce mammographic breast density (MBD). In the trial, a 1 mg dose reduced MBD by 17.3 percentage points ($p<0.01$), while a 2 mg dose achieved a 23.5 percentage-point reduction ($p<0.01$), compared to just 0.27 percentage points in the placebo arm, which we believe highlights the effectiveness of the lower dose in achieving significant reductions. Importantly, no significant differences in adverse events of special interest were observed between the 1 mg dose and the placebo. The 2 mg dose was associated with higher rates of hot flashes, night sweats and vaginal discharge compared to the placebo group. We believe these findings further support the therapy's favorable safety and efficacy profile.

"Metastatic breast cancer remains an area of critical unmet need, where improved therapies are urgently required," said Steven Quay, M.D., Ph.D., President and Chief Executive Officer of Atossa. "*(Z)-endoxifen* has demonstrated promising anti-estrogenic and anti-tumor effects alongside a favorable tolerability profile, which we believe positions it as a potential next-generation therapy. We believe that pursuing an initial approval in metastatic breast cancer could offer a more efficient regulatory pathway, potentially enabling us to make *(Z)-endoxifen* available sooner to the patients who need it most. We also believe this strategy further supports our ability to expand the broader potential of *(Z)-endoxifen* to address multiple stages of breast cancer, from reducing tumor growth to preventing recurrence after successful treatment."

Source: Company reports

Exhibit 10: Atossa Therapeutics, Inc. Stock Price (5-years)



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

Exhibit 11: Consensus Expectations (as of March 25, 2025)

	Revenue (mils)	
	2024E	2025E
Q1 Mar	$0A	$0E
Q2 Jun	$0A	
Q3 Sep	$0A	
Q4 Dec	$0E	
Total	$0E	$0E

	EPS	
	2024E	2025E
Q1 Mar	$(0.05)A	$(0.07)E
Q2 Jun	$(0.05)A	
Q3 Sep	$(0.06)A	
Q4 Dec	$(0.06)E	
Total	$(0.22)E	$(0.27)E

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

Source: Company report, LSEG, and Ascendiant Capital Markets estimates

FINANCIAL MODEL

Atossa Therapeutics, Inc.

Income Statement ($ mils)	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	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**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**	**0.0**	**0.0**
Cost of Revenues	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	0.0	0.0
Gross Profit	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	0.0	0.0
Research and development	3.5	3.7	4.5	5.7	17.3	3.7	3.6	3.4	3.4	14.1	5.0	5.0	5.0	5.0	20.0	5.0	5.0	5.0	5.0	20.0
General and administrative	3.6	4.1	3.0	3.4	14.0	3.2	3.6	3.0	3.7	13.5	3.0	3.0	3.0	3.0	12.0	3.0	3.0	3.0	3.0	12.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	7.1	7.8	7.5	9.0	31.4	7.0	7.1	6.4	7.2	27.6	8.0	8.0	8.0	8.0	32.0	8.0	8.0	8.0	8.0	32.0
Operating income (loss)	**(7.1)**	**(7.8)**	**(7.5)**	**(9.0)**	**(31.4)**	**(7.0)**	**(7.1)**	**(6.4)**	**(7.2)**	**(27.6)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**
Interest income (expense)	0.9	1.0	1.3	1.2	4.3	1.1	1.1	1.0	0.9	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.0)	(3.0)	(0.0)	0.0	(3.1)			(1.8)	(0.1)	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(6.0)	(7.2)	(6.3)	(25.5)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)
Income taxes					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(6.0)	(7.2)	(6.3)	(25.5)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**(6.3)**	**(9.8)**	**(6.2)**	**(7.8)**	**(30.1)**	**(5.9)**	**(6.0)**	**(7.2)**	**(6.3)**	**(25.5)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**
EBITDA																				
Shares, Basic	126.6	126.6	125.8	125.5	126.1	125.3	125.7	125.8	126.7	125.9	129.2	129.3	129.4	129.5	129.4	129.7	129.8	129.9	130.0	129.9
Shares, Diluted	126.6	126.6	125.8	125.5	126.1	125.3	125.7	125.8	126.7	125.9	129.2	129.3	129.4	129.5	129.4	129.7	129.8	129.9	130.0	129.9
EPS Basic (pro forma)	**($0.05)**	**($0.08)**	**($0.05)**	**($0.06)**	**($0.24)**	**($0.05)**	**($0.05)**	**($0.06)**	**($0.05)**	**($0.20)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.25)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.25)**
EPS Diluted (pro forma)	($0.05)	($0.08)	($0.05)	($0.06)	($0.24)	($0.05)	($0.05)	($0.06)	($0.05)	($0.20)	($0.06)	($0.06)	($0.06)	($0.06)	($0.25)	($0.06)	($0.06)	($0.06)	($0.06)	($0.25)
Margins																				
Gross margin																				
Research and development																				
General and administrative																				
Operating margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Y/Y % change																				
Total Revenue																				
Gross margin																				
Research and development	134%	8%	-13%	13%	15%	7%	-4%	-24%	-40%	-19%	33%	41%	47%	47%	42%	0%	0%	0%	0%	0%
General and administrative	11%	29%	-1%	7%	11%	-10%	-13%	-1%	11%	-4%	-7%	-16%	1%	-20%	-11%	0%	0%	0%	0%	0%
Operating income (loss)	50%	18%	-9%	11%	13%	-2%	-9%	-15%	-21%	-12%	15%	13%	25%	12%	16%	0%	0%	0%	0%	0%
Net income (loss)	31%	47%	-22%	4%	12%	-6%	-38%	16%	-18%	-15%	36%	32%	11%	26%	25%	0%	0%	0%	0%	0%
EPS Diluted (pro forma)	31%	47%	-22%	4%	12%	-5%	-38%	16%	-19%	-15%	32%	29%	8%	23%	22%	0%	0%	0%	0%	0%

Source: Company reports and Ascendiant Capital Markets estimates.

Atossa Therapeutics, Inc.

Balance Sheet ($ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	103.9	99.4	94.0	88.5	84.0	79.5	74.8	71.1	64.0	56.7	49.5	42.3	35.0	27.8	20.5	13.3
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restricted cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Research and development tax rebat	0.7	0.7	0.0						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	6.2	5.8	3.5	3.6	3.0	2.1	2.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Total current assets	110.9	106.0	97.6	92.2	87.1	81.7	77.1	74.5	67.3	60.1	52.9	45.6	38.4	31.1	23.9	16.6
Property and equipment, net									(0.0)	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Intangibles, net									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	5.3	2.4	4.0	4.0	4.0	4.1	2.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total assets	**116.2**	**108.4**	**101.7**	**96.3**	**91.1**	**85.9**	**79.5**	**76.4**	**69.3**	**62.1**	**54.9**	**47.7**	**40.4**	**33.2**	**26.0**	**18.7**
Liabilities and stockholders' equity																
Accounts payable	1.4	1.2	0.7	0.8	1.2	1.1	1.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Accrued expenses	0.6	2.3	2.7	2.6	1.6	1.9	1.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.9	0.0	0.0	1.8	2.5	2.7	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Short term debt									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	**2.9**	**3.5**	**3.4**	**5.2**	**5.3**	**5.7**	**5.8**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	**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**
Preferred stock	0.6	0.6	0.6	0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	22.8	22.8	22.8	22.8	22.829	22.9	22.9	23.5	24.3	25.0	25.8	26.6	27.4	28.1	28.9	29.7
Additional paid-in capital	252.4	253.8	253.4	254.5	255.096	255.5	256.2	259.8	259.8	259.8	259.8	259.8	259.8	259.8	259.8	259.8
Retained earnings	(162.5)	(172.3)	(178.5)	(186.3)	(192.166)	(198.2)	(205.4)	(211.8)	(219.8)	(227.8)	(235.8)	(243.8)	(251.8)	(259.8)	(267.8)	(275.8)
Accumulated other comprehensive income									0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total stockholders' equity	**113.3**	**104.9**	**98.3**	**91.0**	**85.759**	**80.2**	**73.7**	**71.5**	**64.4**	**57.1**	**49.9**	**42.7**	**35.5**	**28.2**	**21.0**	**13.8**
Total stockholders' equity and liabil	**116.2**	**108.4**	**101.7**	**96.3**	**91.087**	**85.9**	**79.5**	**76.4**	**69.3**	**62.1**	**54.9**	**47.6**	**40.4**	**33.2**	**26.0**	**18.7**

Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	$0.89	$0.83	$0.78	$0.73	$0.68	$0.64	$0.59	$0.56	$0.50	$0.44	$0.39	$0.33	$0.27	$0.22	$0.16	$0.11
Cash per Share (diluted)	$0.82	$0.78	$0.75	$0.70	$0.67	$0.63	$0.59	$0.56	$0.50	$0.44	$0.38	$0.33	$0.27	$0.21	$0.16	$0.10
Net cash per Share (diluted)	$0.82	$0.78	$0.75	$0.70	$0.67	$0.63	$0.59	$0.56	$0.50	$0.44	$0.38	$0.33	$0.27	$0.21	$0.16	$0.10

Source: Company reports and Ascendiant Capital Markets estimates

Atossa Therapeutics, Inc.

Cash Flow Statement ($ mils) Fiscal Year End: December 31	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3A	Dec-23 Q4A	2023 FY-A	Mar-24 Q1A	Jun-24 Q2A	Sep-24 Q3A	Dec-24 Q4A	2024 FY-E	Mar-25 Q1E	Jun-25 Q2E	Sep-25 Q3E	Dec-25 Q4E	2025 FY-E	Mar-26 Q1E	Jun-26 Q2E	Sep-26 Q3E	Dec-26 Q4E	2026 FY-E
Cash flow from operating activities																				
Net income	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(6.0)	(7.2)	(6.3)	(25.5)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)
Depreciation	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	0.0	0.0
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expense					0.0					0.0					0.0					0.0
Stock comp	1.6	1.6	0.9	0.5	4.6	0.4	0.4	0.7	0.8	2.3	0.8	0.8	0.8	0.8	3.1	0.8	0.8	0.8	0.8	3.1
Deferred rent					0.0					0.0					0.0					0.0
A/R reserves					0.0					0.0					0.0					0.0
Deferred income taxes					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant liability					0.0					0.0					0.0					0.0
Writedowns and impairments		3.0			3.0			1.7		1.7					0.0					0.0
Other gains/losses					0.0	0.0	0.0	(0.0)	0.0	0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Prepaid expenses & other curre	(1.3)	(0.5)	2.3	2.2	2.8	0.7	0.9	(0.2)	(1.0)	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Research and development tax	0.0	0.0	0.7	0.0	0.7					0.0					0.0					0.0
Income tax					0.0					0.0					0.0					0.0
Other assets	1.6	0.9	(1.7)	(2.4)	(1.7)		(0.1)	0.1	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(1.5)	(0.4)	(0.3)	0.1	(2.2)	0.4	(0.2)	0.5	(0.9)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(0.4)	0.2	0.4	(0.2)	(0.1)	(0.4)	1.3	(0.2)	(0.8)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	(0.7)	0.6	0.0	1.9	1.9	0.0	(0.7)	(0.2)	0.8	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(7.0)**	**(4.5)**	**(3.9)**	**(5.6)**	**(20.9)**	**(4.7)**	**(4.5)**	**(4.8)**	**(7.1)**	**(21.0)**	**(7.2)**	**(7.2)**	**(7.2)**	**(7.2)**	**(28.9)**	**(7.2)**	**(7.2)**	**(7.2)**	**(7.2)**	**(28.9)**
Cash flow from investing activities																				
Purchases of property and equipment		(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)	(0.1)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing acti	**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)**	**(0.0)**	**(0.1)**
Cash flow from financing activities																				
Issuance of debt					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt					0.0					0.0					0.0					0.0
Issuance of stock			(1.5)		(1.5)					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises					0.0	0.2	0.1		3.4	3.7					0.0					0.0
Other					0.0					0.0					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	**0.0**	**0.0**	**(1.5)**	**0.0**	**(1.5)**	**0.2**	**0.1**	**0.0**	**3.4**	**3.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**(7.0)**	**(4.5)**	**(5.4)**	**(5.6)**	**(22.4)**	**(4.5)**	**(4.4)**	**(4.8)**	**(3.7)**	**(17.4)**	**(7.2)**	**(7.2)**	**(7.2)**	**(7.2)**	**(28.9)**	**(7.2)**	**(7.3)**	**(7.2)**	**(7.3)**	**(29.0)**
Beginning cash and equivalents	**111.0**	**104.0**	**99.5**	**94.1**	**111.0**	**88.6**	**84.1**	**79.6**	**74.9**	**88.6**	**71.2**	**64.0**	**56.7**	**49.5**	**71.2**	**42.3**	**35.0**	**27.8**	**20.5**	**42.3**
Ending cash and equivalents	**104.0**	**99.5**	**94.1**	**88.6**	**88.6**	**84.1**	**79.6**	**74.9**	**71.2**	**71.2**	**64.0**	**56.7**	**49.5**	**42.3**	**42.3**	**35.0**	**27.8**	**20.5**	**13.3**	**13.3**

Source: Company reports and Ascendiant Capital Markets estimates

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Atossa Therapeutics, Inc.

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

Report	Report Date	Rating	Price Target
1	9/17/2020	Buy	7.00
2	11/15/2020	Buy	7.50
3	4/6/2021	Buy	7.75
4	5/31/2021	Buy	8.00
5	9/7/2021	Buy	8.50
6	11/20/2021	Buy	8.75
7	3/3/2022	Buy	8.00
8	5/29/2022	Buy	7.50
9	8/17/2022	Buy	7.00
10	11/12/2022	Buy	6.00
11	3/27/2023	Buy	5.50
12	5/23/2023	Buy	5.25
13	9/6/2023	Buy	5.50
14	12/22/2023	Buy	5.75
15	5/1/2024	Buy	6.00
16	6/5/2024	Buy	6.25
17	9/10/2024	Buy	6.50
18	12/7/2024	Buy	7.00

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Total return is defined as price appreciation plus dividend yield.

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			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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