

Atossa Therapeutics, Inc.

Q3 about inline. Breast cancer clinical trials (3 Phase 2) milestones over the next year should be catalysts for stock. Raising P/T to \$5.75.

United States
Healthcare

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COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: \$0.79
(intraday)

Target: \$5.75
(from \$5.50)

Q3 about inline: Atossa recently (on November 13) reported its Q3 2023 (ending September) results. Net loss was \$6.2 million or EPS of \$(0.05), compared with our and consensus estimates of \$(0.07). There was no Q3 guidance. Atossa is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were \$7.5 million, down from \$7.8 million in Q2 as clinical trial activities are continuing.

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 adjusting our 2023 EPS estimate to \$(0.24) from \$(0.26).

Endoxifen in development: Atossa has one main therapeutic drug candidate, Endoxifen for breast cancer (for 2 settings).

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.

3 clinical trial in progress: In December 2021, Atossa began to enroll patients in its clinical study 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.

Clinical progress with data in 2H 2024: The company has completed the Pharmacokinetic Run-In Cohort in Phase 2 EVANGELINE Clinical Trial. The company has just announced (in November) 100% enrollment in ongoing Phase 2 Karisma-Endoxifen Clinical Trial. Data is expected in 2H 2024. The company has ~30% enrollment in Phase 2 I-SPY 2 Clinical Trial. Data is expected in 2H 2024.

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 catalysts for the stock.

New CFO left: In June, the company appointed Greg Weaver as its new Chief Financial Officer succeeding Kyle Guse who left to pursue other opportunities. Mr. Weaver resigned in October to pursue other interest. The company has not announced a new CFO.

Trading near cash value: We note that Atossa share price is trading near cash value. The current market cap of the company is ~\$100 million while it has ~\$94 million in cash, implying a significant undervaluing of its opportunities.

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 \$5.75 from \$5.50 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:	\$0.50 – 1.39
Shares Outstanding (million):	127
Market cap (\$million):	\$100
EV (\$million):	\$6
Debt (\$million):	\$0
Cash (\$million):	\$94
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	118
Short Interest (million shares):	6
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	0A		0E	
Q2 Jun	0A		0E	
Q3 Sep	0A	0E	0E	
Q4 Dec	0E		0E	
Total	0E		0E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	(0.05)A		(0.06)E	
Q2 Jun	(0.08)A		(0.06)E	
Q3 Sep	(0.05)A	(0.07)E	(0.06)E	
Q4 Dec	(0.06)E	(0.07)E	(0.06)E	
Total	(0.24)E	(0.26)E	(0.25)E	
P/E	N/A		N/A	

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: Atossa Therapeutics Investment Highlights

Investor Highlights



- Lead compound, (Z)-endoxifen being investigated in multiple ongoing and completed Phase 2 trials for breast cancer / breast conditions
- Deep intellectual property portfolio
- Large, unaddressed / underserved market opportunities in breast cancer prevention and treatment settings
- \$94M cash at 9/30/23, approximately three-year operating runway
- Experienced management team with extensive life sciences background
- World class R&D collaborators

Source: Company reports

Exhibit 2: Accomplishments and Upcoming Milestones (as of Q3 2023)

Accomplishments and Upcoming Milestones



2023 YTD

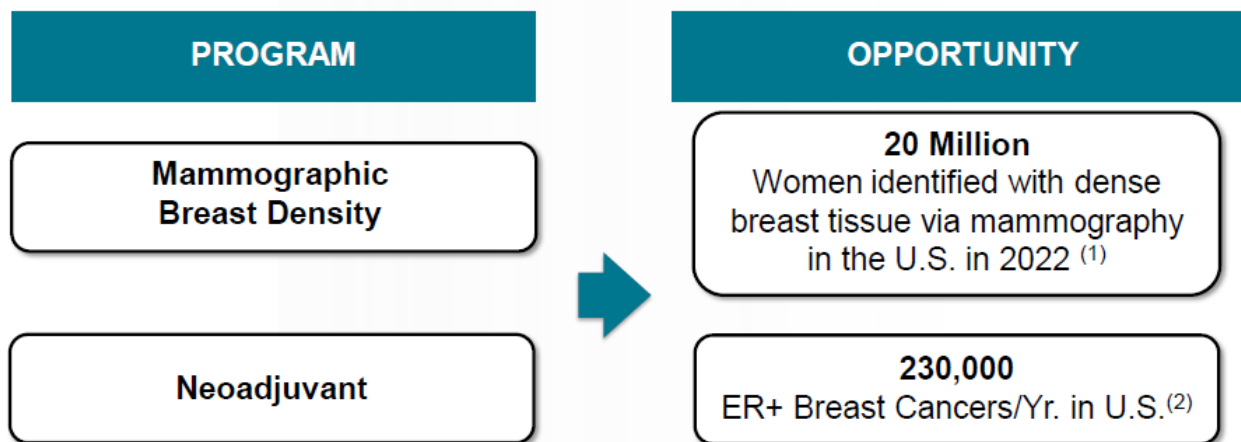
- Mammographic Breast Density study 70% enrolled
- I-Spy study 30% enrolled
- Completed EVANGELINE 40mg PK run-in cohort
- Secured enteric capsule and suspension formulation patents
- Established research program with Weill Cornell Medicine

Near Term Catalysts

- Mammographic Breast Density
 - Completed enrollment November '23
 - Six-month data available 2H '24
- I-Spy
 - Complete enrollment Q1 '24
 - Data available Q3 '24
- EVANGELINE
 - Initiated 80mg PK run-in Q3 '23
 - Complete 80 mg PK run-in Q1 '24
 - Initiate treatment arm – Q2 '24

Source: Company reports

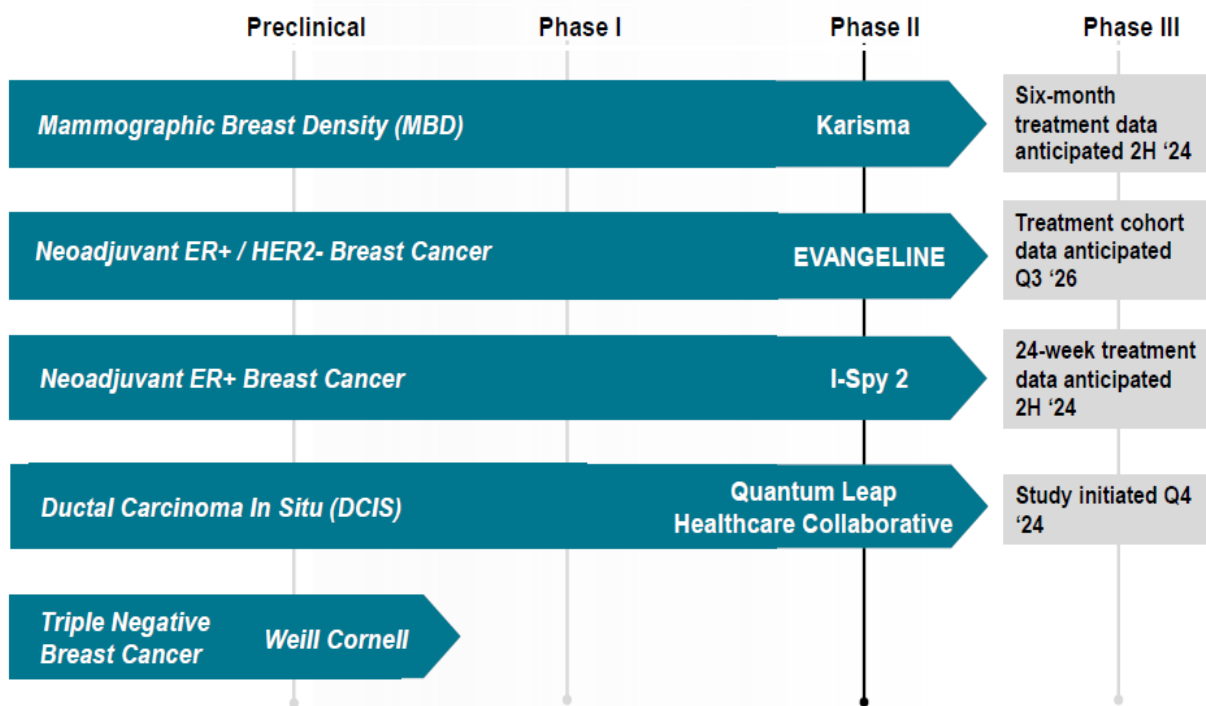
Exhibit 3: Atossa Market Opportunities



Source: Company reports.

Exhibit 4: Atossa Drug Development Pipeline

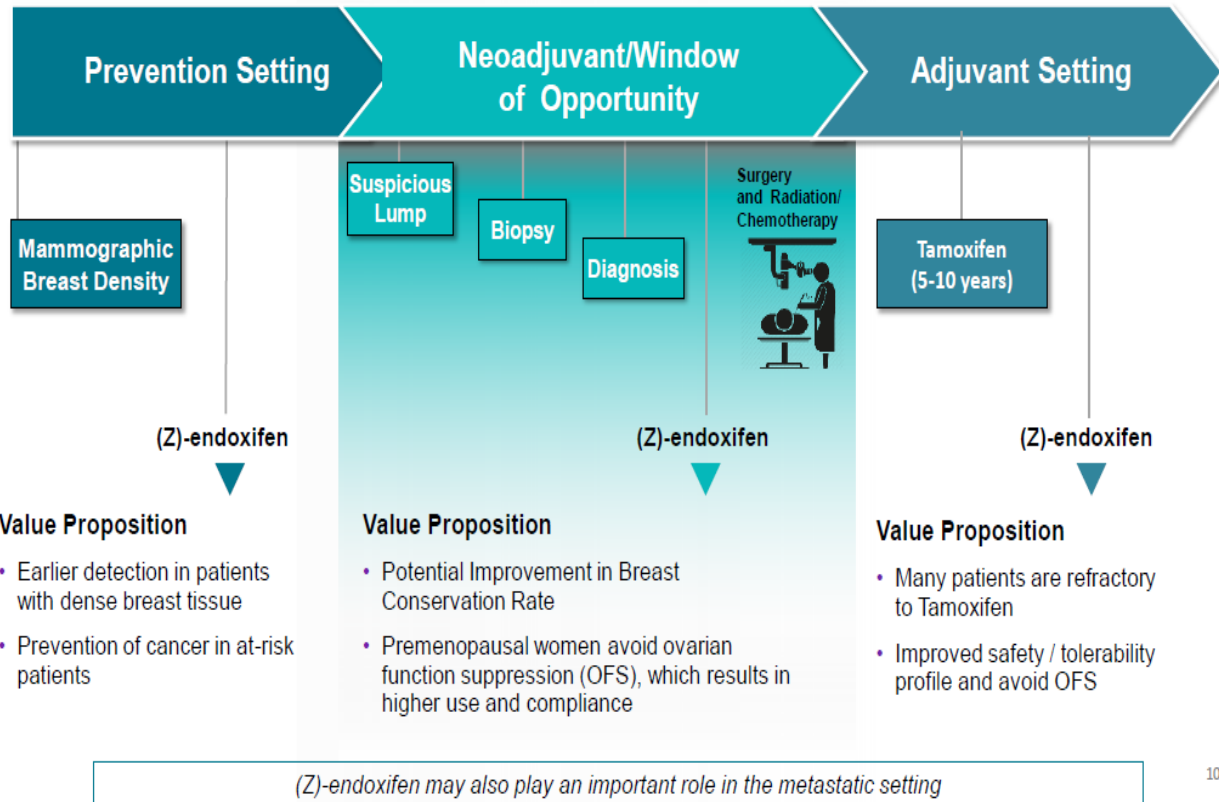
Development Pipeline



Source: Company reports

Exhibit 5: ENDOXIFEN

Clinical Positioning In Breast Cancer



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The Breast Cancer Problem



40% - 50% of women have dense breasts ¹	1 in 8 women experience breast cancer ²	298,000 women diagnosed in US annually ²	78% of US Breast cancer is ER+ ²
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Source: Company reports

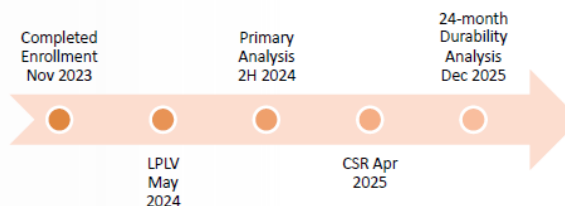
Exhibit 6: Endoxifen Clinical Trials

(Z)-endoxifen Evaluated as an Agent to Reduce Breast Density



KARISMA*

- Phase 2, randomized, double-blind, placebo-controlled, dose-response study of oral (Z)-endoxifen in premenopausal women with Measurable Breast Density (MBD)
 - Initial mammography screening
 - n=240 planned (current enrollment 80%)
 - (Z)-endoxifen 1 or 2 mg/day (or PBO) for 6 months
 - Longitudinal mammography monitoring
 - Primary Endpoint:
 - To determine the dose-response relationship of daily oral (Z)-endoxifen by measurement of mammographic breast density area (cm²) reduction
 - Change from baseline in MBD at 3 and 6 months
 - Durability of change at 24 months

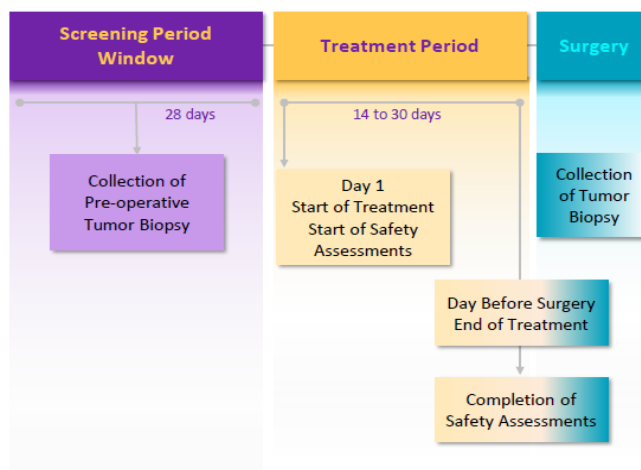


(Z)-endoxifen – Successful Phase 2 Study in AUS



Phase 2 Open Label Study Of (Z)-endoxifen In Patients With Invasive Breast Cancer (WoO Study)

- Population: ER+, HER2- invasive breast cancer requiring lumpectomy or mastectomy
- Daily oral dosing – time period between diagnosis and surgery
 - 6/7 pts had 65% reduction in Ki-67 and 7/7 <25% Ki-67 at surgery
- No adverse safety signals or laboratory findings
- Favorable results allowed early termination in Feb. 2021



Source: Company reports

Exhibit 7: Endoxifen Clinical Trials

U.S. Phase 2 Study - EVANGELINE



- Open-label, randomized, Phase 2 study in premenopausal women with Grade 1 or 2 ER+/HER2- breast cancer – first patient was enrolled in February 2023
- Subjects are enrolled with the intent of surgical treatment in the involved breast(s) after completing neoadjuvant study treatment
- Expected to enroll approximately 175 patients at up to 25 sites across the United States
- Primary objective is to evaluate the endocrine sensitive disease rate, measured by Ki-67 compared to treatment with current standard of care
- Current SOC includes medication given to block the ovaries from making estrogen, which in premenopausal women is associated with significant morbidity and inadequate compliance, which compromises efficacy and increases the risk of mortality

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 8: Q3 2023 and Recent Company Highlights

Atossa Therapeutics Announces Third Quarter 2023 Financial Results and Provides Corporate Update

November 13, 2023 2:00 PM EST

- *Achieved significant enrollment milestones in ongoing Phase 2 clinical trials*
- *Four ongoing Phase 2 studies evaluating (Z)-endoxifen, including recently announced study in DCIS*
- *Ended third quarter 2023 with \$94.0 million of cash and cash equivalents*

Key developments from Q3 2023 and year to date include:

- **80% Enrollment in Ongoing Phase 2 Karisma-Endoxifen Clinical Trial** – the study is investigating (Z)-endoxifen in premenopausal women with measurable breast density. Participants receive daily doses of (Z)-endoxifen for six months, over the course of which mammograms are conducted to measure reduction in breast density. Full enrollment is expected by the end of 2023 and data is expected in the second half of 2024.
- **80% Enrollment in Phase 2 I-SPY 2 Clinical Trial** – (Z)-endoxifen is being evaluated as a neoadjuvant treatment in a study arm of the ongoing I-SPY 2 clinical trial. The study arm targets patients with newly diagnosed estrogen receptor-positive breast cancer whose tumors are predicted to be sensitive to endocrine therapy but for whom chemotherapy is expected to provide little or no benefit. Data is expected in the second half of 2024.
- **Initiation of Phase 2 Re-Evaluating Conditions for Active Surveillance Suitability as Treatment: Ductal Carcinoma In Situ (RECAST DCIS) Study** – (Z)-endoxifen is being evaluated as a treatment option in patients diagnosed with DCIS. The RECAST DCIS study, which is organized by Quantum Leap Healthcare Collaborative, is aimed at preventing the progression of DCIS to breast cancer, which could significantly change the way DCIS is treated. Dosing is expected to start in Q4 2023.
- **Approval from Health Canada to Conduct Phase 2 EVANGELINE Clinical Trial in Canada** – Atossa was authorized to open sites and enroll patients in the Phase 2 EVANGELINE study throughout Canada.
- **Research agreement with Weill Cornell Medicine** – partnership to study the potential of inducing estrogen receptor (ER) expression in triple-negative breast cancer (TNBC). The goal of this research is to determine if treating TNBC with extracellular vesicles carrying the ER will convert the tumor to ER+ and render it sensitive to treatment with Selective Estrogen Receptor Modulators, including Atossa's proprietary (Z)-endoxifen.
- **Appointment of Jonathan Finn to Atossa's Board of Directors** – Mr. Finn has more than 25 years of experience in the financial industry with a focus on early to mid-stage biotech and technology companies. He currently serves as Executive Vice President and Chief Investment Officer at Vantage Consulting Group, an investment advisory firm.

Source: Company reports

Exhibit 9: Atossa Therapeutics, Inc. Stock Price (5-years)



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

Exhibit 10: Consensus Expectations (as of November 13, 2023)

	Revenue (mils)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$0A		Q1 Mar	\$(0.05)A	
Q2 Jun	\$0A		Q2 Jun	\$(0.08)A	
Q3 Sep	\$0E		Q3 Sep	\$(0.07)E	
Q4 Dec	\$0E		Q4 Dec	\$(0.07)E	
Total	\$0E	\$0E	Total	\$(0.27)E	\$(0.27)E

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

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Atossa Therapeutics, Inc.

Income Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	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	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	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	0.0
Research and development	1.4	3.8	2.2	1.8	9.2	1.5	3.4	5.2	5.0	15.1	3.5	3.7	4.5	4.5	16.2	5.0	5.0	5.0	5.0	5.0	20.0
General and administrative	2.2	3.2	3.0	3.0	11.3	3.2	3.2	3.0	3.2	12.6	3.6	4.1	3.0	3.5	14.2	3.0	3.0	3.0	3.0	3.0	12.0
Restructuring and other					0.0					0.0					0.0						0.0
Total operating expenses	3.5	7.0	5.2	4.8	20.5	4.7	6.6	8.2	8.1	27.7	7.1	7.8	7.5	8.0	30.4	8.0	8.0	8.0	8.0	8.0	32.0
Operating income (loss)	(3.5)	(7.0)	(5.2)	(4.8)	(20.5)	(4.7)	(6.6)	(8.2)	(8.1)	(27.7)	(7.1)	(7.8)	(7.5)	(8.0)	(30.4)	(8.0)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)
Interest income (expense)					0.0				0.9	0.9	0.9	1.0	1.3	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	0.2	(0.2)	(0.1)	(0.0)	(3.0)	(0.0)	0.0	(3.1)	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(8.0)	(30.3)	(8.0)	(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
Net income (loss)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(8.0)	(30.3)	(8.0)	(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)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(8.0)	(30.3)	(8.0)	(8.0)	(8.0)	(8.0)	(8.0)	(32.0)
EBITDA																					
Shares, Basic	92.6	121.6	126.5	126.6	117.0	126.6	126.6	126.6	126.6	126.6	126.6	126.6	125.8	125.9	126.2	126.1	126.2	126.3	126.4	126.4	126.2
Shares, Diluted	92.6	121.6	126.5	126.6	117.0	126.6	126.6	126.6	126.6	126.6	126.6	126.6	125.8	125.9	126.2	126.1	126.2	126.3	126.4	126.4	126.2
EPS Basic (pro forma)	(\$0.04)	(\$0.06)	(\$0.04)	(\$0.04)	(\$0.18)	(\$0.04)	(\$0.05)	(\$0.06)	(\$0.06)	(\$0.21)	(\$0.05)	(\$0.08)	(\$0.05)	(\$0.06)	(\$0.24)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.25)
EPS Diluted (pro forma)	(\$0.04)	(\$0.06)	(\$0.04)	(\$0.04)	(\$0.18)	(\$0.04)	(\$0.05)	(\$0.06)	(\$0.06)	(\$0.21)	(\$0.05)	(\$0.08)	(\$0.05)	(\$0.06)	(\$0.24)	(\$0.06)	(\$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	NM
Tax rate, GAAP	0%	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	NM
Y/Y % change																					
Total Revenue																					
Gross margin																					
Research and development	47%	130%	33%	-23%	39%	9%	-10%	134%	173%	64%	134%	8%	-13%	-10%	7%	43%	35%	12%	11%	24%	
General and administrative	8%	40%	60%	61%	41%	51%	-1%	3%	5%	11%	11%	29%	-1%	11%	12%	-16%	-27%	0%	-14%	-15%	
Operating income (loss)	20%	78%	47%	14%	40%	34%	-6%	59%	69%	35%	50%	18%	-9%	-2%	10%	13%	3%	7%	0%	5%	
Net income (loss)	20%	80%	49%	-60%	-8%	35%	-5%	54%	55%	31%	31%	47%	-22%	7%	13%	27%	-19%	28%	0%	5%	
EPS Diluted (pro forma)	-88%	-86%	-88%	-95%	-91%	-1%	-9%	54%	55%	21%	31%	47%	-22%	7%	13%	28%	-18%	28%	0%	5%	

Source: Company reports and Ascendant Capital Markets estimates.

Atossa Therapeutics, Inc.

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	137.6	142.4	140.0	136.4	131.5	125.5	117.4	110.9	103.9	99.4	94.0	87.1	80.0	72.9	65.8	58.7
Short term investments												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	0.8	0.9	1.1		0.9	0.6	0.7	0.7	0.7	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
Prepaid expenses and other	2.6	2.5	1.9	3.7	5.3	6.9	5.3	6.5	6.2	5.8	3.5	3.5	3.5	3.5	3.5	3.5
Total current assets	141.0	145.8	143.0	141.2	136.8	133.4	123.4	118.2	110.9	106.0	97.6	90.7	83.6	76.5	69.4	62.3
Property and equipment, net	0.0	0.0	0.0	0.0								0.0	0.0	0.0	0.1	0.1
Intangibles, net	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
Other	0.0	0.0	0.0	0.0	0.6	0.6	3.3	5.3	5.3	2.4	4.0	4.0	4.0	4.0	4.0	4.0
Total assets	141.1	145.9	143.0	141.3	137.5	134.0	126.7	123.5	116.2	108.4	101.7	94.7	87.7	80.6	73.5	66.4
Liabilities and stockholders' equity																
Accounts payable	0.7	0.5	0.7	1.7	1.6	2.1	1.7	3.0	1.4	1.2	0.7	0.7	0.7	0.7	0.7	0.7
Accrued expenses	0.6	1.2	1.0	1.4	0.7	1.7	1.2	2.6	0.6	2.3	2.7	2.7	2.7	2.7	2.7	2.7
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt												0.0	0.0	0.0	0.0	0.0
Total current liabilities	1.4	1.8	1.7	3.1	2.3	3.8	2.9	5.6	2.9	3.5	3.4	3.4	3.4	3.4	3.4	3.4
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other long term liabilities												0.0	0.0	0.0	0.0	0.0
Long term debt												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	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Common stock	21.7	22.7	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	23.7	24.6	25.6	26.5	27.4
Additional paid-in capital	230.1	240.6	243.0	244.0	245.8	247.6	249.2	250.8	252.4	253.8	253.4	253.4	253.4	253.4	253.4	253.4
Retained earnings	(112.2)	(119.2)	(124.4)	(129.2)	(134.0)	(140.7)	(148.7)	(156.2)	(162.5)	(172.3)	(178.5)	(186.5)	(194.5)	(202.5)	(210.5)	(218.5)
Accumulated other comprehensive income							(0.1)					0.1	0.1	0.1	0.1	0.1
Total stockholders' equity	139.7	144.1	141.3	138.1	135.2	130.3	123.9	118.0	113.3	104.9	98.3	91.3	84.2	77.1	70.1	63.0
Total stockholders' equity and liabil	141.1	145.9	143.0	141.3	137.5	134.0	126.7	123.5	116.2	108.4	101.7	94.7	87.7	80.6	73.5	66.4

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$1.51	\$1.19	\$1.12	\$1.09	\$1.07	\$1.03	\$0.98	\$0.93	\$0.89	\$0.83	\$0.78	\$0.73	\$0.67	\$0.61	\$0.55	\$0.50
Cash per Share (diluted)	\$1.49	\$1.17	\$1.11	\$1.08	\$1.04	\$0.99	\$0.93	\$0.88	\$0.82	\$0.78	\$0.75	\$0.69	\$0.63	\$0.58	\$0.52	\$0.46
Net cash per Share (diluted)	\$1.49	\$1.17	\$1.11	\$1.08	\$1.04	\$0.99	\$0.93	\$0.88	\$0.82	\$0.78	\$0.75	\$0.69	\$0.63	\$0.58	\$0.52	\$0.46

Source: Company reports and Ascendant Capital Markets estimates

Atossa Therapeutics, Inc.

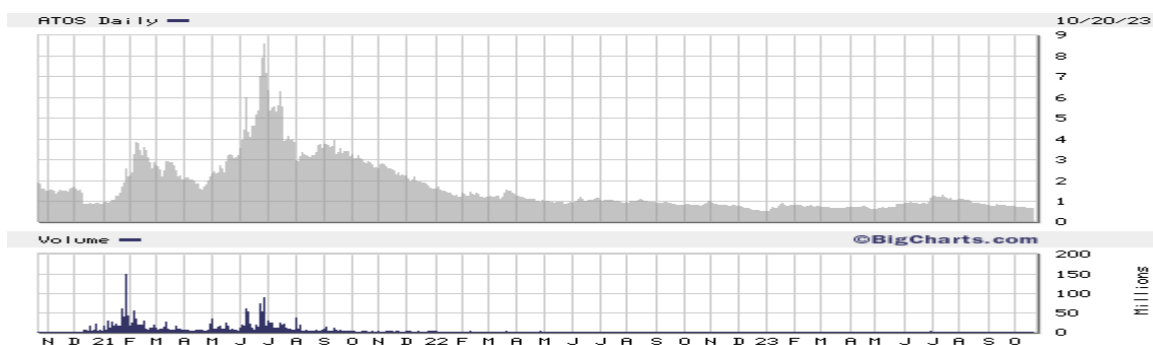
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(8.0)	(30.3)	(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	0.6	1.2	1.8	1.6	5.3	1.8	1.8	1.7	1.5	6.8	1.6	1.6	0.9	0.9	5.0	0.9	0.9	0.9	0.9	3.7	
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	
Change in fair value of warrant liability					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0	
Writedowns and impairments					0.0					0.0		3.0			3.0					0.0	
Other gains/losses					0.0					0.0					0.0					0.0	
Other					0.0	0.0	0.0			0.0					0.0					0.0	
Changes in operating assets and liabilities:																					
Prepaid expenses & other curre	(0.7)	0.2	0.5	(0.6)	(0.7)	(1.4)	(1.4)	0.2	1.1	(1.5)	(1.3)	(0.5)	2.3	0.0	0.6	0.0	0.0	0.0	0.0	0.0	
Research and development tax	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	0.4	(0.2)	0.3	(0.1)	0.3	0.0	0.0	0.7		0.7					0.0	
Income tax					0.0					0.0					0.0					0.0	
Other assets	0.6	0.0	0.1	(1.2)	(0.5)	(0.1)	(0.9)	1.4	(2.2)	(1.8)	1.6	0.9	(1.7)	0.0	0.7	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(0.9)	(0.2)	0.1	1.0	0.1	(0.1)	0.5	(0.4)	1.3	1.2	(1.5)	(0.4)	(0.3)	0.0	(2.2)	0.0	0.0	0.0	0.0	0.0	
Accrued expenses	(0.4)	0.6	(0.2)	0.4	0.3	(0.1)	0.7	(0.8)	1.1	0.9	(0.4)	0.2	0.4	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Other liabilities	0.0	0.0	(0.0)	0.0	0.0	(0.6)	0.3	0.3	0.3	0.3	(0.7)	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(4.4)	(5.3)	(3.1)	(3.7)	(16.5)	(4.9)	(5.9)	(5.4)	(4.5)	(20.8)	(7.0)	(4.5)	(3.9)	(7.1)	(22.4)	(7.1)	(7.1)	(7.1)	(7.1)	(28.3)	
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)	(0.1)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions					0.0			(2.7)	(2.0)	(4.7)					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing activ	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)	0.0	(2.7)	(2.0)	(4.7)	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	
Repayment of debt					0.0					0.0					0.0					0.0	
Issuance of stock	69.7			(0.0)	69.7					0.0			(1.5)	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exe	32.8	10.2	0.7	0.0	43.6					0.0					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	102.4	10.2	0.7	0.0	113.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.5)	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0			(0.1)	0.1	0.0					0.0					0.0	
Net increase (decrease) in cash	98.0	4.9	(2.4)	(3.7)	96.8	(4.9)	(5.9)	(8.2)	(6.5)	(25.5)	(7.0)	(4.5)	(5.4)	(7.1)	(23.9)	(7.1)	(7.1)	(7.1)	(7.1)	(28.4)	
Beginning cash and equivalents	39.7	137.7	142.5	140.2	39.7	136.5	131.6	125.6	117.5	136.5	111.0	104.0	99.5	94.1	111.0	87.1	80.0	72.9	65.8	87.1	
Ending cash and equivalents	137.7	142.5	140.2	136.5	136.5	131.6	125.6	117.5	111.0	111.0	104.0	99.5	94.1	87.1	87.1	80.0	72.9	65.8	58.7	58.7	

Source: Company reports and Ascendant Capital Markets estimates

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Atossa Therapeutics, Inc.



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

	Report Date		Price
Report	Date	Rating	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

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%

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