United States
Healthcare

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Atossa Therapeutics, Inc.

Q4 about inline. COVID-19 and breast cancer clinical trials milestones in 2022 should be catalysts for stock. Lowering P/T to $8.00.

COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $1.24

Target: $8.00
(from $8.75)

Q4 about inline: Atossa recently (on February 28) reported its Q4 2021 (ending December) results. Net loss was $4.8 million or EPS of $(0.04), compared with our estimates of $(0.05). There was no Q4 guidance. Atossa is an early/clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $4.8 million, down from $5.2 million in Q3 2021 on lower clinical trial activities.

No guidance: Management did not provide forward guidance, but we believe ~$7 million to be a reasonable near term quarterly cash burn rate as it ramps up R&D activities.

Maintaining estimates: We are maintaining our 2022 EPS estimate of $(0.22).

Focused on 3 drugs in development: Atossa has three main therapeutic drug candidates, two for COVID-19 and one for breast cancer (for 2 settings).

COVID-19: Atossa has two COVID-19 drugs under development: 1) AT-H201, to improve lung function of moderate to severely ill, hospitalized COVID-19 patients by inhalation; and 2) AT-301, a nasal spray for COVID-19 patients who are not sufficiently ill to require hospitalization.

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.

2 clinical trial in progress: In September, Atossa began to enroll patients in its clinical study of AT-H201 in Australia. In December, Atossa began to enroll patients in its clinical study of Endoxifen in Sweden. Atossa has received authorizations from: 1) Australian regulators to initiate a clinical study of AT-H201 which is being developed for the treatment of patients with COVID-19 and "long haul" respiratory illness; and 2) Swedish regulators to initiate a Phase 2 clinical study of Endoxifen to reduce mammographic breast density (MBD).

Positive data so far: In February 2021, Atossa announced final positive results from its Phase 1 clinical trial of AT-301. In February 2021, its Endoxifen in WOO trial halted early due to substantial positive data. The company is awaiting approval or inputs from the FDA to advance all three into the next phase of clinical trials (expected in 2022) in the U.S.

Clinical data can be catalyst: Atossa anticipates starting/finishing its various clinical trials over the next year. We believe achieving key milestones and strong positive data will likely be 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 lowering our 12-month price target to $8.00 from $8.75 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:	$1.03 – 9.80
Shares Outstanding (million):	127
Market cap ($million):	$157
EV ($million):	$21
Debt ($million):	$0
Cash ($million):	$136
Avg. Daily Trading Vol. ($million):	$3
Float (million shares):	127
Short Interest (million shares):	17
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (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)

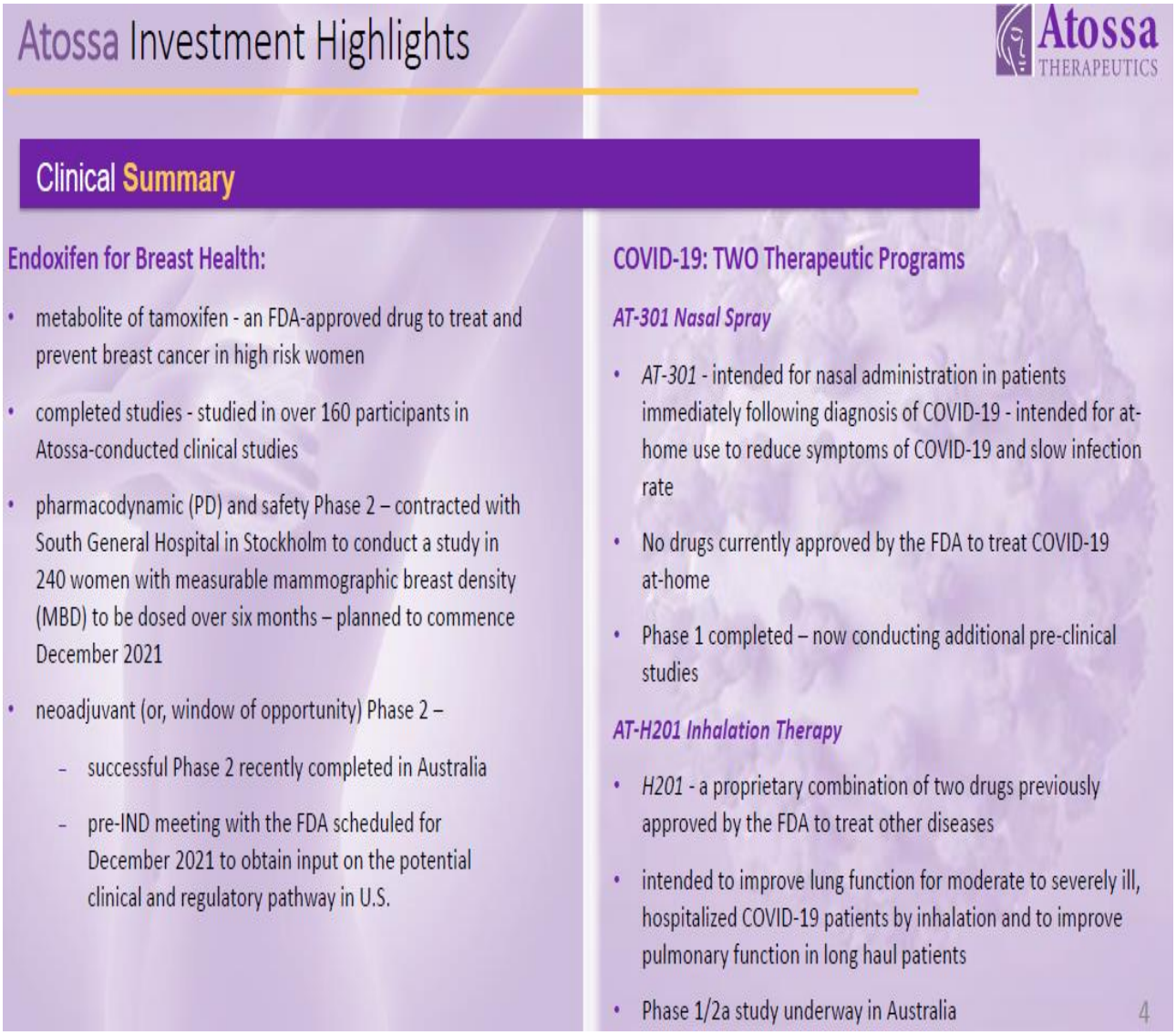
	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.06)E		(0.06)E	
Q2 Jun	(0.06)E		(0.06)E	
Q3 Sep	(0.06)E		(0.05)E	
Q4 Dec	(0.06)E		(0.05)E	
Total	**(0.22)E**		**(0.22)E**	
P/E	N/A		N/A	

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.

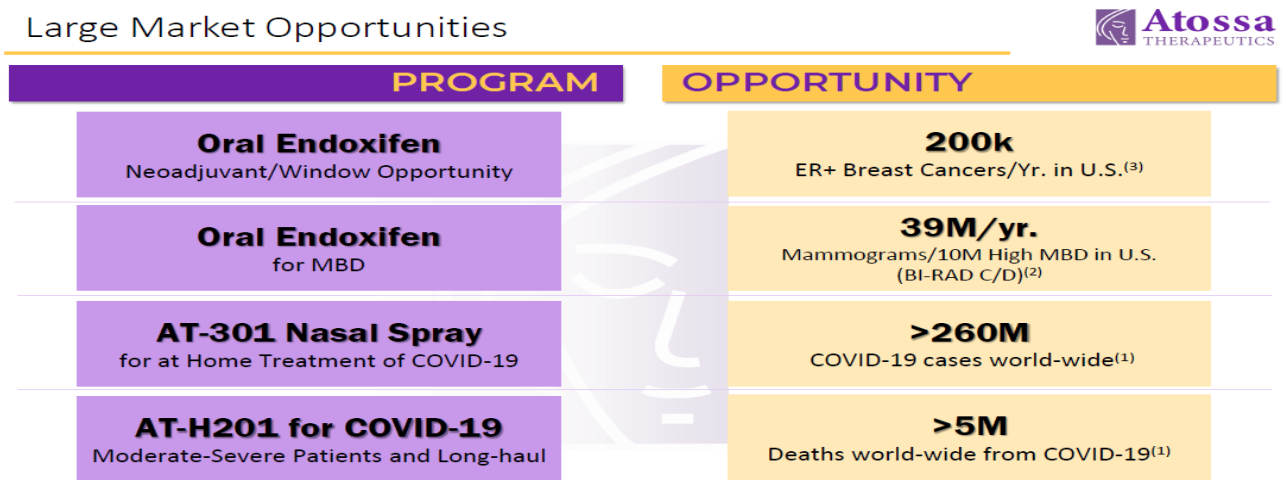
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 15.

Exhibit 1: Atossa Therapeutics, Inc.



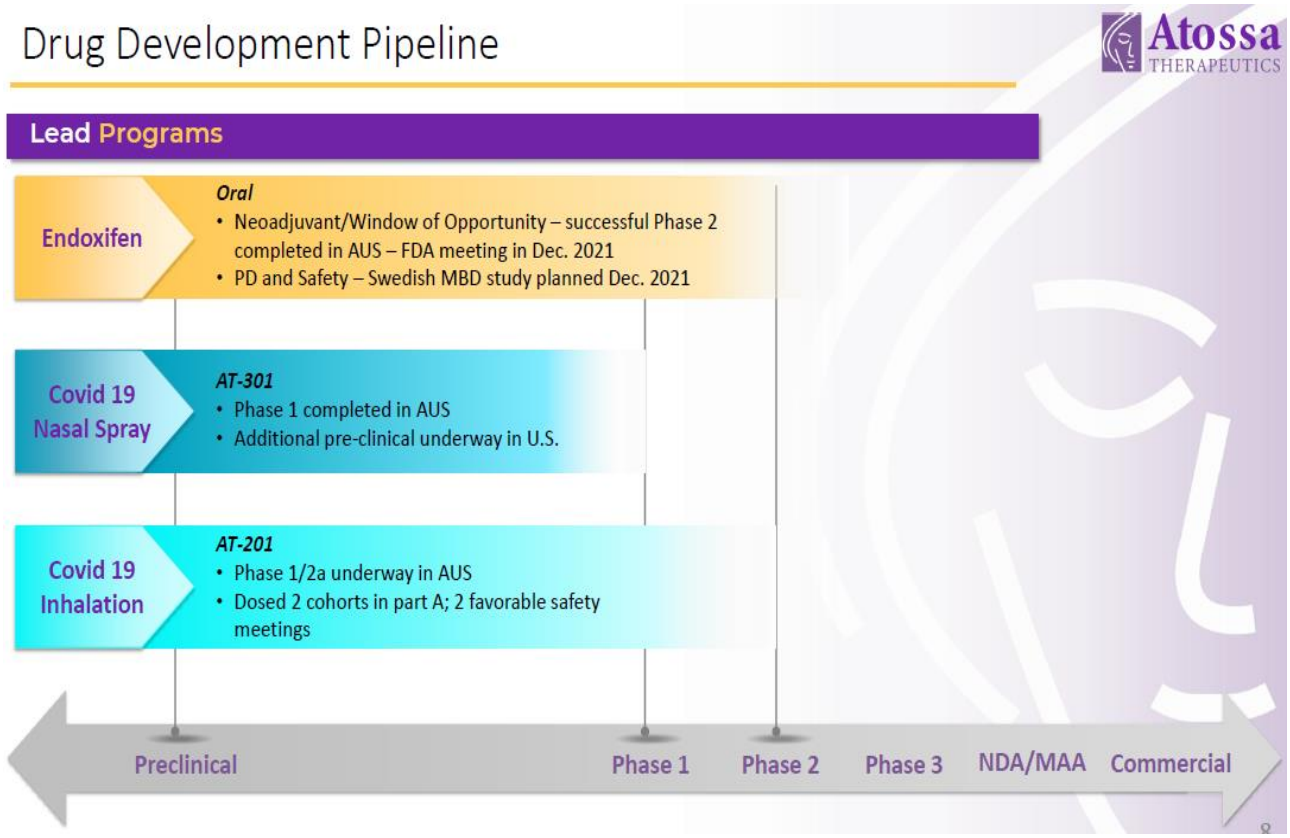
Source: Company reports

Exhibit 2: Atossa Market Opportunities



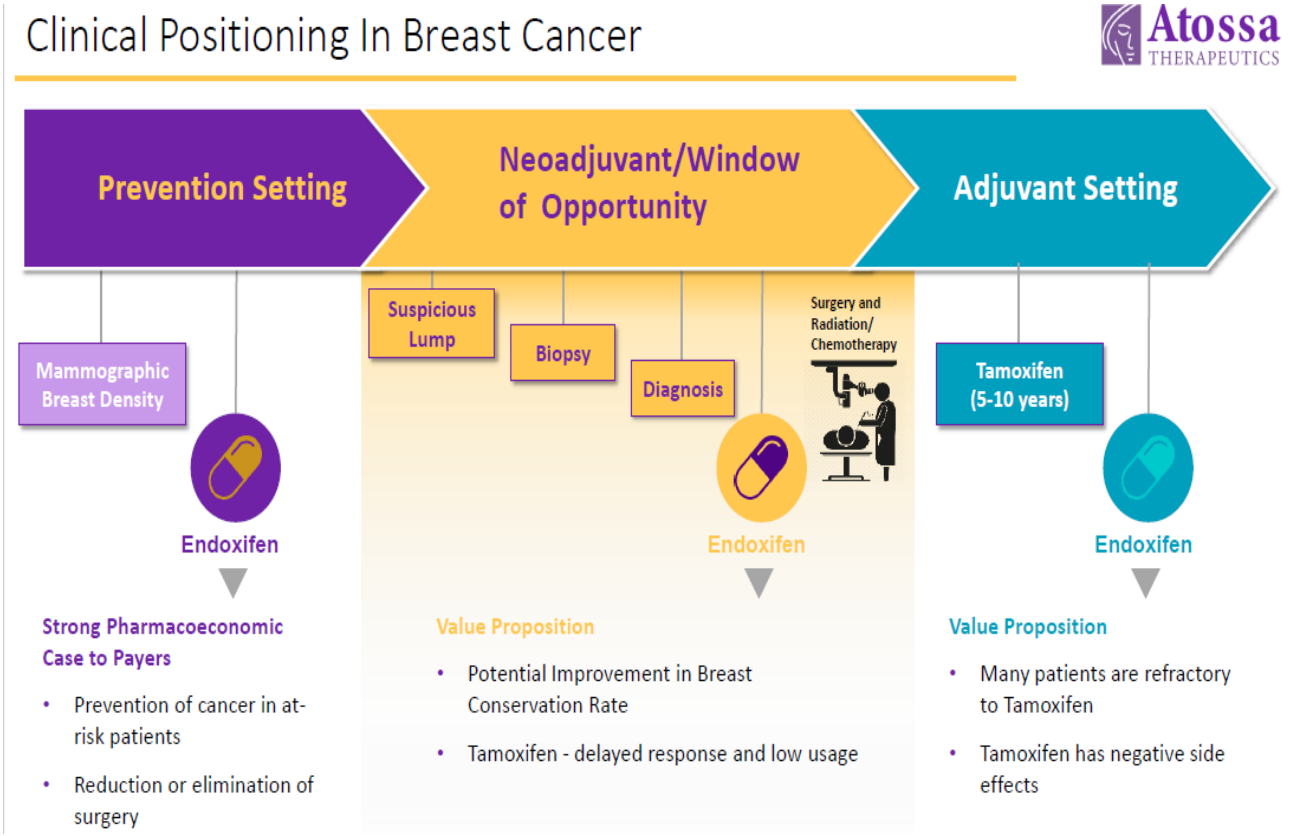
Source: Company reports.

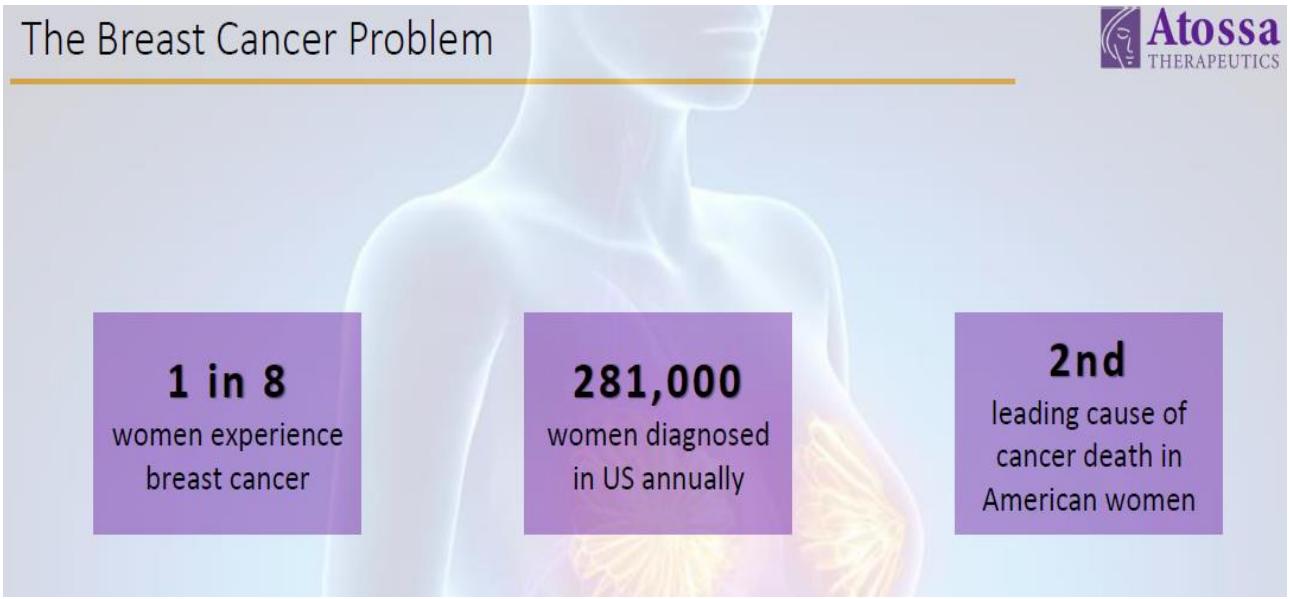
Exhibit 3: Atossa Drug Development Pipeline (as of November 2021)



Source: Company reports

Exhibit 4: ENDOXIFEN





Source: Company reports

Exhibit 5: Endoxifen Clinical Trials

Endoxfen Phase 2 Study in Stockholm

Atossa THERAPEUTICS

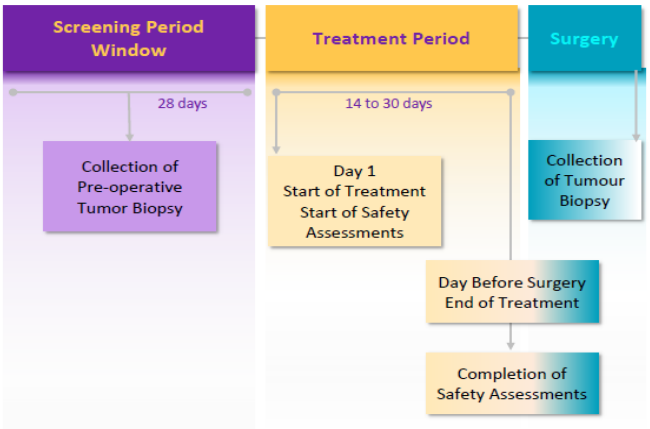
- To be conducted in Stockholm by So. Gen. Hospital
- Primary objective – PD study to determine the dose-response relationship of daily Endoxifen on MBD reduction
- Secondary endpoints - safety and tolerability
- Randomized, double-blinded and placebo-controlled
- 240 pre-menopausal women with measurable MBD dosed for six months
- Principal investigator Per Hall, M.D., Ph.D., Head of the Department of Medical Epidemiology and Biostatistics at Karolinska Institute

Endoxifen – Recent Successful Phase 2 Study in AUS

Atossa THERAPEUTICS

Phase 2 Open Label Study Of 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
- Primary Endpoint: Reduced Ki-67 tumor cell activity
- Secondary Endpoints: Safety and tolerability; estrogen receptor and progesterone receptor expression; correlate changes in pharmacodynamic markers to endoxifen blood levels



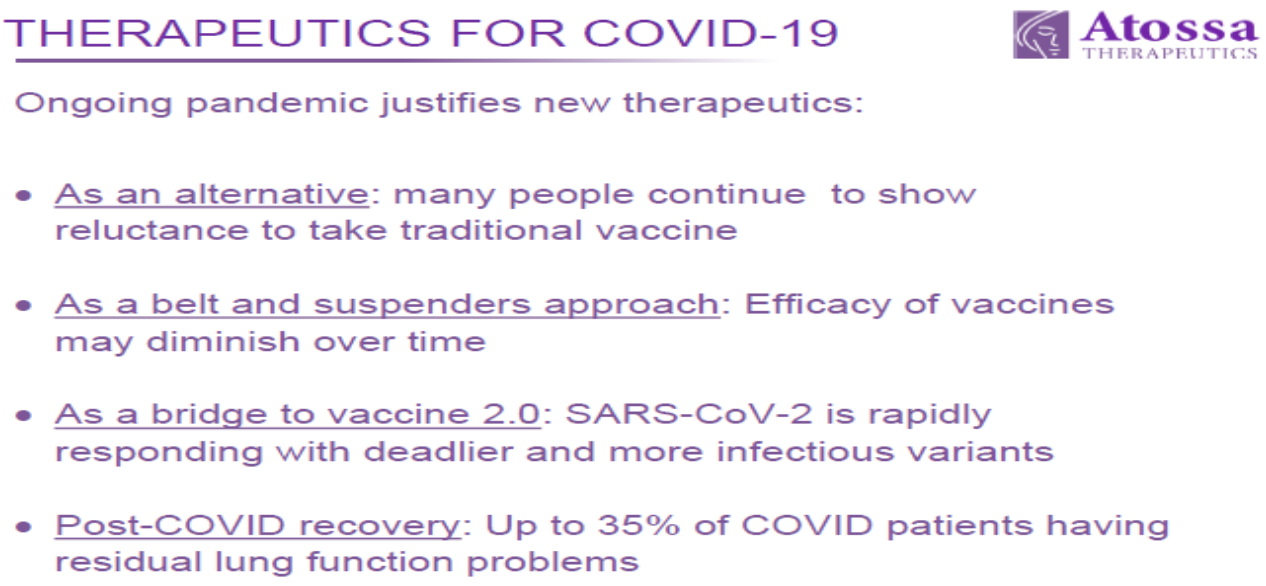
Endoxifen – Potential Pathway in U.S.

Atossa THERAPEUTICS

- Goal: conduct additional studies in U.S., including in the neoadjuvant setting
- FDA: Pre-IND scheduled with FDA in December 2021
- Based on FDA input: planning U.S. studies in 2022
- Partnering: Planning to seek partner on future studies

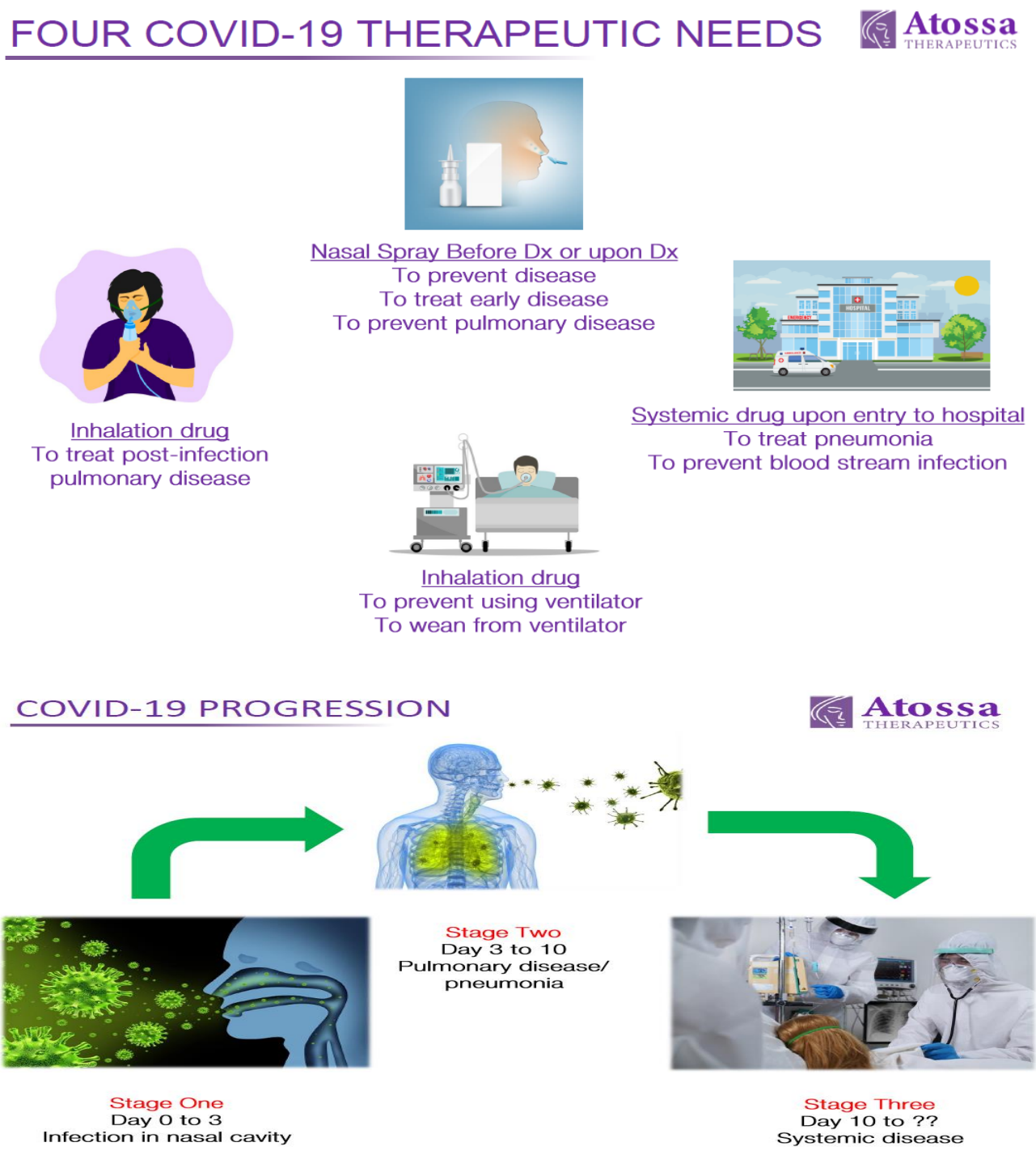
Source: Company reports

Exhibit 6: COVID-19 Opportunities



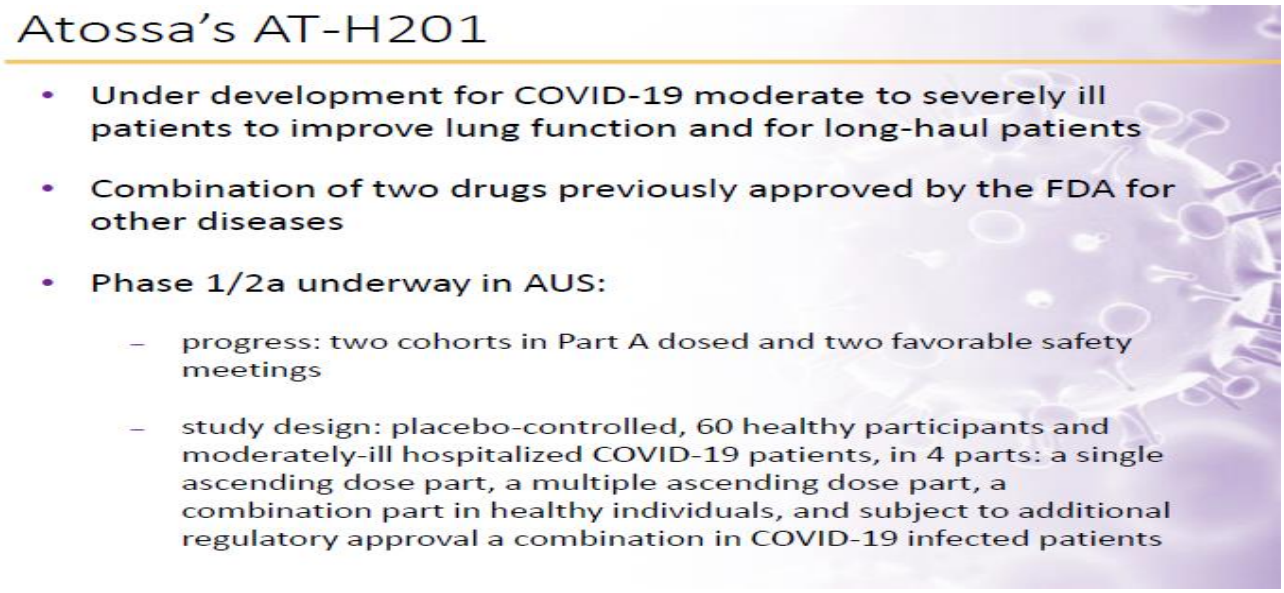
Source: Company reports

Exhibit 7: COVID-19 Therapeutic Needs



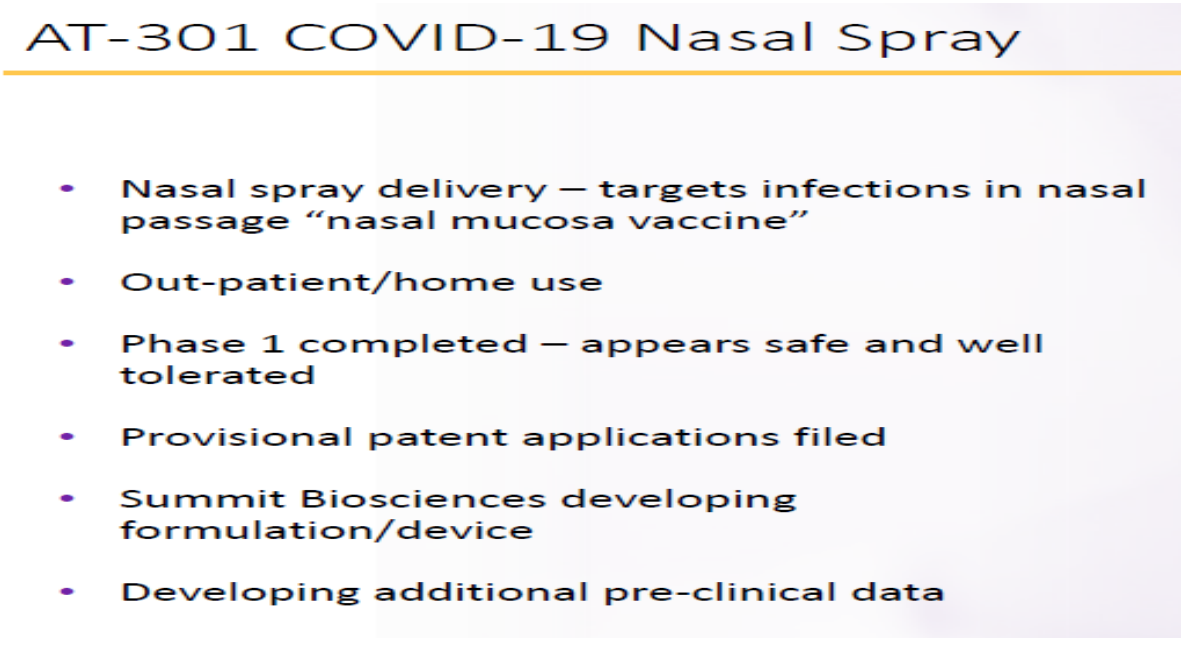
Source: Company reports.

Exhibit 8: AT-H201



Source: Company reports

Exhibit 9: AT-301



Source: Company reports

Exhibit 10: Q4 2021 and Recent Company Highlights

Key developments from Q4 2021 and to date include:

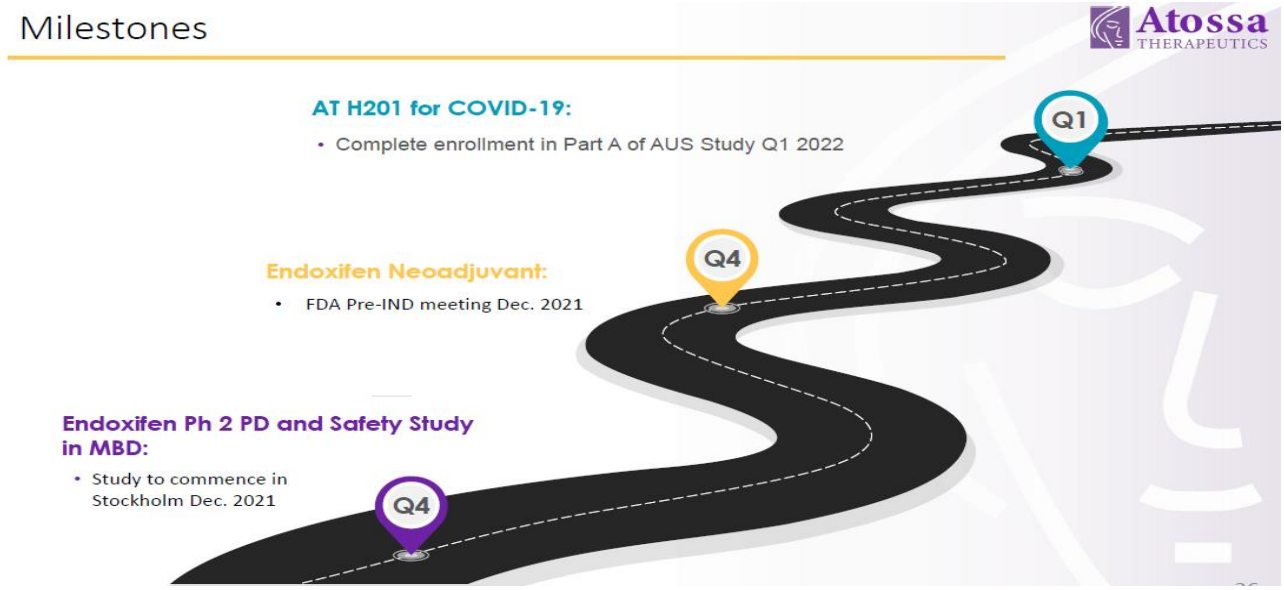
- Initiated enrollment of our Phase 2 clinical study of proprietary oral Z-endoxifen (or "Endoxifen") in Sweden. Participants in the study will be premenopausal women with measurable mammographic breast density.

- Completed a pre-investigational new drug (PIND) meeting with the FDA. The purpose of the meeting was to obtain input from the FDA on pre-clinical, clinical, manufacturing and regulatory matters in the U.S. for Atossa's proprietary Endoxifen to treat breast cancer in the neoadjuvant (prior to surgery) setting.

- Completed enrollment of Part A of our Phase 1/2a clinical study of AT-H201 in Australia, consisting of single ascending dose cohorts in healthy participants. The nebulized formulation, AT-H201, is being developed as an inhalation therapy for moderately to severely ill hospitalized COVID-19 patients, and for "long-haul" patients with post-infection pulmonary disease, subject to future studies in this patient population.

Source: Company reports

Exhibit 11: Upcoming Milestones



The Company's upcoming plans with its current programs include the following:

- Endoxifen neoadjuvant program: Atossa plans to submit to the FDA an IND to conduct a Phase 2 study in the U.S. to compare Endoxifen to standard of care in premenopausal women with breast cancer. It will conduct a pharmacokinetic run-in study as a part of the Phase 2 study to further define potential dose levels. A CRO has been engaged to work on this study and the Company also intends to retain a leading U.S. research institution to help design and manage the study. Atossa anticipates submitting an IND in the second quarter of 2022 and then promptly commencing a Phase 2 study in this neoadjuvant setting, assuming FDA acceptance.

- Endoxifen for women with measurable breast density: The Company will continue to enroll participants in its Endoxifen Phase 2 clinical study in Stockholm.

- COVID-19 therapies under development: With respect to the ongoing AT-H201 Phase 1/2a clinical study, Atossa plans to complete enrollment in the second part in the second quarter 2022 and complete the third part of the study in the third quarter 2022. In 2022, the Company plans to continue the additional pre-clinical testing on its nasal spray AT-301 and then to further characterize the API in AT-301 starting in the third quarter 2022.

Source: Company reports

Exhibit 12: Atossa Therapeutics, Inc. Stock Price (5-years)

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

Exhibit 13: Consensus Expectations (as of February 28, 2022)

	Revenue (mil)	
	2021A	2022E
Q1 Mar	$0A	$0E
Q2 Jun	$0A	$0E
Q3 Sep	$0A	
Q4 Dec	$0A	
Total	$0A	$0E

	EPS	
	2021A	2022E
Q1 Mar	$(0.04)A	$(0.05)E
Q2 Jun	$(0.06)A	$(0.06)E
Q3 Sep	$(0.04)A	
Q4 Dec	$(0.04)A	
Total	$(0.18)A	$(0.20)E

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

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

FINANCIAL MODEL

Atossa Therapeutics, Inc.

Income Statement ($ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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
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	0.9	1.7	1.7	2.4	6.6	1.4	3.8	2.2	1.8	9.2	4.0	4.0	4.0	4.0	16.0	4.0	4.0	4.0	4.0	16.0
General and administrative	2.0	2.3	1.8	1.9	8.0	2.2	3.2	3.0	3.0	11.3	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	2.9	3.9	3.5	4.2	14.6	3.5	7.0	5.2	4.8	20.5	7.0	7.0	7.0	7.0	28.0	7.0	7.0	7.0	7.0	28.0
Operating income (loss)	**(2.9)**	**(3.9)**	**(3.5)**	**(4.2)**	**(14.6)**	**(3.5)**	**(7.0)**	**(5.2)**	**(4.8)**	**(20.5)**	**(7.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(28.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(28.0)**
Interest income (expense)			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
Other income (expense)	(0.0)	0.0		(7.7)	(7.7)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(2.9)	(3.9)	(3.5)	(12.0)	(22.3)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)
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)	(2.9)	(3.9)	(3.5)	(12.0)	(22.3)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**(2.9)**	**(3.9)**	**(3.5)**	**(12.0)**	**(22.3)**	**(3.5)**	**(7.0)**	**(5.2)**	**(4.8)**	**(20.6)**	**(7.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(28.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(7.0)**	**(28.0)**
EBITDA																				
Shares, Basic	9.1	9.2	10.2	16.7	11.3	92.6	121.6	126.5	126.6	117.0	126.7	126.8	126.9	127.0	126.9	127.1	127.2	127.3	127.4	127.3
Shares, Diluted	9.1	9.2	10.2	16.7	11.3	92.6	121.6	126.5	126.6	117.0	126.7	126.8	126.9	127.0	126.9	127.1	127.2	127.3	127.4	127.3
EPS Basic (pro forma)	**($0.32)**	**($0.43)**	**($0.34)**	**($0.72)**	**($1.97)**	**($0.04)**	**($0.06)**	**($0.04)**	**($0.04)**	**($0.18)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.22)**	**($0.06)**	**($0.06)**	**($0.05)**	**($0.05)**	**($0.22)**
EPS Diluted (pro forma)	($0.32)	($0.43)	($0.34)	($0.72)	($1.98)	($0.04)	($0.06)	($0.04)	($0.04)	($0.18)	($0.06)	($0.06)	($0.06)	($0.06)	($0.22)	($0.06)	($0.06)	($0.05)	($0.05)	($0.22)
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	-35%	-37%	-1%	163%	-1%	47%	130%	33%	-23%	39%	190%	5%	81%	119%	74%	0%	0%	0%	0%	0%
General and administrative	-24%	-51%	15%	9%	-25%	8%	40%	60%	61%	41%	39%	-6%	2%	0%	6%	0%	0%	0%	0%	0%
Operating income (loss)	-28%	-46%	6%	61%	-15%	20%	78%	47%	14%	40%	98%	0%	36%	45%	36%	0%	0%	0%	0%	0%
Net income (loss)	-28%	-46%	6%	358%	30%	20%	80%	49%	-60%	-8%	98%	-1%	35%	45%	36%	0%	0%	0%	0%	0%
EPS Diluted (pro forma)	-48%	-47%	-5%	150%	-3%	-88%	-86%	-88%	-95%	-91%	45%	-5%	34%	44%	25%	0%	0%	0%	0%	0%

Source: Company reports and Ascendiant Capital Markets estimates.

Atossa Therapeutics, Inc.

Balance Sheet ($ mils) Fiscal Year End: December 31	Mar-20 Q1A	Jun-20 Q2A	Sep-20 Q3A	Dec-20 Q4A	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1E	Jun-22 Q2E	Sep-22 Q3E	Dec-22 Q4E	Mar-23 Q1E	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E
Assets																
Cash and cash equivalents	9.4	7.5	9.1	39.6	137.6	142.4	140.0	136.4	131.1	125.7	120.3	115.0	109.6	104.2	98.8	93.4
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	0.8	0.4	0.6	0.7	0.8	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.5	1.7	1.7	2.5	2.6	2.5	1.9	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Total current assets	11.7	10.1	11.3	42.8	141.0	145.8	143.0	141.2	136.0	130.6	125.2	119.8	114.4	109.0	103.6	98.2
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	0.1	0.1	0.1
Intangibles, net	0.1	0.1	0.0	0.0	0.0	0.0			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	0.1	0.1	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
Total assets	**11.8**	**10.2**	**11.4**	**42.8**	**141.1**	**145.9**	**143.0**	**141.3**	**136.0**	**130.6**	**125.2**	**119.8**	**114.5**	**109.1**	**103.7**	**98.3**
Liabilities and stockholders' equity																
Accounts payable	0.4	1.0	0.7	1.6	0.7	0.5	0.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Accrued expenses	0.5	0.7	0.8	0.1	0.6	1.2	1.0	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities				13.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	**0.9**	**1.8**	**1.6**	**15.7**	**1.4**	**1.8**	**1.7**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**
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	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Common stock	1.6	1.7	1.9	8.6	21.7	22.7	22.8	22.8	24.4	26.0	27.6	29.3	30.9	32.5	34.1	35.7
Additional paid-in capital	106.3	107.6	112.4	130.5	230.1	240.6	243.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0	244.0
Retained earnings	(97.0)	(100.9)	(104.4)	(111.9)	(112.2)	(119.2)	(124.4)	(129.2)	(136.2)	(143.2)	(150.2)	(157.2)	(164.2)	(171.2)	(178.2)	(185.2)
Accumulated other comprehensive income									0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total stockholders' equity	**10.9**	**8.4**	**9.9**	**27.2**	**139.7**	**144.1**	**141.3**	**138.1**	**132.9**	**127.5**	**122.1**	**116.7**	**111.3**	**106.0**	**100.6**	**95.2**
Total stockholders' equity and liabil	**11.8**	**10.2**	**11.4**	**42.8**	**141.1**	**145.9**	**143.0**	**141.3**	**136.0**	**130.6**	**125.2**	**119.8**	**114.5**	**109.1**	**103.7**	**98.3**

Balance Sheet Drivers

	Mar-20 Q1A	Jun-20 Q2A	Sep-20 Q3A	Dec-20 Q4A	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1E	Jun-22 Q2E	Sep-22 Q3E	Dec-22 Q4E	Mar-23 Q1E	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E
Book & Cash Value (per share)																
Book Value per Share (diluted)	$1.19	$0.91	$0.97	$1.63	$1.51	$1.19	$1.12	$1.09	$1.05	$1.01	$0.96	$0.92	$0.88	$0.83	$0.79	$0.75
Cash per Share (diluted)	$1.02	$0.81	$0.90	$2.37	$1.49	$1.17	$1.11	$1.08	$1.03	$0.99	$0.95	$0.91	$0.86	$0.82	$0.78	$0.73
Net cash per Share (diluted)	$1.02	$0.81	$0.90	$2.37	$1.49	$1.17	$1.11	$1.08	$1.03	$0.99	$0.95	$0.91	$0.86	$0.82	$0.78	$0.73

Source: Company reports and Ascendiant Capital Markets estimates

Atossa Therapeutics, Inc.

Cash Flow Statement ($ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(2.9)	(3.9)	(3.5)	(7.5)	(17.8)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)	(7.0)	(7.0)	(7.0)	(7.0)	(28.0)
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	0.7	1.0	0.7	0.6	3.0	0.6	1.2	1.8	1.6	5.3	1.6	1.6	1.6	1.6	6.5	1.6	1.6	1.6	1.6	6.5
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				3.3	3.3					0.0					0.0					0.0
Writedowns and impairments		0.0	0.0	0.0	0.0					0.0					0.0					0.0
Other gains/losses					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	(0.5)	(0.1)	(0.0)	(0.3)	(1.0)	(0.7)	0.2	0.5	(0.6)	(0.7)	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)	0.3	(0.2)	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)					0.0					0.0
Income tax					0.0					0.0					0.0					0.0
Other assets	(0.1)	(0.1)	0.1	(0.5)	(0.6)	0.6	0.0	0.1	(1.2)	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.1	0.7	(0.4)	0.9	1.3	(0.9)	(0.2)	0.1	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(0.5)	0.2	0.1	0.2	0.1	(0.4)	0.6	(0.2)	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(3.2)**	**(2.2)**	**(2.7)**	**(3.4)**	**(11.6)**	**(4.4)**	**(5.3)**	**(3.1)**	**(3.7)**	**(16.5)**	**(5.4)**	**(5.4)**	**(5.4)**	**(5.4)**	**(21.5)**	**(5.4)**	**(5.4)**	**(5.4)**	**(5.4)**	**(21.5)**
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					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		0.3	4.3	33.9	38.6	69.7			(0.0)	69.7	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)		(0.0)	32.8	10.2	0.7	0.0	43.6					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**	**0.3**	**4.3**	**33.9**	**38.6**	**102.4**	**10.2**	**0.7**	**0.0**	**113.3**	**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	**(3.2)**	**(1.9)**	**1.6**	**30.4**	**27.0**	**98.0**	**4.9**	**(2.4)**	**(3.7)**	**96.8**	**(5.4)**	**(5.4)**	**(5.4)**	**(5.4)**	**(21.5)**	**(5.4)**	**(5.4)**	**(5.4)**	**(5.4)**	**(21.6)**
Beginning cash and equivalents	**12.7**	**9.5**	**7.6**	**9.2**	**12.7**	**39.7**	**137.7**	**142.5**	**140.2**	**39.7**	**136.5**	**131.1**	**125.7**	**120.3**	**136.5**	**115.0**	**109.6**	**104.2**	**98.8**	**115.0**
Ending cash and equivalents	**9.5**	**7.6**	**9.2**	**39.7**	**39.7**	**137.7**	**142.5**	**140.2**	**136.5**	**136.5**	**131.1**	**125.7**	**120.3**	**115.0**	**115.0**	**109.6**	**104.2**	**98.8**	**93.4**	**93.4**

Source: Company reports and Ascendiant Capital Markets estimates

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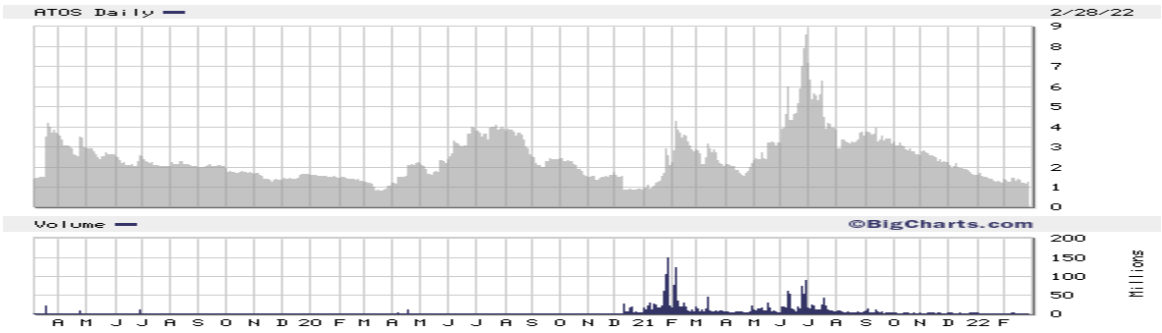
Atossa Therapeutics, Inc.



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

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendiant Capital Markets, LLC Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

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Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

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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**
Buy	40	98%	16	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	41	100%	16	39%

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