United States
Healthcare

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Atossa Therapeutics, Inc.

Q4 inline. Breast cancer clinical trials (3 Phase 2) milestones over the next year should be catalysts for stock. Raising P/T to $6.00.

COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $1.51 (intraday)

Target: $6.00 (from $5.75)

Q4 inline: Atossa recently (on April 1) reported its Q4 2023 (ending December) results. Net loss was $7.8 million or EPS of $(0.06), 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 $9.0 million, up from $7.5 million in Q3 on higher 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.

Adjusting estimates: We are adjusting our 2024 EPS estimate to $(0.27) from $(0.25).

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.

Positive data reported: In April, the company announced promising safety and efficacy data from the company's Phase 2 EVANGELINE (Endoxifen Versus exemestANe GosEreLIn) 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 had announced (in November 2023) 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.

New trial: In April, the company announced the initiation of a new study to evaluate Endoxifen in combination with abemaciclib (VERZENIO), a cyclin-dependent kinase (CDK) 4/6 inhibitor marketed by Eli Lilly and Company, in women with ER+/HER2- breast cancer.

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.

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 $6.00 from $5.75 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:	$0.62 – 2.31
Shares Outstanding (million):	126
Market cap ($million):	$190
EV ($million):	$101
Debt ($million):	$0
Cash ($million):	$89
Avg. Daily Trading Vol. ($million):	$3
Float (million shares):	117
Short Interest (million shares):	12
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (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)

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	(0.07)E	(0.06)E	(0.07)E	
Q2 Jun	(0.07)E	(0.06)E	(0.07)E	
Q3 Sep	(0.07)E	(0.06)E	(0.07)E	
Q4 Dec	(0.07)E	(0.06)E	(0.07)E	
Total	**(0.27)E**	**(0.25)E**	**(0.27)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 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

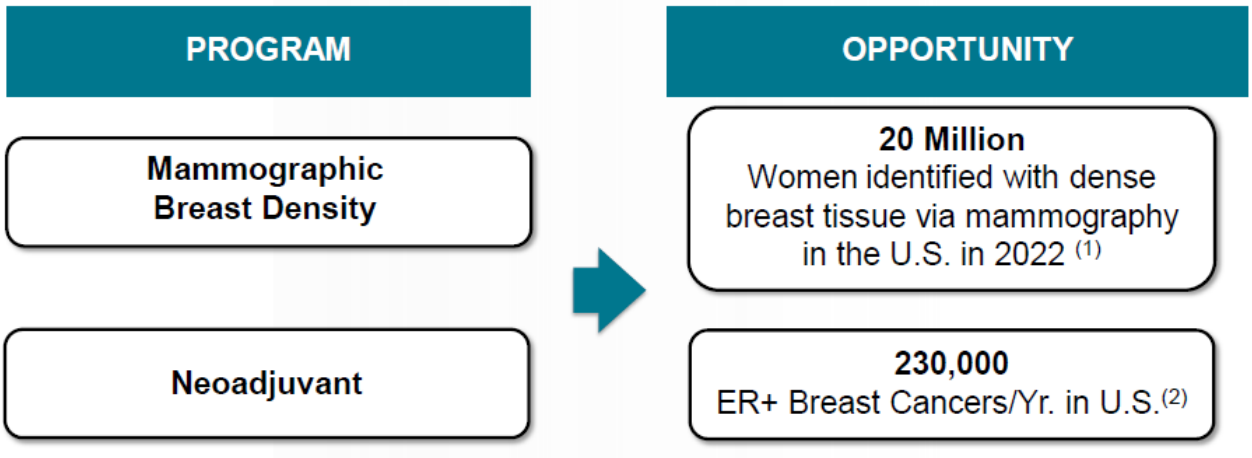
Exhibit 2: Accomplishments and Upcoming Milestones (as of Q4 2023)

Near Term Catalysts / Key Metrics

Near Term Catalysts	Key Metrics
• Mammographic Breast Density – Federal density notification law effective September '24 – Density reduction data available 2H '24 • I-Spy – 10mg neoadjuvant data available 2H '24 • EVANGELINE – 40mg PK run-in data to be presented 1H '24 – 80mg PK run-in cohort completion 1H '24 – Treatment arm initiated – 2H '24 • DCIS • Enrollment updates throughout '24 • TBD – Combination study / studies – Later line studies – adjuvant / metastatic – Studies in additional tumor types	• Cash (as of 9/30/23) • $94M – represents approx. three working capital • Zero debt • Nasdaq: ATOS (as of 2/15/24) • Market Cap - $129M • Share Price - $1.03 • 52 Week Range - $0.59 - $1.39 • Outstanding Warrants / Options – 11.0M warrants exercisable at $1.00 or $1.05/share • 10.5M warrants exercisable at $2.88/share • 13.7M options exercisable at average $2.04/share

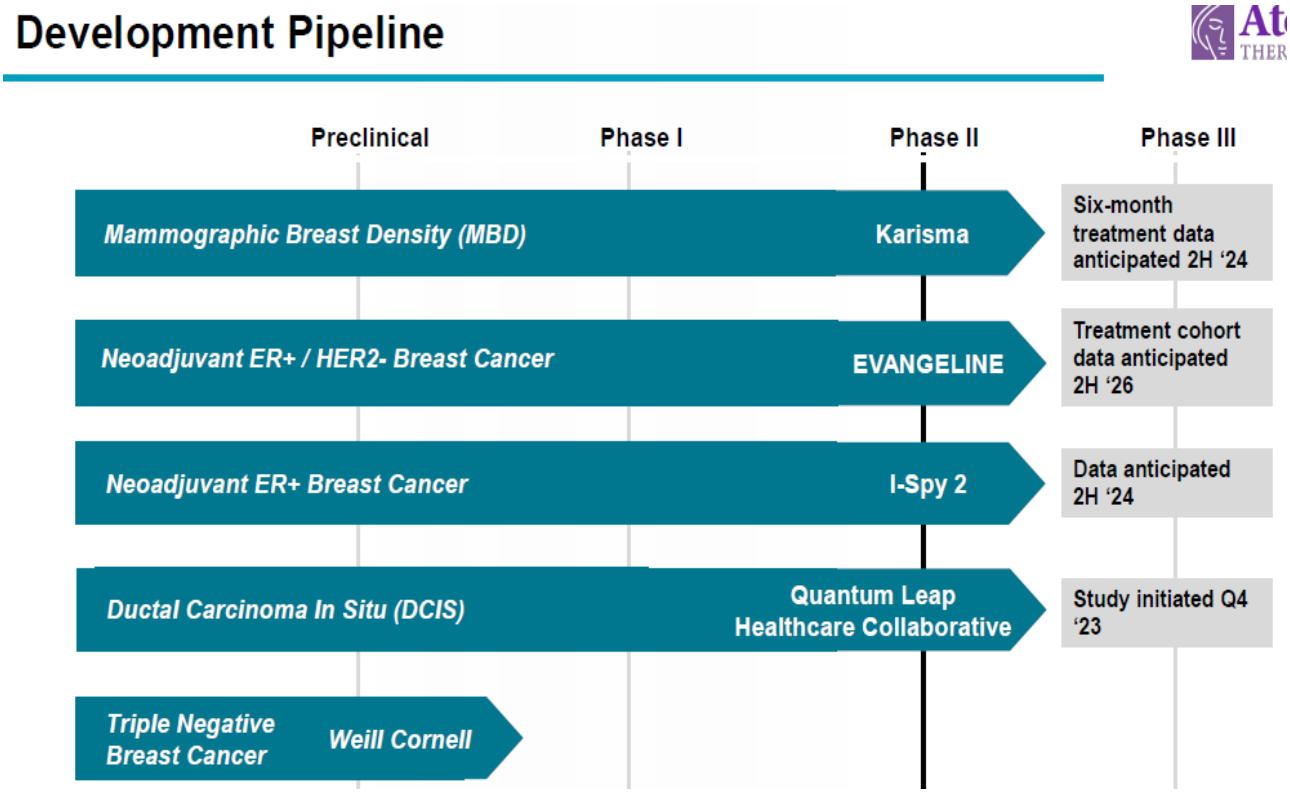
Source: Company reports

Exhibit 3: Atossa Market Opportunities



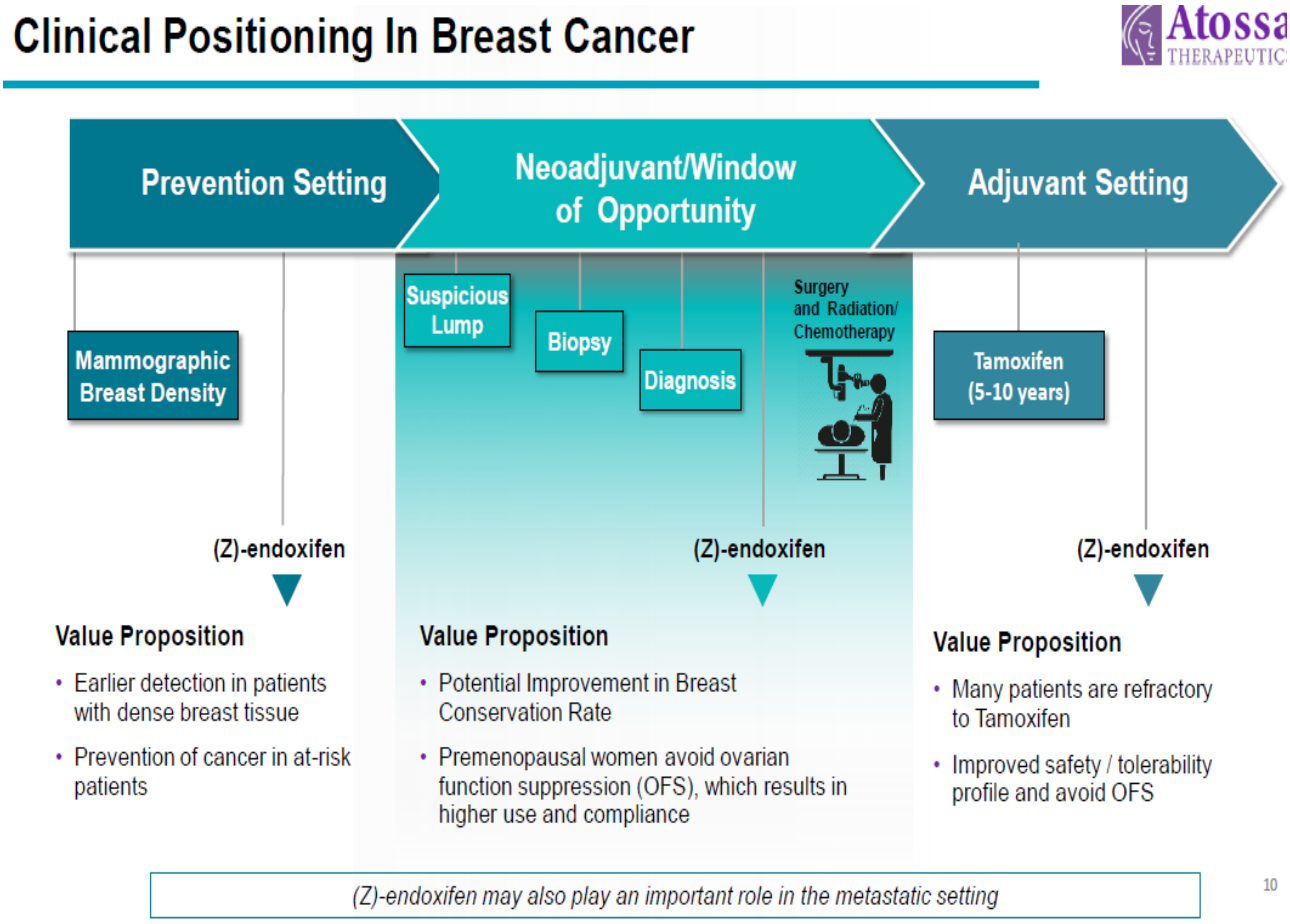
Source: Company reports.

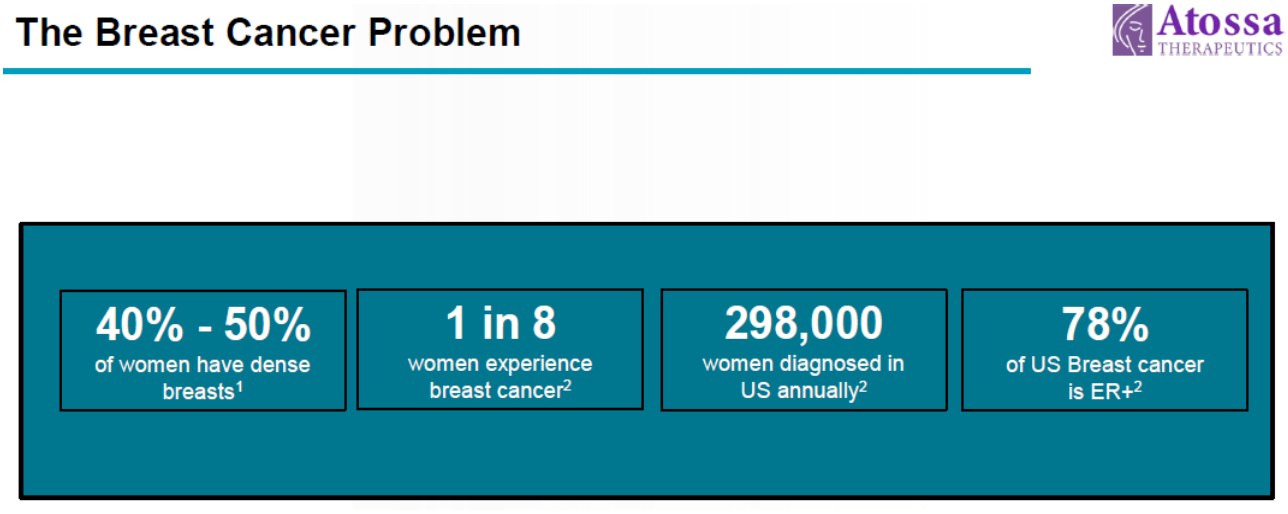
Exhibit 4: Atossa Drug Development Pipeline



Source: Company reports

Exhibit 5: ENDOXIFEN





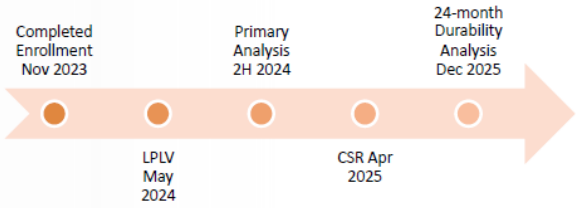
Source: Company reports

Exhibit 6: Endoxifen Clinical Trials

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

KARISMA*

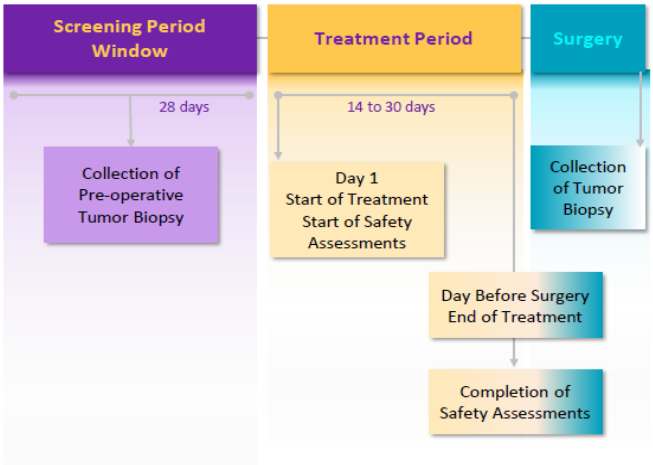
- Phase 2, randomized, double-blind, placebo-controlled, dose-response study of oral (Z)-endoxifen in premenopausal women with Measurable Breast Density (MBD)
  - Initial mammography screening
    - n=240 planned (current enrollment 80%)
  - (Z)-endoxifen 1 or 2 mg/day (or PBO) for 6 months
  - Longitudinal 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

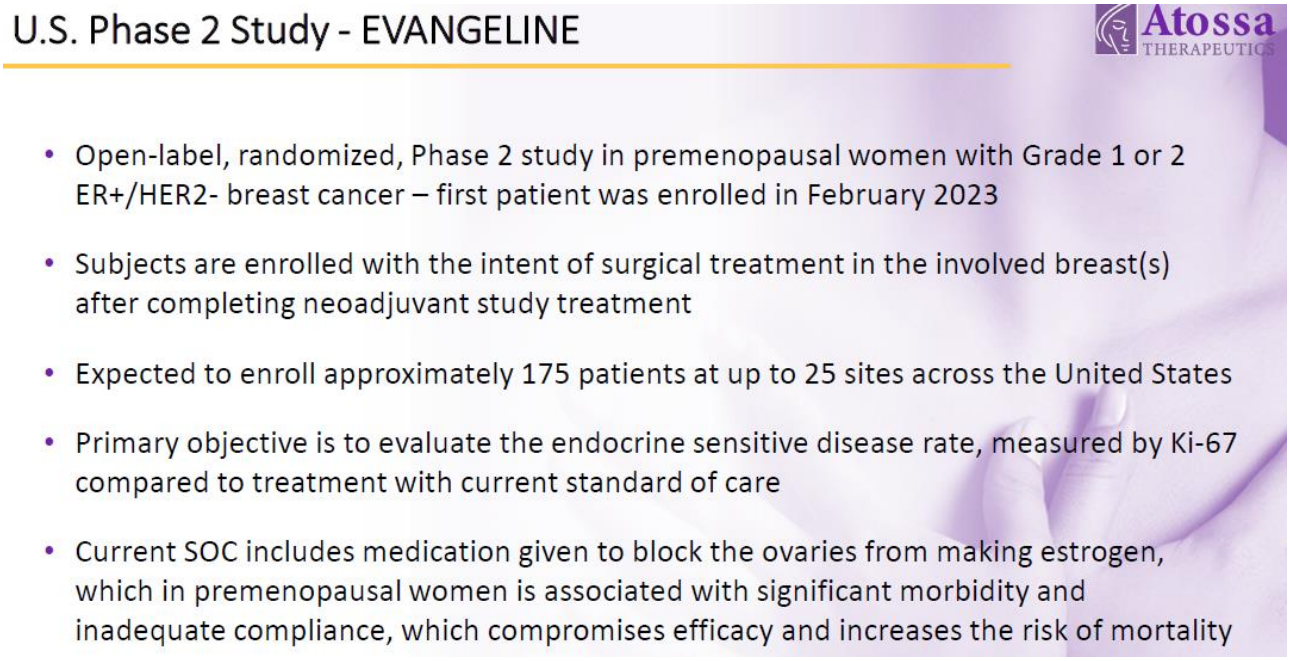
Phase 2 Open Label Study Of (Z)-endoxifen In Patients With Invasive Breast Cancer (WoO Study)

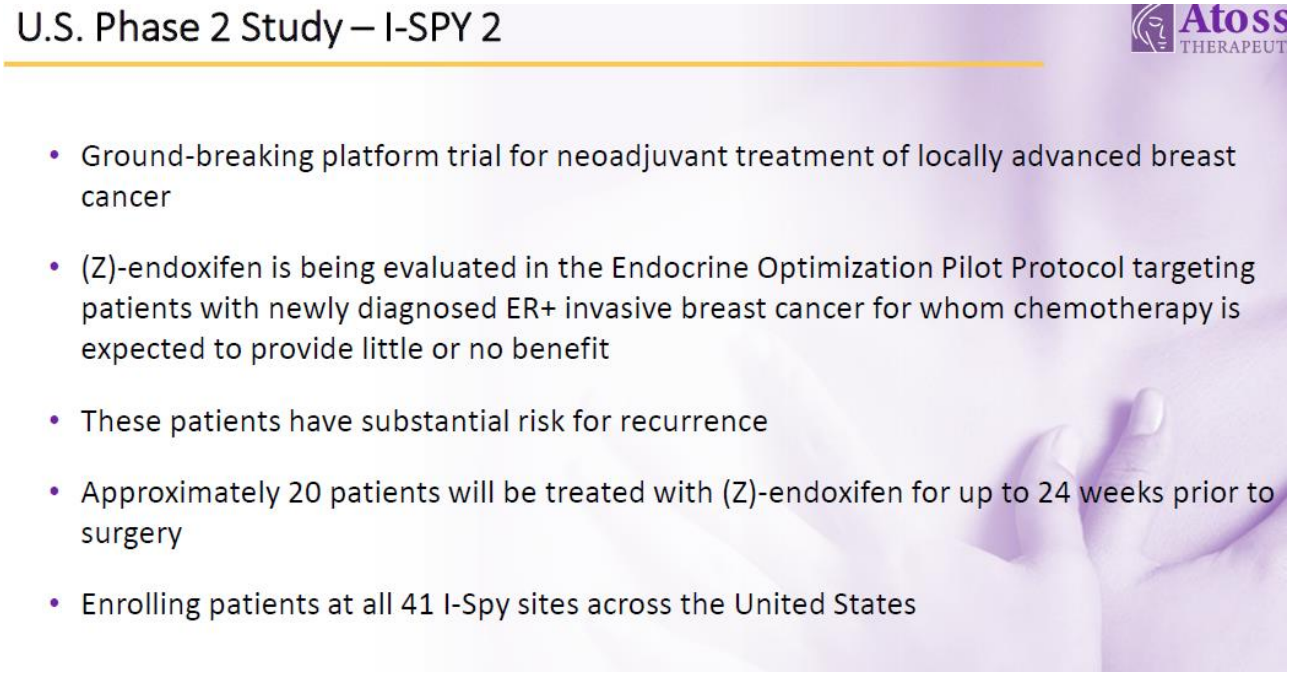
- Population: ER+, HER2- invasive breast cancer requiring lumpectomy or mastectomy
- Daily oral dosing – time period between diagnosis and surgery
  - 6/7 pts had 65% reduction in Ki-67 and 7/7 <25% Ki-67 at surgery
- No adverse safety signals or laboratory findings
- Favorable results allowed early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



Source: Company reports

Exhibit 7: Endoxifen Clinical Trials





Source: Company reports

Exhibit 8: Q4 2023 and Recent Company Highlights (as of April 1, 2024)

Atossa Therapeutics Announces Year-End 2023 Financial Results and Provides Corporate Update

April 1, 2024 8:00 PM EDT

- *Fully enrolled two Phase 2 studies with data from both expected in the second half of 2024*
- *First patient dosed in new Phase 2 breast cancer prevention study*
- *Data from ongoing Phase 2 EVANGELINE study scheduled to be presented at 2024 AACR Annual Meeting*
- *Ended 2023 with $88.5 million of cash and cash equivalents and no debt*

Key developments from Q4 2023 and the year to date include:

- **Full enrollment of 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 was achieved in November 2023 and data is expected in the second half of 2024.

- **Full enrollment of 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. Full enrollment was achieved in February 2024 and data is expected in the second half of 2024.

- **First patient dosed with (Z)-endoxifen in RECAST DCIS study** – the Re-Evaluating Conditions for Active Surveillance Suitability as Treatment: Ductal Carcinoma In Situ (RECAST DCIS) study is an ongoing Phase 2 platform study designed to offer women diagnosed with DCIS six months of neoadjuvant endocrine therapy with the intent of determining their suitability for long-term active surveillance without surgery.

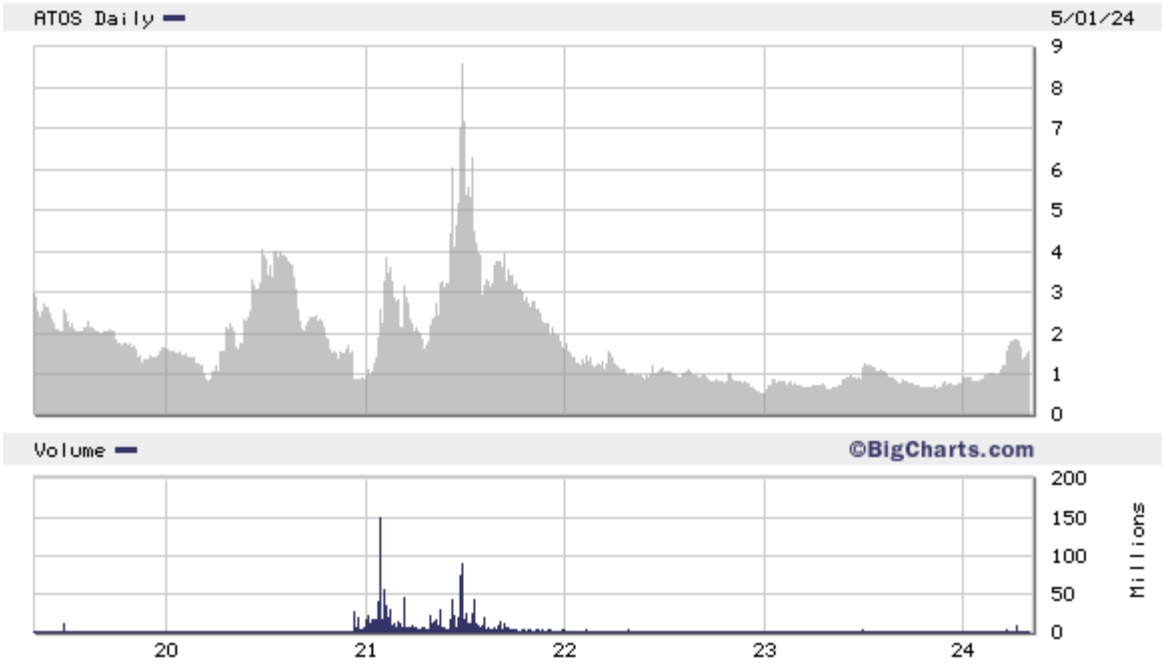
- **Expanded access patient concluded five-years of (Z)-endoxifen treatment** – the pre-menopausal, Estrogen Receptor positive (ER+) / Human Epidermal Growth Factor Receptor 2 negative (HER2-), breast cancer patient who received neoadjuvant and adjuvant (Z)-endoxifen therapy under an FDA-approved "expanded access" program completed five years of successful treatment.

- **Data from ongoing EVANGELINE study scheduled to be presented at the AACR Annual Meeting** – safety and efficacy data from the 40mg pharmacokinetic run-in cohort of the ongoing Phase 2 EVANGELINE (Endoxifen Versus exemestANe GosEreLIn) study is scheduled to be presented on April 9, 2024 at the American Association for Cancer Research (AACR) Annual Meeting. The data is scheduled to be presented by Dr. Matthew Goetz, deputy director of translational research for the Mayo Clinic Comprehensive Cancer Center and co-leader of the Mayo Clinic Women's Cancer Program. Dr. Goetz is also the primary investigator of the EVANGELINE study.

- **Appointment of Tessa Cigler, M.D., M.P.H and Jonathan Finn, CFA to Atossa's Board of Directors** – Dr. Cigler is a medical oncologist and clinical investigator at the Weill Cornell Breast Center in New York City. As a member of the Weill Cornell Breast Center research team, she heads several clinical trials designed to provide her patients with access to the new promising options for therapy and supportive care. 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 April 1, 2024)

	Revenue (mils)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	$0A	$0E	Q1 Mar	$(0.05)A	$(0.06)E
Q2 Jun	$0A		Q2 Jun	$(0.08)A	
Q3 Sep	$0A		Q3 Sep	$(0.05)A	
Q4 Dec	$0E		Q4 Dec	$(0.06)E	
Total	$0E	$0E	Total	$(0.24)E	$(0.25)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-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	Mar-25	Jun-25	Sep-25	Dec-25	2025
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	1.5	3.4	5.2	5.0	15.1	3.5	3.7	4.5	5.7	17.3	5.5	5.5	5.5	5.5	22.0	5.5	5.5	5.5	5.5	22.0
General and administrative	3.2	3.2	3.0	3.2	12.6	3.6	4.1	3.0	3.4	14.0	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	4.7	6.6	8.2	8.1	27.7	7.1	7.8	7.5	9.0	31.4	8.5	8.5	8.5	8.5	34.0	8.5	8.5	8.5	8.5	34.0
Operating income (loss)	**(4.7)**	**(6.6)**	**(8.2)**	**(8.1)**	**(27.7)**	**(7.1)**	**(7.8)**	**(7.5)**	**(9.0)**	**(31.4)**	**(8.5)**	**(8.5)**	**(8.5)**	**(8.5)**	**(34.0)**	**(8.5)**	**(8.5)**	**(8.5)**	**(8.5)**	**(34.0)**
Interest income (expense)				0.9	0.9	0.9	1.0	1.3	1.2	4.3	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)	(0.1)	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	0.0	0.0	0.0	0.0
Income before income taxes	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)
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)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**(4.8)**	**(6.7)**	**(8.0)**	**(7.5)**	**(27.0)**	**(6.3)**	**(9.8)**	**(6.2)**	**(7.8)**	**(30.1)**	**(8.5)**	**(8.5)**	**(8.5)**	**(8.5)**	**(34.0)**	**(8.5)**	**(8.5)**	**(8.5)**	**(8.5)**	**(34.0)**
EBITDA																				
Shares, Basic	126.6	126.6	126.6	126.6	126.6	126.6	126.6	125.8	125.5	126.1	125.7	125.8	125.9	126.0	125.9	126.2	126.3	126.4	126.5	126.4
Shares, Diluted	126.6	126.6	126.6	126.6	126.6	126.6	126.6	125.8	125.5	126.1	125.7	125.8	125.9	126.0	125.9	126.2	126.3	126.4	126.5	126.4
EPS Basic (pro forma)	**($0.04)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.21)**	**($0.05)**	**($0.08)**	**($0.05)**	**($0.06)**	**($0.24)**	**($0.07)**	**($0.07)**	**($0.07)**	**($0.07)**	**($0.27)**	**($0.07)**	**($0.07)**	**($0.07)**	**($0.07)**	**($0.27)**
EPS Diluted (pro forma)	($0.04)	($0.05)	($0.06)	($0.06)	($0.21)	($0.05)	($0.08)	($0.05)	($0.06)	($0.24)	($0.07)	($0.07)	($0.07)	($0.07)	($0.27)	($0.07)	($0.07)	($0.07)	($0.07)	($0.27)
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	9%	-10%	134%	173%	64%	134%	8%	-13%	13%	15%	57%	48%	23%	-3%	27%	0%	0%	0%	0%	0%
General and administrative	51%	-1%	3%	5%	11%	11%	29%	-1%	7%	11%	-16%	-27%	0%	-11%	-15%	0%	0%	0%	0%	0%
Operating income (loss)	34%	-6%	59%	69%	35%	50%	18%	-9%	11%	13%	20%	9%	14%	-6%	8%	0%	0%	0%	0%	0%
Net income (loss)	35%	-5%	54%	55%	31%	31%	47%	-22%	4%	12%	35%	-14%	36%	10%	13%	0%	0%	0%	0%	0%
EPS Diluted (pro forma)	-1%	-9%	54%	55%	21%	31%	47%	-22%	4%	12%	36%	-13%	36%	9%	13%	0%	0%	0%	0%	0%

Source: Company reports and Ascendiant Capital Markets estimates.

Atossa Therapeutics, Inc.

Balance Sheet ($ mils)	Mar-22	Jun-22	Sep-22	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	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	131.5	125.5	117.4	110.9	103.9	99.4	94.0	88.5	80.6	72.6	64.7	56.7	48.7	40.7	32.7	24.7
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 rebate receiv		0.9	0.6	0.7	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	5.3	6.9	5.3	6.5	6.2	5.8	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Total current assets	136.8	133.4	123.4	118.2	110.9	106.0	97.6	92.2	84.4	76.4	68.4	60.4	52.5	44.5	36.5	28.5
Property and equipment, net									(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
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	0.6	0.6	3.3	5.3	5.3	2.4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Total assets	**137.5**	**134.0**	**126.7**	**123.5**	**116.2**	**108.4**	**101.7**	**96.3**	**88.4**	**80.4**	**72.4**	**64.4**	**56.5**	**48.5**	**40.5**	**32.5**
Liabilities and stockholders' equity																
Accounts payable	1.6	2.1	1.7	3.0	1.4	1.2	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Accrued expenses	0.7	1.7	1.2	2.6	0.6	2.3	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
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	0.0	0.0	0.0	0.0	0.9	0.0	0.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Short term debt									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	**2.3**	**3.8**	**2.9**	**5.6**	**2.9**	**3.5**	**3.4**	**5.2**	**5.2**	**5.2**	**5.2**	**5.2**	**5.2**	**5.2**	**5.2**	**5.2**
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	0.6	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	22.8	22.8	22.8	22.8	23.3	23.8	24.3	24.9	25.4	25.9	26.4	26.9
Additional paid-in capital	245.8	247.6	249.2	250.8	252.4	253.8	253.4	254.5	254.5	254.5	254.5	254.5	254.5	254.5	254.5	254.5
Retained earnings	(134.0)	(140.7)	(148.7)	(156.2)	(162.5)	(172.3)	(178.5)	(186.3)	(194.8)	(203.3)	(211.8)	(220.3)	(228.8)	(237.3)	(245.8)	(254.3)
Accumulated other comprehensive income			(0.1)						0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total stockholders' equity	**135.2**	**130.3**	**123.9**	**118.0**	**113.3**	**104.9**	**98.3**	**91.0**	**83.1**	**75.2**	**67.2**	**59.2**	**51.2**	**43.2**	**35.3**	**27.3**
Total stockholders' equity and liabil	**137.5**	**134.0**	**126.7**	**123.5**	**116.2**	**108.4**	**101.7**	**96.3**	**88.4**	**80.4**	**72.4**	**64.4**	**56.5**	**48.5**	**40.5**	**32.5**

Balance Sheet Drivers

	Mar-22	Jun-22	Sep-22	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
	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)	$1.07	$1.03	$0.98	$0.93	$0.89	$0.83	$0.78	$0.73	$0.66	$0.60	$0.53	$0.47	$0.41	$0.34	$0.28	$0.22
Cash per Share (diluted)	$1.04	$0.99	$0.93	$0.88	$0.82	$0.78	$0.75	$0.70	$0.64	$0.58	$0.51	$0.45	$0.39	$0.32	$0.26	$0.20
Net cash per Share (diluted)	$1.04	$0.99	$0.93	$0.88	$0.82	$0.78	$0.75	$0.70	$0.64	$0.58	$0.51	$0.45	$0.39	$0.32	$0.26	$0.20

Source: Company reports and Ascendiant Capital Markets estimates

Atossa Therapeutics, Inc.

Cash Flow Statement ($ mils)	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	Mar-25	Jun-25	Sep-25	Dec-25	2025
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
Cash flow from operating activities																				
Net income	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)	(8.5)	(8.5)	(8.5)	(8.5)	(34.0)
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	0.1	0.0	0.0	0.0	0.0	0.1
Amortization					0.0					0.0					0.0					0.0
Debt related amortization expense					0.0					0.0					0.0					0.0
Stock comp	1.8	1.8	1.7	1.5	6.8	1.6	1.6	0.9	0.5	4.6	0.5	0.5	0.5	0.5	2.1	0.5	0.5	0.5	0.5	2.1
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					0.0		3.0			3.0					0.0					0.0
Other gains/losses					0.0					0.0					0.0					0.0
Other		0.0	0.0		0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Prepaid expenses & other curre	(1.4)	(1.4)	0.2	1.1	(1.5)	(1.3)	(0.5)	2.3	2.2	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Research and development tax	0.4	(0.2)	0.3	(0.1)	0.3	0.0	0.0	0.7	0.0	0.7					0.0					0.0
Income tax					0.0					0.0					0.0					0.0
Other assets	(0.1)	(0.9)	1.4	(2.2)	(1.8)	1.6	0.9	(1.7)	(2.4)	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(0.1)	0.5	(0.4)	1.3	1.2	(1.5)	(0.4)	(0.3)	0.1	(2.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(0.1)	0.7	(0.8)	1.1	0.9	(0.4)	0.2	0.4	(0.2)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	(0.6)	0.3	0.3	0.3	0.3	(0.7)	0.6	0.0	1.9	1.9	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	**(4.9)**	**(5.9)**	**(5.4)**	**(4.5)**	**(20.8)**	**(7.0)**	**(4.5)**	**(3.9)**	**(5.6)**	**(20.9)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(31.9)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(31.9)**
Cash flow from investing activities																				
Purchases of property and equi	(0.0)		(0.0)	(0.0)	(0.0)		(0.0)	(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			(2.7)	(2.0)	(4.7)					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**	**(2.7)**	**(2.0)**	**(4.7)**	**0.0**	**(0.0)**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**	**(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					0.0			(1.5)		(1.5)	(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					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**	**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)**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**
Effect of exchange rate on cash			(0.1)	0.1	0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**(4.9)**	**(5.9)**	**(8.2)**	**(6.5)**	**(25.5)**	**(7.0)**	**(4.5)**	**(5.4)**	**(5.6)**	**(22.4)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(31.9)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**
Beginning cash and equivalents	**136.5**	**131.6**	**125.6**	**117.5**	**136.5**	**111.0**	**104.0**	**99.5**	**94.1**	**111.0**	**88.6**	**80.6**	**72.6**	**64.7**	**88.6**	**56.7**	**48.7**	**40.7**	**32.7**	**56.7**
Ending cash and equivalents	**131.6**	**125.6**	**117.5**	**111.0**	**111.0**	**104.0**	**99.5**	**94.1**	**88.6**	**88.6**	**80.6**	**72.6**	**64.7**	**56.7**	**56.7**	**48.7**	**40.7**	**32.7**	**24.7**	**24.7**

Source: Company reports and Ascendiant Capital Markets estimates

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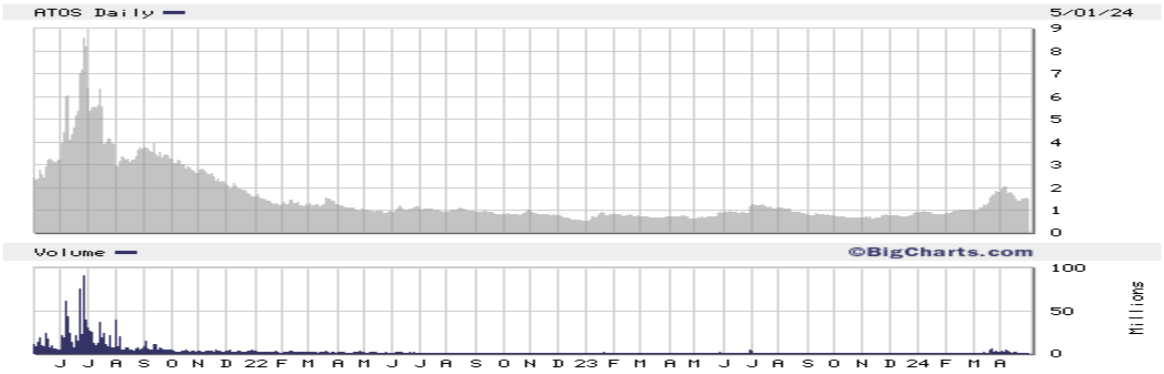
Atossa Therapeutics, Inc.



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

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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	56	100%	18	32%

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