United States
Healthcare

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Atossa Therapeutics, Inc.

Q1 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 $7.50.

COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $0.86

Target: $7.50 (from $7.25)

Q1 inline: Atossa recently (on May 13) reported its Q1 2025 (ending March) results. Net loss was $6.7 million or EPS of $(0.05), compared with our and consensus estimates of $(0.06). There was no Q1 guidance. Atossa is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $7.4 million, up from $7.2 million in Q4.

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 2025 EPS estimate to $(0.24) from $(0.25).

Endoxifen in development: Atossa has one main therapeutic drug candidate, Endoxifen for breast cancer (for 2 settings). The company recently (in March 2025) 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. Endoxifen is being developed for use across the breast cancer spectrum, including prevention, neoadjuvant, adjuvant, and metastatic settings.

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 2024 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. In May 2025, the full data analysis confirmed the initial findings.

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: 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 $7.50 from $7.25 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:	$0.55 – 1.66
Shares Outstanding (million):	129
Market cap ($million):	$111
EV ($million):	$46
Debt ($million):	$0
Cash ($million):	$65
Avg. Daily Trading Vol. ($million):	$1
Float (million shares):	129
Short Interest (million shares):	7
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	0A	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	(0.05)A	(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	**(0.24)E**	**(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

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 May 2024)

Near Term Catalysts / Capital Table

Near Term Catalysts

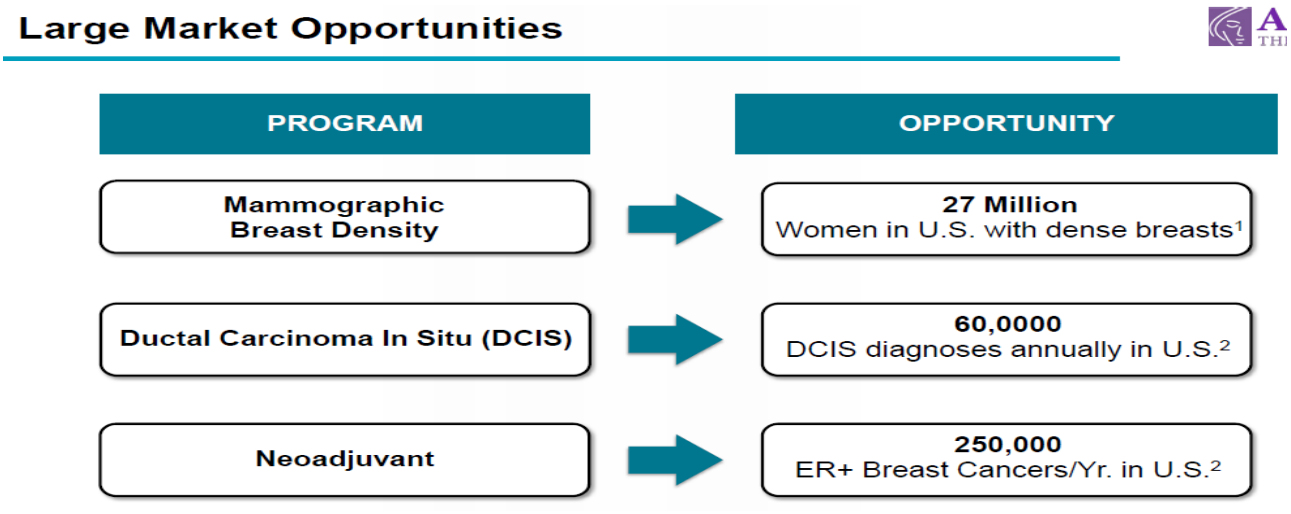
- Mammographic Breast Density
  - Density reduction data available 2H '24
- I-Spy
  - 10mg neoadjuvant data available 2H '24
- EVANGELINE
  - 80mg PK run-in cohort completion 2Q '24
  - Treatment arm initiated – 2H '24
- DCIS
  - Enrollment updates throughout '24
- Combinations
  - CDK 4/6 - enrollment updates throughout '24
  - ADC – clinical start TBD

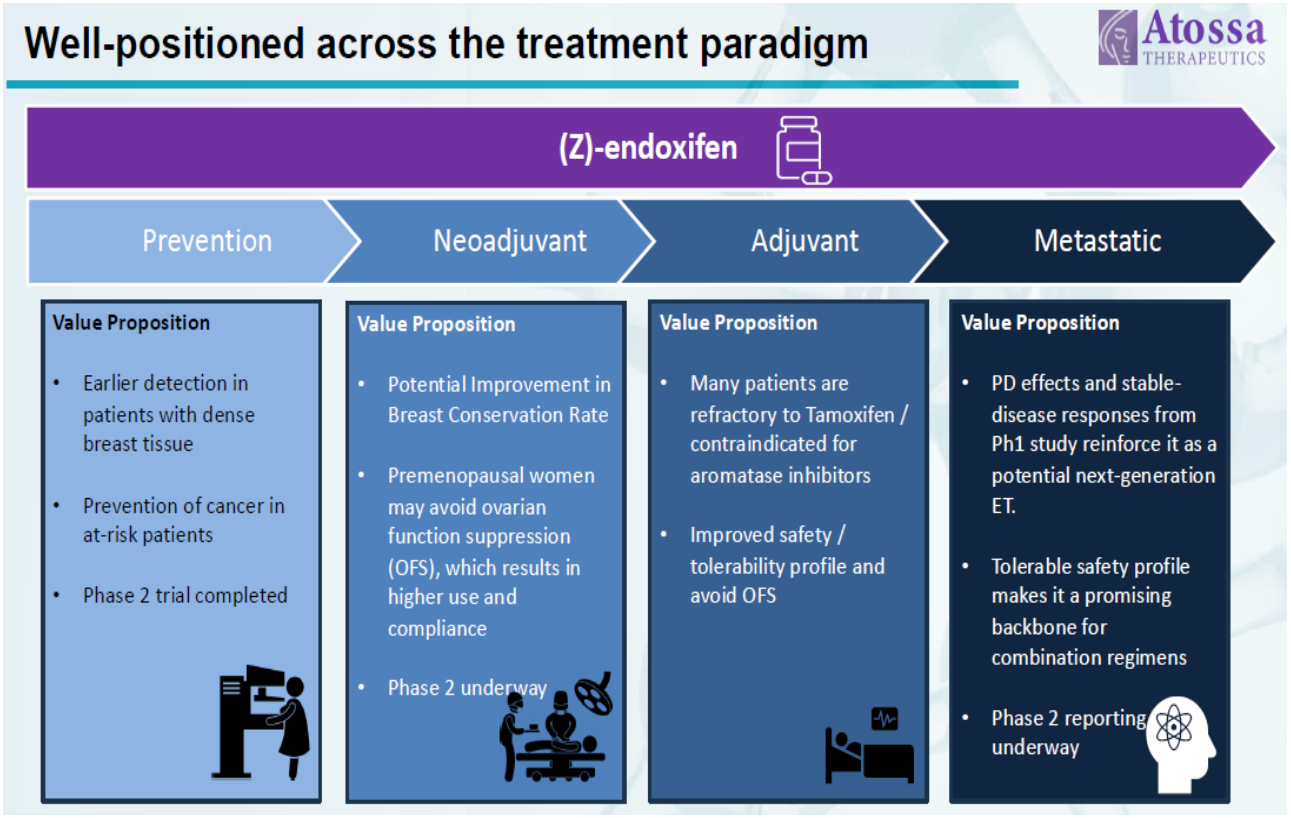
Key Metrics

- Cash (as of 12/31/23)
  - $88.5M – represents approx. three years working capital
  - Zero debt
- Nasdaq: ATOS (as of 4/26/24)
  - Market Cap - $192M
  - Share Price - $1.53
  - 52 Week Range - $0.59 - $2.31
- Outstanding Warrants / Options (as of 12/31/23)
  - 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

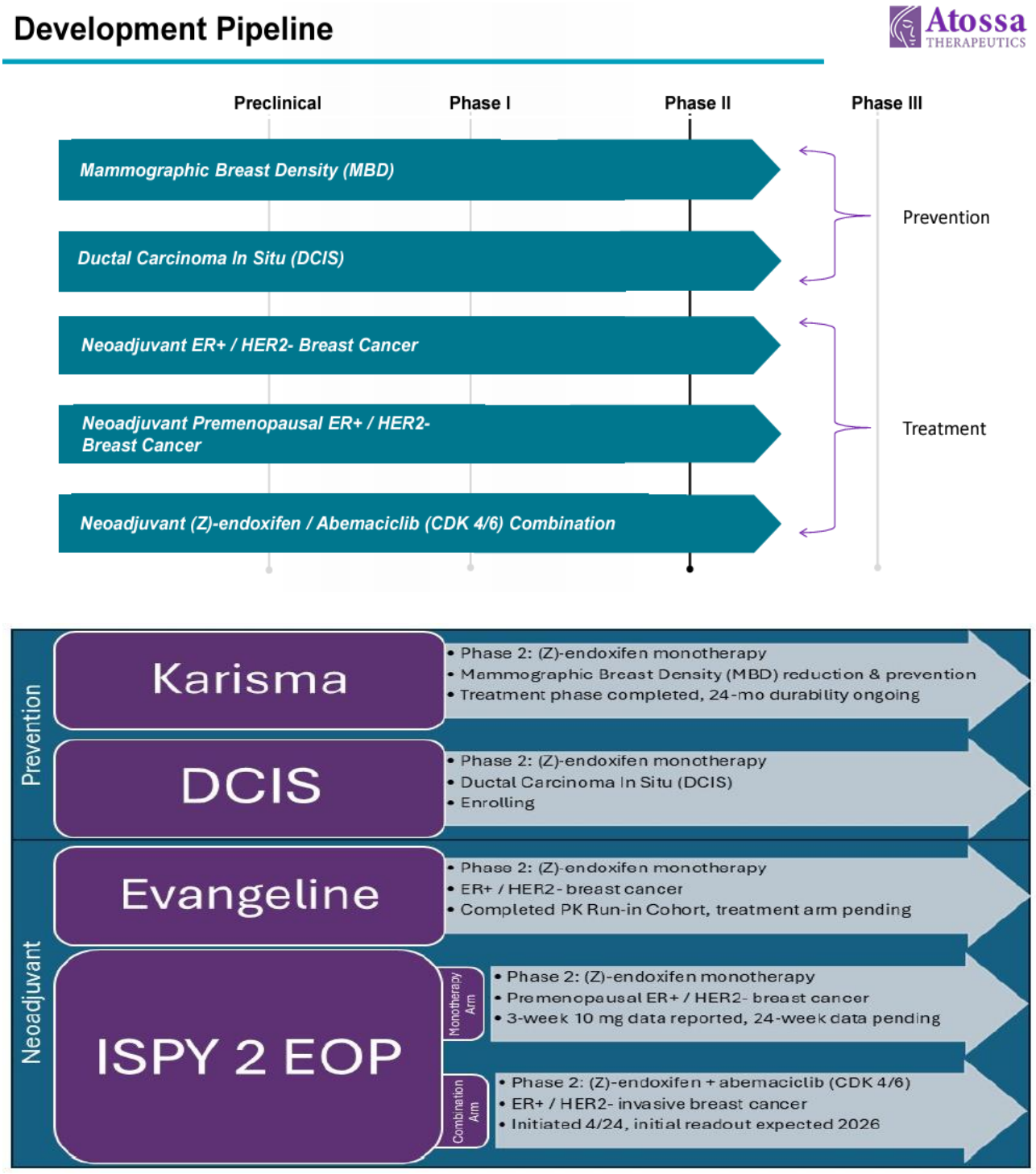
Exhibit 3: Atossa Market Opportunities





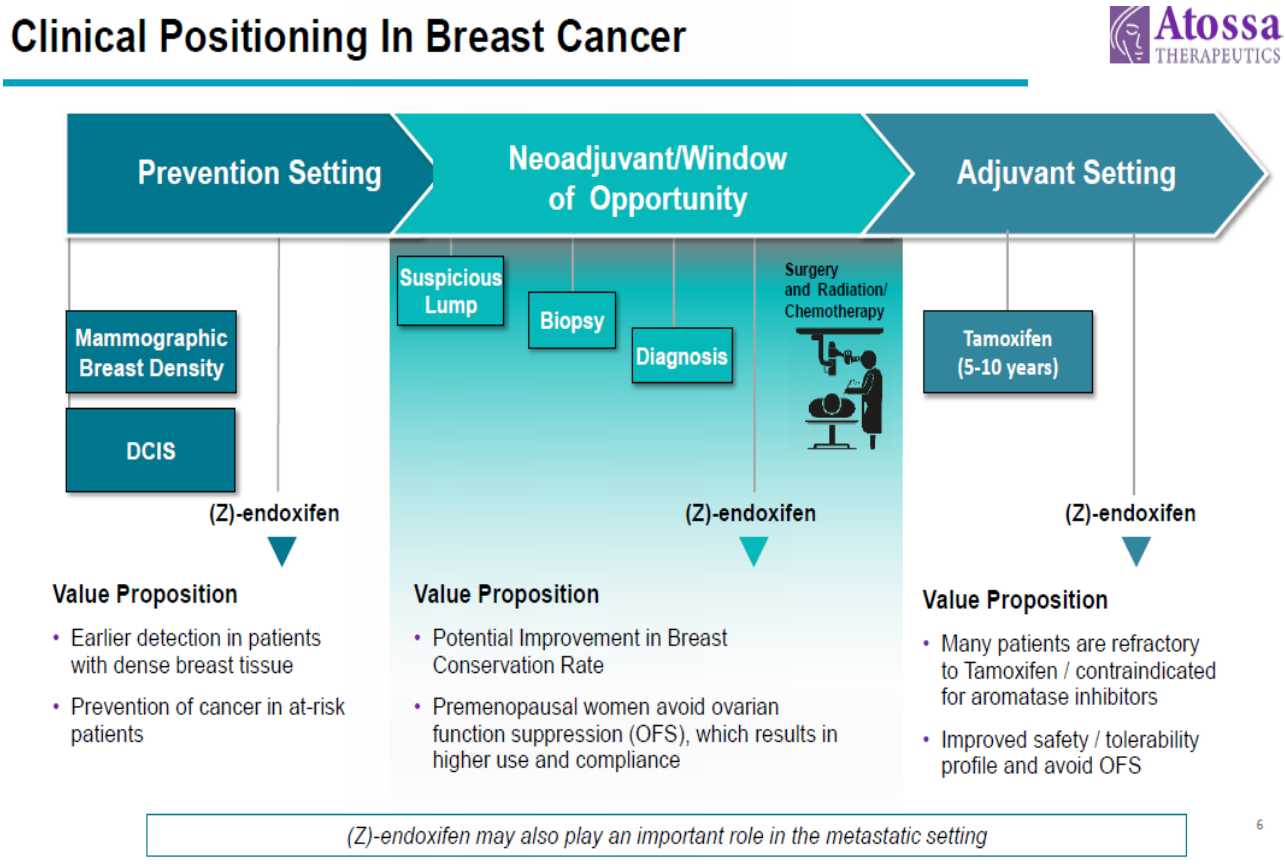
Source: Company reports.

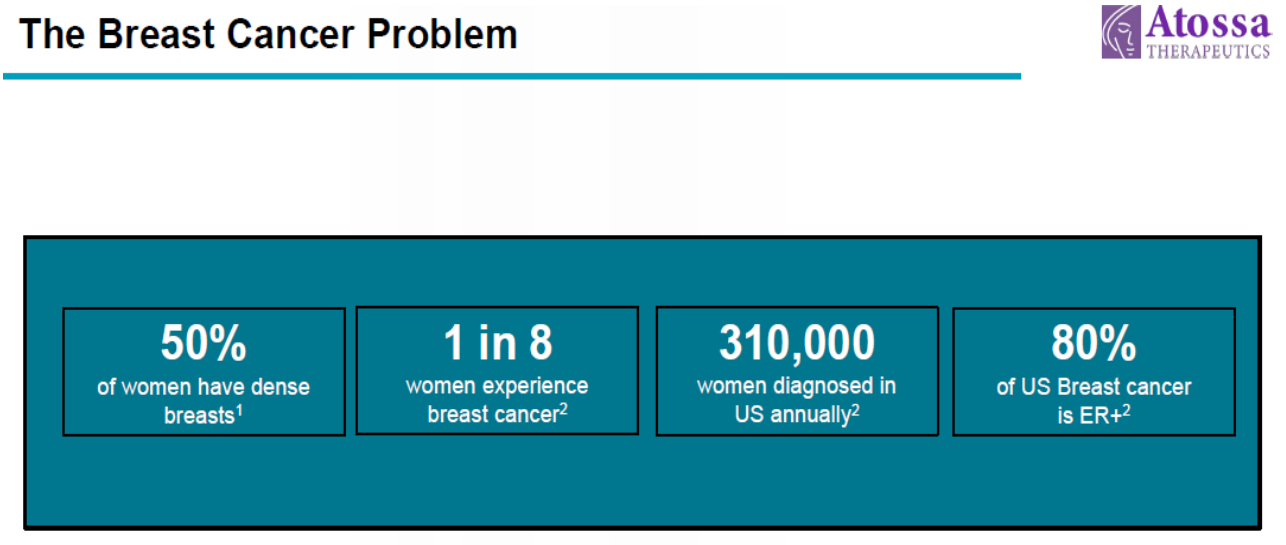
Exhibit 4: Atossa Drug Development Pipeline (as of March 2025)



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 population, * p<0.01, **p<0.05, [b] for normal CYP2D6 metabolites, IMP#= Investigational Medicinal Product

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

EVANGELINE OVERVIEW

Superior anti-tumor activity

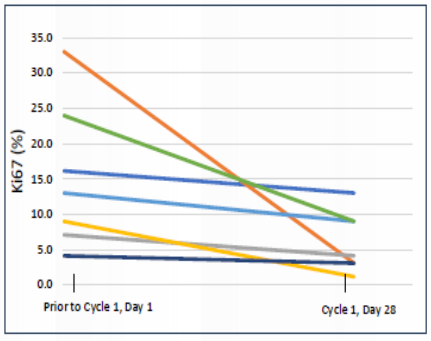
In an ongoing neoadjuvant clinical study, (Z)-endoxifen has demonstrated promising early efficacy with **1 CR and multiple PRs**.

The 4-week Ki-67 ≤10% response rate was generally **above 85% across dose levels**, with or without the presence of OFS.

Endocrine therapies are generally observed to be cytostatic and do not cause tumor shrinkage.

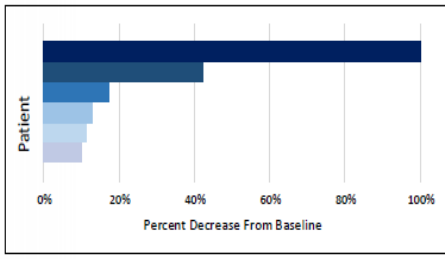
Clinical (Z)-endoxifen demonstrates promising efficacy in the neoadjuvant setting

Ki67 From Baseline to Cycle 1, Day 28



One pt discontinued due to wk4 Ki-67 (marker for cell proliferation) remaining > 10%. The remaining 6 had endocrine sensitive disease and underwent surgery after 24 weeks.

% Decrease in Tumor Size at Cycle 3, Day 28 by MRI Imaging



5 PR and 1 CR were observed in the neoadjuvant setting with (z)-endoxifen treatment in post-menopausal ER+/HER2- breast cancer patients.

EVANGELINE estimated enrollment will be ~180 patients

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: Q1 2025 Results and Recent Highlights (as of May 13, 2025)

Atossa Therapeutics Announces First Quarter 2025 Financial Results and Provides a Corporate Update

May 13, 2025 12:00 PM EDT

Announced strategic plan to advance (Z)-endoxifen for metastatic breast cancer indication

Enhanced (Z)-endoxifen intellectual property portfolio with three new U.S. patents, expanding IP portfolio to more than 200 patent claims related to (Z)-endoxifen

Ended first quarter 2025 with $65.1 million in cash and cash equivalents and no debt

SEATTLE, May 13, 2025 /PRNewswire/ -- 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 first quarter ended March 31, 2025 and provided an update on recent company developments.

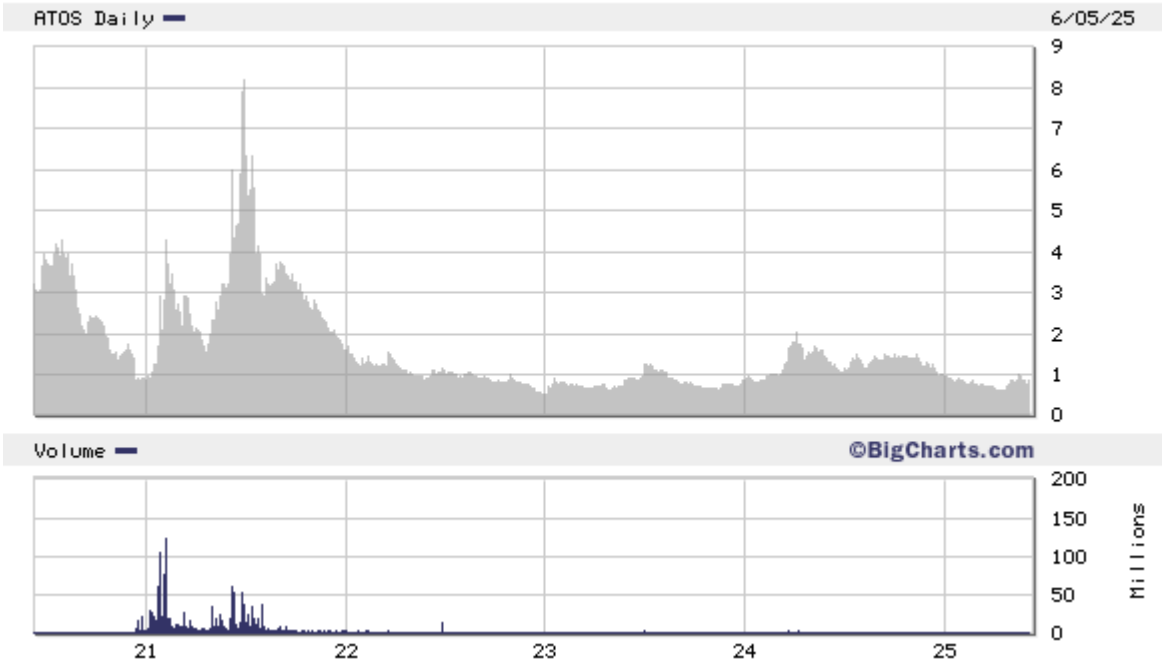
First Quarter 2025 Highlights:

- **Announced Strategic Decision to Pursue Metastatic Breast Cancer Indication:** Atossa announced plans to target metastatic breast cancer as its lead program for (Z)-endoxifen. The decision reflects its commitment to addressing the persistent unmet medical need in metastatic breast cancer and the potential for a more streamlined regulatory pathway to deliver (Z)-endoxifen to these patients. Current treatment options for metastatic breast cancer often provide limited durability of response and substantial side effects. In previous clinical trials, (Z)-endoxifen has been shown to be well-tolerated as a selective estrogen receptor modulator (SERM), which Atossa believes supports its potential to fill this critical gap in treatment.
- **Significantly Strengthened (Z)-endoxifen Patent Portfolio with Three New U.S. Patents:** Atossa continued to bolster the intellectual property portfolio of (Z)-endoxifen with the grant of three new U.S. patents covering 31 claims directed at: sustained release compositions of (Z)-endoxifen (U.S. Patent No. 12,201,591); enteric oral formulations of (Z)-endoxifen and salts thereof as well as their use in treating hormone-dependent breast and reproductive tract disorders (U.S. Patent No. 12,275,684); and 58 claims covering (Z)-endoxifen formulations, including various levels of purity and stability as well as methods of using those formulations (U.S. Patent No. 12,281,056). Atossa's robust patent portfolio now encompasses more than 200 patent claims related to (Z)-endoxifen formulations and their clinical applications.

"Our focus remains firmly on advancing (Z)-endoxifen as a next-generation therapy for breast cancer patients across the full spectrum of care—including a strategic emphasis on metastatic breast cancer, where therapeutic innovation is urgently needed," said Steven Quay, M.D., Ph.D., President and Chief Executive Officer of Atossa. "Across multiple clinical trials involving hundreds of patients, (Z)-endoxifen has consistently demonstrated strong tolerability and therapeutic versatility, which we believe shows its potential as a therapy for breast cancer from early-stage disease to more advanced stages. We are committed to unlocking the full potential of (Z)-endoxifen for patients while delivering value to our shareholders. A cornerstone of this strategy is the robust intellectual property portfolio we are building in an effort to protect our programs globally. As we look ahead to the remainder of 2025 and beyond, we are energized by the many opportunities to position (Z)-endoxifen as a potentially safer, more effective endocrine therapy for breast cancer patients worldwide."

Source: Company reports

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



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

Exhibit 11: Consensus Expectations (as of May 13, 2025)

	Revenue (mils)	
	2025E	2026E
Q1 Mar	$0E	
Q2 Jun	$0E	
Q3 Sep		
Q4 Dec		
Total	$0E	$0E

	EPS	
	2025E	2026E
Q1 Mar	$(0.06)E	
Q2 Jun	$(0.06)E	
Q3 Sep		
Q4 Dec		
Total	$(0.26)E	$(0.29)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	Q1A	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	4.2	5.0	5.0	5.0	19.2	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	3.3	3.0	3.0	3.0	12.3	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	7.4	8.0	8.0	8.0	31.4	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)**	**(7.4)**	**(8.0)**	**(8.0)**	**(8.0)**	**(31.4)**	**(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	0.7	0.0	0.0	0.0	0.7	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)	(6.7)	(8.0)	(8.0)	(8.0)	(30.7)	(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
Net income (loss)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(6.0)	(7.2)	(6.3)	(25.5)	(6.7)	(8.0)	(8.0)	(8.0)	(30.7)	(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)**	**(6.7)**	**(8.0)**	**(8.0)**	**(8.0)**	**(30.7)**	**(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	129.3	129.7	129.8	129.9	130.0	129.8
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	129.3	129.7	129.8	129.9	130.0	129.8
EPS Basic (pro forma)	**($0.05)**	**($0.08)**	**($0.05)**	**($0.06)**	**($0.24)**	**($0.05)**	**($0.05)**	**($0.06)**	**($0.05)**	**($0.20)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.24)**	**($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)	($0.05)	($0.06)	($0.06)	($0.06)	($0.24)	($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%	11%	41%	47%	47%	36%	20%	0%	0%	0%	4%
General and administrative	11%	29%	-1%	7%	11%	-10%	-13%	-1%	11%	-4%	1%	-16%	1%	-20%	-9%	-8%	0%	0%	0%	-2%
Operating income (loss)	50%	18%	-9%	11%	13%	-2%	-9%	-15%	-21%	-12%	6%	13%	25%	12%	14%	8%	0%	0%	0%	2%
Net income (loss)	31%	47%	-22%	4%	12%	-6%	-38%	16%	-18%	-15%	14%	32%	11%	26%	20%	19%	0%	0%	0%	4%
EPS Diluted (pro forma)	31%	47%	-22%	4%	12%	-5%	-38%	16%	-19%	-15%	11%	29%	8%	23%	17%	19%	0%	0%	0%	4%

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	Q1A	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	65.1	57.8	50.3	42.9	35.4	27.9	20.5	13.0
Short term investments										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
Deferred income taxes										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	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Total current assets	110.9	106.0	97.6	92.2	87.1	81.7	77.1	74.5	68.7	61.4	54.0	46.5	39.1	31.6	24.1	16.6
Property and equipment, net										0.0	0.0	0.0	0.1	0.1	0.1	0.2
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	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**	**70.7**	**63.4**	**56.0**	**48.5**	**41.1**	**33.7**	**26.2**	**18.8**
Liabilities and stockholders' equity																
Accounts payable	1.4	1.2	0.7	0.8	1.2	1.1	1.6	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Accrued expenses	0.6	2.3	2.7	2.6	1.6	1.9	1.7	2.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Deferred income tax										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
Other	0.9	0.0	0.0	1.8	2.5	2.7	2.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Short term debt										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**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**
Deferred income taxes										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
Other long term liabilities										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
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
Common stock	22.8	22.8	22.8	22.8	22.829	22.9	22.9	23.5	23.5	24.1	24.6	25.2	25.7	26.3	26.9	27.4
Additional paid-in capital	252.4	253.8	253.4	254.5	255.096	255.5	256.2	259.8	260.3	260.3	260.3	260.3	260.3	260.3	260.3	260.3
Retained earnings	(162.5)	(172.3)	(178.5)	(186.3)	(192.166)	(198.2)	(205.4)	(211.8)	(218.5)	(226.5)	(234.5)	(242.5)	(250.5)	(258.5)	(266.5)	(274.5)
Accumulated other comprehensive income										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**	**65.3**	**58.0**	**50.6**	**43.1**	**35.7**	**28.2**	**20.8**	**13.4**
Total stockholders' equity and liabil	**116.2**	**108.4**	**101.7**	**96.3**	**91.087**	**85.9**	**79.5**	**76.4**	**70.7**	**63.4**	**56.0**	**48.5**	**41.1**	**33.7**	**26.2**	**18.8**

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	Q1A	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	$0.51	$0.45	$0.39	$0.33	$0.28	$0.22	$0.16	$0.10
Cash per Share (diluted)	$0.82	$0.78	$0.75	$0.70	$0.67	$0.63	$0.59	$0.56	$0.50	$0.45	$0.39	$0.33	$0.27	$0.22	$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	$0.45	$0.39	$0.33	$0.27	$0.22	$0.16	$0.10

Source: Company reports and Ascendiant Capital Markets estimates

Atossa Therapeutics, Inc.

Cash Flow 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	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	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)	(6.7)	(8.0)	(8.0)	(8.0)	(30.7)	(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	0.6	0.6	0.6	0.6	2.3	0.6	0.6	0.6	0.6	2.3
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
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	(0.3)	0.0	0.0	0.0	(0.3)	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)	0.5	0.0	0.0	0.0	0.5	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)	0.9	0.0	0.0	0.0	0.9	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)	(0.9)	0.0	0.0	0.0	(0.9)	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)**	**(6.0)**	**(7.4)**	**(7.4)**	**(7.4)**	**(28.3)**	**(7.4)**	**(7.4)**	**(7.4)**	**(7.4)**	**(29.7)**
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)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.2)
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 activ	**0.0**	**(0.0)**	**(0.0)**	**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)**	**(0.1)**	**(0.0)**	**(0.1)**	**(0.2)**
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
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)
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)**	**(6.0)**	**(7.5)**	**(7.4)**	**(7.5)**	**(28.3)**	**(7.5)**	**(7.5)**	**(7.5)**	**(7.5)**	**(29.9)**
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**	**65.2**	**57.8**	**50.3**	**71.2**	**42.9**	**35.4**	**27.9**	**20.5**	**42.9**
Ending cash and equivalents	**104.0**	**99.5**	**94.1**	**88.6**	**88.6**	**84.1**	**79.6**	**74.9**	**71.2**	**71.2**	**65.2**	**57.8**	**50.3**	**42.9**	**42.9**	**35.4**	**27.9**	**20.5**	**13.0**	**13.0**

Source: Company reports and Ascendiant Capital Markets estimates

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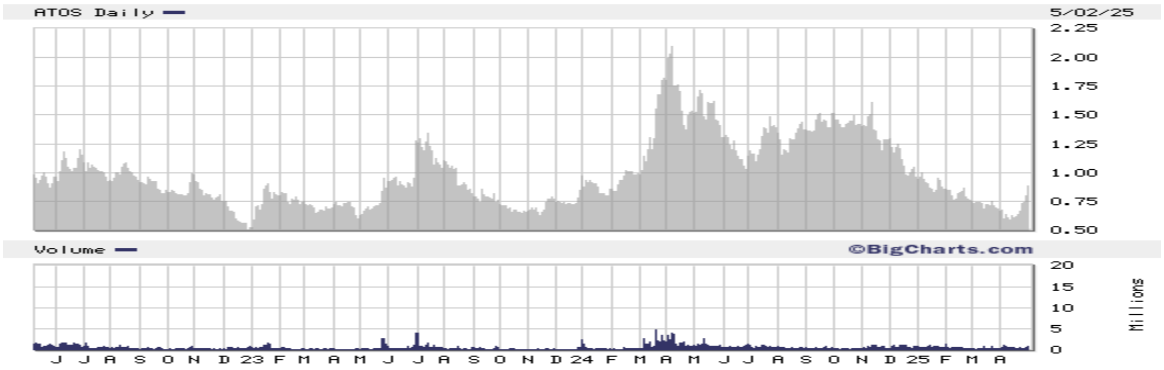
Atossa Therapeutics, Inc.



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
19	4/20/2025	Buy	7.25

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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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