United States
Healthcare

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Atossa Therapeutics, Inc.

Q3 about inline. Breast cancer clinical trials milestones and CAR-T M&A in 2022/23 should be catalysts for stock. Lowering P/T to $6.00.

COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $0.84

Target: $6.00
(from $7.00)

Q3 about inline: Atossa recently (on November 7) reported its Q3 2022 (ending September) results. Net loss was $8.0 million or EPS of $(0.06), compared with our and consensus estimates of $(0.06). There was no Q3 guidance. Atossa is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $8.2 million, up from $6.6 million in Q2 2022 due to higher clinical activities.

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

Lowering estimates: We are lowering our 2022 EPS estimate to $(0.22) from $(0.20).

Focused on 2 drugs in development: Atossa has two main therapeutic drug candidates, one for lung oncology and one for breast cancer (for 2 settings).

Focusing away from COVID-19: In July, the company announced a shift in focus for AT-H201 away from COVID-19 and towards oncology due to wide spread COVID-19 vaccine and therapeutics options. In October, Atossa has stopped its other COVID-19 drug under development, AT-301.

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 December 2021, Atossa began to enroll patients in its clinical study of Endoxifen in Sweden.

FDA allows trial to proceed: In October, the FDA has allowed Atossa to proceed with its Phase 2 neoadjuvant clinical study of (Z)-endoxifen in premenopausal women with early-stage estrogen receptor positive (ER+) and human epidermal growth factor receptor 2 negative (HER2-) breast cancer. The company plans to initiate the study in Q4.

Potential CAR-T acquisition: In July, the company entered into an agreement to negotiate to acquire a pre-clinical stage private company (Dynamic Cell Therapies, Inc.) developing novel Chimeric Antigen Receptor (CAR) T-cell therapies. Atossa has paid $5 million for the exclusive right to negotiate with the CAR-T company as well as investing in the company. Atossa expects the deal to close in Q4.

Clinical data and M&A can be catalysts: Atossa anticipates starting/finishing its various clinical trials over the next year. We believe achieving key clinical milestones and the pending acquisition 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 $6.00 from $7.00 based on a NPV analysis. This represents significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

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

Stock Data

Exchange:	NasdaqCM
52-week Range:	$0.77 – 2.75
Shares Outstanding (million):	127
Market cap ($million):	$107
EV ($million):	$(10)
Debt ($million):	$0
Cash ($million):	$117
Avg. Daily Trading Vol. ($million):	$1
Float (million shares):	119
Short Interest (million shares):	10
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

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

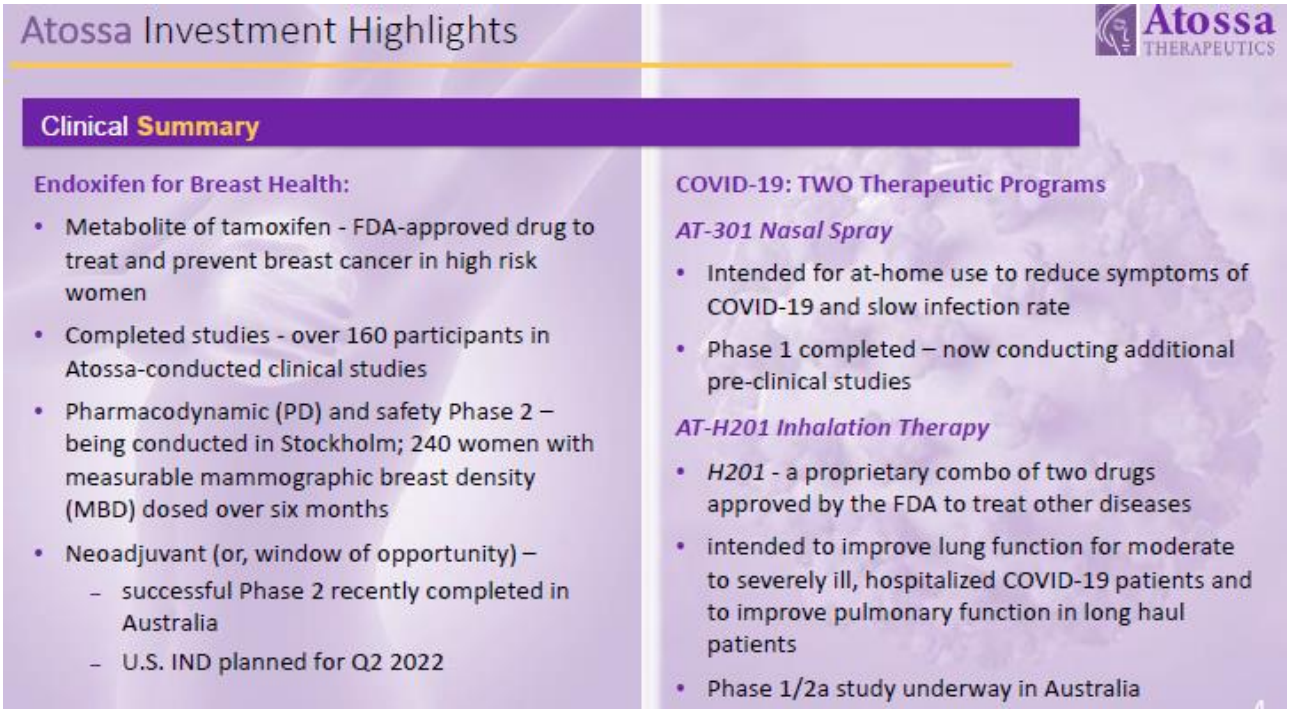
	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.04)A		(0.06)E	
Q2 Jun	(0.05)A		(0.06)E	
Q3 Sep	(0.06)A	(0.06)E	(0.06)E	
Q4 Dec	(0.06)E		(0.06)E	(0.05)E
Total	**(0.22)E**	**(0.20)E**	**(0.22)E**	
P/E	N/A		N/A	

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.

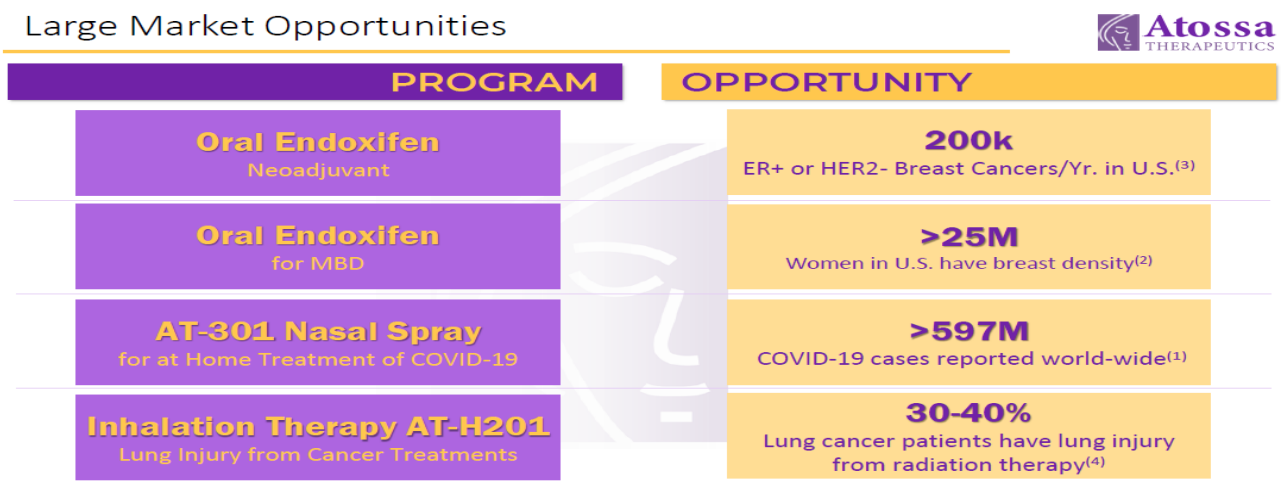
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

Exhibit 1: Atossa Therapeutics, Inc. (as of May 2022)



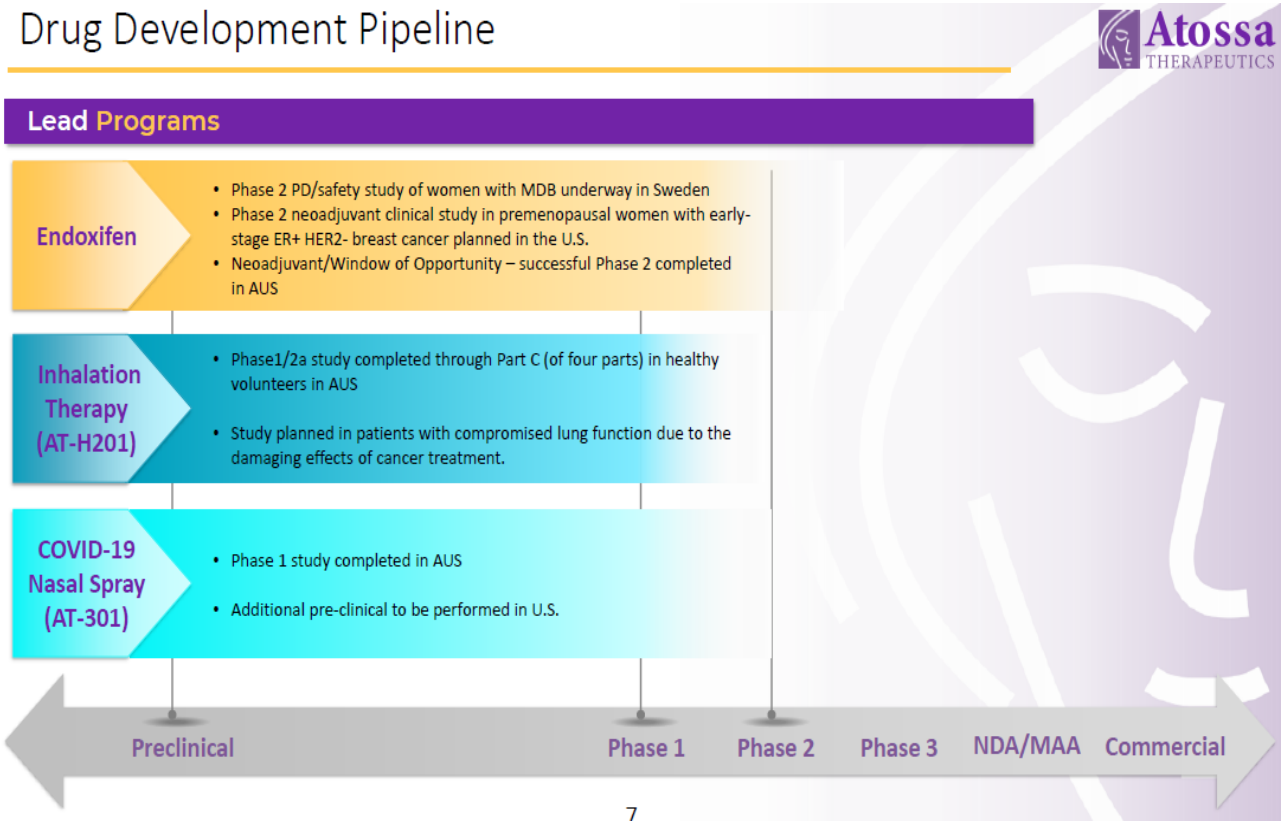
Source: Company reports

Exhibit 2: Atossa Market Opportunities (as of August 2022)



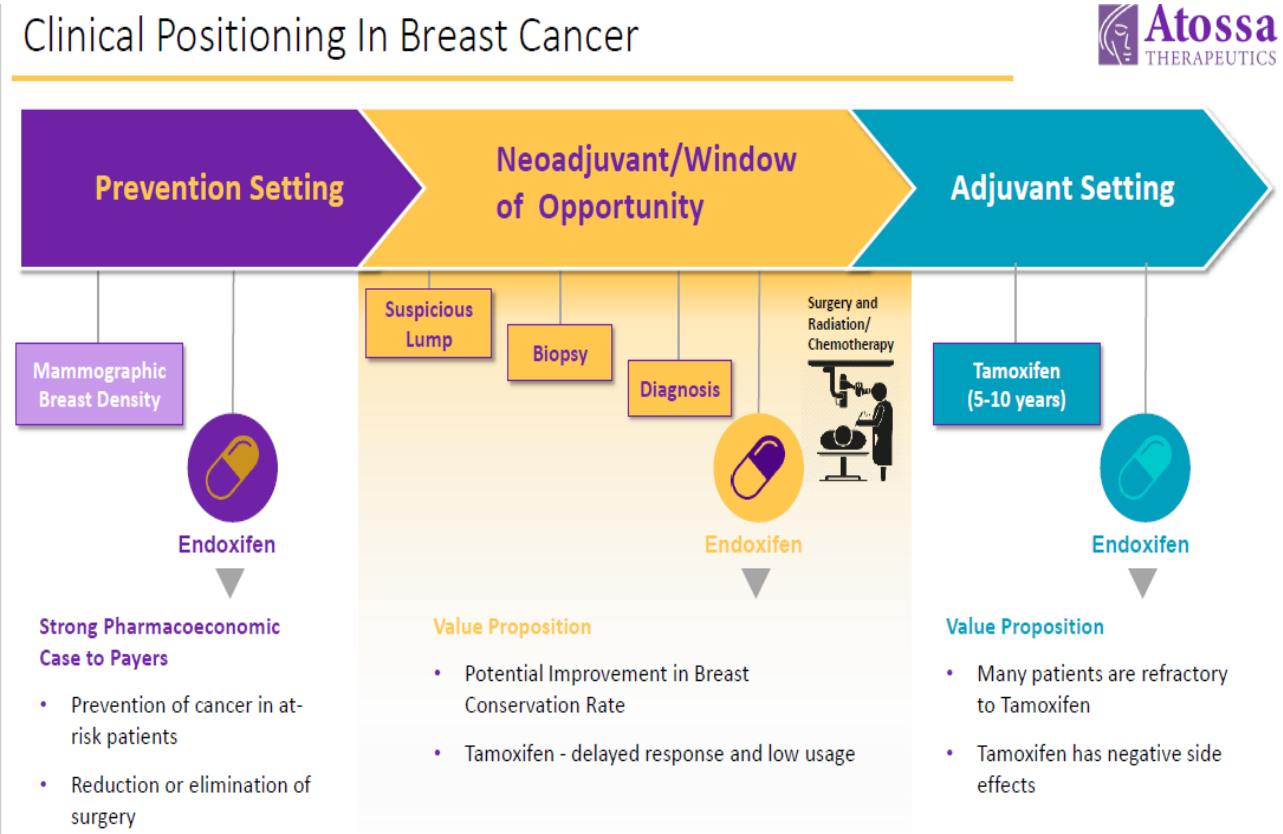
Source: Company reports.

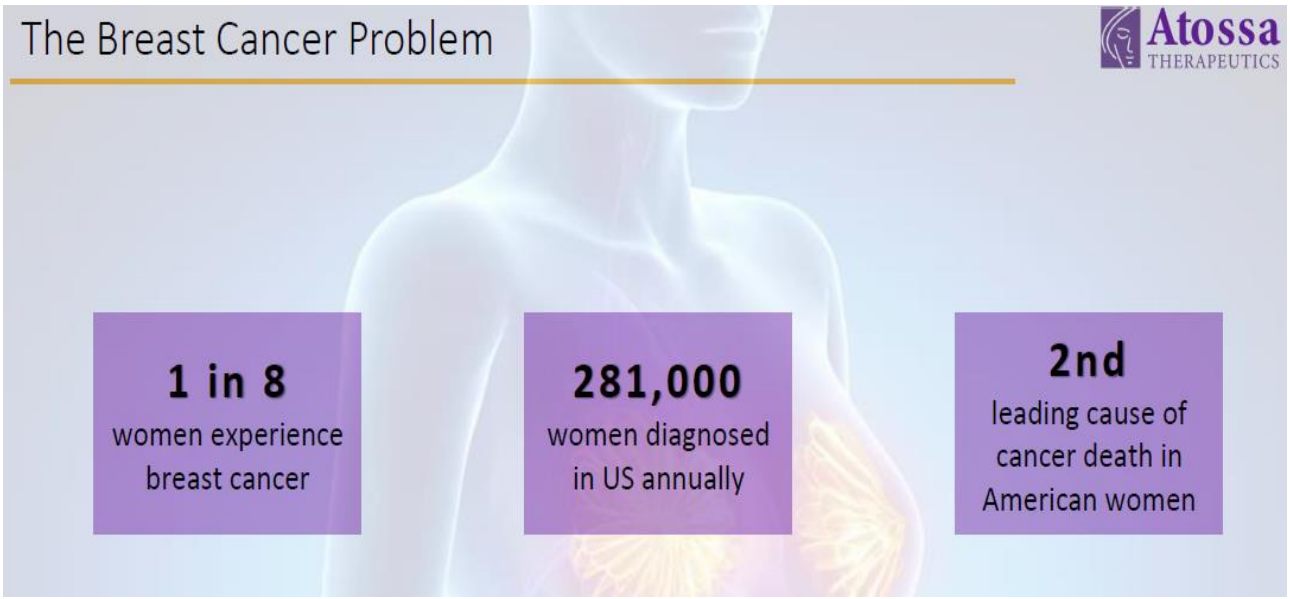
Exhibit 3: Atossa Drug Development Pipeline (as of August 2022)



Source: Company reports

Exhibit 4: ENDOXIFEN





Source: Company reports

Exhibit 5: Endoxifen Clinical Trials (as of August 2022)

Endoxifen Phase 2 Study in Stockholm

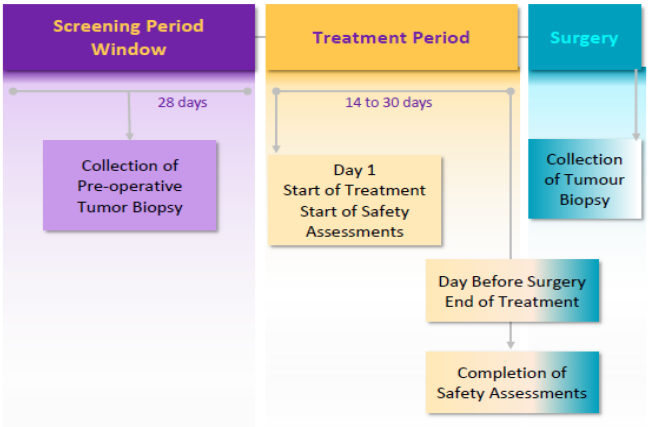
- Being conducted in Stockholm by So. Gen. Hospital
- Primary objective — PD study to determine the dose-response relationship of daily Endoxifen on MBD reduction
- Secondary endpoints - safety and tolerability
- Randomized, double-blinded and placebo-controlled
- 240 pre-menopausal women with measurable 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

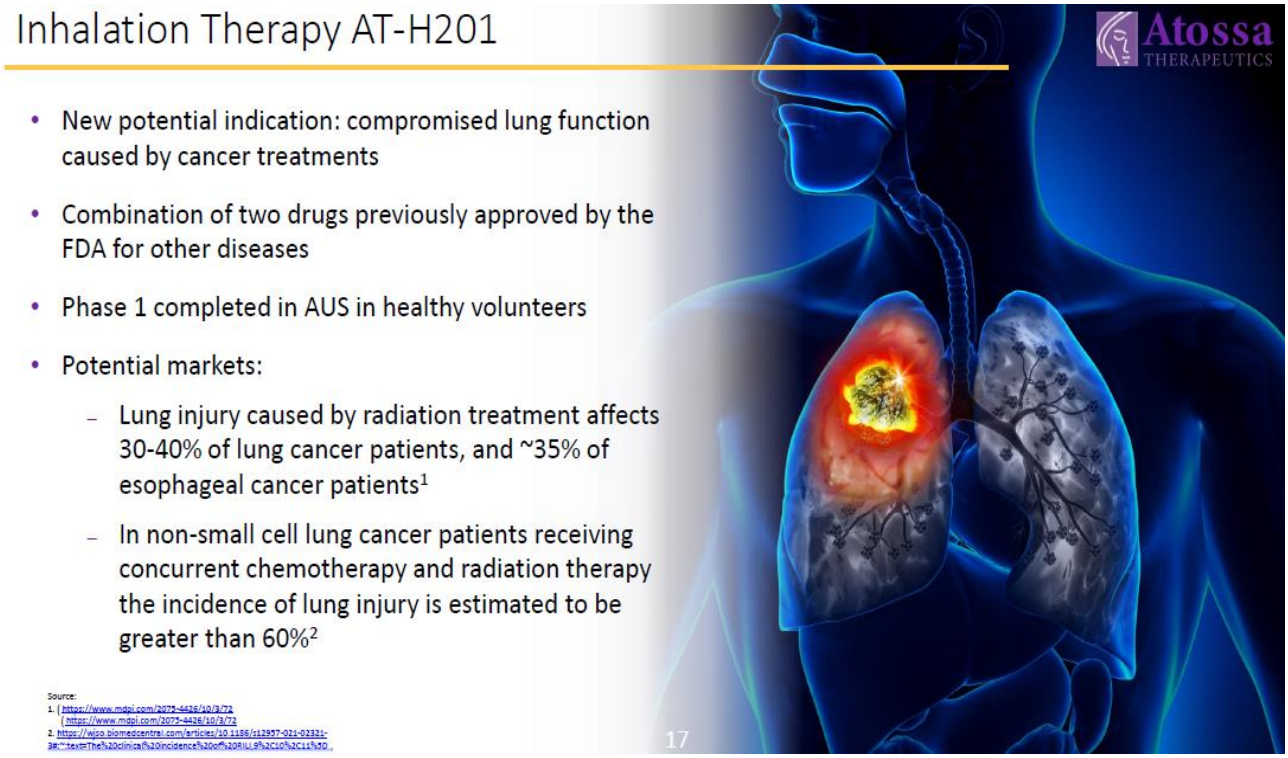


Endoxifen – Potential Pathway in U.S.

- Goal: Conduct additional studies in U.S., including in the neoadjuvant setting
- FDA: Pre-IND meeting held for Phase 2 neoadjuvant study; IND submitted; additional info requested and being gathered for re-submission
- Planning to use CRO and major research institutions in U.S.
- Partnering: Planning to seek partner on future studies

Source: Company reports

Exhibit 6: AT-H201



Source: Company reports

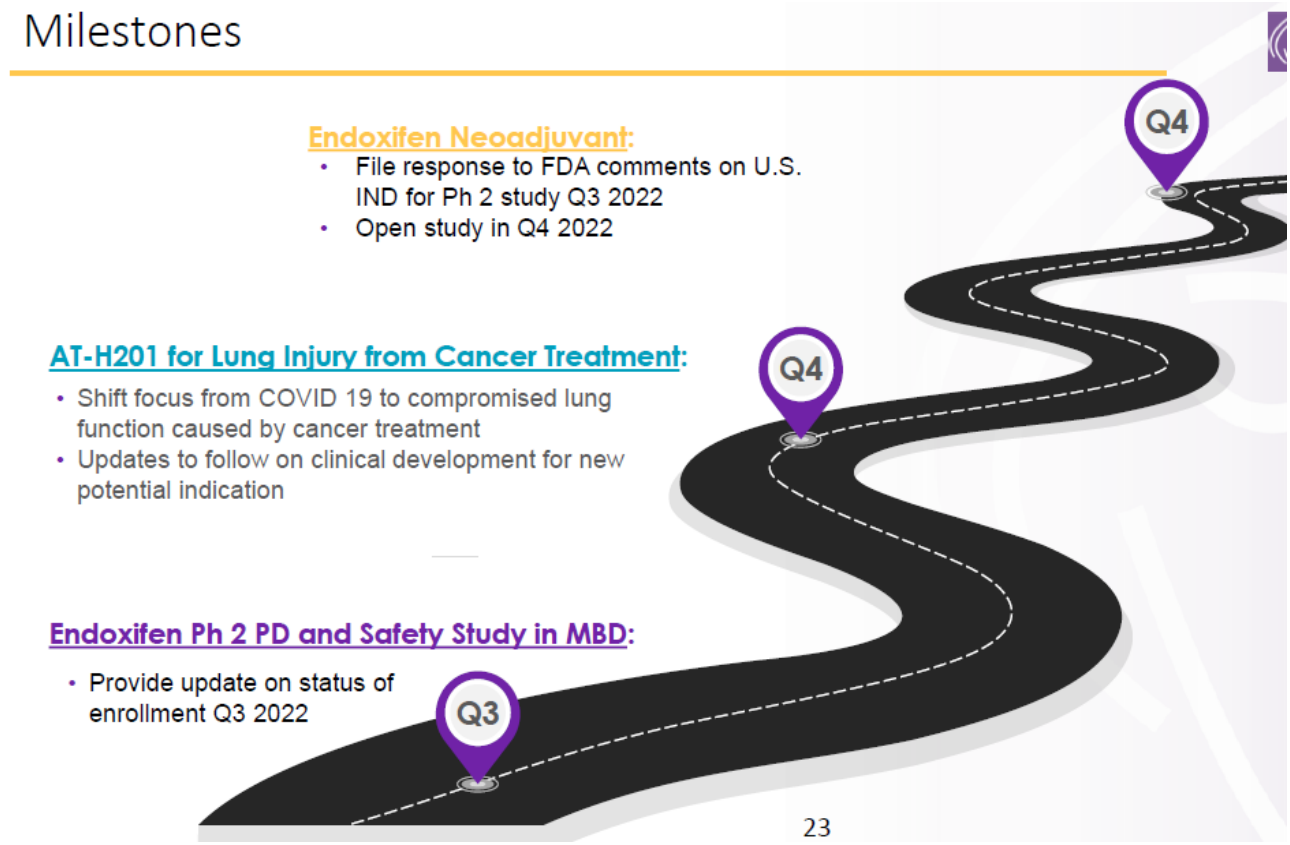
Exhibit 7: Q3 2022 and Recent Company Highlights

Key developments from Q3 2022 and to date include:

- Received FDA authorization from FDA to initiate its Phase 2 study of neoadjuvant (Z)-endoxifen in premenopausal women with ER+/HER2- breast cancer.
- Invested in a privately-held Dynamic Cell Therapies, a company focused on CAR-T therapies as an important step in pursuing its strategy to develop CAR-T therapies or adjacent opportunities within the immuno-oncology space.
- Completed dosing in both Part B and Part C (of four parts) of Phase 1/2a Clinical Trial of AT-H201 in healthy volunteers, which the Company is now developing for patients with compromised lung function due to the damaging effects of cancer treatment.

Source: Company reports

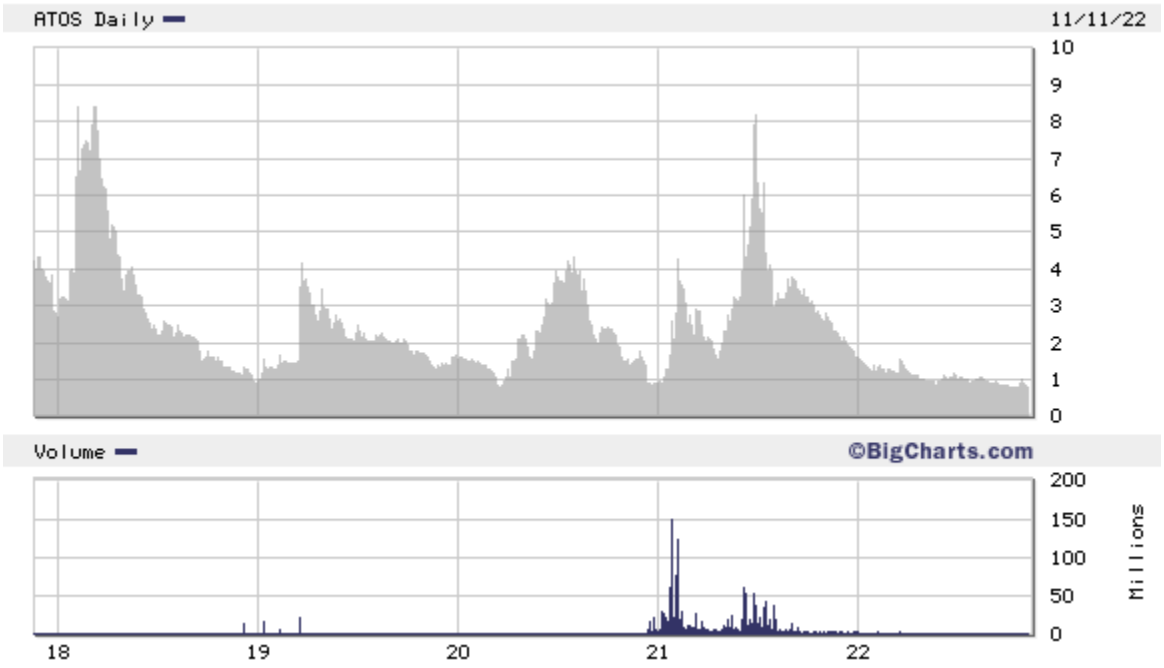
Exhibit 8: Upcoming Milestones (as of August & November 2022)



"We continue to make progress with our (Z)-endoxifen programs. In particular, our Phase 2 study of neoadjuvant (Z)-endoxifen for pre-menopausal women with ER+/HER2- breast cancer was authorized by FDA to begin in the United States, and we plan to initiate the study during the fourth quarter of this year. We are re-aligning our strategy to address new avenues in the field of oncology. We have altered our approach to the development of AT-H201 in cancer patients with compromised lung-function resulting from cancer treatment, and are beginning to explore the possibility of pursuing immune-oncology programs. In the meantime, we will continue our current programs and will provide progress updates as they become available," commented Dr. Steven Quay, Atossa's President and Chief Executive Officer.

Source: Company reports

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



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

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	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**
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	1.5	3.4	5.2	5.0	15.1	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	3.2	3.2	3.0	3.0	12.5	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	4.7	6.6	8.2	8.0	27.5	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)**	**(4.7)**	**(6.6)**	**(8.2)**	**(8.0)**	**(27.5)**	**(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
Other income (expense)	(0.0)	0.0		(7.7)	(7.7)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	0.2	0.0	0.1	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)	(4.8)	(6.7)	(8.0)	(8.0)	(27.5)	(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
Net income (loss)	(2.9)	(3.9)	(3.5)	(12.0)	(22.3)	(3.5)	(7.0)	(5.2)	(4.8)	(20.6)	(4.8)	(6.7)	(8.0)	(8.0)	(27.5)	(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)**	**(4.8)**	**(6.7)**	**(8.0)**	**(8.0)**	**(27.5)**	**(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	126.6	126.6	126.6	126.7	126.6	126.9	127.0	127.1	127.2	127.1
Shares, Diluted	9.1	9.2	10.2	16.7	11.3	92.6	121.6	126.5	126.6	117.0	126.6	126.6	126.6	126.7	126.6	126.9	127.0	127.1	127.2	127.1
EPS Basic (pro forma)	**($0.32)**	**($0.43)**	**($0.34)**	**($0.72)**	**($1.97)**	**($0.04)**	**($0.06)**	**($0.04)**	**($0.04)**	**($0.18)**	**($0.04)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.22)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.06)**	**($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)	($0.04)	($0.05)	($0.06)	($0.06)	($0.22)	($0.06)	($0.06)	($0.06)	($0.06)	($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%	9%	-10%	134%	174%	64%	167%	17%	-22%	-20%	6%
General and administrative	-24%	-51%	15%	9%	-25%	8%	40%	60%	61%	41%	51%	-1%	3%	0%	10%	-8%	-5%	-1%	0%	-4%
Operating income (loss)	-28%	-46%	6%	61%	-15%	20%	78%	47%	14%	40%	34%	-6%	59%	66%	34%	47%	6%	-15%	-13%	2%
Net income (loss)	-28%	-46%	6%	358%	30%	20%	80%	49%	-60%	-8%	35%	-5%	54%	66%	33%	46%	5%	-13%	-13%	2%
EPS Diluted (pro forma)	-48%	-47%	-5%	150%	-3%	-88%	-86%	-88%	-95%	-91%	-1%	-9%	54%	65%	23%	46%	5%	-13%	-13%	2%

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 Q1A	Jun-22 Q2A	Sep-22 Q3A	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	131.5	125.5	117.4	111.1	105.8	100.5	95.1	89.8
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	0.4	0.6	0.7	0.8	0.9	1.1		0.9	0.6	0.6	0.6	0.6	0.6	0.6
Deferred income taxes												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	5.3	6.9	5.3	5.3	5.3	5.3	5.3	5.3
Total current assets	11.7	10.1	11.3	42.8	141.0	145.8	143.0	141.2	136.8	133.4	123.4	117.2	111.8	106.5	101.2	95.8
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
Intangibles, net	0.1	0.1	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
Other	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	3.3	3.3	3.3	3.3	3.3	3.3
Total assets	**11.8**	**10.2**	**11.4**	**42.8**	**141.1**	**145.9**	**143.0**	**141.3**	**137.5**	**134.0**	**126.7**	**120.5**	**115.2**	**109.8**	**104.5**	**99.2**
Liabilities and stockholders' equity																
Accounts payable	0.4	1.0	0.7	1.6	0.7	0.5	0.7	1.7	1.6	2.1	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	0.7	1.7	1.2	1.2	1.2	1.2	1.2	1.2
Deferred income tax												0.0	0.0	0.0	0.0	0.0
Warrant liabilities				13.0								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
Total current liabilities	**0.9**	**1.8**	**1.6**	**15.7**	**1.4**	**1.8**	**1.7**	**3.1**	**2.3**	**3.8**	**2.9**	**2.9**	**2.9**	**2.9**	**2.9**	**2.9**
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	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	0.0	0.0	0.0	0.0	0.6	0.6	0.6		0.0	0.0	0.0	0.0	0.0
Common stock	1.6	1.7	1.9	8.6	21.7	22.7	22.8	22.8	22.8	22.8	22.8	24.5	26.1	27.8	29.5	31.1
Additional paid-in capital	106.3	107.6	112.4	130.5	230.1	240.6	243.0	244.0	245.8	247.6	249.8	249.8	249.8	249.8	249.8	249.8
Retained earnings	(97.0)	(100.9)	(104.4)	(111.9)	(112.2)	(119.2)	(124.4)	(129.2)	(134.0)	(140.7)	(148.7)	(156.7)	(163.7)	(170.7)	(177.7)	(184.7)
Accumulated other comprehensive income											(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**	**135.2**	**130.3**	**123.9**	**117.6**	**112.3**	**107.0**	**101.6**	**96.3**
Total stockholders' equity and liabil	**11.8**	**10.2**	**11.4**	**42.8**	**141.1**	**145.9**	**143.0**	**141.3**	**137.5**	**134.0**	**126.7**	**120.5**	**115.2**	**109.8**	**104.5**	**99.2**

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 Q1A	Jun-22 Q2A	Sep-22 Q3A	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	$1.07	$1.03	$0.98	$0.93	$0.88	$0.84	$0.80	$0.76
Cash per Share (diluted)	$1.02	$0.81	$0.90	$2.37	$1.49	$1.17	$1.11	$1.08	$1.04	$0.99	$0.93	$0.88	$0.83	$0.79	$0.75	$0.71
Net cash per Share (diluted)	$1.02	$0.81	$0.90	$2.37	$1.49	$1.17	$1.11	$1.08	$1.04	$0.99	$0.93	$0.88	$0.83	$0.79	$0.75	$0.71

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-A	Q1A	Q2A	Q3A	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)	(4.8)	(6.7)	(8.0)	(8.0)	(27.5)	(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	1.8	1.8	1.7	1.7	6.9	1.7	1.7	1.7	1.7	6.7
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				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		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)	(1.4)	(1.4)	0.2	0.0	(2.6)	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)	0.4	(0.2)	0.3		0.5					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)	(0.1)	(0.9)	1.4	0.0	0.4	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	(0.1)	0.5	(0.4)	0.0	(0.1)	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	(0.1)	0.7	(0.8)	0.0	(0.2)	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	(0.6)	0.3	0.3	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)**	**(4.9)**	**(5.9)**	**(5.4)**	**(6.3)**	**(22.6)**	**(5.3)**	**(5.3)**	**(5.3)**	**(5.3)**	**(21.3)**
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)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0			(2.7)		(2.7)					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**	**(2.7)**	**0.0**	**(2.7)**	**0.0**	**(0.0)**	**0.0**	**(0.0)**	**(0.0)**
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		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
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			(0.1)		(0.1)					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**	**(4.891)**	**(5.949)**	**(8.170)**	**(6.3)**	**(25.3)**	**(5.3)**	**(5.4)**	**(5.3)**	**(5.4)**	**(21.4)**
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**	**131.6**	**125.6**	**117.5**	**136.5**	**111.1**	**105.8**	**100.5**	**95.1**	**111.1**
Ending cash and equivalents	**9.5**	**7.6**	**9.2**	**39.7**	**39.7**	**137.7**	**142.5**	**140.2**	**136.5**	**136.5**	**131.6**	**125.6**	**117.5**	**111.1**	**111.1**	**105.8**	**100.5**	**95.1**	**89.8**	**89.8**

Source: Company reports and Ascendiant Capital Markets estimates

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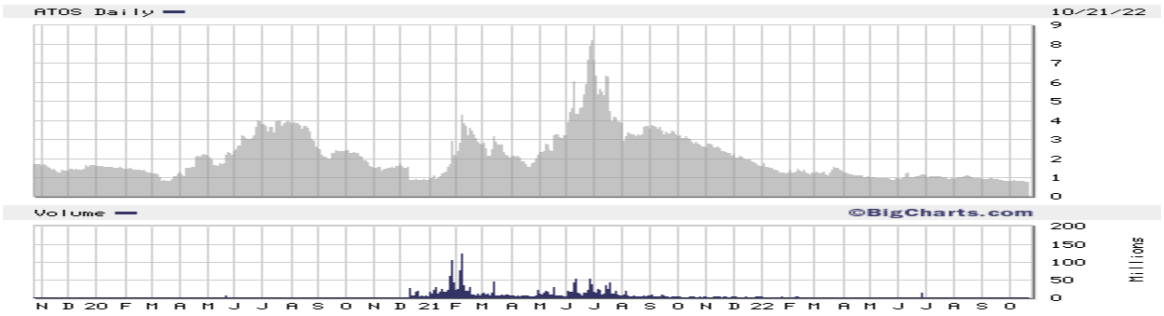
Atossa Therapeutics, Inc.



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

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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

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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	43	98%	17	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	44	100%	17	39%

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