United States
Healthcare

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Edward Woo, CFA
(561) 327-9435
ewoo@ascendiant.com

Atossa Therapeutics, Inc.

Q1 inline. Breast cancer clinical trials (5 Phase 2) milestones over the next year should be catalysts for stock. Raising P/T to $6.25.

COMPANY UPDATE

Rating: BUY

Ticker: ATOS

Price: $1.31

Target: $6.25 (from $6.00)

Q1 inline: Atossa recently (on May 13) reported its Q1 2024 (ending March) results. Net loss was $5.9 million or EPS of $(0.05), compared with our and consensus estimates of $(0.06) – (0.07). There was no Q1 guidance. Atossa is a clinical stage drug development company so it generates no revenue.

Operating expenses: Operating expenses were $7.0 million, down from $9.0 million in Q4 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.

Adjusting estimates: We are adjusting our 2024 EPS estimate to $(0.24) from $(0.27).

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.

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 October 2023, Quantum Leap Healthcare Collaborative announced the initiation of the Phase 2 DCIS: Re-Evaluating Conditions for Active Surveillance Suitability as Treatment (RECAST) study.

Positive data from EVANGELINE 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 May 2024) the last patient has been dosed in ongoing Phase 2 Karisma-Endoxifen Clinical Trial. Data is expected in 2H 2024. Full enrollment in Phase 2 I-SPY 2 Clinical Trial was in February 2024. 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 $6.25 from $6.00 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:	$0.62 – 2.31
Shares Outstanding (million):	126
Market cap ($million):	$165
EV ($million):	$81
Debt ($million):	$0
Cash ($million):	$84
Avg. Daily Trading Vol. ($million):	$4
Float (million shares):	118
Short Interest (million shares):	11
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

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

	2024E (Cur.)	2024E (Old)	2025E (Cur.)	2025E (Old)
Q1 Mar	(0.05)A	(0.07)E	(0.06)E	(0.07)E
Q2 Jun	(0.06)E	(0.07)E	(0.06)E	(0.07)E
Q3 Sep	(0.06)E	(0.07)E	(0.06)E	(0.07)E
Q4 Dec	(0.06)E	(0.07)E	(0.06)E	(0.07)E
Total	**(0.24)E**	**(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 13.

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 Q1 2024)

Near Term Catalysts / Capital Table

Near Term Catalysts

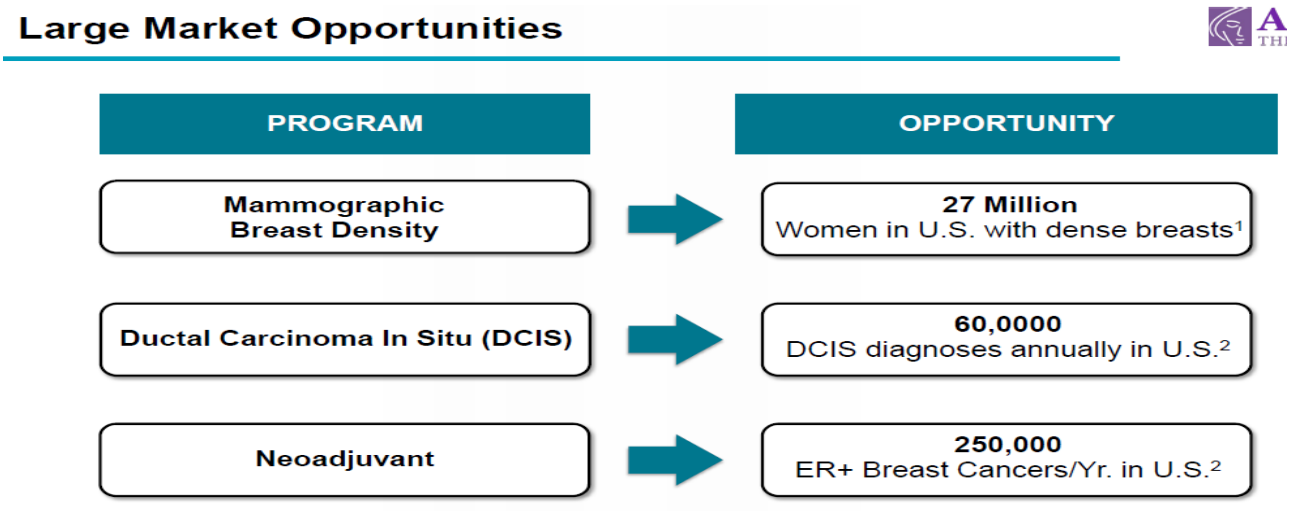
- Mammographic Breast Density
  - Density reduction data available 2H '24
- I-Spy
  - 10mg neoadjuvant data available 2H '24
- EVANGELINE
  - 80mg PK run-in cohort completion 2Q '24
  - Treatment arm initiated – 2H '24
- DCIS
  - Enrollment updates throughout '24
- Combinations
  - CDK 4/6 - enrollment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

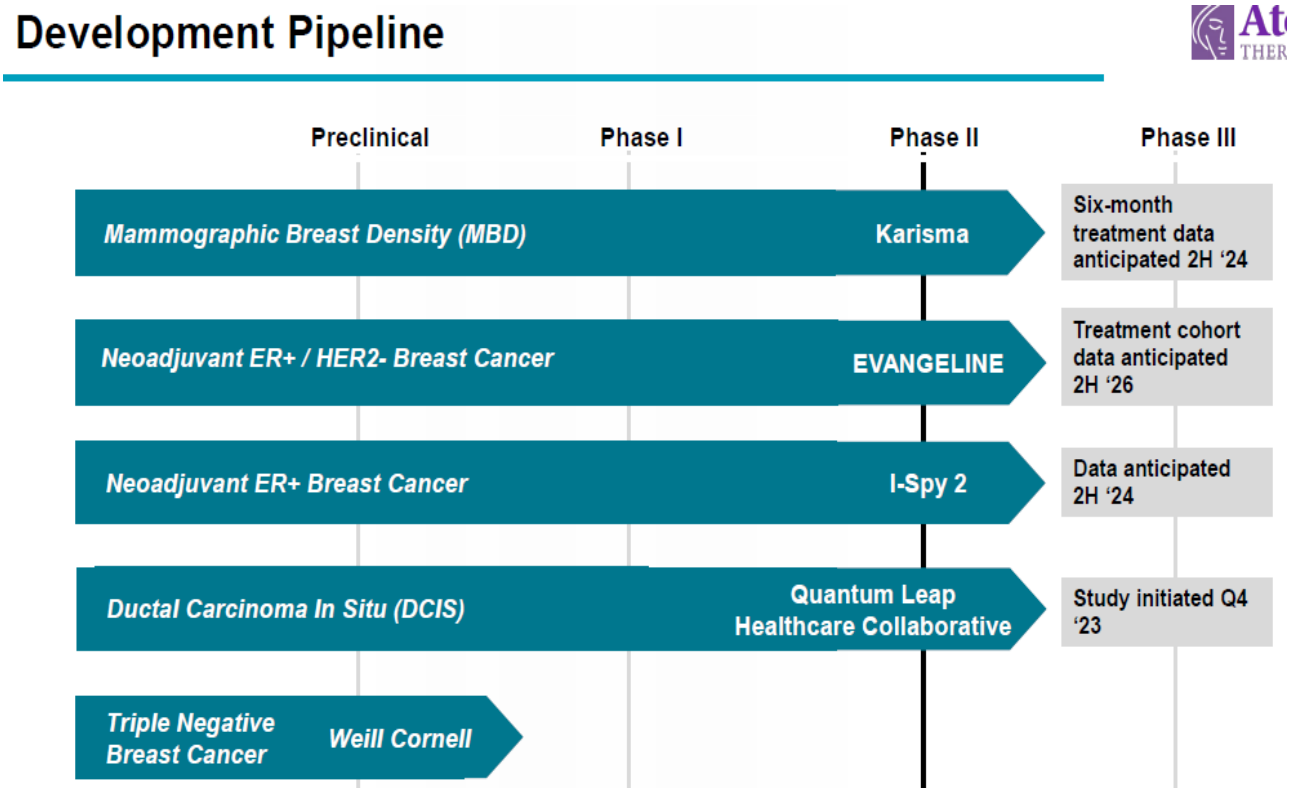
Source: Company reports

Exhibit 3: Atossa Market Opportunities



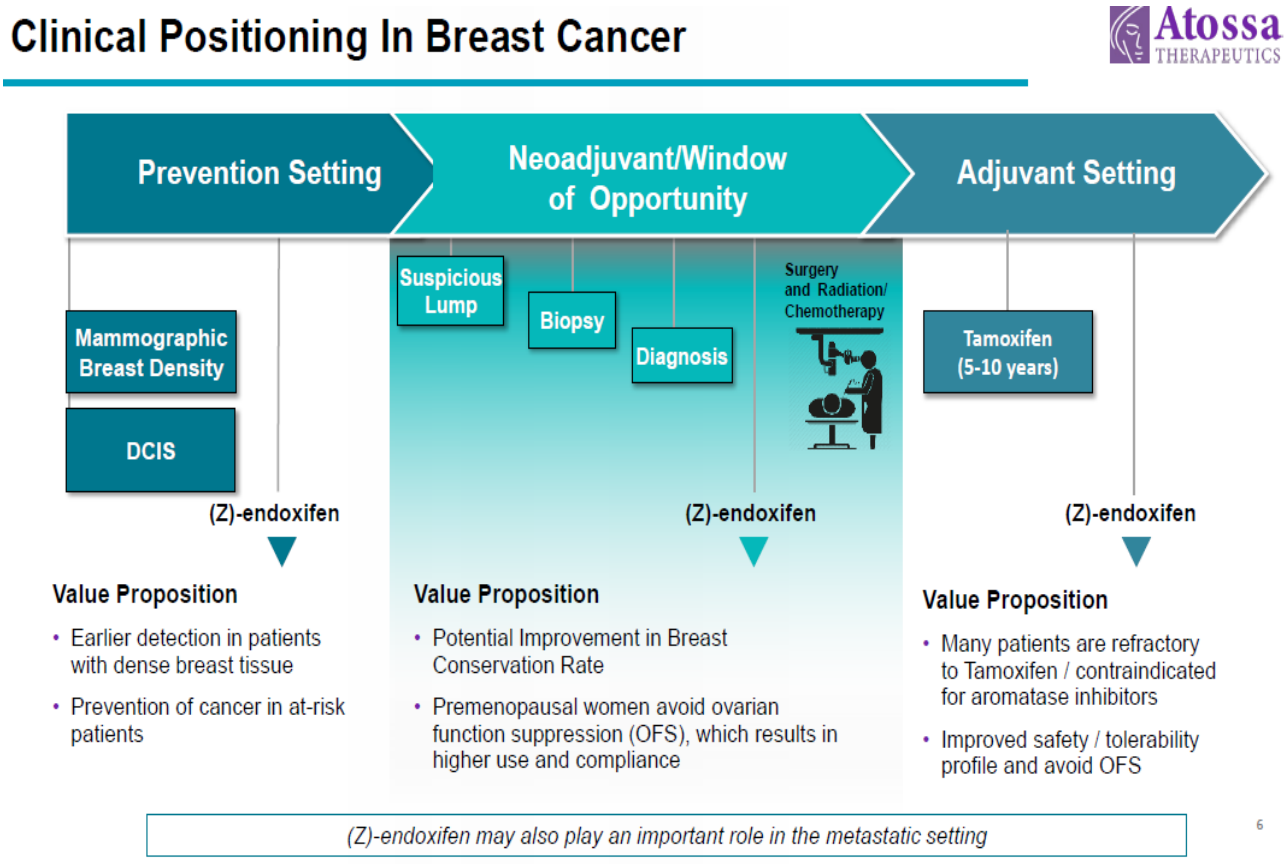
Source: Company reports.

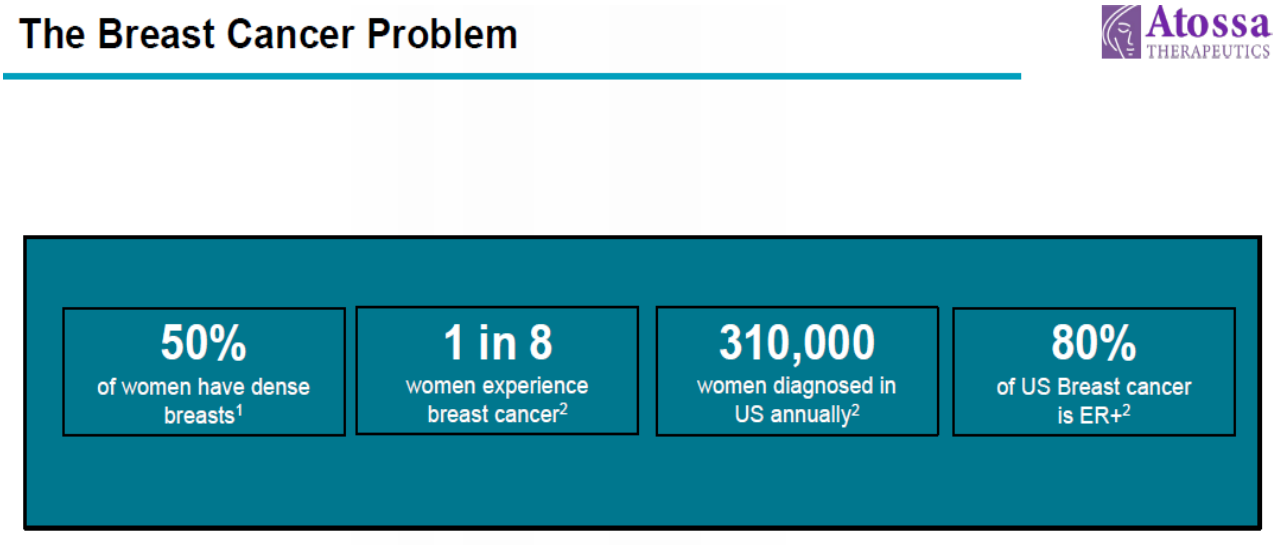
Exhibit 4: Atossa Drug Development Pipeline (as of Q4 2023)



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

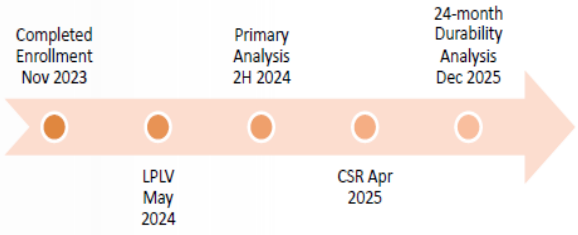
Study

- 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

(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



Source: Company reports

Exhibit 7: Endoxifen Clinical Trials

EVANGELINE – Neoadjuvant

Issue

- No effective neoadjuvant therapies for premenopausal ER+ BC
  - Endocrine therapies require ovarian suppression in premenopausal women
  - Adverse event profile leads to compliance challenges
  - Lack of safe and effective neoadjuvant treatment options reduces effectiveness of surgery and increases risk of recurrence

Study

- Phase 2 study of (Z)-endoxifen in premenopausal women with ER+ / HER2- BC
  - Participants receive (Z)-endoxifen daily for six months
  - Began with PK run-in to determine optimal dose to target PKCβ1 inhibition
  - 40mg PK run-in cohort completed in '23
  - Endpoints – Ki-67 reduction and objective response – assessed by MRI and pathology
  - 40mg safety and efficacy data presented at AACR (April 2024)
  - 80mg PK data expected Q2 '24

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

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 2024 and Recent Company Highlights (as of May 13, 2024)

Atossa Therapeutics Announces First Quarter 2024 Financial Results and Provides Corporate Update

May 13, 2024 12:50 PM EDT

- *Presented data from EVANGELINE study showing 100% disease control rate at 24-weeks*
- *Initiated study evaluating (Z)-endoxifen in combination with abemaciclib (VERZENIO®)*
- *Ended first quarter 2024 with $84.0 million of cash and cash equivalents and no debt*

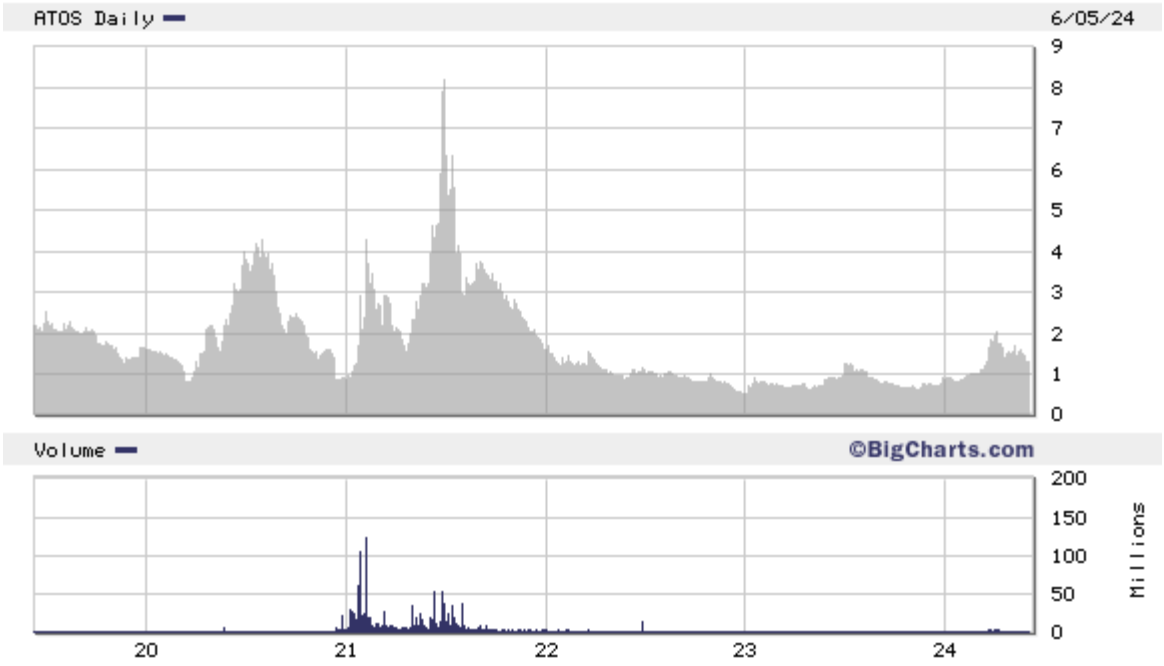
Key developments from Q1 2024 and the year to date include:

- **Presented data from 40mg pharmacokinetic run-in cohort of ongoing EVANGELINE study at the AACR annual meeting –** data showed 100% disease control rate, 37% average MRI-based lesion size decrease and a 92% reduction in Ki-67, at 24 weeks. Treatment related toxicities included grade 3 headache (one patient), grade 2 amenorrhea (one patient), and grade 2 hot flashes (one patient). There were no grade 4 or 5 treatment related toxicities.
- **Initiated study evaluating (Z)-endoxifen in combination with abemaciclib (VERZENIO®) –** the study will enroll 20 women with newly diagnosed Estrogen Receptor positive (ER+) / Human Epidermal Growth Factor Receptor 2 negative (HER2-) invasive breast cancer. Participants will receive (Z)-endoxifen daily in combination with abemaciclib, a cyclin-dependent kinase (CDK) 4/6 inhibitor marketed by Eli Lilly and Company, twice daily for a total of 24 weeks prior to surgery.
- **Expanded access patient concluded five-years of (Z)-endoxifen treatment –** the pre-menopausal, ER+ / 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. The patient remains cancer-free and reported no significant safety or tolerability issues over the course of her treatment.
- **Fully enrolled 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.
- **Appointed Tessa Cigler, M.D., M.P.H 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.

"The first quarter of 2024 was a period of significant progress for our Company," said Steven Quay, M.D., Ph.D., Atossa's President and Chief Executive Officer. "We initiated a new combination study, presented extremely promising monotherapy data at AACR and fully enrolled the second of our five ongoing Phase 2 studies. Our focus for the remainder of 2024 will be to continue driving our (Z)-endoxifen development program forward, preparing for critical data readouts expected in the second half of this year and further progressing conversations with regulatory authorities and prospective partners. Even with all of our significant accomplishments in the quarter, our cash balance remains strong, at $84.0 million."

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, 2024)

	Revenue (mils)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	$0E		Q1 Mar	$(0.06)E	
Q2 Jun	$0E		Q2 Jun	$(0.06)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	$0E	$0E	Total	$(0.27)E	$(0.30)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	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	1.5	3.4	5.2	5.0	15.1	3.5	3.7	4.5	5.7	17.3	3.7	5.0	5.0	5.0	18.7	5.0	5.0	5.0	5.0	20.0
General and administrative	3.2	3.2	3.0	3.2	12.6	3.6	4.1	3.0	3.4	14.0	3.2	3.0	3.0	3.0	12.2	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	7.0	8.0	8.0	8.0	31.0	8.0	8.0	8.0	8.0	32.0
Operating income (loss)	**(4.7)**	**(6.6)**	**(8.2)**	**(8.1)**	**(27.7)**	**(7.1)**	**(7.8)**	**(7.5)**	**(9.0)**	**(31.4)**	**(7.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(31.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**
Interest income (expense)				0.9	0.9	0.9	1.0	1.3	1.2	4.3	1.1	0.0	0.0	0.0	1.1	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
Income before income taxes	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(8.0)	(8.0)	(8.0)	(29.9)	(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)	(4.8)	(6.7)	(8.0)	(7.5)	(27.0)	(6.3)	(9.8)	(6.2)	(7.8)	(30.1)	(5.9)	(8.0)	(8.0)	(8.0)	(29.9)	(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)	**(4.8)**	**(6.7)**	**(8.0)**	**(7.5)**	**(27.0)**	**(6.3)**	**(9.8)**	**(6.2)**	**(7.8)**	**(30.1)**	**(5.9)**	**(8.0)**	**(8.0)**	**(8.0)**	**(29.9)**	**(8.0)**	**(8.0)**	**(8.0)**	**(8.0)**	**(32.0)**
EBITDA																				
Shares, Basic	126.6	126.6	126.6	126.6	126.6	126.6	126.6	125.8	125.5	126.1	125.3	125.8	125.9	126.0	125.8	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	125.3	125.8	125.9	126.0	125.8	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)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.24)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.25)**
EPS Diluted (pro forma)	($0.04)	($0.05)	($0.06)	($0.06)	($0.21)	($0.05)	($0.08)	($0.05)	($0.06)	($0.24)	($0.05)	($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	9%	-10%	134%	173%	64%	134%	8%	-13%	13%	15%	7%	35%	12%	-12%	8%	33%	0%	0%	0%	7%
General and administrative	51%	-1%	3%	5%	11%	11%	29%	-1%	7%	11%	-10%	-27%	0%	-11%	-13%	-7%	0%	0%	0%	-2%
Operating income (loss)	34%	-6%	59%	69%	35%	50%	18%	-9%	11%	13%	-2%	3%	7%	-11%	-1%	15%	0%	0%	0%	3%
Net income (loss)	35%	-5%	54%	55%	31%	31%	47%	-22%	4%	12%	-6%	-19%	28%	3%	-1%	36%	0%	0%	0%	7%
EPS Diluted (pro forma)	-1%	-9%	54%	55%	21%	31%	47%	-22%	4%	12%	-5%	-18%	28%	3%	0%	35%	0%	0%	0%	7%

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	Q1A	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	84.0	76.5	68.9	61.3	53.7	46.1	38.5	30.9
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 rebate receiva	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
Deferred income taxes										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	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total current assets	136.8	133.4	123.4	118.2	110.9	106.0	97.6	92.2	87.1	79.6	72.0	64.4	56.8	49.2	41.6	34.0
Property and equipment, net										0.0	0.0	0.0	0.0	0.1	0.1	0.1
Intangibles, net										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0	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**	**91.1**	**83.6**	**76.0**	**68.4**	**60.9**	**53.3**	**45.7**	**38.1**
Liabilities and stockholders' equity																
Accounts payable	1.6	2.1	1.7	3.0	1.4	1.2	0.7	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Accrued expenses	0.7	1.7	1.2	2.6	0.6	2.3	2.7	2.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
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	0.0	0.0	0.0	0.0	0.9	0.0	0.0	1.8	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	**2.3**	**3.8**	**2.9**	**5.6**	**2.9**	**3.5**	**3.4**	**5.2**	**5.3**	**5.3**	**5.3**	**5.3**	**5.3**	**5.3**	**5.3**	**5.3**
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	0.6	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	22.8	22.8	22.8	22.8	22.829	23.2	23.7	24.1	24.5	24.9	25.3	25.7
Additional paid-in capital	245.8	247.6	249.2	250.8	252.4	253.8	253.4	254.5	255.096	255.1	255.1	255.1	255.1	255.1	255.1	255.1
Retained earnings	(134.0)	(140.7)	(148.7)	(156.2)	(162.5)	(172.3)	(178.5)	(186.3)	(192.166)	(200.2)	(208.2)	(216.2)	(224.2)	(232.2)	(240.2)	(248.2)
Accumulated other comprehensive income			(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**	**85.759**	**78.3**	**70.7**	**63.1**	**55.5**	**48.0**	**40.4**	**32.8**
Total stockholders' equity and liabil	**137.5**	**134.0**	**126.7**	**123.5**	**116.2**	**108.4**	**101.7**	**96.3**	**91.087**	**83.6**	**76.0**	**68.4**	**60.9**	**53.3**	**45.7**	**38.1**

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	Q1A	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	$0.68	$0.62	$0.56	$0.50	$0.44	$0.38	$0.32	$0.26
Cash per Share (diluted)	$1.04	$0.99	$0.93	$0.88	$0.82	$0.78	$0.75	$0.70	$0.67	$0.61	$0.55	$0.49	$0.43	$0.36	$0.30	$0.24
Net cash per Share (diluted)	$1.04	$0.99	$0.93	$0.88	$0.82	$0.78	$0.75	$0.70	$0.67	$0.61	$0.55	$0.49	$0.43	$0.36	$0.30	$0.24

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	Q1A	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)	(5.878)	(8.0)	(8.0)	(8.0)	(29.9)	(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	0.005	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	1.8	1.8	1.7	1.5	6.8	1.6	1.6	0.9	0.5	4.6	0.417	0.4	0.4	0.4	1.7	0.4	0.4	0.4	0.4	1.7
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	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	0.002				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	0.664	0.0	0.0	0.0	0.7	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
Accounts payable	(0.1)	0.5	(0.4)	1.3	1.2	(1.5)	(0.4)	(0.3)	0.1	(2.2)	0.424	0.0	0.0	0.0	0.4	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)	(0.355)	0.0	0.0	0.0	(0.4)	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	0.023	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)**	**(4.698)**	**(7.6)**	**(7.6)**	**(7.6)**	**(27.4)**	**(7.6)**	**(7.6)**	**(7.6)**	**(7.6)**	**(30.3)**
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 activ	**(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
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
Proceeds from stock option exercises					0.0					0.0	0.2				0.2					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)**	**0.2**	**0.0**	**0.0**	**0.0**	**0.2**	**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)**	**(4.5)**	**(7.6)**	**(7.6)**	**(7.6)**	**(27.3)**	**(7.6)**	**(7.6)**	**(7.6)**	**(7.6)**	**(30.4)**
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**	**84.1**	**76.5**	**68.9**	**88.6**	**61.3**	**53.7**	**46.1**	**38.5**	**61.3**
Ending cash and equivalents	**131.6**	**125.6**	**117.5**	**111.0**	**111.0**	**104.0**	**99.5**	**94.1**	**88.6**	**88.6**	**84.1**	**76.5**	**68.9**	**61.3**	**61.3**	**53.7**	**46.1**	**38.5**	**30.9**	**30.9**

Source: Company reports and Ascendiant Capital Markets estimates

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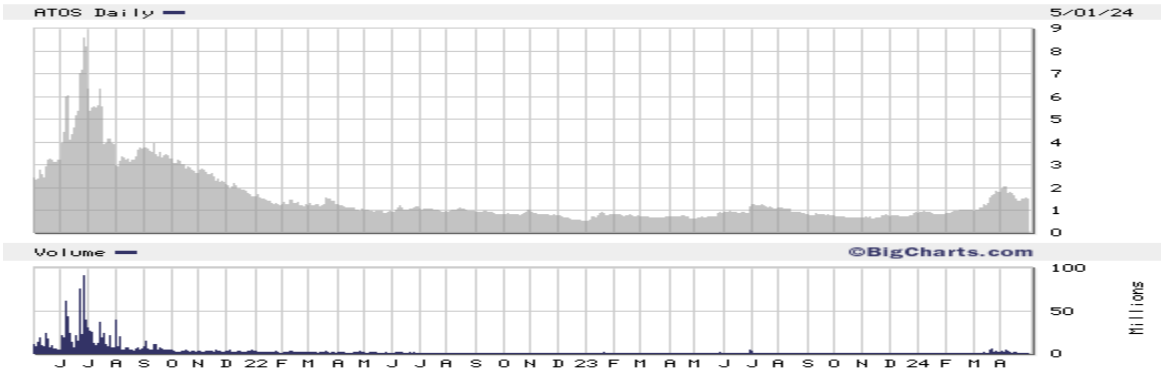
Atossa Therapeutics, Inc.



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
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

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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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