

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

May 19, 2025
David Bautz, PhD
312-265-9471
dbautz@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Abeona Therapeutics Inc.

(ABEO-NASDAQ)

ABEO: Sells Priority Review Voucher for \$155 Million...

Based on our probability adjusted DCF model that takes into account potential future revenues of pz-cel and selling a PRV, ABEO is valued at \$11.00/share. This model is highly dependent upon the continued clinical and commercial success of pz-cel and will be adjusted accordingly based on future results.

Current Price (05/19/25) \$6.10
Valuation \$11.00

OUTLOOK

On May 15, 2025, Abeona Therapeutics, Inc. (ABEO) announced financial results for the first quarter of 2025 and provided a business update. Following the approval of Zevaskyn™ (prademagene zamikeracel) by the U.S. Food and Drug Administration (FDA) for the treatment of wounds in adult and pediatric patients with recessive dystrophic epidermolysis bullosa (RDEB), the company has activated the first qualified treatment center that will begin treating patients in the third quarter of 2025. Since the approval of Zevaskyn, approximately 30 patients and caregivers have begun registering in the Abeona Assist patient services program. Abeona also recently entered into a sales agreement for the Priority Review Voucher (PRV) it acquired as part of the approval of Zevaskyn for \$155 million.

SUMMARY DATA

52-Week High \$6.87
52-Week Low \$4.06
One-Year Return (%) 38.64
Beta 1.68
Average Daily Volume (sh) 3,344,081

Shares Outstanding (mil) 51
Market Capitalization (\$mil) \$312
Short Interest Ratio (days) N/A
Institutional Ownership (%) 81
Insider Ownership (%) 5

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates

Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2025 Estimate 117.3
P/E using 2026 Estimate 12.3

Risk Level Above Avg.
Type of Stock Small-Growth
Industry N/A

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2025	0.0 A	0.0 E	7.6 E	22.7 E	30.3 E
2026					118.0 E
2027					200.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-\$1.16 A	\$0.19 A	-\$0.63 A	-\$0.19 A	-\$1.55 A
2025	-\$0.24 A	-\$0.33 E	-\$0.18 E	\$0.11 E	-\$0.64 E
2026					\$0.87 E
2027					\$2.15 E

WHAT'S NEW

Business Update

First Qualified Treatment Center Activated

On May 14, 2025, Abeona Therapeutics, Inc. (ABEO) [announced](#) that the Ann & Robert H. Lurie Children's Hospital of Chicago has been activated as the first Qualified Treatment Center (QTC) for Zevaskyn™. The hospital has completed all QTC start-up activities and the first patient is likely to be biopsied in July and treated in August.

Lurie Children's is one of the largest North American centers for epidermolysis bullosa and cares for more than 150 affected children and adults. Zevaskyn will be the tenth gene therapy offered at Lurie Children's.

Commercial Launch Underway

Following the approval of Zevaskyn on April 29, 2025, Abeona is focused on advancing its commercial launch and identifying patients eligible for treatment. The company reported that since the drug was approved, approximately 30 patients and caregivers have started registering in the Abeona Assist patient services program. Management has guided that between 10-14 patients are expected to be treated, and revenue recognized from those treatments, this year. Manufacturing capacity is expected to be able to handle up to six treatments per month by the end of 2025 and up to 10 treatments per month by mid-2026.

PRV Sale Strengthens Balance Sheet

On May 12, 2025, Abeona [announced](#) that it entered into a definitive asset purchase agreement to sell its Rare Pediatric Disease Priority Review Voucher (PRV) for gross proceeds of \$155 million (our estimate was for \$150 million). The transaction is subject to customary closing conditions, including expiration of the applicable waiting period under the Hart-Scott Rodino (HSR) Antitrust Improvement Act. With the proceeds from the sale, the company now has sufficient cash to cover more than two years of operating expenses.

Financial Update

On May 15, 2025, Abeona announced financial results for the first quarter of 2025. The company did not report any revenue in the first quarter of 2025. R&D expenses in the first quarter of 2025 were \$9.9 million compared to \$7.2 million for the first quarter of 2024. The increase was primarily due to increased headcount related to the scale-up in manufacturing capacity in preparation for the Zevaskyn commercial launch. G&A costs in the first quarter of 2025 were \$9.8 million compared to \$7.1 million for the first quarter of 2024. The increase was primarily due to increased headcount associated with the planned launch of Zevaskyn.

Abeona exited the first quarter of 2025 with approximately \$84.5 million. As indicated above, we estimate the company's cash position following the closing of the PRV sale will be sufficient to fund operations for at least the next two years, not taking into account any revenues from the sale of Zevaskyn. As of May 9, 2025, the company had approximately 51.2 million shares outstanding and, when factoring in stock options and warrants, a fully diluted share count of approximately 67.2 million.

Conclusion

Abeona is now set to focus on a successful commercial launch of Zevaskyn following its approval and the PRV sale. With approximately 30 patients already entering into the Abeona Assist program, it appears initial interest in being treated with Zevaskyn is quite strong and we look forward to additional updates throughout the year on the number of patients treated and those that are seeking treatment. We had estimated the PRV would sell for \$150 million, thus there is no change to our model and our valuation remains at \$11 per share.

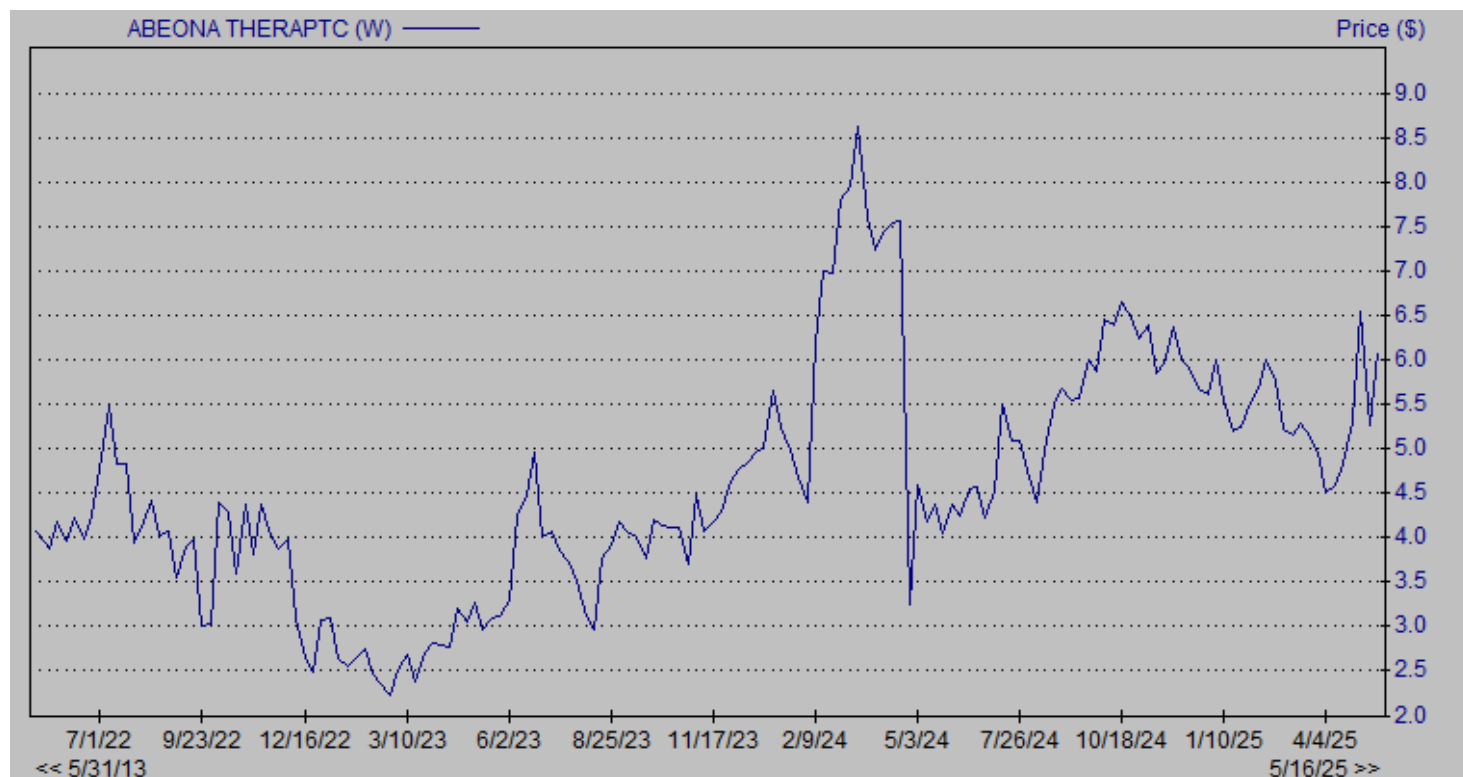
PROJECTED FINANCIALS

Abeona Therapeutics Inc.	2024 A	Q1 A	Q2 E	Q3 E	Q4 E	2025 E	2026 E	2027 E
ZEVASKYN™	\$0.0	\$0.0	\$0.0	\$7.6	\$22.7	\$30.3	\$118.0	\$200.0
License and other revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenues	\$0.0	\$0.0	\$0.0	\$7.6	\$22.7	\$30.3	\$118.0	\$200.0
Cost of revenues	\$0.0	\$0.0	\$0.0	\$0.9	\$2.7	\$3.6	\$14.1	\$24.0
Gross Margin	#DIV/0!	#DIV/0!	#DIV/0!	88%	88%	88%	88%	88%
Royalties	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Research & development	\$34.4	\$9.9	\$8.5	\$8.7	\$8.9	\$36.0	\$35.0	\$36.0
General & administrative	\$29.9	\$9.8	\$7.9	\$8.0	\$8.2	\$33.9	\$33.0	\$36.0
Depreciation and Amortization	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Impairment of licensed technology	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Impairment of right-of-use lease asset	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Impairment of construction-in-progress	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Income	(\$64.2)	(\$19.7)	(\$16.4)	(\$9.1)	\$5.6	(\$39.7)	\$50.0	\$128.0
Operating Margin	#DIV/0!	#DIV/0!	#DIV/0!	-120.1%	24.7%	-130.9%	42.4%	64.0%
Non-Operating Expenses (Net)	\$0.5	\$7.7	\$0.0	\$0.0	\$0.0	\$7.7	\$0.0	\$0.0
Pre-Tax Income	(\$63.8)	(\$12.0)	(\$16.4)	(\$9.1)	\$5.6	(\$32.0)	\$50.0	\$128.0
Deemed Dividends Series A and B Preferred Stock	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Income Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.1	\$5.4
Tax Rate	0%	0%	0%	0%	0%	0%	4%	4%
Net Income	(\$63.8)	(\$12.0)	(\$16.4)	(\$9.1)	\$5.6	(\$32.0)	\$47.9	\$122.6
Net Margin	-	-	-	-120.1%	24.7%	-105.5%	40.6%	61.3%
Reported EPS	(\$1.55)	(\$0.24)	(\$0.33)	(\$0.18)	\$0.11	(\$0.64)	\$0.87	\$2.15
Basic Shares Outstanding	41.0	49.8	49.0	49.5	50.0	49.6	55.0	57.0

Source: Zacks Investment Research, Inc.

David Bautz, PhD

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, David Bautz, PhD, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.

SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover.

SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.