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Abeona Therapeutics Inc.

(ABEO-NASDAQ)

ABEO: Zevaskyn® Launch Gains Momentum

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 $14.00/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 (08/17/26)	$5.99
Valuation	**$14.00**

OUTLOOK

On August 13, 2026, Abeona Therapeutics, Inc. (ABEO) announced financial results for the second quarter of 2026 and provided a business update. The company reported that five patients were treated with Zevaskyn® during the second quarter of 2026, however only four were revenue generating due to a manufacturing issue for one of the patients, which translated into $11.4 million in net revenues. Three patients have already been treated thus far in the third quarter of 2026. The company recently brought another qualified treatment center (QTC) online, bringing the total to seven. One of the centers activated in May 2026, Children's Hospital of Philadelphia (CHOP), has already treated its first patient. Effective Oct. 1, 2026, Zevaskyn will have New Technology Add-On Payment (NTAP) status from the Centers for Medicare & Medicaid Services (CMS), which should facilitate access for Medicare patients, who represent approximately 10 percent of RDEB patients.

SUMMARY DATA

52-Week High	**$7.46**
52-Week Low	**$4.17**
One-Year Return (%)	**-16.06**
Beta	**1.35**
Average Daily Volume (sh)	**1,604,307**
Shares Outstanding (mil)	**57**
Market Capitalization ($mil)	**$342**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**81**
Insider Ownership (%)	**7**
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 2026 Estimate	**-6.8**
P/E using 2027 Estimate	**-42.8**

Risk Level	**Average**
Type of Stock	**Small-Blend**
Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	0.0 A	0.4 A	0.0 A	5.4 A	5.8 A
2026	8.7 A	11.4 A	16.2 E	19.3 E	55.0 E
2027					94.6 E
2028					146.8 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	-$0.24 A	$2.07 A	-$0.10 A	-$0.37 A	$1.34 A
2026	-$0.30 A	-$0.35 A	-$0.20 E	-$0.18 E	-$1.04 E
2027					-$0.76 E
2028					-$0.96 E

WHAT'S NEW

Business Update

Five Patients Treated in 2Q26; 12 Patients Treated in Total Thus Far

Abeona Therapeutics, Inc (ABEO) is continuing the commercial launch of Zevaskyn®, with five patients treated in the second quarter of 2026, up 67% sequentially from three patients in the first quarter of 2026, followed by three additional patients treated thus far in the third quarter of 2026. While management did not provide an updated figure for the patient funnel, the company previously disclosed that more than 100 potential patients had been identified through qualified treatment centers (QTCs) and community-based physicians. However, the >100-patient identified pool should not be viewed as a near-term backlog of revenue-generating patients, as patients progress through QTC onboarding, insurance/access requirements, biopsy, manufacturing, and surgical scheduling before a treatment can occur. With three patients already treated in the third quarter as of August 13, 2026, we believe the accelerating treatment cadence provides an early indication that the commercial funnel is beginning to strengthen. Importantly, reimbursement does not appear to be emerging as a major bottleneck, with Abeona previously reporting published coverage policies encompassing 95% of commercially insured lives.

Abeona recently activated its seventh QTC at Cincinnati Children's, while CHOP and UTMB have begun collecting patient biopsies and CHOP has already completed its first treatment. Thus, the QTC network is not only expanding, but an increasing number of sites are progressing patients beyond initial identification and toward treatment.

NTAP Status Granted for Zevaskyn

Effective October 1, 2026, Zevaskyn will have New Technology Add-On Payment (NTAP) status from the Centers for Medicare & Medicaid Services (CMS). NTAP provides supplemental CMS reimbursement above standard hospital payments to support access to technologies that demonstrate substantial clinical improvement over existing alternatives.

NTAP should provide eligible hospitals with supplemental reimbursement on top of the base DRG payment, potentially improving the economic attractiveness of treating Medicare beneficiaries with Zevaskyn. While Medicare represents only approximately 10% of the RDEB population, we believe the more important potential benefit of NTAP may be its ability to improve hospital economics and facilitate broader adoption of Zevaskyn at participating centers.

Manufacturing Remains the Critical Variable

The company disclosed that of the five patients treated in the second quarter of 2026, revenue was only booked for four of them. The reason for this was one batch yielded fewer than the threshold number of sheets for revenue recognition. This brings the total to two out of 12 patients treated thus far with Zevaskyn that have resulted in revenue not being recognized. While we view the two manufacturing/release issues to date as manageable and potentially reflective of early commercial manufacturing variability, it remains too early to conclude that these issues have been fully resolved. We expect manufacturing efficiency to improve as the company accumulates additional real-world experience, although the frequency of failed batches will be an important metric to monitor over the coming quarters. Abeona is also pursuing discussions with the FDA regarding potential revisions to certain release specifications, which management believes could better reflect the company's growing real-world manufacturing dataset. The company expects to provide an update on these discussions in the coming quarters.

Financial Update

On August 13, 2026, Abeona announced financial results for the second quarter of 2026. The company reported net product revenue of $11.4 million, which represented a quarter-over-quarter increase of 31% compared to the $8.7 million in the first quarter of 2026. As discussed above, revenue was recognized for four treatments based on one batch that yielded fewer than the threshold number of sheets for revenue recognition. The company also announced that it will anchor future quarterly disclosures around completed operational achievements, specifically patients treated during the quarter and net revenue recognized. Thus, the company will only report treatment activity within the designated quarter. Cost of sales for the second quarter of 2026 were $4.2 million, with gross margins of approximately 63%. Management expect gross margins to ultimately reach approximately 85%-90% once the facility reaches full operating capacity. At 63% in 2Q26, there appears to be meaningful potential for gross-margin expansion as manufacturing volumes increase, although the timing and magnitude of this improvement is uncertain.

R&D expenses in the second quarter of 2026 were $5.0 million compared to $9.6 million for the first quarter of 2026, which included a one-time, up-front cost of $7.0 million for in-licensing ABO-701. SG&A costs in the second quarter of 2026 were $15.8 million compared to $19.5 million for the first quarter of 2026. The decrease was primarily due to fewer engineering runs and less manufacturing training costs during the second quarter of 2026.

Abeona exited the second quarter of 2026 with approximately $146.8 million in cash and cash equivalents. Although Zevaskyn revenue is beginning to offset a portion of operating expenses, the company remains cash-flow negative and continued growth in treatment volume will be important for narrowing cash burn. As of August 10, 2026, the company had approximately 57.2 million shares outstanding and, when factoring in stock options and warrants, a fully diluted share count of approximately 71.2 million.

Conclusion

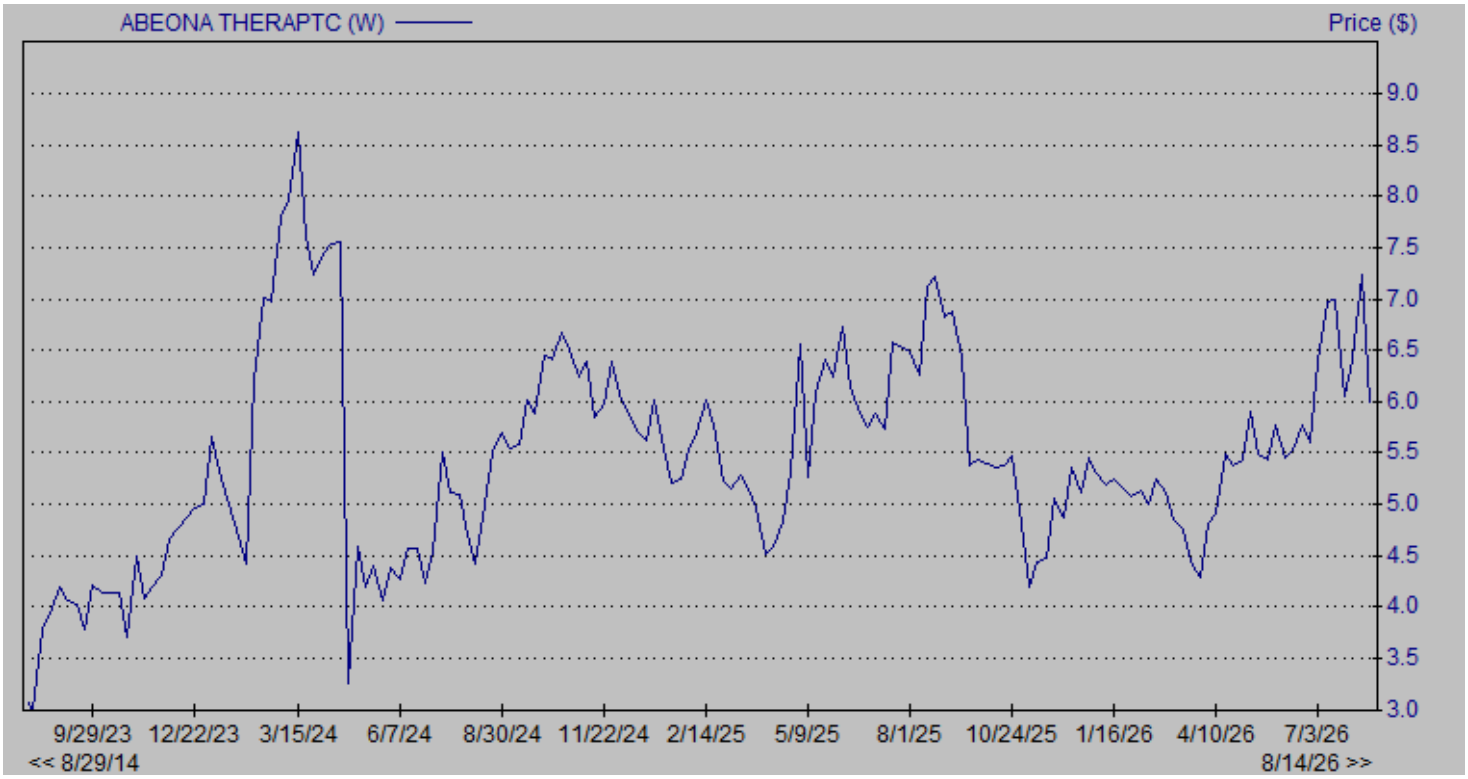
As the commercial launch of Zevaskyn continues, we believe treatment cadence and the ability to consistently convert biopsies into successful, revenue-generating treatments will be the most important metrics for investors to monitor. The increase from three patients treated in 1Q26 to five in 2Q26, followed by three additional treatments through August 13, suggests that patient throughput is beginning to accelerate as more QTCs gain experience. While two of the 12 treatments completed since launch have not generated recognized revenue due to manufacturing yield or release-specification issues, we view these events as manageable at this early stage, while acknowledging that additional failures could materially impact near-term revenue. NTAP status beginning in October should provide an additional tailwind to hospital adoption, particularly as the QTC network continues to expand. If Abeona can establish a reliable manufacturing and treatment cadence while expanding the number of patients progressing through its commercial funnel, we believe the long-term opportunity for Zevaskyn remains substantial. With no changes to our model, our valuation remains $14 per share.

PROJECTED FINANCIALS

Abeona Therapeutics Inc.	2025 A	Q1 A	Q2 A	Q3 E	Q4 E	2026 E	2027 E	2028 E
ZEVASKYN™	$2.4	$8.7	$11.4	$16.2	$19.3	$55.6	$94.6	$146.8
License and other revenues	$3.4	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$5.8**	**$8.7**	**$11.4**	**$16.2**	**$19.3**	**$55.6**	**$94.6**	**$146.8**
Cost of revenues	$1.5	$2.7	$4.2	$4.7	$5.8	$17.4	$28.0	$42.0
Gross Margin	*74%*	*69%*	*63%*	*71%*	*70%*	*69%*	*70%*	*71%*
Royalties	$1.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Research & development	$26.8	$9.6	$5.0	$4.0	$4.0	$22.6	$22.0	$24.0
General & administrative	$65.0	$19.5	$15.8	$21.0	$22.0	$78.3	$85.0	$90.0
Operating Income	($89.4)	($23.0)	($13.7)	($13.5)	($12.5)	($62.7)	($40.4)	($9.2)
Operating Margin	*-1536.9%*	*-264.1%*	*-120.0%*	*-83.5%*	*-64.8%*	*-112.8%*	*-42.7%*	*-6.3%*
Non-Operating Expenses (Net)	$160.7	$6.0	($6.5)	$2.0	$2.0	$3.4	$0.0	$1.0
Pre-Tax Income	$71.3	($17.1)	($20.2)	($11.5)	($10.5)	($59.3)	($40.4)	($8.2)
Income Taxes	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$5.4	$20.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*-13%*	*-244%*
Net Income	**$71.2**	**($17.1)**	**($20.2)**	**($11.5)**	**($10.5)**	**($59.3)**	**($45.8)**	**($28.2)**
Net Margin	*1223.1%*	*-*	*-*	*-*	*-*	*-*	*-48.4%*	*-19.2%*
Reported EPS	**$1.34**	**($0.30)**	**($0.35)**	**($0.20)**	**($0.18)**	**($1.04)**	**($0.76)**	**($0.46)**
Basic Shares Outstanding	53.0	56.6	57.0	57.0	57.0	56.9	60.0	61.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

HISTORICAL STOCK PRICE



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