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Azitra, Inc. (AZTR: NYSE American)

AZTR: Update on Rash, Fine Lines & Elasticity

Azitra's valuation relies on a DCF model and a 15% discount rate applied to our cash flow estimates for commercialization of ATR-COSF in wrinkle reduction and ATR-04 in EGFRi associated rash. We apply a success probability of 23% to the portfolio. The model includes contributions from the United States and the developed world.

Current Price (10/30/2026)	$0.77
Valuation	**$3.00**

OUTLOOK

Azitra is developing genetically engineered bacteria for therapeutic use in dermatology. The company possesses a microbial library of 1,500 unique bacterial strains that are candidates for a variety of indications. Its lead program is ATR-04 in EGFRi-associated rash followed by ATR-COSF for cosmetic use. Each is topically formulated. Azitra paused its ATR-12 Netherton syndrome program & is preparing an IND for ATR-01.

Proof of concept work is underway for ATR-COSF in parallel with efforts to identify an established cosmetics company to commercialize it. ATR-04 began enrollment in 3Q:25 & continues to add patients. The program recently expanded to add patients with rashes due to KRAS & MEK inhibitors. Topline data from ATR-04's first cohort is expected before year-end 2026.

Azitra additionally offers a preclinical recombinant protein platform. It features TEV Protease and T7 RNA Polymerase seeking markets in biotech research and manufacturing.

We expect news flow to center on ATR-04 & ATR-COSF as they advance towards later-stage studies and potentially attract partner interest.

SUMMARY DATA

52-Week High	**5.32**
52-Week Low	**0.52**
One-Year Return (%)	**-87.0**
Beta	**-1.0**
Average Daily Volume (sh)	**2,655,717**
Shares Outstanding (mil)	**10.3**
Market Capitalization ($mil)	**7.9**
Short Interest Ratio (days)	**0.2**
Institutional Ownership (%)	**32.0**
Insider Ownership (%)	**7.6**
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	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2026	$0.0 A	$0.0 A	$0.0 E	$0.0 E	$0.0 E
2027					$0.0 E
2028					$0.0 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2025	-$15.51 A	-$11.82 A	-$6.71 A	-$2.73 A	-$22.48 A
2026	-$2.53 A	-$1.73 A	-$0.25 E	-$0.25 E	-$2.05 E
2027					-$0.64 E
2028					-$0.61 E

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WHAT'S NEW

Over the last month, Azitra, Inc. (NYSE American: AZTR) has updated investors on its two leading programs and announced a reverse stock split. The ATR-004 Phase I/II EGFR inhibitor-associated rash program has advanced to cohort 2 after being given Safety Review Committee clearance. The program has also expanded its addressable population to include patients with rashes due to KRAS and MEK inhibitors. The cosmetic program has presented data from an *ex vivo* study which, according to multiple measurement approaches, showed visible improvements in fine lines, wrinkles and elasticity after a single dose with the ATR-COSF cosmetic product candidate.

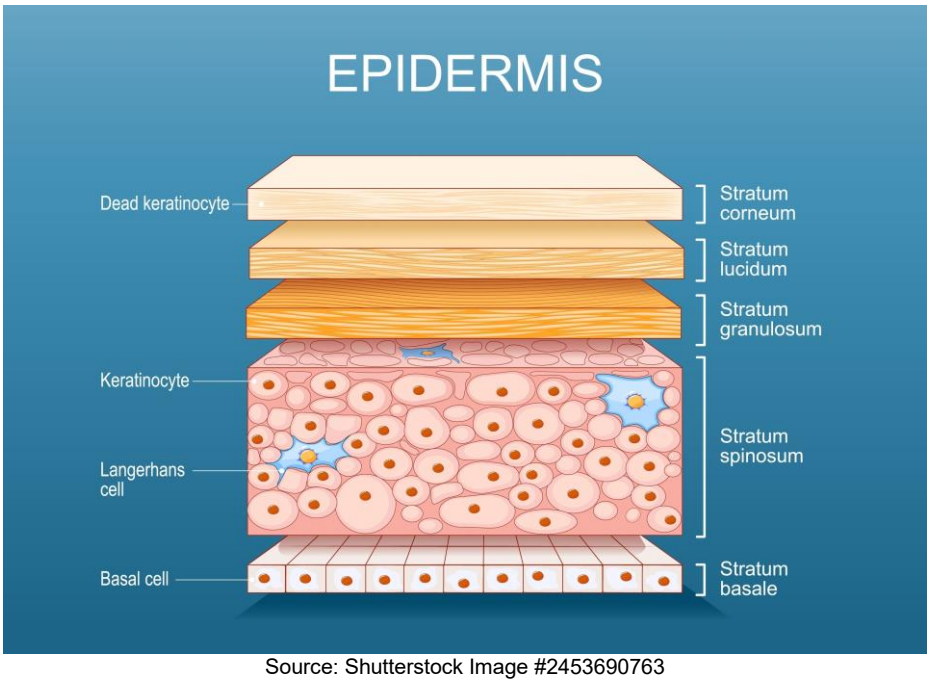
Beyond a summary of these most recent events, we update our valuation to reflect the 1:10 reverse stock split. Based on our estimates and assumptions, our model generates a valuation of $3.00 per share.

ATR-COSF Ex Vivo Results

Azitra presented a first look at new data for ATR-COSF in an October 26th press release. Additional detail for these findings will be presented by Chief Operating Officer Travis Whitfill at BIO-Europe in Cologne, Germany on November 10th. In the study, ATR-COSF was evaluated in two different models of *ex vivo* cosmetic surgery skin, which was maintained in serum-free, nutrient-rich media. Two models were used to evaluate the reduction in fine lines and the improvement in skin elasticity.

The first model utilized dorsal torsoplasty skin explants that were received approximately 18 hours after the donor's surgery. A 2% concentration of ATR-COSF was applied to the skin samples and compared to a control that was administered the hydrogel vehicle without ATR-COSF. A surface evaluation of wrinkles (SEw) was conducted at four timepoints: Hours 3, 4.5, 24 and 48. The SEw analysis showed reductions in the measured appearance of fine lines and wrinkles of approximately 15% at 3 hours, which increased to 20% at 24 hours and 50% at 48 hours. Investigators concluded that ATR-COSF preserved net skin elasticity over the 48-hour period, whereas the hydrogel vehicle alone was associated with a meaningful decline in elasticity.

Exhibit I – Epidermis Layers



Source: Shutterstock Image #2453690763

The second model evaluated facelift skin explants about 48 hours after surgery. ATR-COSF was applied at 2% and 4% concentrations compared with the hydrogel vehicle-only control. ATR-COSF and the vehicle were topically applied as a single dose and skin elasticity was measured six hours post-application. At the 6-hour time point, the 4% ATR-COSF formulation outperformed the 2% formulation and the hydrogel alone across each of the elasticity parameters from the suction and recovery test. Both the 2% ATR-COSF formulation and hydrogel alone showed either a decline in elasticity or no improvement, whereas the ATR-COSF 4% formulation demonstrated clear improvements across the measured elasticity parameters.

Chief Operating Officer Travis Whitfill will present these data in more detail at the BIO-Europe conference which will be held in Cologne, Germany from November 9 to 11. Dr. Whitfill will be available for 1:1 meetings with conference participants. Azitra plans to launch a first-in-human clinical study of 4% ATR-COSF in approximately 30 subjects with initial data expected by year end.

ATR-04

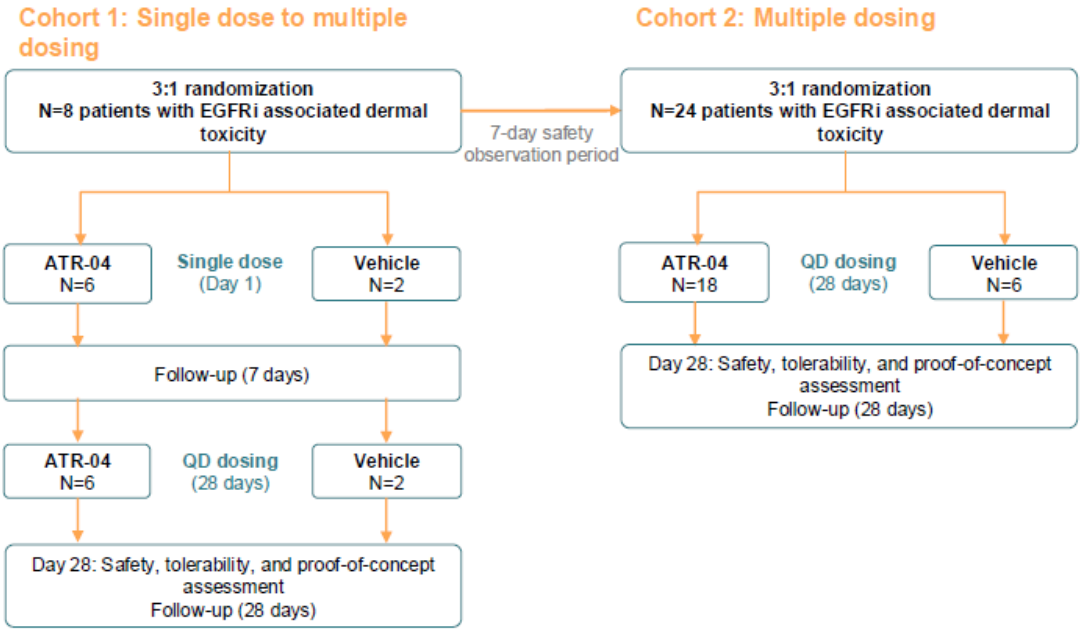
In late February 2026, Azitra announced that it had added MD Anderson Cancer Center in Houston, Texas as a clinical site for its Phase I/II trial evaluating ATR-04 in EGFR inhibitor-associated skin rash. Six sites are now listed on the clinicaltrials.gov website for the trial registered as NCT06830863 and include cancer centers and hospitals in Arkansas, Connecticut, New York, Ohio, Texas and Virginia. Enrollment for the ATR-04 trial has been slow due to oncodermatologists working with oncologists who prophylactically administer antibiotics and steroids. The administration of antibiotics and steroids are exclusion criteria for enrollment in the trial. As of October 1st, 2026, the trial was cleared to advance to Cohort 2. Seven patients were treated in Cohort 1 and 24 patients are expected to be treated in Cohort 2. Investigators are making adjustments to increase the addressable population.

The medical community seeks to reduce the use of antibiotics to reduce the risk of antimicrobial resistance. Physicians also recognize the risk of topical steroid use which can cause thinning of the skin, precipitate other types of rashes and increase the risk of infection. Azitra has more fully communicated the benefits that ATR-04 may confer to the oncology care teams at its trial sites in order to increase the number of eligible patients.

In an October 29th press release, Azitra announced an expansion of eligibility for participants in the ATR-04 Phase I/II trial. The patient set will add individuals treated with KRAS[1] inhibitors (such as sotorasib and adagrasib) and MEK[2] inhibitors (such as trametinib and cobimetinib). Azitra believes that this expansion will significantly broaden potential treatment opportunities for ATR-04 beyond EGFR inhibitor-associated skin rash. The expanded eligibility also includes patients with neurofibromatosis type 1 (NF1) with rash associated with MEK inhibitors. The amendments shorten the required washout periods for antibiotics and steroids. These changes broaden the potential treatment opportunities for ATR-04 beyond its initial focus on EGFRi-associated skin rash while expanding the pool of eligible patients to facilitate recruitment.

Azitra estimates that 220,000 of the addressable market are EGFRi patients and another 85,000 comprise the MEK & KRAS inhibitor groups. Neurofibromatosis type 1 (NF1) is a rare genetic disorder that affects about 100,000 persons in the US. NF1 patients who receive MEK inhibitors and develop rash are also included in the expansion. Based on our review of US revenues for KRAS and MEK inhibitors, we see the vast majority of new incremental patients falling in the MEKi category.

Exhibit II – ATR-04 Original Trial Design (Lacks Updates for Amendments)



Source: August 2026 Corporate Presentation

[1] Kirsten Rat Sarcoma Viral Oncogene Homolog (KRAS)
[2] Mitogen-Activated Protein Kinase Kinase (MEK)

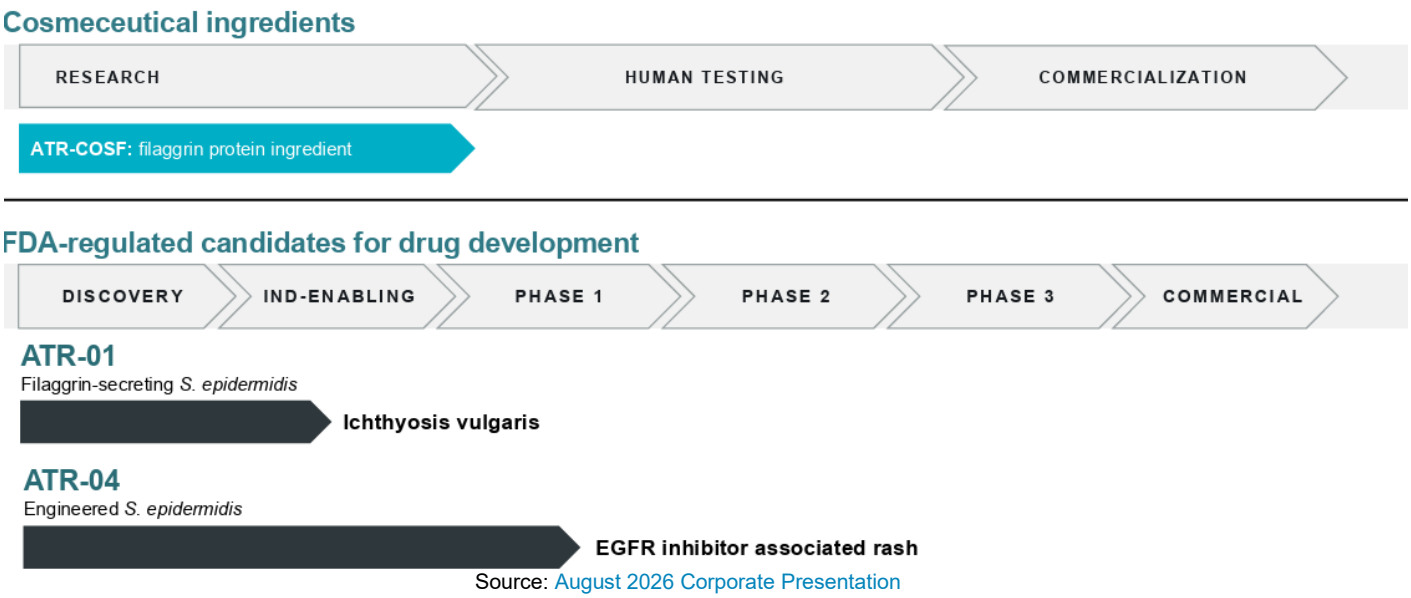
Valuation of the ATR-COSF and ATR-04 Programs

We recently updated our valuation to reflect only the ATR-COSF and ATR-04 programs. As we recognize the continued capital needs and the reverse stock split, we adjust our valuation. Relative to our previous estimates, we decrease the number of shares used in our valuation by a factor of 10 to reflect the 1:10 reverse stock split that was effective on October 26th. Please note that our shares outstanding includes the 6.06 million shares that exist after the split plus the split-adjusted 4.24 million pre-funded warrants, which we treat as common shares for valuation purposes. We also add four million shares to the denominator of our calculation to reflect an assumed $3 million capital raise over the next 12 to 18 months. The number of shares is calculated using the most recent share price. These changes generate a valuation of $3.00 per share.

Milestones

- Presentation at Biotech Showcase – January 2026
- Presentation at BIO Investment & Growth Summit – March 2026
- Private Placement of $10.5 million – March 2026
- Poster Presentation at ASGCT meeting – May 2026
- Results from ATR-COSF study on cosmetic surgery skin – mid-2026
- Pause of enrollment in ATR-12 program – June 2026
- Azitra regains compliance with NYSE listing standards – August 21st, 2026
- Participation in the HC Wainwright Conference – September 2026
- ATR-04 Cohort 1 initial data announcement – 4Q:26
- Advancement of ATR-04 trial to Cohort 2 – October 2026
- Updated fine lines and elasticity results from the ATR-COSF trial – October 26th, 2026
- 1:10 reverse stock split – October 26th, 2026
- Initiation of human cosmetic study – 4Q:26
- ATR-01 IND submission – 2027

Exhibit III – Azitra Pipeline



Source: August 2026 Corporate Presentation

Summary

Azitra has continued to advance its ATR-COSF and ATR-04 programs as we progress through the second half of 2026. The company has presented new data from the ATR-COSF program demonstrating improved elasticity and reduced appearance of fine lines in *ex vivo* explants of human skin. Azitra has also moved its Phase I/II trial for ATR-04 into the second cohort and expanded the addressable market beyond EGFR inhibitors to include rash from KRAS and MEK inhibitors as well. This could expand the addressable market for ATR-04 by 30 to 40%.

The reverse stock split prompted us to update our valuation to reflect the new share count to which we added additional shares to support future anticipated capital raises. Our updated model yields a target price of $3.00 per share.

PROJECTED FINANCIALS

Azitra, Inc. - Income Statement[3]

Azitra, Inc.	2025 A	Q1 A	Q2 A	Q3 E	Q4 E	2026 E	2027 E	2028 E
Revenues ($'000)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
General & Administrative	$6,131	$2,373	$2,068	$1,195	$1,250	$6,886	$5,750	$6,311
Research & Development	$4,836	$1,561	$1,352	$1,366	$1,374	$5,652	$6,555	$7,485
Operating Income	($10,967)	($3,934)	($3,419)	($2,561)	($2,624)	($12,538)	($12,305)	($13,796)
Operating Margin								
Interest Income, net	$63	$11	$73	$5	$2	$92	$0	$0
Other Income (Loss)	($43)	($5)	($2)	$0	$0	($6)	$0	$0
Loss Before Income Taxes	($10,947)	($3,927)	($3,348)	($2,556)	($2,622)	($12,453)	($12,305)	($13,796)
Income Tax	($8)	$0	$0	$0	$0	$0	$0	$0
Net Loss	**($10,955)**	**($3,927)**	**($3,348)**	**($2,556)**	**($2,622)**	**($12,453)**	**($12,305)**	**($13,796)**
Net Loss Per Share	**($22.48)**	**($2.53)**	**($1.73)**	**($0.25)**	**($0.25)**	**($2.05)**	**($0.64)**	**($0.61)**
Weighted Average Shares	487	1,552	1,930	10,310	10,565	6,089	19,276	22,500

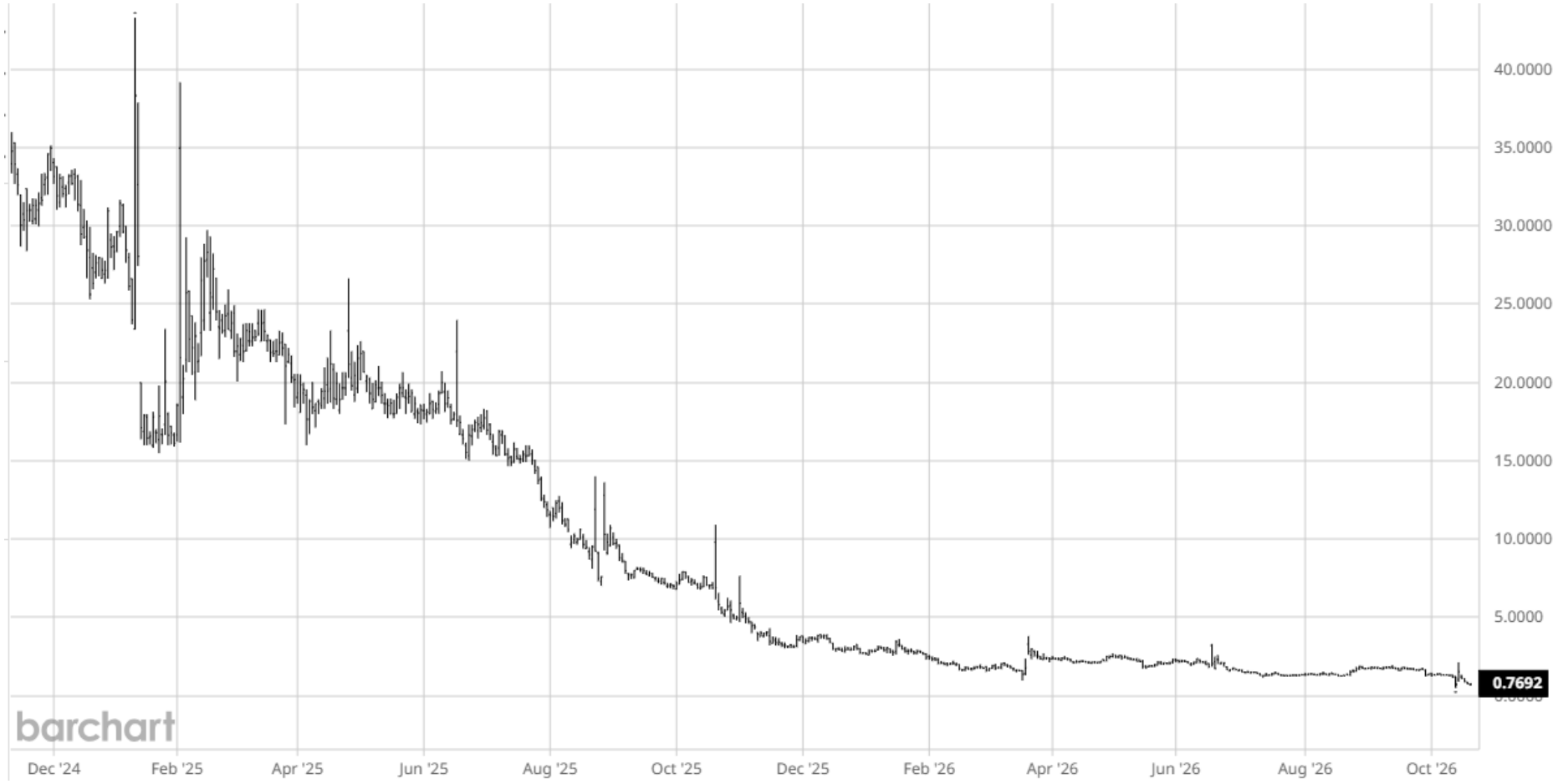
Source: Company Filing // Zacks Investment Research, Inc. Estimates

[3] Historical EPS and share figures reflect the October 2026 reverse split.

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HISTORICAL STOCK PRICE

Azitra, Inc. – Share Price Chart[4]



[4] Price chart courtesy of barchart.com.

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