REFINITIV

DELTA REPORT

10-Q

PERSPECTIVE THERAPEUTICS,

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1294
CHANGES	248
DELETIONS	370
ADDITIONS	676

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☐ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023 September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 001-33407

PERSPECTIVE THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	41-1458152
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
350 Hills St., Suite 106, Richland, Washington	99354
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (509) 375-1202

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	CATX	NYSE American

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☐

Number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date:

Class	Outstanding as of August 9, 2023 November 10, 2023
Common stock, $0.001 par value	280,571,026

PERSPECTIVE THERAPEUTICS, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

Perspective Therapeutics, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except shares)

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
ASSETS				
Current assets:				
Cash and cash equivalents	$ 28,319	$ 20,993	$ 17,983	$ 20,993
Short-term investments	-	22,764	-	22,764
Accounts receivable, net	1,113	1,363	1,731	1,363
Inventory	1,094	1,409	1,013	1,409
Note receivable	-	6,109	-	6,109

Prepaid expenses and other current assets	1,428	577	961	577
Total current assets	31,954	53,215	21,688	53,215
Property and equipment, net	7,043	1,684	7,012	1,684
Right of use asset, net	805	378	1,529	378
Restricted cash	182	182	182	182
Inventory, non-current	2,269	2,396	2,237	2,396
Intangible assets	50,000	-	50,000	-
Goodwill	27,319	-	27,319	-
Other assets, net	573	236	551	236
Total assets	$ 120,145	$ 58,091	$ 110,518	$ 58,091
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	$ 4,906	$ 1,541	$ 3,867	$ 1,541
Lease liability	262	276	293	276
Accrued protocol expense	387	233	311	233
Accrued radioactive waste disposal	20	129	24	129
Accrued payroll and related taxes	2,259	212	3,024	212
Accrued vacation	684	285	548	285
Other notes payable, current	71	-		
Note payable, current			48	-
Total current liabilities	8,589	2,676	8,115	2,676
Non-current liabilities:				
Lease liability, non-current	543	116	1,276	116
Note payable	1,701	-	1,689	-
Asset retirement obligation	659	657	668	657
Total liabilities	11,492	3,449	11,748	3,449
Commitments and contingencies (Note 9)				
Stockholders' equity:				
Preferred stock, $.001 par value; 7,000,000 shares authorized: Series B: 5,000,000 shares allocated; no shares issued and outstanding	-	-	-	-
Common stock, $.001 par value; 750,000,000 shares authorized; 280,479,421 and 142,112,766 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	280	142		
Common stock, $.001 par value; 750,000,000 shares authorized; 280,571,026 and 142,112,766 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively			281	142
Additional paid-in capital	225,782	160,432	226,254	160,432

Accumulated deficit	(117,409)	(105,932)	(127,765)	(105,932)
Total stockholders' equity	108,653	54,642	98,770	54,642
Total liabilities and stockholders' equity	$ 120,145	$ 58,091	$ 110,518	$ 58,091

The accompanying notes are an integral part of these condensed consolidated financial statements.

Perspective Therapeutics, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations (Unaudited)

(Dollars and shares in thousands, except for per-share amounts)

	Three months ended June 30,		Six months ended June 30,		Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	2023	2022	**2023**	**2022**	2023	2022
Sales, net	$ 1,500	$ 2,505	$ 3,330	$ 5,415	$ 1,909	$ 1,717	$ 5,239	$ 7,132
Grant revenue	588	-	821	-	276	-	1,097	-
Total revenue	2,088	2,505	4,151	5,415	2,185	1,717	6,336	7,132
Cost of sales	1,840	1,579	3,416	3,048	1,447	1,303	4,863	4,351
Gross profit	248	926	735	2,367	738	414	1,473	2,781
Operating expenses:								
Research and development	5,653	796	9,510	1,345	5,721	708	15,231	2,053
Sales and marketing	911	654	1,723	1,341	855	800	2,578	2,141
General and administrative	5,073	1,582	12,096	3,163	4,696	3,114	16,792	6,277
Change in estimate of asset retirement obligation (Note 10)	(15)	-	(15)	-	-	-	(15)	-
Loss on disposal of property and equipment	-	-	22	-	-	-	22	-
Total operating expenses	11,622	3,032	23,336	5,849	11,272	4,622	34,608	10,471
Operating loss	(11,374)	(2,106)	(22,601)	(3,482)	(10,534)	(4,208)	(33,135)	(7,690)
Non-operating income (expense):								
Interest income	294	28	668	57	204	140	872	197
Interest expense	(28)	-	(46)	-	(14)	-	(60)	-
Other income	2		2	-	-	-	2	-
Equity in loss of affiliate					(12)	-	(12)	-
Non-operating income, net	268	28	624	57	178	140	802	197

Net loss before deferred income tax benefit	(11,106)	(2,078)	(21,977)	(3,425)	(10,356)	(4,068)	(32,333)	(7,493)
Deferred income tax benefit	-	-	10,500	-	-	-	10,500	-
Net loss	$ (11,106)	$ (2,078)	$ (11,477)	$ (3,425)	$ (10,356)	$ (4,068)	$ (21,833)	$ (7,493)
Basic and diluted loss per share	$ (0.04)	$ (0.01)	$ (0.05)	$ (0.02)	$ (0.04)	$ (0.03)	$ (0.08)	$ (0.05)
Weighted average shares used in computing net loss per share:								
Basic and diluted	279,988	142,040	254,432	142,040	280,558	142,072	263,236	142,051

The accompanying notes are an integral part of these condensed consolidated financial statements.

Perspective Therapeutics, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)

	Six months ended June 30,		Nine months ended September 30,	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$(11,477)	$ (3,425)	$(21,833)	$ (7,493)
Adjustments to reconcile net loss to net cash used by operating activities:				
Noncash lease expense	(14)	4	35	4
Depreciation expense	425	129	684	197
Write-off of inventory associated with discontinued product	298	-	298	-
Loss on disposal of property and equipment	22	-	22	-
Amortization of other assets	20	20	30	26
Accretion of asset retirement obligation	17	16	26	25
Equity in loss of affiliate			12	-
Accrued interest on short-term investments			-	(47)
Change in estimate of asset retirement obligation	(15)	-	(15)	-
Share-based compensation	2,567	311	3,018	776
Deferred tax benefit	(10,500)	-	(10,500)	-
Changes in operating assets and liabilities:				
Accounts receivable, net	250	39	(368)	434
Inventory	144	(1,920)	257	(2,015)

Prepaid expenses and other current assets	(445)	100	12	(128)
Accounts payable and accrued expenses	397	117	(656)	1,647
Accrued protocol expense	154	(3)	78	49
Accrued radioactive waste disposal	(109)	17	(105)	22
Accrued payroll and related taxes	405	286	1,170	413
Accrued vacation	66	(6)	(70)	12
Net cash used by operating activities	(17,795)	(4,315)	(27,905)	(6,078)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Additions to property and equipment	(756)	(131)	(983)	(221)
Additions to other assets	(18)	(18)	(18)	(18)
Purchases of short-term investments			-	(35,076)
Proceeds from maturity of short-term investments	22,764	-	22,764	-
Net cash acquired in acquisition of Viewpoint	2,699	-	2,699	-
Net cash provided (used) by investing activities	24,689	(149)	24,462	(35,315)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of notes payable	(35)	-	(56)	-
Proceeds from sales of common stock, pursuant to exercise of option	532	-	554	28
Issuance costs related to common stock issued in exchange for Viewpoint common stock	(65)	-	(65)	-
Net cash provided by financing activities	432	-	433	28
Net increase (decrease) in cash, cash equivalents, and restricted cash	7,326	(4,464)		
Net decrease in cash, cash equivalents, and restricted cash			(3,010)	(41,365)
Cash, cash equivalents, and restricted cash beginning of period	21,175	60,536	21,175	60,536
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH END OF PERIOD	$ 28,501	$ 56,072	$ 18,165	$ 19,171
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets:				
Cash and cash equivalents	$ 28,319	$ 55,890	$ 17,983	$ 18,989
Restricted cash	182	182	182	182
Total cash, cash equivalents, and restricted cash shown on the condensed consolidated statements of cash flows	$ 28,501	$ 56,072	$ 18,165	$ 19,171

Supplemental schedule of noncash investing and financing activities:				
Fair value of Viewpoint assets acquired including goodwill	$ 85,885	$ -	$ 85,885	$ -
136,545,075 shares of Perspective Therapeutics common stock issued in exchange for Viewpoint common stock	(54,618)	-	(54,618)	-
Assumption of Viewpoint stock options and warrants at fair value	(7,836)	-	(7,836)	-
Note receivable and accrued interest from Viewpoint forgiven	(6,171)	-	(6,171)	-
Viewpoint liabilities assumed including deferred tax liabilities established through accounting for business combinations (see Note 14)	$ 17,260	$ -	$ 17,260	$ -

Modification of operating lease liability and right of use asset	557	-	557	-
Operating lease liability and right of use asset for new lease			811	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

Perspective Therapeutics, Inc. and Subsidiaries

Condensed Consolidated Statement Statements of Changes in Stockholders' Equity (Unaudited)

(In thousands, except shares)

	Common Stock					Common Stock				
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balances at December 31, 2021	142,040,266	$ 142	$ 159,421	$ (95,172)	$ 64,391	142,040,266	$ 142	$ 159,421	$ (95,172)	$ 64,391
Share-based compensation			157		157	-	-	157	-	157
Net loss				(1,347)	(1,347)	-	-	-	(1,347)	(1,347)
Balances at March 31, 2022	142,040,266	$ 142	$ 159,578	$ (96,519)	$ 63,201	142,040,266	142	159,578	(96,519)	63,201
Share-based compensation						-	-	154	-	154
Net loss						-	-	-	(2,078)	(2,078)
Balances at June 30, 2022						142,040,266	142	159,732	(98,597)	61,277
Issuance of common stock pursuant to exercise options						72,500	-	28	-	28
Share-based compensation			154		154	-	-	465	-	465
Net loss				(2,078)	(2,078)	-	-	-	(4,068)	(4,068)

Balances at June 30, 2022	142,040,266	$ 142	$ 159,732	$ (98,597)	$ 61,277					
Balances at September 30, 2022						142,112,766	$ 142	$ 160,225	$ (102,665)	$ 57,702

	Common Stock					Common Stock				
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balances at December 31, 2022	142,112,766	$ 142	$ 160,432	$ (105,932)	$ 54,642	142,112,766	$ 142	$ 160,432	$ (105,932)	$ 54,642
Issuance of common stock in exchange for Viewpoint common stock, net of issuance costs	136,545,075	137	54,416		54,553	136,545,075	137	54,416	-	54,553
Assumption of Viewpoint stock options and warrants at fair value			7,836		7,836	-	-	7,836	-	7,836
Share-based compensation			1,368		1,368	-	-	1,368	-	1,368
Net loss				(371)	(371)	-	-	-	(371)	(371)
Balances at March 31, 2023	278,657,841	$ 279	$ 224,052	$ (106,303)	$ 118,028	278,657,841	279	224,052	(106,303)	118,028
Issuance of common stock pursuant to exercise of options	1,821,580	1	531		532	1,821,580	1	531	-	532
Share-based compensation			1,199		1,199	-	-	1,199	-	1,199
Net loss				(11,106)	(11,106)	-	-	-	(11,106)	(11,106)
Balances at June 30, 2023	280,479,421	$ 280	$ 225,782	$ (117,409)	$ 108,653	280,479,421	280	225,782	(117,409)	108,653

Issuance of common stock pursuant to exercise of options	91,605	1	21	-	22
Share-based compensation	-	-	451	-	451
Net loss	-	-	-	(10,356)	(10,356)
Balances at September 30, 2023	280,571,026	$ 281	$ 226,254	$ (127,765)	$ 98,770

The accompanying notes are an integral part of these condensed consolidated financial statements.

Perspective Therapeutics, Inc.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

For the quarter ended June September 30, 2023 and 2022

1. Basis of Presentation and Summary of Significant Accounting Policies

Perspective Therapeutics, Inc. (Perspective Therapeutics or the Company) (formerly known as Isoray, Inc. and Century Park Pictures Corporation) was incorporated in Minnesota in 1983. On July 28, 2005, Isoray Medical, Inc. (Medical) became a wholly-owned subsidiary of Perspective Therapeutics, Inc. pursuant to a merger. In December 2018, upon approval of a majority of stockholders, Perspective Therapeutics was redomiciled to Delaware. Medical was formed under Delaware law on June 15, 2004 and on October 1, 2004 acquired two affiliated predecessor companies which began operations in 1998. Medical, a Delaware corporation, develops, manufactures and sells isotope-based medical products and devices for the treatment of cancer and other malignant diseases. Medical is headquartered in Richland, Washington.

Isoray International LLC (International), a Washington limited liability company, was formed on November 27, 2007 and is a wholly-owned subsidiary of Perspective Therapeutics. International has entered into various international distribution agreements.

On February 3, 2023, the Company completed the merger of Isoray Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of the Company, with Viewpoint Molecular Targeting, Inc. ("Viewpoint") (such transaction being the "Merger"). Pursuant to the Merger, the Company issued 136,545,075 shares of common stock, representing approximately 49% of its fully-diluted outstanding capital stock. Viewpoint is an alpha-particle radiopharmaceutical company in the alphaemitter market developing oncology therapeutics and complementary imaging agents.

On February 6, 2023, the Company announced that on January 31, 2023, its board of directors approved a change in its fiscal year end from June 30 to December 31, effective as of December 31, 2022.

The accompanying unaudited interim condensed consolidated financial statements are those of Perspective Therapeutics, Inc., and its wholly-owned subsidiaries, referred to herein as "Perspective Therapeutics" or the "Company". "Company." All significant intercompany accounts and transactions have been eliminated in the consolidation. In the opinion of management, all adjustments necessary for the fair statement of the condensed consolidated financial statements have been included. These unaudited interim condensed consolidated financial statements should be read in conjunction with our the Company's audited consolidated financial statements and related notes as set forth in the Company's transition report filed on Form 10-KT for the period ended December 31, 2022. Viewpoint Molecular Targeting, Inc. ("Viewpoint") has been consolidated since the close of the Merger (as defined below) (see Note 14).

The unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) ("U.S. GAAP"). Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe the Company believes that the disclosures are adequate for the information not to be misleading. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect, in management's opinion, all adjustments of a normal, recurring nature that are necessary for the fair statement of the Company's financial position, results of operations and cash flows for the interim periods, but are not necessarily indicative of the results expected for the full fiscal year or any other period.

The Company anticipates that as the result of continuing operating losses and the significant net operating losses available from prior fiscal years, its effective income tax rate for fiscal year 2023 will be 0%.

Liquidity and Going Concern

The Company assesses its liquidity in terms of its ability to generate cash to fund its operating, investing, and financing activities. The Company has had a history of operating losses and an absence of significant recurring cash inflows from revenue, and at September 30, 2023 the Company had cash and cash equivalents of $18.0 million and total accumulated deficit of $127.8 million. The Company has historically financed its operations primarily through selling equity.

The future success of the Company is dependent on its ability to successfully obtain additional working capital. The Company is working to obtain profitability in its brachytherapy operations and to reduce expenditures in its drug operations. However, the drug operation assets are still in early clinical and pre-clinical phases and will require additional capital to bring the assets to commercialization.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the date these unaudited condensed consolidated financial statements are issued. Management's plan to mitigate the conditions that raise substantial doubt includes generating additional revenues in its brachytherapy operations, deferring certain projects and capital expenditures, licensing existing assets, entering into strategic alliances, and obtaining third-party funding for the Company to continue as a going concern. However, there can be no assurance that the Company will be successful in completing any of these options. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

Significant Accounting Policies

Segments

ASC Accounting Standards Codification ("ASC") 280, *Segment Reporting,* establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about services categories, business segments and major customers in financial statements. The Company has two reportable segments that are based on the following business units: Brachytherapy and Drug Operations. The Company's chief operating decision maker has been identified as the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in: economic characteristics; nature of products and services; and procurement, manufacturing and distribution processes.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes of the Company including including: the fair value of net assets acquired in a business combination; the allowance for doubtful accounts receivable; net realizable value of the enriched barium inventory; the estimated useful lives used in calculating depreciation and amortization on the Company's fixed assets, patents, trademarks, intangible assets and other assets; estimated amount and fair value of the asset retirement obligation related to the Company's production facilities; equity method investment; and inputs to the Black-Scholes calculation used in determining the expense related to share-based compensation including volatility and estimated lives of options granted and impairment of long-lived assets including intangible assets and goodwill. Accordingly, actual results could differ from those estimates and affect the amounts reported in the financial statements.

Business Acquisition Accounting

The Company applies the acquisition method of accounting for those that meet the criteria of a business combination. The Company allocates the purchase price of its business acquisition based on the fair value of identifiable tangible and intangible assets and liabilities. The difference between the total cost of the acquisition and the sum of the fair values of acquired tangible and identifiable intangible assets less liabilities is recorded as goodwill. Transaction costs are expensed as incurred in general and administrative expenses.

If applicable, the Company records deferred taxes for any differences between the assigned values and tax basis of assets and liabilities. Estimated deferred taxes are based on available information concerning the tax basis of assets acquired and liabilities assumed at the acquisition date, although such estimates may change in the future as additional information becomes known.

Goodwill and In-Process Research and Development (IPR&D) ("IPR&D")

The fair value of acquired intangible assets is determined using an income-based approach referred to as the multi-period excess-earnings approach.

Goodwill is tested at least annually for impairment by assessing qualitative factors in determining whether it is more likely than not that the fair value of net assets is below their carrying amounts.

IPR&D assets represent the fair value of incomplete research and development ("R&D &D") projects that had not reached technological feasibility as of the date of the acquisition. Initially, these assets are classified as IPR&D and are not subject to amortization. IPR&D assets that reach commercialization are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period the assets are expected to contribute to future cash flows. IPR&D is tested for impairment at least annually or more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. Impairment charges are recognized to the extent the carrying value of IPR&D is determined to exceed its fair value. Post-acquisition R&D expenses related to these projects are expensed as incurred.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP. The Company views its operations and manages its business in two operating segments. All long-lived assets of the Company reside in the U.S.

Equity Method Investment

Investments in companies for which the Company has the ability to exercise significant influence, but do not control, are accounted for under the equity method. Under the equity method of accounting, the Company's share of the net earnings or losses of the investee are included in other income (expense) in the consolidated statements of operations. At the end of each reporting period, the Company considers whether impairment indicators exist to evaluate whether an equity method investment is impaired and, if so, record an impairment loss. Investments are accounted for on a one-quarter lag. As changes in ownership percentage of the Company's investments occur, the Company assesses whether it can exercise significant influence and account for under the equity method. If the Company's ownership percentage of the company in which it has an investment changes,

the Company recognizes a gain or loss on the investment in the period of change. Included in the condensed consolidated financial statements for the nine months ended September 30, 2023 is the Company's proportional share of losses through June 30, 2023, which were $12,000.

Grant Revenue Recognition

The Company enters into contracts with governmental agencies for services. These contracts are analyzed in order to determine if they should be accounted for under a revenue recognition model pursuant to Accounting Standards Codification (ASC) ASC 606, *Revenue from Contracts with Customers,* or a grant model pursuant to ASC 958, *Not-for-Profit Entities*. If accounted for pursuant to a grant model, the Company must determine if the grant is conditional or unconditional, and if conditional any barriers exist which must be overcome. If unconditional, the grant is recognized as revenue immediately, and if conditional, the grant is recognized as revenue as and when the barriers are overcome. We The Company concluded that payments received under the current grants represent conditional, nonreciprocal contributions, as described in ASC 958, and that the grants are not within the scope of ASC 606, as the organizations providing the grants do not meet the definition of a customer. The significant barrier to the current conditional grants are that the expenses incurred must meet the qualifications as established by the respective governmental agencies, so that the grant revenue is recognized as the qualified expenses are incurred. Expenses for grants are tracked using a project code specific to the grant, and the employees also track hours worked by using the project code. Under ASC 958, grants related to income are presented as part of the condensed consolidated statements of operations, either separately or under a general heading. Both methods are acceptable under ASC 958. The Company has elected to record grants related to income separately on the condensed consolidated statements of operations as grant revenue. The related expenses are recorded within operating expenses. R&D and general and administrative.

2. New Accounting Standards

Accounting Standards Updates to Become Effective in Future Periods

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "*Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*", which requires entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The FASB has subsequently issued updates to the standard to provide additional clarification on specific topics. Topic 326 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The standard was adopted on January 1, 2023 and had an immaterial effect on the consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

3. Loss per Share

Basic and diluted earnings (loss) per share are calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding and does not include the impact of any potentially dilutive common stock equivalents. At June September 30, 2023 and 2022, the

calculation of diluted weighted average shares did not include common stock warrants or options that are potentially convertible into common stock as those would be antidilutive due to the Company's net loss position.

Securities not considered in the calculation of diluted weighted average shares, but that could be dilutive in the future as of June September 30, 2023 and 2022, were as follows (in thousands):

	June 30,		September 30,	
	2023	2022	2023	2022
Common stock warrants	6,033	2,646	5,761	2,646
Common stock options	44,871	6,914	44,683	10,806
Total potential dilutive securities	50,904	9,560	50,444	13,452

Effective upon the closing of the Merger with Viewpoint on February 3, 2023, the Company assumed 3,387,093 warrants to purchase shares of common stock with an exercise price of $0.27 per share and 24,263,424 options to purchase shares of common stock with exercise prices ranging from $0.13 to $0.30 per share.

4. Inventory

Inventory consisted of the following at June September 30,2023and December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Raw materials	$781	$ 752	$764	$ 752
Work in process1	295	636	229	636
Finished goods	18	21	20	21
Total inventory, current	$ 1,094	$ 1,409	$ 1,013	$ 1,409

	June 30, 2023	Decembe 2022
Enriched barium, non-current	$ 1,948	$
Raw materials, non-current	321	
Total inventory, non-current	$ 2,269	$

	September 30, 2023	Decembe 2022
Enriched barium, non-current	$ 1,905	$
Raw materials, non-current	332	
Total inventory, non-current	$ 2,237	$

(1) During the quarternine months ended JuneSeptember 30, 2023, the Company determined to discontinue sales of the Company's its Blu Build loading device and recorded an inventory write-off of approximately $298,000 related to Blu Build inventory.

Inventory, Total inventory, non-current represents raw materials that were ordered in quantities to obtain volume cost discounts, which based on current and anticipated sales volumes will not be consumed within an operating cycle. At JuneSeptember 30, 2023, the Company estimated that the remaining enriched barium would result in 7,8987,757 curies; approximately 1,040 of which would be obtained in the next twelve months and 6,8586,717 would be obtained after June September 30,2024.The 1,040 curies were included in raw materials current inventory and the 6,8586,717 were included in inventory, non-current.

5. Property and Equipment

Property and equipment consisted of the following at June September 30,2023and December 31, 2022 (in thousands):

	June 30, 2023(2)	December 31, 2022	September 30, 2023(2)	December 31, 2022
Building	$ 1,770	$ -	$ 1,770	$ -
Land	1,283	366	1,283	366
Equipment	7,051	4,581	7,449	4,581
Leasehold improvements	4,291	4,143	4,316	4,143
Other(1)	690	225	495	225
Property and equipment	15,085	9,315	15,313	9,315
Less accumulated depreciation	(8,042)	(7,631)	(8,301)	(7,631)
Property and equipment, net	$ 7,043	$ 1,684	$ 7,012	$ 1,684

(1) Property and equipment, not placed in service are items that meet the capitalization threshold or which management believes will meet the threshold at the time of completion and which have yet to be placed into service as of the date of the balance sheet, and therefore, no depreciation expense has been recognized.

(2) Includes fair value of property and equipment acquired through the Merger with Viewpoint of approximately $5,050,000.

6. Goodwill and Other Intangible Assets

Goodwill

The carrying amount of goodwill as of JuneSeptember 30, 2023 and December 31, 2022 was $27.3 million and $0, million, respectively, and has been recorded in connection with the Company's Merger of Viewpoint in February 2023. The carrying value of goodwill and the change in the balance for the six nine months ended JuneSeptember 30, 2023 are as follows (in thousands):

	(in thousands)	
Balance, December 31, 2022	$ -	$ -

Acquired goodwill	27,319	27,319
Impairment	-	-
Balance, June 30, 2023	$ 27,319	
Balance, September 30, 2023		$ 27,319

Other intangible assets, net consists of the following (in thousands):

	June 30, 2023			September 30, 2023		
	Cost	Accumulated Amortization	Net Carrying Value	Cost	Accumulated Amortization	Net Carrying Value
Indefinite-lived intangible assets						
In-process research and development	$ 50,000	$ -	$ 50,000	$ 50,000	$ -	$ 50,000
Total	$ 50,000	$ -	$ 50,000	$ 50,000	$ -	$ 50,000

	December 31, 2022		
	Cost	Accumulated Amortization	Net Carrying Value
Indefinite-lived intangible assets			
In-process research and development	$ -	$ -	$ -
Total	$ -	$ -	$ -

The Company's IPR&D assets represents the estimated fair value of Viewpoint's Viewpoint's pipeline of radiotherapy product candidates acquired in February 2023. The estimated fair value of the IPR&D assets at the acquisition date was determined using a probability-weighted income approach, which discounts expected future cash flows to present value. The projected cash flow estimates for Viewpoint's Viewpoint's pipeline of radiotherapy product candidates were based on certain key assumptions, including estimates of future revenue and expenses, taking into account the stage of development of the technology at the Merger date and the time and resources needed to complete development.

7. Held-to-Maturity Investments

The following table summarizes the carrying values and fair values of the Company's financial instruments (in thousands):

	At December 31, 2022			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized losses**	**Estimated Fair Value (Level 1)**
U.S. Treasury Bills	$ 22,764	$ -	$ (31)	$ 22,733

At June 30, 2023 September 30, 2023

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized losses	Estimated Fair Value (Level 1)
U.S. Treasury Bills	$ -	$ -	$ -	$ -

	At December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized losses	Estimated Fair Value (Level 1)
U.S. Treasury Bills	$ 22,764	$ -	$ (31)	$ 22,733

The Company has investments in U.S. Treasury Bills, some of which mature over a period greater than 90 days and are classified as short-term investments. The U.S. Treasury Bills are carried at amortized cost and classified as held-to-maturity as the Company has the intent and the ability to hold them until they mature. The carrying value of the U.S. Treasury Bills are adjusted for accretion of discounts over the remaining life of the investment. Income related to the U.S. Treasury Bills is recognized in interest income in the Company's condensed consolidated statement of operations. The U.S. Treasury Bills are classified within Level 1 of the fair value hierarchy. During the six nine months ended June September 30, 2023, all of the Company's short-term investments in U.S. Treasury Bills matured. As of June September 30, 2023, we have $18.8 million of the Company had no held-to-maturity investments presented in cash and cash equivalents on our its condensed consolidated balance sheet as these investments are highly liquid and have original maturities of three months or less at the time of purchase. sheet.

8. Share-Based Compensation

The following table presents the share-based compensation expense recognized for stock options during the three months ended June September 30, 2023, and 2022 (in thousands):

	Three Months ended June 30,		Three Months ended September 30,	
	2023	2022	2023	2022
Cost of sales	$ 34	$ 12	$ 6	$ 8
Research and development expenses	443	40	182	106
Sales and marketing expenses	181	1	44	36
General and administrative expenses	541	101	219	315
Total share-based compensation	$ 1,199	$ 154	$ 451	$ 465

The following table presents the share-based compensation expense recognized for stock options during the six nine months ended June September 30, 2023, and 2022 (in thousands):

	Six Months ended June 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Cost of sales	$ 70	$ 24	$ 76	$ 32

Research and development expenses	783	73	965	179
Sales and marketing expenses	282	(17)	326	19
General and administrative expenses	1,432	231	1,651	546
Total share-based compensation	$2,567	$ 311	$3,018	$ 776

As of June September 30, 2023, total unrecognized compensation expense related to stock options was approximately $3,896,000 and the related weighted-average period over which it is expected to be recognized is approximately 2.80 years.

A summary of stock options within the Company's share-based compensation plans as of June September 30, 2023 was as follows (in thousands except for exercise prices and terms):

	Number of Options Outstanding	Weighted Exercise Price	Weighted Average Contractual Term (Years)	Intrinsic Value	Number of Options Outstanding	Weighted Exercise Price	Weighted Average Contractual Term (Years)	Intrinsic Value
Balance at December 31, 2021	7,268,035	$ 0.72	7.87	$ -	7,268,035	$ 0.72	7.87	$ -
Granted	205,000	0.30			4,440,000	0.34		
Exercised	-	-			(72,500)	0.40		
Expired	(226,560)	0.84			(396,885)	0.83		
Forfeited	(332,450)	0.83			(432,450)	0.84		
Balance at June 30, 2022	6,914,025	$ 0.70	7.43	$ 2				
Balance at September 30, 2022					10,806,200	$ 0.56	8.18	$ -
Exercisable as June 30, 2022	4,432,121	$ 0.66	6.58	$ 1				
Exercisable as September 30, 2022					5,953,485	$ 0.62	7.17	$ -
Balance at December 31, 2022	10,806,200 (b)	$ 0.56	7.93	$ -	10,806,200 (b)	$ 0.56	7.93	$ -
Granted	13,105,000	0.51			13,830,000	0.51		
Options assumed (a)	24,263,424	0.17			24,263,424	0.17		
Exercised	(1,821,580)	0.29			(1,913,185)	0.29		
Expired	(808,300)	0.38			(1,197,899)	0.52		
Forfeited	(673,888)	0.64			(1,105,138)	0.45		
Balance at June 30, 2023	44,870,856	$ 0.35	8.13	$ 13,706				
Balance at September 30, 2023					44,683,402	$ 0.35	7.74	$ 2,275
Exercisable as June 30, 2023	35,023,775	$ 0.30	7.63	$ 12,496				
Exercisable as September 30, 2023					34,880,486	$ 0.30	7.20	$ 2,275

(a) As a result of the Merger with Viewpoint, the Company assumed 24,263,424 stock option awards originally issued by Viewpoint which were converted into Perspective Therapeutic stock options with their original terms, effective upon the closing of the Merger on February 3, 2023. The share exchange ratio of 3.1642 was applied to convert Viewpoint's Viewpoint's outstanding option awards for Viewpoint's Viewpoint's common stock into option awards of for Perspective Therapeutics common stock. The assumed options were fully vested upon closing of the Merger.

(b) All of these awards vested on February 3, 2023 in connection with the Merger as the Merger was a "Change of Control" pursuant to the stock option plan. plan pursuant to which they were awarded.

There were 10,305,000 725,000 and 205,000 4,235,000 stock option awards granted during the three months ended June September 30, 2023, and 2022, respectively, with a fair value of approximately $4,506,000 $265,000 and $47,000, $1,092,000, respectively.

There were 808,300 389,599 and 142,485 170,325 stock option awards which expired during the three months ended June September 30, 2023, and 2022, respectively.

There were 673,888 431,250 and 74,975 100,000 stock option awards forfeited during the three months ended June September 30, 2023, and 2022, respectively.

There were 1,821,580 91,605 and no 72,500 options exercised, with approximately $570,000 $37,000 and $0 $1,000 of intrinsic value associated with these exercises on the date of exercise, during the three months ended June September 30, 2023 and 2022, respectively. The Company's current policy is to issue new shares of common stock to satisfy stock option exercises.

There were 13,105,000 13,830,000 and 205,000 4,440,000 option awards granted during the six nine months ended June September 30, 2023, and 2022, with a fair value of approximately $5,355,000 $5,611,000 and $47,000 $1,139,000 respectively.

There were 808,300 1,197,899 and 226,560 396,885 stock option awards which expired during the six nine months ended June September 30, 2023, and 2022, respectively.

There were 673,888 1,105,138 and 332,450 432,450 stock option awards forfeited during the six nine months ended June September 30, 2023, and 2022, respectively.

There were 1,821,580 1,913,185 and no 72,500 stock options exercised, with approximately $570,000 $607,000 and $0 $1,000 of intrinsic value associated with these exercises on the date of exercise, during the six nine months ended June September 30, 2023 and 2022, respectively.

The weighted average fair value of stock option awards granted and the key assumptions used in the Black-Scholes valuation model to calculate the fair value are as follows:

	For the Six Months Ended June 30,			For the Nine Months Ended September 30,		
	2023			2023		
Weighted average fair value	$0.41			$0.41		
Options issued	13,105,000			13,830,000		
Exercise price	$0.38	to	$0.55	$0.32	to	$0.55
Expected term (in years)	5			5		
Risk-free rate	3.84%	to	4.16%	3.84%	to	4.46%
Volatility	106%	to	108%	93%	to	108%

For the Nine Months Ended September 30,

	2022		
Weighted average fair value		$0.26	
Options issued		4,440,000	
Exercise price	$0.28	to	$0.36
Expected term (in years)		5	
Risk-free rate	2.84%	to	3.24%
Volatility	98%	to	101%

9. Commitments and Contingencies

Isotope Purchase Agreement

On December 12, 2022, Isoray Medical, Inc. ("Medical"), a wholly owned subsidiary of Perspective Therapeutics, Inc. (the "Company"), entered into a supply contract (the "New 2023 Agreement") with Joint Stock Company «Isotope», a Russian company ("JSC Isotope"). Pursuant to the New 2023 Agreement, Medical will purchase Cesium-131 manufactured by Joint Stock Company ‹‹Institute of Nuclear Materials›› and sold by JSC Isotope, at the quality standards, volume, and pricing indicated in the New 2023 Agreement. The New 2023 Agreement is effective December 12, 2022 for shipments beginning January 1, 2023, and terminates March 31, 2024. Medical and JSC Isotope previously entered into a separate supply contract, dated March 18, 2021, as subsequently amended by six addenda that modified minor shipping, manufacturing, and payment terms (together, the "Prior Agreement"). Although the Prior Agreement remained in effect until March 31, 2023, Medical began purchasing Cesium-131 under the New 2023 Agreement beginning January 1, 2023 due to a change in the price.

Additionally, on December 12, 2022, Medical entered into a supply contract (the "New 2024 Agreement") with JSC Isotope. Pursuant to the New 2024 Agreement, Medical will purchase Cesium-131 manufactured by Joint Stock Company ‹‹Institute of Nuclear Materials›› and sold by JSC Isotope, at the quality standards, volume, and pricing indicated in the New 2024 Agreement. The New 2024 Agreement is effective December 12, 2022 for shipments beginning January 1, 2024, and terminates March 31, 2025.

Merger Related Contingency

The Company has been in settlement negotiations with a representative for six stockholder plaintiff firms alleging the Company violated Delaware law in its preliminary proxy statement that was disseminated to stockholders in November 2022 for the Company's Company's annual meeting held in December 2022. Based on these settlement negotiations to date, the Company estimates that it will settle for no more than an aggregate of $200,000 and therefore recorded an estimated liability of $200,000 as of December 31, 2022. There was no change in the estimate as of June September 30, 2023. This balance is included in accrued expenses on the unaudited interim condensed consolidated balance sheet.

10. Leases

The Company accounts for its leases under ASC 842, *Leases*. Upon the adoption of Topic 842 on July 1, 2019, the Company assumed its lease with Energy Northwest for the office and laboratory space in Richland, Washington would terminate in April 2024 and we it would incur an early termination penalty of $20,000. At In June 30, April 2023, the Company now anticipates using determined that it would use the lease through the full term of the current lease, ending April 2026, which would eliminate the aforementioned early termination penalty. Due to the change in the assumption of the lease term, the Company adjusted the right-of-use asset and lease liability. liability during the three months ended June 30, 2023. As of the date of this modification, the operating lease is included on the balance sheet at the present value of the future base payments discounted at an 8% discount rate using the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment as the lease does not provide an implicit discount rate.

On July 1, 2023, the Company entered into a lease with Unico Properties LLC for office space in Seattle, Washington that terminates October 2028. Upon entering this lease, the Company recognized a right-of-use asset and lease liability of approximately $0.8 million on the balance sheet based upon the present value of the future base payments discounted at an 8% discount rate using the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment as the lease does not provide an implicit discount rate. The weighted average remaining term and discount rate as of June September 30, 2023 was 2.8 3.9 years and 8%, respectively.

For the three months ended June September 30, 2023 and 2022, our the Company's operating lease expense was approximately $86,000 $155,000 and $77,000 $79,000, respectively. For the three months ended June September 30, 2023 and 2022, our the Company's operating lease expense recognized in cost of sales was approximately $41,000 $51,000 and $50,000, respectively, and our the Company's lease expense recognized in general and administrative expense was approximately $45,000 $104,000 and $27,000 $29,000, respectively.

For the six nine months ended June September 30, 2023 and 2022, our the Company's operating lease expense was approximately $200,000 $355,000 and $156,000 $235,000, respectively. For the six nine months ended June September 30, 2023 and 2022, our the Company's operating lease expense recognized in cost of sales was approximately $91,000 $142,000 and $99,000 $149,000, respectively, and our the Company's lease expense recognized in general and administrative expense was approximately $109,000 $213,000 and $57,000 $86,000, respectively.

The following table presents the future operating lease payments and lease liability included on the condensed consolidated balance sheet related to the Company's operating lease as of June September 30, 2023 (in thousands):

Year Ending December 31,		
2023 (remaining six months)	159	
2023 (remaining three months)		98
2024	319	430
2025	319	562
2026	106	345
2027		230
2028		198
Total	903	1,863
Less: imputed interest	(98)	(294)
Total lease liability	805	1,569
Less current portion	(262)	(293)
Non-current lease liability	$ 543	$ 1,276

Asset Retirement Obligation

The Company has an asset retirement obligation (ARO) ("ARO") associated with the facility it currently leases located at the Applied Process Engineering Laboratory (APEL) in Richland, Washington. In connection with no longer assuming early termination in April 2024 and instead assuming

the lease will be utilized through the full current term ending April 2026, the ARO changed as follows (in thousands):

	Six months ended June 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Beginning balance	$ 657	$ 624	$ 657	$ 624
Accretion of discount	17	16	26	25
Change in ARO estimate due to lease modification	(15)	-	(15)	-
Ending Balance	$ 659	$ 640	$ 668	$ 649

The original facility lease was scheduled to expire in the fourth April 2016. quarter of fiscal year 2016.Upon the end of the original lease term, the initial asset retirement estimate was fully accreted and the related ARO asset was fully amortized. At June 30, 2023, the The Company now anticipates using the lease through the full term of the current lease, ending April 2026, thus extending the time before asset retirement costs would be incurred. This resulted in a decrease in the ARO balance to a value of $654,000 and the Company recognized a gain on change in the estimate of $15,000 during the three nine months ended June September 30, 2023. At the time of the adjustment to the ARO, the undiscounted estimated asset retirement obligation was $765,000 discounted utilizing the original credit-adjusted risk-free interest rate of 5.1%.

11. Notes Payable

Notes payable as of June September 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023[1]	**December 31, 2022**	**September 30, 2023[1]**	**December 31, 2022**
Note payable (a)	$ 24	$ -	$ -	$ -
Note payable (b)	1,748	-	1,737	-
	$ 1,772	$ -	$ 1,737	$ -
Less: current portion	(71)	-	(48)	-
Notes payable – long-term portion	$ 1,701	$ -	$ 1,689	$ -

(1) The notes payable were assumed by the Company effective upon the closing of the Merger with Viewpoint on February 3, 2023.

(a) On July 19, 2019, Viewpoint entered in a promissory note agreement with the Iowa Economic Development Authority ("IEDA") for $100,000 at 3% interest rate to be paid over 36 monthly payments of $3,328 beginning on the first day of the first month following Viewpoint closing on a $1.0 million equity fundraising round. Final payment will be due by was paid during the Company in the first nine quarter of fiscal months ended 2024. September 30, 2023. The loan was granted as a form of financial assistance to Viewpoint from IEDA. The current portion of the outstanding loan was $24,000 $0 as of June September 30, 2023. For the three months ended June September 30, 2023, the Company recorded less than $1,000 interest expense and $9,000 in principal payments. For the six nine months ended June September 30, 2023, the Company recorded less than $1,000 interest expense and $15,000 $24,000 in principal payments.

(b) On December 29, 2022, Viewpoint obtained a promissory note in the amount of $1,771,250 for the purpose of purchasing land and a building in Coralville, Iowa. The note bears interest at 6.15% per annum and is collateralized by the property. The note requires monthly principal and interest payments of $12,936 beginning on January 29, 2023, and a balloon payment of $1,522,549 due on December 29, 2027. As of June September 30, 2023, the current portion of the note payable was $47,000. $48,000. For the three months ended June September 30, 2023, the Company recorded $28,000 $29,000 interest expense and $12,000 $11,000 in principal payments. For the six nine months ended June September 30, 2023, the Company recorded $46,000 $75,000 interest expense and $20,000 $32,000 in principal payments.

The following table presents the future principal payments included on the condensed consolidated balance sheet related to the Company's notes note payable as of June September 30, 2023 (in thousands):

Years ending December 31:	Years ending December 31:	Years ending December 31:
2023 (remaining six months)	$ 47	
2023 (remaining three months)		$ 12
2024	49	49
2025	52	52
2026	55	55
2027	1,569	1,569
Total	$ 1,772	$ 1,737

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12. Revenue

Sources of Revenue

We have identified the following revenues disaggregated by revenue source:

1. Domestic – direct sales of products and services.

2. International – direct sales of products and services.

3. Grant revenue – contracts with governmental agencies for services.

During the three months ended June September 30, 2023 and 2022, the Company had no international revenue. For the three months ended June September 30, 2023, prostate brachytherapy comprised 39% 55% of total revenue, while other revenue, which includes but is not limited to brain, lung, head/neck, gynecological, and pelvic treatments, and services, comprised 61% 45% of total revenue compared to 70% 68% and 30% 32%, respectively, in the three months ended June September 30, 2022.

During the six nine months ended June September 30, 2023 and 2022, the Company had no international revenue. For the six nine months ended June September 30, 2023, prostate brachytherapy comprised 43% 47% of total revenue, while other revenue, which includes but is not limited to brain,

lung, head/neck, gynecological, and pelvic treatments, and services, comprised 57% 53% of total revenue compared to 73% 72% and 27% 28%, respectively, in the six nine months ended June September 30, 2022.

Concentration of Customers

The following are the Company's Company's largest customers, facilities, or physician practices that utilize multiple surgical facilities shown as a percentage of total sales:

Facilities and Customers	Six Months Ended June 30,		Nine Months Ended September 30,	
	2023 % of total revenue	2022 % of total revenue	2023 % of total revenue	2022 % of total revenue
GT Medical Technologies	24.3%	14.0%	23.9%	16.1%
National Institutes of Health (1)	19.8%	0%	17.3%	0%
El Camino, Los Gatos, & other facilities (2)	0%	30.5%	0%	27.1%

(1) This revenue relates to grants received from the National Institutes of Health.

(2) The head of the single largest physician practice also previously served as the Company's medical director. As the medical director, this physician advised the Company Company's Board of Directors and management, provided technical advice related to product development and research and development, and provided internal training to the Company sales staff and professional training to our the Company's sales staff and to other physicians. On September 20, 2022, we the Company received notice from such medical director of his resignation from such position and he has not placed any orders since our the Company's isotope supply resumed after a disruption in August and September 2022 as discussed further in our the Company's Transition Report on Form 10-KT filed with the Securities and Exchange Commission on May 1, 2023.

As of June September 30, 2023, one no individual customer, GT Medical Technologies, customers made up 11.5% over 10% of our the Company's accounts receivable. As of December 31, 2022, one individual customer, GT Medical Technologies, made up 15.1% of our the Company's accounts receivable.

13. Segment Reporting

The Company operates two reportable business segments:

- Brachytherapy – sales and manufacturing of Cesium-131 brachytherapy seeds including research and development of new applications for the seeds, which represents the historical business of the Company.
- Drug Operations – research and development and clinical operations related to the use of Lead-203 and Lead-212 as a diagnostic and a therapeutic drug, respectively, which represents the operations and assets of Viewpoint.

The Company evaluates the performance of its segments and allocates resources based on their respective operating loss and potential market. The Company had no inter-segment sales for the periods presented. Asset information by segment is not included as it is not provided to the chief

operating decision maker as the allocation of resources and the evaluation of the performance of segments is not based on asset information by segment.

Summarized financial information concerning the Company's reportable segments are as follows (in thousands):

	For the three months ended June 30, 2023				For the three months ended September 30, 2023			
	Brachytherapy	**Drug Operations**	**Corporate**	Total	**Brachytherapy**	**Drug Operations**	**Corporate**	Total
Revenues	$ 1,500	$ 588	$ -	$ 2,088	$ 1,909	$ 276	$ -	$ 2,185
Gross profit	(340)	588	-	248	462	276	-	738
Operating loss	(1,909)	(4,705)	(4,760)	(11,374)	(976)	(5,209)	(4,349)	(10,534)
Interest income	-	-	294	294	-	-	204	204
Interest expense	-	28	-	28	-	14	-	14
Depreciation and amortization	66	146	43	255	60	145	54	259

	For the three months ended June 30, 2022				For the three months ended September 30, 2022			
	Brachytherapy	**Drug Operations**	**Corporate**	Total	**Brachytherapy**	**Drug Operations**	**Corporate**	Total
Revenues	$ 2,505	$ -	$ -	$ 2,505	$ 1,717	$ -	$ -	$ 1,717
Gross profit	926	-	-	926	414	-	-	414
Operating loss	(789)	-	(1,317)	(2,106)	(1,427)	-	(2,781)	(4,208)
Interest income	-	-	28	28	-	-	140	140
Depreciation and amortization	63	-	12	75	54	-	13	67

	For the six months ended June 30, 2023				For the nine months ended September 30, 2023			
	Brachytherapy	**Drug Operations**	**Corporate**	Total	**Brachytherapy**	**Drug Operations**	**Corporate**	Total
Revenues	$ 3,330	$ 821	$ -	$ 4,151	$ 5,239	$ 1,097	$ -	$ 6,336
Gross profit	(86)	821	-	735	376	1,097	-	1,473
Operating loss	(3,751)	(7,427)	(11,423)	(22,601)	(4,714)	(12,638)	(15,783)	(33,135)
Interest income	-	-	668	668	-	-	872	872
Interest expense	-	46	-	46	-	60	-	60
Depreciation and amortization	132	236	77	445	172	380	132	684

	For the six months ended June 30, 2022				For the nine months ended September 30, 2022			
	Brachytherapy	**Drug Operations**	**Corporate**	Total	**Brachytherapy**	**Drug Operations**	**Corporate**	Total
Revenues	$ 5,415	$ -	$ -	$ 5,415	$ 7,132	$ -	$ -	$ 7,132
Gross profit	2,367	-	-	2,367	2,781	-	-	2,781

Operating loss	(845)	-	(2,637)	(3,482)	(2,271)	-	(5,419)	(7,690)
Interest income	-	-	57	57	-	-	197	197
Depreciation and amortization	127	-	22	149	161	-	36	197

14. Merger

On February 3, 2023, the Company acquired 100% of the issued and outstanding equity and voting shares of Viewpoint Molecular Targeting, Inc., in exchange for 136,545,075 shares of the Company's common stock with a fair value of $54.618 million based on the closing market price of $0.40 per share on the acquisition date. date (the "Merger"). At the closing of the Merger, the Company forgave the note receivable entered into in November 2022 and the associated accrued interest with Viewpoint that was included in the note receivable. The total amount forgiven was $6.17 million, representing the $6 million loan and $0.17 million accrued interest. The Company also assumed all of Viewpoint's outstanding stock options and warrants as of the Merger date.

Viewpoint is an alpha-particle radiopharmaceutical company in the alphaemitter market developing oncology therapeutics and complementary imaging agents. The Merger was completed to provide the Company with a new isotope in a larger market.

The Company accounted for the transaction as a business combination in accordance ASC 805, *Business Combinations*. The Company is in the process of performing an allocation of the purchase price paid for the assets acquired and the liabilities assumed with the assistance of an independent valuation firm. The fair values of the assets acquired, as set forth below, are considered provisional and subject to adjustment as additional information is obtained through the purchase price measurement period (a period of up to one year from the closing date). The provisional allocation of the purchase price is based on management's preliminary estimates. Once management completes its analysis to finalize the purchase price allocation with assistance from a third-party an independent valuation firm, it is reasonably possible that there could be changes to the preliminary values. The primary areas of the purchase price allocation that are not yet finalized relate to identifiable intangible assets and goodwill.

The Viewpoint purchase price consideration and provisional allocation to net assets acquired is presented below (in thousands except for share price):

Fair value of consideration transferred	*Fair value of consideration transferred*	*Fair value of consideration transferred*
Perspective Therapeutics common stock issued (136,545,075 X $0.40)	$ 54,618	$ 54,618
Assumption of Viewpoint stock options and warrants at fair value	7,836	7,836
Note receivable from Viewpoint forgiven	6,171	
Note receivable and interest from Viewpoint forgiven		6,171
Total fair value of consideration transferred	$ 68,625	$ 68,625

Recognized amounts of identifiable net assets acquired		
Assets acquired		
Cash and cash equivalents	$ 2,698	$ 2,699
Grants receivable	95	95

Prepaid expenses	397	396
Property and equipment	5,050	5,050
Right of use asset	10	10
Intangible assets	50,000	
Intangible asset - In-process research and development		50,000
Other assets	316	316
Total assets acquired	58,566	58,566
Liabilities assumed		
Accounts payable and accrued expenses	2,968	2,968
Lease liability	10	10
Accrued payroll and related taxes	1,642	1,642
Accrued vacation	333	333
Note payable	1,807	
Notes payable		1,807
Deferred tax liability	10,500	10,500
Total liabilities acquired	17,260	
Total liabilities assumed		17,260
Net assets acquired, excluding goodwill	41,306	41,306
Total purchase price consideration	68,625	68,625
Goodwill	$ 27,319	$ 27,319

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Goodwill is calculated as the difference between the acquisition date fair value of the consideration and the preliminary values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized and is not currently assumed to be deductible for tax purposes. Goodwill could materially change based on changes in estimates in the fair value of the assets acquired and liabilities assumed. The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise from the acquisition of Viewpoint.

The results of operations for Viewpoint since the closing date have been included in our the Company's condensed consolidated financial statements for the six nine months ended June September 30, 2023, and include approximately $821,000 $1.1 million of grant revenue and $11.1 $18.4 million of operating loss. During the six nine months ended June September 30, 2023, the Company recognized total transaction costs of approximately $4.6 million, which are included in general and administrative expenses on the condensed consolidated statement of operations.

The pro forma financial information below represents the combined results of operations as if the acquisition had occurred on January 1, 2022, the beginning of the comparable prior year reporting period. The unaudited pro forma financial information is presented for informational purposes only and is neither indicative of the results of operations that would have occurred if the acquisition had taken place at the beginning of the period presented nor indicative of future operating results.

The information below reflects certain nonrecurring pro forma adjustments for the three months ended June September 30, 2023 and 2022 that were directly related to the business combination based on available information and certain assumptions that we believe are reasonable:

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
Revenue	$ 2,088	$ 3,033	$ 2,185	$ 2,286
Net loss	(11,106)	(5,311)	(10,356)	(7,871)

The information below reflects certain nonrecurring pro forma adjustments for the six nine months ended June September 30, 2023 and 2022 that were directly related to the business combination based on available information and certain assumptions that we believe the Company believes are reasonable, including the following adjustments:

1. Excludes acquisition-related costs incurred by the Company totaling approximately $4.6 million for the six nine months ended June September 30, 2023 and includes the total costs of $4.6 million for the six nine months ended June September 30, 2022.
2. Excludes the deferred income tax benefit of approximately $10.5 million for the six nine months ended June September 30, 2023 and includes the deferred income tax benefit of approximately $10.5 million for the six nine months ended June September 30, 2022.

(in thousands)		Six Months Ended June 30, 2023	Six Months Ended June 30, 2022		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue	Revenue	$ 4,151	$ 6,161	Revenue	$ 6,336	$ 8,447
Net loss	Net loss	(17,365)	(3,714)	Net loss	(27,721)	(11,585)

ITEM 2 – MANAGEMENT'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Throughout this Quarterly Report on Form 10-Q ("Form 10-Q"), the "Company," "Perspective," "we," "us," and "our," except where the context requires otherwise, refer to Perspective Therapeutics, Inc. and its consolidated subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

This Form 10-Q contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). This statement is included for the express purpose of availing Perspective Therapeutics, Inc. of the protections of the safe harbor provisions of the PSLRA.

All statements contained in this Form 10-Q, other than statements of historical facts, regarding our future financial condition, results of operations, business strategy and plans and objectives of management for future operations, industry trends and other future events are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "believe," "expect," "anticipate," "intend," "estimate," "forecast," "project," "may," "could," "might," "plan," "project," "should," "will," "would" or the negative of these terms or and other similar expressions, although not all forward-looking statements contain these identifying terms. Forward-looking statements in this Form 10-Q include, among other things:

- the timing, progress and results of our preclinical studies and clinical trials of our current and future product candidates, including statements regarding the timing of our planned regulatory communications, submissions and approvals, initiation and completion of studies or trials and related preparatory work and the period during which the results of the trials will become available, and our research and development programs;
- our ability to obtain and maintain regulatory approvals for, our current and future product candidates;
- our manufacturing capabilities and strategy, including the scalability and commercial viability of our manufacturing methods and processes;
- our ability to identify patients with the diseases treated by our product candidates and to enroll these patients in our clinical trials;
- our expectations regarding the potential functionality, capabilities and benefits of our product candidates, if approved for commercial use;
- the potential size of the commercial market for our product candidates;
- our expectations regarding the scope of any approved indication for any product candidate;
- our ability to successfully commercialize our product candidates;
- our ability to leverage technology to identify and develop future product candidates;
- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our need for or ability to obtain additional funding before we can expect to generate any revenue from product sales;
- our belief regarding the sufficiency of our cash resources to fund our operating expenses and capital expenditure requirements;
- our ability to generate cash, and successfully obtain additional working capital, to fund our operating, investing, and financing activities;
- our competitive position and the development of and projections relating to our competitors or our industry;
- business disruptions affecting our preclinical studies or the initiation, patient enrollment, development and operation of our clinical trials, including a public health crisis, such as the outbreak of COVID-19; and
- expectations, beliefs, intentions, and strategies regarding the future.

These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results will conform to the expectations and predictions of management is subject to a number of risks and uncertainties described under the heading "Risk Factors" in our most recent Annual Report on Form 10-K (or, if applicable, Transition Report on Form 10-KT) and as updated in this Form 10-Q in Item 1A under the heading "Risk Factors" beginning on page 30 34 below that may cause actual results to differ materially.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations. Readers are cautioned not to place undue reliance on such forward-looking statements as they speak only of the

Company our's views as of the date the statement was made (or any earlier date indicated in such statement). While we may update certain forward-looking statements from time to time, we undertake no obligation to do so, whether as a result of new information, future events or otherwise, except as required by applicable law.

Critical Accounting Policies and Estimates

The discussion and analysis of the Company's financial condition and results of operations are based upon its condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP. GAAP"). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an on-going basis, management evaluates past judgments and estimates, including those related to bad debts, inventories, accrued liabilities, derivative liabilities and contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Actual results could therefore differ materially from those estimates if actual conditions differ from our assumptions. The accounting policies and related risks described in Part II, Item 7 of the Company's transition report on Form 10-KT as filed with the SEC Securities and Exchange Commission (the "SEC") on May 1, 2023 are those that depend most heavily on these judgments and estimates. As of June 30, 2023 September 30, 2023, there had been no material changes to any of the critical accounting policies contained therein except as discussed below:

Segments

ASC Accounting Standards Codification ("ASC") 280*, Segment Reporting,* establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about services categories, business segments and major customers in financial statements. The Company has two reportable segments that are based on the following business units: Brachytherapy and Drug Operations. The Company's chief operating decision maker has been identified as the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in: economic characteristics; nature of products and services; and procurement, manufacturing and distribution processes.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes of the Company including including: the fair value of net assets acquired in a business combination; the allowance for doubtful accounts receivable; net realizable value of the enriched barium inventory; the estimated useful lives used in calculating depreciation and amortization on the Company's fixed assets, patents, trademarks, intangible assets and other assets; estimated amount and fair value of the asset retirement obligation related to the Company's production facilities; equity method investment; and inputs to the Black-Scholes calculation used in determining the expense related to share-based compensation including volatility and estimated lives of options granted and impairment of long-lived assets including intangible assets and goodwill. Accordingly, actual results could differ from those estimates and affect the amounts reported in the financial statements.

Business Acquisition Accounting

The Company applies the acquisition method of accounting for those that meet the criteria of a business combination. The Company allocates the purchase price of its business acquisition based on the fair value of identifiable tangible and intangible assets and liabilities. The difference between the total cost of the acquisition and the sum of the fair values of acquired tangible and identifiable intangible assets less liabilities is recorded as goodwill. Transaction costs are expensed as incurred in general and administrative expenses.

If applicable, the Company records deferred taxes for any differences between the assigned values and tax basis of assets and liabilities. Estimated deferred taxes are based on available information concerning the tax basis of assets acquired and liabilities assumed at the acquisition date, although such estimates may change in the future as additional information becomes known.

Goodwill and In-Process Research and Development (IPR&D) ("IPR&D")

The fair value of acquired intangible assets is determined using an income-based approach referred to as the multi-period excess-earnings approach.

Goodwill is tested at least annually for impairment by assessing qualitative factors in determining whether it is more likely than not that the fair value of net assets is below their carrying amounts.

IPR&D assets represent the fair value of incomplete research and development ("R&D &D") projects that had not reached technological feasibility as of the date of the acquisition. Initially, these assets are classified as IPR&D and are not subject to amortization. IPR&D assets that reach commercialization are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period the assets are expected to contribute to future cash flows. IPR&D is tested for impairment at least annually or more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. Impairment charges are recognized to the extent the carrying value of IPR&D is determined to exceed its fair value. Post-acquisition R&D expenses related to these projects are expensed as incurred.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP. The Company views its operations and manages its business in two operating segments. All long-lived assets of the Company reside in the U.S.

Equity Method Investment

Investments in companies for which the Company has the ability to exercise significant influence, but do not control, are accounted for under the equity method. Under the equity method of accounting, the Company's share of the net earnings or losses of the investee are included in other income (expense) in the consolidated statements of operations. At the end of each reporting period, the Company considers whether impairment indicators exist to evaluate whether an equity method investment is impaired and, if so, record an impairment loss. Investments are accounted for on a one-quarter lag. As changes in ownership percentage of the Company's investments occur, the Company assesses whether it can exercise significant influence and account for under the equity method. If the Company's ownership percentage of the company in which it has an investment changes, the Company recognizes a gain or loss on the investment in the period of change. Included in the condensed consolidated financial statements for the nine months ended September 30, 2023 is the Company's proportional share of losses through June 30, 2023, which were $12,000.

Grant Revenue Recognition

The Company enters into contracts with governmental agencies for services. These contracts are analyzed in order to determine if they should be accounted for under a revenue recognition model pursuant to Accounting Standards Codification (ASC) ASC 606, *Revenue from Contracts with Customers,* or a grant model pursuant to ASC 958, *Not-for-Profit Entities*. If accounted for pursuant to a grant model, the Company must determine if the grant is conditional or unconditional, and if conditional any barriers exist which must be overcome. If unconditional, the grant is recognized as

revenue immediately, and if conditional, the grant is recognized as revenue as and when the barriers are overcome. We concluded that payments received under the current grants represent conditional, nonreciprocal contributions, as described in ASC 958, and that the grants are not within the scope of ASC 606, as the organizations providing the grants do not meet the definition of a customer. The significant barrier to the current conditional grants are that the expenses incurred must meet the qualifications as established by the respective governmental agencies, so that the grant revenue is recognized as the qualified expenses are incurred. Expenses for grants are tracked using a project code specific to the grant, and the employees also track hours worked by using the project code. Under ASC 958, grants related to income are presented as part of the condensed consolidated statements of operations, either separately or under a general heading. Both methods are acceptable under ASC 958. The Company has elected to record grants related to income separately on the condensed consolidated statements of operations as grant revenue. The related expenses are recorded within operating expenses.
R&D and general and administrative.

Overview

Perspective Therapeutics has two principal subsidiaries: Viewpoint Molecular Targeting, Inc. ("Viewpoint"), is a research and development and clinical-stage precision oncology company focused on developing next-generation alpha therapies related to the use of Lead-203 and Lead-212 as a diagnostic and therapeutic drug respectively; and Isoray Medical, Inc., ("Isoray") is, a brachytherapy device manufacturer with FDA the U.S. Food and Drug Administration ("FDA") clearance for a single medical device that can be delivered to the physician in multiple configurations as prescribed for the treatment of cancers in multiple body sites.

Viewpoint

Viewpoint is developing a pipeline of radiotherapies designed to deliver powerful alpha radiation directly to cancer cells utilizing Lead-212 and specialized targeting peptides. Viewpoint is also developing complementary diagnostics that utilize the same targeting peptide and Lead-203 to provide the opportunity to understand which patients may respond to its targeted therapy.

Viewpoint's initial product candidate, VMT-α-NET, is in development for the treatment and diagnosis of neuroendocrine tumors (NETs) ("NETs"). Using a specialized peptide, VMT-α-NET is designed to target and bind to the somatostatin receptor subtype 2 (SSTR2) ("SSTR2") on tumor cells. As a diagnostic, Viewpoint links Pb-203,^{203}Pb, a radioactive imaging agent that emits gamma rays, to its SSTR2-targeting peptide. Through the use of imaging scans, Viewpoint is able to characterize the tumor to confirm whether the patient's cancer expresses SSTR2. This confirms the patient may be a candidate for treatment. As a therapeutic, Viewpoint links Pb-212,^{212}Pb, its alpha-particle radioactive isotope, to the same SSTR2 targeting peptide which has been shown to bind to the cancerous cell, to treat and potentially kill the tumor. In October 2022, The U.S. Food and Drug Administration (FDA) the FDA granted fast track designation ("Fast Track designation Track") for the Company's VMT- α-NET asset. The FDA Fast Track designation is one of several approaches utilized by the FDA to expedite development and review of potential medicines for serious conditions and that fulfill unmet medical needs. Programs that receive Fast Track designation are entitled to more frequent interactions with the FDA on drug development plan, as well as eligibility for accelerated approval, priority review, and rolling review. While the FDA Fast Track designation accelerates the potential approval process for a new drug, there is no guarantee that the drug will be approved for commercialization.

In September 2023, the Company announced the presentation of encouraging early clinical results from an open-label, single-arm, investigator-initiated study in India investigating the safety and efficacy of [^{212}Pb]VMT-α-NET in patients with NETs and medullary thyroid carcinomas. The early clinical findings were presented at the 36th Annual Congress of the European Association of Nuclear Medicine (EANM) for the Phase 2a study of [^{212}Pb]VMT-α-NET in pre- and post-Lutathera gastroenteropancreatic (GEP)-NET patients, being conducted at Fortis Healthcare, India. Ten adult patients with histologically confirmed NETs and metastatic medullary thyroid carcinomas who failed at least one prior line of treatment were treated as part of a compassionate use program. All patients were planned to receive [^{212}Pb]VMT-α-NET peptide at intervals of 8 weeks up to 4 doses or until evidence of radiographic progression, unacceptable toxicity or the patient's decision to discontinue. All patients were to be co-infused with an amino acid solution for renal protection. The primary objective of the study is to evaluate the safety of low doses of [^{212}Pb]VMT-α-NET in this patient

population. Secondary assessments will include objective response rate measured by RECIST 1.1 criteria, and the number of patients with treatment-related adverse events as assessed by CTCAE v.4.0. Both will be measured at 24 months after the last administered dose of [212Pb]VMT-α-NET. The isotope was provided using the Company's proprietary VMT-α-GEN generator.

Highlights of the presented results at EANM include:

- Ten patients who failed at least 1 prior line of standard of care therapy have received [212Pb]VMT-α-NET therapy to date, with initial responses observed in 7 of 9 evaluable patients. Responses were observed across both peptide receptor radionuclide therapy ("PRRT")-naïve and PRRT-refractory disease. Of the 10 patients enrolled in the study, 3 presented with gastrointestinal NETs, 5 presented with pancreatic NETs, and 2 presented with medullary thyroid carcinoma. Four patients (1 with gastro-intestinal NETs; 3 with pancreatic NETs) were previously treated with [177Lu]DOTATATE PRRT, one of which also received 3 prior administrations of [225Ac]DOTATATE.
- Improvements in patients' symptoms and quality of life trended strongly positive with consecutive [212Pb]VMT-α-NET doses.
- No significant renal or hepatic function adverse events have been observed to date. Most adverse events were mild and included Grade 1 anemias, alopecia, and fatigue, which usually resolved within 1 week of [212Pb]VMT-α-NET administration. Two patients experienced serious adverse events (SAEs) that were deemed unrelated to [212Pb]VMT-α-NET treatment. One patient who developed myelodysplastic syndromes (MDS) discontinued treatment and the other patient, who was heavily pre-treated, died (patient was deemed not evaluable).

Two additional patients were enrolled in the third quarter for a total of 9 GEP-NET patients and 2 medullary thyroid cancer (MTC) patients. All ongoing patients are expected to complete their 4th treatment cycle by end of February 2024. The updated clinical results will be presented at an upcoming scientific meeting in 2024.

Two patients screened in the Phase 1/2a trial in post-Lutathera GEP-NET patients were located at the University of Iowa. A third patient is scheduled for screening mid-November. If eligible, all three patients will receive treatment in December for the completion of the first cohort. The end of fourth cycle of treatment is expected in June 2024.

The end-of-life compassionate use program for patients with advanced NETs and lack of further treatment options is underway at the University Dresden in Germany. Four patients were treated during the third quarter, and investigators are planning additional treatments before the end of the year.

IND submissions are expected in November with subsequent trial activation in the first half of 2024 for NIH-sponsored studies in pre- and post-Lutathera NET patients.

The Company also presented mouse model data highlighting the efficacy of [203/212Pb]VMT-α-NET in treating metastatic neuroblastoma tumors. The study showed successful tumor uptake via sequential SPECT imaging and demonstrated a maximum tolerated dose of [212Pb]VMT-α-NET as 2.22 MBq without acute toxicity, with a 100% overall survival rate at 90-days observed in the group receiving three fractionated doses of 740 kBq of [212Pb]VMT-α-NET.

At the World Molecular Imaging Congress, the Company presented data highlighting the effectiveness of [212Pb]VMT-α-NET in treating neuroendocrine tumors in a tumor xenograft mouse model. The results highlighted the significant therapeutic efficacy of treatment with three fractionated doses of [212Pb]VMT-α-NET, which resulted in a 70% complete response rate and 80% survival at 120 days.

Viewpoint's second product candidate, VMT01, is in development for the diagnosis and treatment of metastatic melanoma. Using a specialized peptide, VMT01 is designed to target the melanocortin 1 receptor (MC1R) on tumor cells. As a diagnostic, Viewpoint either links Pb-203203Pb or Gallium-68 to its MC1R-targeting peptide. These two imaging tracers are suitable for SPECT Single-photon emission computed tomography ("SPECT") and PET positron emission tomography ("PET") imaging, respectively. Through the use of the imaging scans, Viewpoint is able to characterize whether the patient's cancer expresses MC1R. This confirms whether the patient may be a candidate for treatment. As a therapeutic, Viewpoint links Pb-212212Pb to the same MC1R targeting peptide which has been shown to bind to the cancerous cell, to treat and potentially kill the tumor. The melanoma program focuses primarily on development of the therapeutic compound.

VMT01 has recently completed clinical imaging studies at Mayo Clinic, Rochester. Results were presented at the Society of Nuclear Medicine and Molecular Imaging Annual Meeting in Chicago in June 2023. The published preclinical data show its potential to deliver durable complete responses in treatment-resistant models when combined with existing immunotherapy drugs used to treat melanoma. VMT01's Phase 1 Mono Dose Escalation in Advanced Melanoma preliminary data readout is expected in the fourth quarter of 2023.

VMT-α-NET for neuroendocrine cancers and VMT01 for melanoma are both entering therapeutic trials under IND at US institutions. Preliminary results from initial We believe VMT-α-NET has the potential for FDA Priority Review Voucher as a candidate for pediatric neuroblastoma indication.

In November 2023, the Company announced the first patient had been dosed in the Phase1/2a dose escalation trial for VMT- α-NET for the treatment of patients with unresectable or metastatic SSTR2 expressing NETs at Washington University in St. Louis. This is a multi-center open-label study (clinicaltrials.gov identifier NCT05636618) of [212Pb]VMT-α-NET targeted alpha-particle therapy for patients with advanced SSTR2-positive neuroendocrine tumors. The first part of this Phase 1/2a trial is a dose-escalation phase designed to determine the Maximum Tolerated Dose ("MTD") or Maximum Feasible Dose ("MFD") following a single administration of [212Pb]VMT-α-NET. Patients who have not received prior PRRT will be scheduled to receive up to 4 administrations of [212Pb]VMT-α-NET approximately 8 weeks apart. The first patient cohort will receive 111 MBq (3mCi) per dose. The second cohort will receive administered activities of 185 MBq (5mCi), with cohorts 3 and 4 receiving 370 MBq (10 mCi) and 555 MBq (15 mCi), respectively, if the MTD or MFD is not reached during escalation. According to the Modified Toxicity Probability Interval 2 (mTPI-2) study design, intermediate de-escalation doses are also possible to allow selection of the optimal activity dose to take forward into the dose expansion part of the study.
The second part of the study is a dose expansion phase based on the identified MTD/MFD. Patients with positive uptake on FDA approved SSTR2 PET/CT will receive a fixed dose of [212Pb]VMT-α-NET IV administered at the recommended Phase 2 dose and schedule determined in the Phase I dose escalation. [212Pb]VMT-α-NET's Dose Escalation in PRRT-naïve NETS preliminary data readout is expected by in the end fourth quarter of 2023.
The Company currently has two active sites for the study and anticipates that two additional study sites will become operational in December. The Company remains on track to launch an additional 14 study sites.

In August 2023, the Company announced the first patient had been dosed in the Phase 1/2a dose escalation trial for VMT01 for the treatment of histologically confirmed MC1R-positive metastatic melanoma. melanoma and in October 2023 the Company announced completion of recruitment for the first patient cohort. The trial is a first-in-human, non-randomized, multi-center open-label dose escalation, dose expansion trial of 212Pb-VMT01212Pb-VMT01 in up to 52 subjects patients with histologically confirmed melanoma and a positive MC1R imaging scan using 203Pb-VMT01203Pb-VMT01 or 68Ga-VMT02.68Ga-VMT02. MC1R is a receptor that is expressed on the surface of melanoma cells. As such MC1R represents a potentially useful means of targeting therapeutics to melanoma.

Part 1 The first part of the VMT01 trial is a dose-escalation phase designed to determine the Maximum Tolerated Dose (MTD) MTD or Maximum Feasible Dose (MFD) MFD following a single administration of 212Pb-VMT01. [212Pb]VMT01. The first patient cohort received 111 MBq (3mCi) per dose. The first patient was dosed at the University of Michigan. Three patients have been dosed at 111 MBq (3mCi), closing cohort 1. No serious adverse events or dose-limiting toxicities have been observed. The Company anticipates opening the second patient cohort, which will receive 185 MBq (5mCi) per dose, in December and anticipates the completion of screening in the first quarter of 2024.
Nearing completion of analysis of the dosimetry portion of the Company's TIMAR-1 study, a first-in-human study evaluating the suitability of [203Pb]VMT01 for SPECT/CT imaging and [68Ga]VMT02 for PET/CT imaging of MC1R-expressing metastatic melanoma. Perspective is actively working on the Clinical Study Report and anticipates it will be released in the first half of 2024.
The second cohort will receive administered activities of 185 MBq (5mCi), with cohorts 3 and 4 receiving 370 MBq (10 mCi) and 555 MBq (15 mCi) respectively, if the MTD or MFD is not reached during escalation. According to the Modified Toxicity Probability Interval 2 (mTPI-2) study design, intermediate de-escalation doses are also possible to allow selection of the optimal activity dose to take forward into the dose expansion part of the study.
The second part of the trial is a dose expansion phase based on the identified MTD/MFD. Patients may be eligible to receive up to 3 administrations of 212Pb-VMT01212Pb-VMT01 approximately 8 weeks apart. Part 2 A dosimetry sub-study utilizing the SPECT imaging surrogate, 203Pb-VMT01, has been added to assess normal organ biodistribution, tumor uptake, dosimetry, and correlation of uptake with observed toxicities and efficacy.
212Pb was supplied using Perspective's proprietary 212Pb-VMT-α-GEN benchtop generator and final manufacturing was performed at Perspective's facility in Coralville, IA. Additional CDMO manufacturing sites are expected to be brought online in the trial coming months to enable broader coverage for sites across the US.
Viewpoint is a dose expansion based developing complementary diagnostics to its pipeline of radiotherapies that utilize the same targeting peptide and Lead-203 to provide the opportunity to understand which patients may respond to its targeted therapy. At the World Imaging Congress, data

was presented on the identified MTD/MFD Company's novel guest/host platform for effective in vivo image-guided pre-targeted alpha particle therapy. Data showed that the selection radioligand [203Pb]PSC-PEG3-Adma demonstrated extended lag times, impressive tumor-to-tissue ratios and has the potential to further reduce radiation toxicity using [203Pb]PSC-PEG3-Adma as a guide. A pipeline expansion with proof-of-concept human imaging data is expected in the first quarter of 212Pb-VMT01 dose(s) for further clinical development. 2024.

Isoray

Isoray manufactures and sells its medical device product as the Cesium-131 brachytherapy seed or Cesium Blu. The Company markets the Cesium-131 brachytherapy seed for the treatment of prostate cancer, brain cancer, lung cancer, head and neck cancers, gynecological cancer, pelvic/abdominal cancer, and colorectal cancer. In July 2023, the Centers for Medicare & Medicaid Services (CMS) published their proposed payment rates for the Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System for 2024 and the Company noted the proposed Medicare payment rates showed a slight increase for Cesium-131 brachytherapy seed codes which management believes will help further adoption among facilities. The final rule will be was issued in November 2023 and with the final Medicare payment rates for 2024 being slightly lower than the proposed payment rates that were released in July 2023. Compared to 2023, one of the Cesium-131 brachytherapy seed codes increased while the other code decreased.

Isoray's Isoray's brachytherapy seed utilizes Cesium-131, with a 9.7 day 9.7day half-life, as its radiation source. Isoray believes that it is the unique combination of the short half-life and the energy of the Cesium-131 isotope that are yielding the beneficial treatment results that have been published in peer reviewed journal articles and presented in various forms at conferences and tradeshows.

In August 2023, the Company announced a collaborative initiative focused on increasing access of Cesium-131 seeds for the treatment of certain brain cancers in the form of GT Medical Technologies, Inc.'s ("GT Medical") GammaTile™ Therapy ("GammaTile™"). GammaTile™ is a radiation treatment option implanted during the last five minutes of brain tumor resection surgery. It is composed of bioresorbable collagen tiles embedded with Cesium-131 radiation seeds supplied by Perspective Therapeutics. GammaTile delivers targeted Cesium-131 radiation to help prevent brain tumor cell regrowth in newly diagnosed and recurrent brain tumors, including glioblastomas, metastatic brain tumors, aggressive meningiomas, and other brain tumor types. This expanded access will is expected to allow GT Medical to order seeds on a shorter notice in order to fulfill short notice orders received from their customers.
In October 2023, long-term data for Cesium-131 brachytherapy in the treatment of prostate cancer was presented at the American Society for Radiation Oncology's ("ASTRO") annual conference, describing urinary data collected from 341 patients treated with Cesium-131 between 2006 and 2022. Preliminary long-term data for Cesium-131 utilized in salvage treatment of recurrent cervical and uterine cancers was also presented at the ASTRO annual conference.

Isoray has distribution agreements outside of the United States for its brachytherapy seed. These distributors are responsible for obtaining regulatory clearance to sell the Company's products in their territories, with the support of the Company. As of the date of this Report, Isoray has distributors in the Russian Federation, Peru, and India with no reported revenues in these locations this location during the three or six nine months ended June 30, 2023 September 30, 2023.

Isoray continues to explore how our proprietary isotope, Cesium-131, may be effective in the treatment of additional cancers. We recently entered into a research grant agreement with a leading cancer center to study the treatment of metastatic melanoma. In this immuno-oncology study, Cesium-131 will be used in combination with an immune checkpoint inhibitor. Metastatic melanoma is the most virulent form of skin cancer, often spreading to lymph nodes, the lungs, liver, brain, and tissue under the skin. We also have an agreement with the University of Cincinnati to study the combination of Cesium-131 with the immunotherapy drug Keytruda® in recurrent head and neck cancers.

Merger

On September 27, 2022, the Company entered into an Agreement and Plan of Merger (the "Merger "Original Merger Agreement") by and among the Company, Isoray Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub, Sub"), Viewpoint, and Cameron Gray, as the representative of the Owners (as defined therein) in the Original Merger Agreement), as amended by the First Amendment to Agreement and Plan of Merger entered into by the parties on October 21, 2022 (the "Amendment" "Amendment," and together with the Original Merger Agreement, the "Merger Agreement"). On February 3, 2023 (the "Closing"), the Company completed the merger of Merger of Isoray Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub"), Sub with Viewpoint Molecular Targeting, Inc. ("Viewpoint") (such transaction being the "Merger"). Viewpoint is an alpha-particle radiopharmaceutical company in the alphaemitter market developing oncology therapeutics and complementary imaging agents. In connection with the Closing, the Company issued 136,545,075 shares of common stock, representing approximately 49% of the fully-diluted outstanding capital stock of the Company, to the stockholders of Viewpoint, with 10% of those shares being held in escrow by U.S. Bank National Association ("U.S. Bank") for the twelve-month period following the Closing pursuant to the terms of the Merger Agreement and an escrow agreement entered into among the Company, U.S. Bank and Cameron Gray.

For a more detailed summary of the Merger Agreement, see our Forms 8-K filed with the SEC on September 28, 2022 and on February 6, 2023 and , as well as our Form 8-K/A filed with the SEC on April 21, 2023.

Results of Operations

Three months ended June September 30, 2023, and 2022 (in thousands) thousands, except for percentages):

	Three months ended June 30,					Three months ended September 30,				
	2023		2022		2023 - 2022	2023		2022		2023 - 2022
	Amount	% (a)	Amount	% (a)	% Change	Amount	% (a)	Amount	% (a)	% Change
Sales, net	$ 1,500	72	$ 2,505	100	(40)	$ 1,909	87	$ 1,717	100	11
Grant revenue	588	28	-	-	100	276	13	-	-	100
Total revenue	2,088	100	2,505	100	(17)	2,185	100	1,717	100	27
Cost of sales	1,840	88	1,579	63	17	1,447	66	1,303	76	11
Gross profit	248	12	926	37	(73)	738	34	414	24	78
Operating expenses:										
Research and development expenses	5,653	271	796	32	610	5,721	262	708	41	708
Sales and marketing expenses	911	44	654	26	39	855	39	800	47	7
General and administrative expenses	5,073	243	1,582	63	221	4,696	215	3,114	181	51
Change in estimate of asset retirement obligation	(15)	(1)	-	-	100					
Total operating expenses	11,622	557	3,032	121	283	11,272	516	4,622	269	144
Operating loss	$(11,374)	(545)	$ (2,106)	(84)	440	$(10,534)	(482)	$ (4,208)	(245)	150

(a) Expressed as a percentage of sales, net

Six Nine months ended June September 30, 2023, and 2022 (in (in thousands, except for percentages)

	Six months ended June 30,					Nine months ended September 30,				
	2023		2022		2023 - 2022	2023		2022		2023 - 2022
	Amount	% (a)	Amount	% (a)	% Change	Amount	% (a)	Amount	% (a)	% Change
Sales, net	$ 3,330	80	$ 5,415	100	(39)	$ 5,239	83	$ 7,132	100	(27)
Grant revenue	821	20	-	-	100	1,097	17	-	-	100
Total revenue	4,151	100	5,415	100	(23)	6,336	100	7,132	100	(11)
Cost of sales	3,416	82	3,048	56	12	4,863	77	4,351	61	12
Gross profit	735	18	2,367	44	(69)	1,473	23	2,781	39	(47)
Operating expenses:										
Research and development expenses	9,510	229	1,345	25	607	15,231	240	2,053	29	642
Sales and marketing expenses	1,723	42	1,341	25	28	2,578	41	2,141	30	20
General and administrative expenses	12,096	291	3,163	58	282	16,792	265	6,277	88	168
Change in estimate of asset retirement obligation	(15)	(1)	-	-	-	(15)	(1)	-	-	-
Loss on equipment disposal	22	1	-	-	100	22	1	-	-	100
Total operating expenses	23,336	562	5,849	108	299	34,608	546	10,471	147	230
Operating loss	$ (22,601)	(544)	$ (3,482)	(64)	549	$ (33,135)	(523)	$ (7,690)	(108)	331

(a) Expressed as a percentage of sales, net

Revenue

Total revenue for the three months ended June 30, 2023 September 30, 2023 increased by $468,000 to $2.19 million from $1.72 million, decreased by $417,000 to $2.1 million from $2.5 million or 17% 27%, compared to the three months ended June 30, 2022 September 30, 2022. Our The primary reason for the increase is a supply disruption in the prior year period and grant revenues from our drug operations segment offset by the loss of our largest customer. During the three months ended September 30, 2022, we experienced an unplanned service disruption at one of our isotope supplier's nuclear reactors. This resulted in the Company being temporarily unable to supply our customers with product from mid-August 2022 through early September 2022 when isotope supply resumed. Additionally, our former medical director and historically our largest customer has not placed any orders since our isotope supply resumed after experiencing a supply disruption in August and September 2022 as discussed in our Form 10-KT filed with the SEC on May 1, 2023. Although this customer has not indicated he has plans to cease ordering from us altogether, we have not received any orders from him and this is continuing to impact our sales. The Company's sales personnel continue to focus on bringing in new accounts while also working with existing and former customers to increase their order volumes. Grant revenue is derived from Viewpoint's work for the National Institutes of Health and the Company did not have any grant revenue prior to the acquisition of Viewpoint.

The sales breakdown between prostate and non-prostate applications is set forth below.

Three months ended June September 30, 2023, and 2022 (in thousands) (in thousands, except for percentages):

	Three months ended June 30,					Three months ended September 30,				
	2023		2022		2023 - 2022	2023		2022		2023 - 2022
	Amount	% (a)	Amount	% (a)	% Change	Amount	% (a)	Amount	% (a)	% Change
Prostate brachytherapy	$ 806	39	$ 1,761	70	(54)	$ 1,203	55	$ 1,167	68	3
Other revenue (b)	1,282	61	744	30	72	982	45	550	32	78
Revenue, net	$ 2,088	100	2,505	100	(17)	$ 2,185	100	1,717	100	27

(a) Expressed as a percentage of sales, net

(b) Includes Grant revenue

Six Nine months ended June 30, 2023, September 30, 2023, and 2022 (in thousands) (in thousands, except for percentages):

	Six months ended June 30,					Nine months ended September 30,				
	2023		2022		2023 - 2022	2023		2022		2023 - 2022
	Amount	% (a)	Amount	% (a)	% Change	Amount	% (a)	Amount	% (a)	% Change
Prostate brachytherapy	$ 1,762	42	$ 3,948	73	(55)	$ 2,965	47	$ 5,115	72	(42)
Other revenue (b)	2,389	58	1,467	27	63	3,371	53	2,017	28	67
Revenue, net	$ 4,151	100	5,415	100	(23)	$ 6,336	100	7,132	100	(11)

(a) Expressed as a percentage of sales, net

(b) Includes Grant revenue

Prostate Brachytherapy

Prostate sales decreased increased by $955,000 $0.03 million to $806,000 $1.20 million from $1.8 million $1.17 million, or by approximately 54% 3%, and decreased by $2.19 million $2.15 million to $1.76 million $2.97 million from $3.95 million $5.12 million, or 55% 42%, during the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The primary reason for the increase in the three months ended September 30, 2023, compared to the three months ended September 30, 2022, was due to higher sales volumes mainly resulting from not having a supply disruption like what the Company experienced during the three months ended September 30, 2022. The supply disruption resulted in the Company being temporarily unable to supply our customers with prostate brachytherapy products from mid-August 2022 through early September 2022 when isotope supply resumed. The main reason for the decrease related to the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is that our former medical director and historically largest customer has not placed any orders since isotope supply resumed after a the supply disruption in August and September 2022 as discussed in our Form 10-KT filed with the SEC on May 1, 2023. Sales to facilities at which our former medical director practiced were $785,000 $279,000 and $1.7 million $1.9 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. Although this customer has not indicated he has plans to cease ordering from us altogether, we have not received any orders from him, and this is continuing to impact our sales. The remaining decrease is from lower overall sales volumes to other customers.

Management continues to see positive momentum in the number of patients being treated with Cesium-131 each month, marking a return to growth as compared to the same period in the prior year, and believes growth in prostate brachytherapy revenues will be the result of physicians, payors, and patients increasingly considering overall treatment advantages including costs compared with non-brachytherapy treatments, better treatment outcomes and improvement in the quality of life for patients. The rebound was driven by engagement with current customers, as well as new customers adopting Cesium-131 in their brachytherapy programs. Additionally, increased utilization of Cesium-131 is evident in our core prostate business, as well as in other disease areas, notably lung and brain brachytherapy.

Other Revenue

Other revenue includes, but is not limited to, brain, lung, head/neck, gynecological, pelvis treatments, and grant revenue, as well as services. Other revenue increased by $538,000 $432,000 to $1.3 million $982,000 from $744,000 $550,000, or by 72% 78%, and by $922,000 $1.35 million to $2.4 million $3.37 million from $1.5 million $2.08 million, or 63% 67%, for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The main driver of this growth was increased treatments for brain cancer including GammaTile™, as well as increase in grant revenue. Initial applications for these other brachytherapy treatments are primarily used in recurrent cancer treatments or salvage cases that are generally difficult to treat aggressive cancers where other treatment options are either ineffective or unavailable.

Other brachytherapy treatments are subject to the influence of a small pool of innovative physicians who are the early adopters of the technology who also tend to be faculty at teaching hospitals training the next generation of physicians. This causes the revenue created by these types of treatment applications to be more volatile and varies significantly from year to year. Individual centers weigh the value of the procedure with their other treatment priorities on a patient by patient patient-by-patient basis.

Other brachytherapy treatments, such as brain, lung, and head/neck are typically performed in the in-patient setting using the DRG or diagnostic related groups. groups ("DRGs"). DRGs are designed for Medicare to set payment levels for hospital in-patient services. Other health insurers may follow Medicare reimbursement when setting their payment rates. When these other types of brachytherapy are performed in the out-patient setting, existing codes for Cesium-131 that are also used for prostate brachytherapy are used to bill for these procedures.

GammaTile™

For the three and six nine months ended June 30, 2023 September 30, 2023, total revenues from sales including minimum order fees to GT Medical Technologies, Inc. were approximately 24% of sales. This significant increase in the percentage of sales was primarily due to the overall decrease in prostate sales.

Grant Revenue

Our alpha-therapy business is pre-revenue and, so accordingly, none of the revenues reflect sales of any of these products which are still under development. Grant revenues of $588,000 $276,000 for the three months ended June 30, 2023 September 30, 2023 and $821,000 $1.1 million for the six nine months ended June 30, 2023 September 30, 2023 are derived from Viewpoint's work for the National Institutes of Health. Perspective Therapeutics did not have any grant revenue prior to the acquisition of Viewpoint.

Cost of sales

Cost of sales consists primarily of the costs of manufacturing and distributing the Company's brachytherapy products and for the three and six nine months ended June 30, 2023 September 30, 2023 increased by $261,000 $144,000 to $1.8 million $1.45 million from $1.6 million $1.30 million, or 17% 11%, and by $368,000 $512,000 to $3.4 million $4.86 million from $3.0 million $4.35 million, or 12%, compared to the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

Contributing to the increase in the three months ended June 30, 2023 September 30, 2023, and 2022 comparison was an increase in isotope costs of $149,000 mainly relating to a weekly purchase of isotope that were not made from mid-August 2022 through early September 2022 due to the write-off of the Blu Build loading device inventory of approximately $298,000 as the Company determined to discontinue sales of its Blu Build loading device during the quarter ended June 30, 2023. unplanned service disruption. The increase in the comparison of the six nine months ended June 30, 2023 September 30, 2023, and 2022 was the write-off of the Blu Build loader inventory of $298,000 and an increase in isotope costs of $104,000 $253,000 due in part to an increase in quantity purchased due to minimum quantities imposed by our supplier as well as an increase in price under the New 2023 Agreement. Agreement and a return to weekly purchase of isotope that were not made from mid-August 2022 through early September 2022 due to the unplanned service disruption.

Viewpoint's operations did not contribute to cost of sales as it is at a pre-revenue stage.

Gross Profit

Contributing to the three months ended June 30, 2023 September 30, 2023, versus the three months ended June 30, 2022 September 30, 2022, gross profit decline increase of $678,000 $324,000 to $248,000 $738,000 from $926,000 $414,000 was lower than anticipated sales by 17% due primarily related to sales decreasing from the loss of a large customer described above along with the Blu Build inventory write-off of $298,000, partially offset by grant revenue of $588,000 related to Viewpoint. $276,000 as well as an increase in brachytherapy sales of 11% as the prior year period sales were impacted by the supply disruption. The decline in the six nine months ended June 30, 2023 September 30, 2023, versus the six nine months ended June 30, 2022 September 30, 2022, gross profit of $1.6 million $1.3 million to $735,000 $1.5 million from $ $2.4 million $2.8 million was due to lower than anticipated sales of 23% due to sales decreasing from the loss of a large customer along with the Blu Build inventory write-off of $298,000, and increases in isotope costs of $104,000 $253,000 due in part to an increase in quantity purchased due to minimum quantities imposed by our supplier as well as an increase in price under the New 2023 Agreement, partially offset by $588,000 $1.1 million of grant revenue related to Viewpoint.

Research and development

Research and development consists primarily of employee and third party costs related to research and development activities.

The significant increase in research and development costs of $4.9 million $5.0 million to $5.7 million from $796,000 $708,000, or 610% 708%, and of $8.2 million $13.2 million to $9.5 million $15.2 million from $1.3 million $2.1 million, or 607% 642%, in the three and six nine months ended June 30, 2023 September 30, 2023 compared to the three and six nine months ended June 30, 2022 September 30, 2022, respectively, is the result of the addition of the Viewpoint operations resulting in a significant increase in payroll and other research and development activities. Viewpoint is in the development stage and spends a significant amount of capital on research and development.

Contributing to the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 comparison was an increase in costs of $5.3 million $5.5 million and $8.2 $13.7 million, respectively, related to the development of the Company's alpha therapy drug products gained through the Merger with Viewpoint. The Company's legacy research and development expenses decreased by by approximately $436,000 $472,000 for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022 due primarily to $257,000 $55,000 in lower consulting protocol expense and $154,000 $391,000 in lower payroll costs as the Company focuses on development of its alpha therapy drug product candidates. The Company's legacy research and development expenses decreased by about $84,000 $556,000 in the six nine months ended June 30, 2023 September 30, 2023 compared to June 30, 2022 September 30, 2022 as decreases in consulting expenses of $246,000 $254,000 and payroll costs of $188,000 $472,000 were partially offset by an increase of $296,000 in share-based compensation related to acceleration of awards as a result of the Merger, and an increase of $108,000 $53,000 in protocol expense.

Management believes that research and development expenses will increase as we continue to invest in the development of new drugs and products in the alphaemitter space.

Sales and marketing expenses

Sales and marketing expenses consist primarily of the costs related to the internal and external activities of the Company's sales, marketing, and customer service functions of the brachytherapy business of the Company.

Contributing to the three months ended June 30, 2023 September 30, 2023, and 2022 increase of $257,000 $55,000 to $911,000 $855,000 from $654,000 $800,000 was $180,000 $7,000 of increased share-based compensation related to awards granted in June 2023, $18,000 $42,000 relating to annual merit increases and a new employee, and increased marketing costs of $32,000 $7,000 in the brachytherapy business. The increase of $382,000 $437,000 to $1.7 million $2.6 million from $1.3 million $2.1 million in the six nine months ended June 30, 2023 September 30, 2023, versus the six nine months ended June 30, 2022 September 30, 2022, is due to $299,000 of share-based compensation related to awards granted in June 2023 and the acceleration of awards as a result of the Merger, and increased marketing costs of $61,000 $49,000 in the brachytherapy business. business, and $100,000 increase in compensation due to annual merit increases and a new employee.

The Viewpoint operations have no sales and marketing expenses.

General and administrative expenses

General and administrative expenses consist primarily of the costs related to the executive, human resources/training, quality assurance/regulatory affairs, finance, and information technology functions of the Company.

The primary reasons for the increase in general and administrative expenses of $3.5 million $1.6 million to $5.1 million $4.7 million from $1.6 million $3.1 million for the three months ended June 30, 2023 September 30, 2023, compared to the three months ended June 30, 2022 September 30, 2022, were increased legal expenses of $211,000, share-based compensation related to awards granted in June 2023 of $139,000, accrued bonuses of $219,000, and consulting expenses of $282,000 along with $2.6 million $2.1 million of general and administrative expenses related to personnel and other expenses from the Viewpoint operations for the three months ended June 30, 2023. September 30, 2023 and an increase related to severance of $185,000 offset by decreases in share-based compensation of $167,000, payroll of $227,000, legal of $169,000 and consultants of $323,000 primarily related to the Merger expenses incurred in the prior year period. For the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022 general and administrative expenses increased by $8.9 million $10.5 million to $12.1 million $16.8 million from $3.2 million $6.3 million due to an increase of $899,000 $733,000 in share-based compensation primarily related to awards granted in June 2023 and the acceleration of awards as a result of the Merger, $576,000 $387,000 in increased audit and legal fees, $1.6 million in change of control payments related to the Merger with Viewpoint, an increase of $171,000 $90,000 in accrued bonuses and $328,000 $1.4 million in increased consulting expenses along with $3.7 $5.8 million of general and administrative expenses related to personnel and other expenses from the Viewpoint operations for the six nine months ended June 30, 2023 September 30, 2023.

As a result of the Merger, the Company significantly increased not only its total number of employees from 62 to 91 but also increased its executive staff positions.

Tax

Deferred income tax benefit for the three and six nine months ended June 30, 2023 September 30, 2023, was $0 and $10,500,000, respectively. The deferred income tax benefit for the six nine months ended June 30, 2023 September 30, 2023 resulted from temporary differences between our accounting and tax treatment associated with our Merger with Viewpoint.

Liquidity and capital resources

The Company assesses its liquidity in terms of its ability to generate cash to fund its operating, investing, and financing activities. We have had a history of operating losses and an absence of significant recurring cash inflows from revenue, and at June 30, 2023 September 30, 2023, we had a total accumulated deficit of $117.4 million. $127.8 million. The Company has historically financed its operations primarily through selling equity to prospective investors. During the six nine months ended June 30, 2023 September 30, 2023, and 2022, the Company used existing cash reserves to fund its operations and capital expenditures (in thousands except current ratio):

	Six months ended June 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net cash (used) by operating activities	$(17,795)	$ (4,315)	$(27,905)	$ (6,078)
Net cash provided (used) by investing activities	24,689	(149)	24,462	(35,315)
Net cash (used) by financing activities	432	-	433	28
Net increase (decrease) in cash and cash equivalents	$ 7,326	$ (4,464)	$ (3,010)	$ (41,365)

	As of		As of	
	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Working capital	$ 23,365	$ 50,539	$ 13,573	$ 50,539
Current ratio	3.72	19.89	2.67	19.89

Cash flows from operating activities

Net cash used by operating activities in the six nine months ended June 30, 2023 September 30, 2023, was primarily due to a net loss of approximately $11.5 $21.8 million net of approximately $7,180,000 $6,405,000 in adjustments for non-cash activity such as share-based compensation, depreciation and amortization expense, accretion of asset retirement obligation, loss on property and equipment disposals, write-off of inventory, and changes in deferred taxes. Changes in operating assets and liabilities contributed approximately $862,000 $333,000 to the cash used by operating activities; decreases in inventory and accounts receivable, increases in accounts payable, accrued protocol and accrued payroll and related taxes were offset by increases in prepaid expenses and other current assets and accounts receivable, decreases in accounts payable, accrued vacation and accrued radioactive waste disposal.

Net cash used by operating activities in the six nine months ended June 30, 2022 September 30, 2022, was primarily due to a net loss of approximately $3.4 $7.5 million net of approximately $480,000 $980,000 in adjustments for non-cash activity such as share-based compensation, depreciation and amortization expense, and accretion of asset retirement obligation. Changes in operating assets and liabilities contributed approximately $1,370,000 $435,000 to the cash used by operating activities; decreases in accounts receivable, and an increase in accounts payable, accrued protocol, accrued radioactive waste, and accrued payroll and related taxes were offset by increases in inventory and prepaid expenses and other current assets, and an increase in accrued payroll and related taxes and accounts payable were offset by increases in inventory. assets.

Cash flows from investing activities

Investing activities for the six nine months ended June 30, 2023 September 30, 2023, and 2022 respectively, consisted of transactions related to the purchase of fixed assets and in the six nine months ended June 30, 2023 September 30, 2023 included proceeds from the maturity of short-term investments in U.S. treasury bills and cash acquired as part of the Merger with Viewpoint. Included in the nine months ended September 30, 2022 were purchases of short-term investments in U.S. treasury bills. Management plans to continue to invest in technology and machinery that improves and streamlines production processes and to invest in low-risk investment opportunities that safeguard assets and provide greater assurance those resources will be liquid and available for business needs as they arise.

Cash flows from financing activities

Financing activities in the six nine months ended June 30, 2023 September 30, 2023 included cash provided by the exercise of options of approximately $532,000 $554,000 and costs of approximately $65,000 pursuant to issuance costs related to common stock issued in exchange for Viewpoint common stock and $35,000 $56,000 repayment of notes payable. Financing activities in the nine months ended September 30, 2022 included cash provided by the exercise of options of approximately $28,000.

Projected fiscal 2023 liquidity and capital resources

Operating activities

We have had recurring losses since inception. As of September 30, 2023, we had cash and cash equivalents of approximately $18.0 million and an accumulated deficit of $127.8 million. Our continued viability is dependent on the ability to successfully obtain additional working capital and ultimately attain profitable operations in our brachytherapy operations. Management forecasts that fiscal 2023 cash requirements will increase compared to previous years and that current cash and cash equivalents will not be sufficient to meet current projected operating cash needs for at least the next twelve months from the date the consolidated financial statements in this report were issued based on current projected patient enrollments and deferral of certain pipeline assets that are not currently in clinical and certain other non-clinical activities. issued. Monthly operating expenses are budgeted to increase for sales and marketing, research and development and general and administrative expenses for the remainder of fiscal 2023 compared to fiscal 2022 as management works to implement its strategy to integrate Viewpoint's operations and increase revenues of its Cesium-131 brachytherapy seed. Management anticipates a significant increase of expenses particularly in research and development for the Viewpoint operations coupled with the loss of its largest brachytherapy customer likely making cashflow break-even for the entire Company not possible within the next three to four years. There is no assurance that the Company will be able to replace the loss of its largest brachytherapy customer by adding additional customers in the near future. The Company missed its target of increased revenue in the first six nine months of calendar 2023 and there is no assurance that targeted sales growth will continue over the next three to four years. With the completion of the Merger, if the added general and administrative and research and development expenses of Viewpoint cannot be met with cash reserves or revenues then the Company will need to evaluate raising additional cash through licensing existing assets, capital raises, or other activities.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the date these unaudited condensed consolidated financial statements are issued. Based on our current operating plan, we believe that our existing cash and cash equivalents of $18.0 million as of September 30, 2023 will be sufficient to fund our operating expenses and capital expenditure requirements into late second quarter of 2024. Management's plan to mitigate the conditions that raise substantial doubt includes generating additional revenues in its brachytherapy operations, deferring certain projects and capital expenditures, licensing existing assets, strategic alliances, and third-party funding for the Company to continue as a going concern. However, there can be no assurance that the Company will be successful in completing any of these options. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we advance and expand preclinical activities, clinical trials and potential commercialization of our product candidates. Our costs will also increase as we:

- continue the development of our clinical-stage metastatic melanoma tumor and neuroendocrine tumor assets;
- continue the development of our other product candidates;
- continue to initiate and progress other supporting studies required for regulatory approval of our product candidates;
- initiate preclinical studies and clinical trials for any additional indications for our current product candidates and any future product candidates that we may pursue;
- continue to build our portfolio of product candidates through the acquisition or in-license of additional product candidates or technologies;
- continue to develop, maintain, expand and protect our intellectual property portfolio;
- pursue regulatory approvals for our current and future product candidates that successfully complete clinical trials;
- support our sales, marketing and distribution infrastructure to commercialize any future product candidates for which we may obtain marketing approval; and
- hire additional clinical, medical, commercial, and development personnel.

At June 30, 2023 September 30, 2023, we had cash and cash equivalents of $28.3 million. $18.0 million. We expect that our cash, as of the date of this Quarterly Report on Form 10-Q, will not be sufficient to fund our current forecast for operating expenses, financial commitments and other cash requirements for at least the next twelve months from the date the consolidated financial statements in this report were issued based on current projected patient enrollments and deferral of certain pipeline assets that are not currently in clinical and certain other non-clinical activities. issued. We expect we will need to raise additional capital until we are profitable, which may never occur. If no additional capital is raised through either public or private equity financings, debt financings, strategic relationships, alliances and licensing agreements, or a combination thereof, we may delay, limit or reduce discretionary spending in areas related to research and development activities and other general and administrative expenses in order to fund our operating costs and working capital needs.

We have based these estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We expect that we will require additional capital to pursue in-licenses or acquisitions of other product candidates. If we receive regulatory approvals for our product candidates, we expect to incur commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize or whether we commercialize jointly or on our own.

Because of the numerous risks and uncertainties associated with research, development and commercialization of our product candidates, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;

- the costs, timing and outcome of regulatory review of our product candidates;
- the costs and timing of hiring new employees to support our continued growth;
- the costs of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the extent to which we acquire or in-license other product candidates and technologies. technologies; and
- our ability to generate cash, and successfully obtain additional working capital, to fund our operating, investing, and financing activities working capital.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of public and private equity offerings, debt financings, other third-party funding, strategic alliances, licensing arrangements or marketing and distribution arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing shareholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through other third-party funding, strategic alliances, licensing arrangements, outright sales of product candidates or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we will be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Capital expenditures

Management is reviewing all aspects of production operations (including process automation), research and development, sales and marketing, and general and administrative functions to evaluate the most efficient deployment of capital to ensure that the appropriate materials, systems, and personnel are available to support and drive sales.

Financing activities

When it does require capital in the future, the Company expects to finance its future cash needs through licensing existing assets, sales of equity, possible strategic collaborations, debt financing or through other sources that may be dilutive to existing stockholders. Management anticipates that if it raises additional financing that it may be at a discount to the market price and it will be dilutive to stockholders.

Other commitments and contingencies

The Company presented its other commitments and contingencies in our Transition Report on Form 10-KT for the period ended December 31, 2022. There have been no material changes outside of the ordinary course of business in those obligations during the six nine months ended June 30, 2023 September 30, 2023, other than those previously disclosed in note 9 of the financial statements contained in this filing.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and co-principal financial officers, we conducted an evaluation of the design and operation of our disclosure controls and procedures, as such term is defined under Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended (the Exchange Act), as of June 30, 2023 September 30, 2023. Based on that evaluation, our principal executive officer and our co-principal financial officers concluded that the design and operation of our disclosure controls and procedures were effective. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. However, management believes that our system of disclosure controls and procedures are designed to provide a reasonable level of assurance that the objectives of the system will be met.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

Other than as disclosed under "*ITEM 1A- 1A - RISK FACTORS*" in our Form 10-KT for the period ended December 31, 2022 under the heading "**The Legal and Regulatory Risks Related to the Company Operations**—*If We Fail To Comply With Applicable Healthcare Regulations, We Could Face Substantial Penalties And Our Business, Operations And Financial Condition Could Be Adversely Affected, for pending governmental proceedings*." the Company is only involved in ordinary routine litigation incidental to its business. The Company amends and supplements such disclosure as follows:

On February 14, 2023, the Company was informed by the Office of the United States Attorney for the Northern District of California (the "Office") that the Office is investigating whether the Company's payments to its former medical director may have violated the False Claims Act and the Anti-Kickback Statute. From February 2006 until September 2022, the Company engaged a physician to serve as its medical director. The physician was the head of a physician practice that was a top customer of the Company. As medical director, the physician advised the Company's Board of Directors and management, provided technical advice related to product development and research and development, provided internal training to the Company's sales staff and provided professional training to the Company's sales staff and to other physicians, among other things. The letter invited the Company to produce documents voluntarily or receive a civil investigative demand requiring the production of documents. The Company promptly commenced an internal review of the matter, and its review is ongoing. In mid-April 2023, the Company voluntarily produced documents in response to the Office's request. The Office is now reviewing the Company's submission.

On July 17, 2023, the Company was informed by the California Department of Insurance (the "CA DOI") that the CA DOI is conducting a substantially similar investigation to the one undertaken by the Office. The CA DOI requested the same materials the Company previously provided to the Office, and the Company has complied with this request.

On September 18, 2023, the Office informed the Company that there was a qui tam action underlying its investigation, and that the Office had declined to intervene in that action, and that the CA DOI similarly would not pursue any action against the Company regarding those same qui tam allegations. The qui tam action was originally filed on October 11, 2022, and unsealed on or about August 11, 2023. On November 8, 2023, the complainant filed a notice to dismiss the complaint without prejudice; that notice stated that both the United States and the State of California would consent to dismissal without prejudice.

ITEM 1A – RISK FACTORS

A description of the risk factors associated with our business is included under "Risk Factors" contained in Part I, Item 1A of our transition report on Form 10-KT for the period ended December 31, 2022. There have been no material changes in our risk factors since such filing, except for the following:

We Rely Heavily on Two Customers

For the six nine months ended June 30, 2023 September 30, 2023, approximately 44% 41% of the Company's revenues were dependent on two customers, with approximately 24% being generated by one customer. The loss of either of these customers would have a material adverse effect on the Company's revenues that may not be replaced by other customers, particularly as some of these customers are in the prostate sector which is facing substantial competition from other treatments. Our former medical director and historically our largest customer has not placed any orders since isotope supply resumed in September 2022 following a supply disruption in August and September 2022 as discussed in our Form 10-KT filed with the SEC on May 1, 2023 and this has had a material impact on our revenues.

We Have Identified Conditions and Events That Raise Substantial Doubt About Our Ability to Continue as a Going Concern

As of September 30, 2023, we had cash and cash equivalents of $18.0 million and total accumulated deficit of $127.8 million. We have incurred significant net losses since inception and also expect to incur substantial losses in future periods. Our continuation as a going concern is dependent on our ability to generate sufficient cash flows from operations and/or obtain additional capital through equity or debt financings, partnerships, collaborations, or other sources. The Company has historically financed its operations primarily through selling equity to prospective investors.

The future success of the Company is dependent on its ability to successfully obtain additional working capital. The Company is working to obtain profitability in its brachytherapy operations and to reduce expenditures in its drug operations. However, the drug operation assets are still in early clinical and pre-clinical phases and will require additional capital to bring the assets to commercialization.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the date the unaudited condensed consolidated financial statements included as part of this Form 10-Q are issued. Management's plan to mitigate the conditions that raise substantial doubt includes generating additional revenues in its brachytherapy operations, deferring certain projects and capital expenditures, licensing existing assets, strategic alliances, and third-party funding for the Company to continue as a going concern. However, there can be no assurance that the Company will be successful in completing any of these options. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 – OTHER INFORMATION

None.

ITEM 6 – EXHIBITS

(Except as otherwise indicated (a) all exhibits were previously filed, (b) all omitted exhibits are intentionally omitted, and (c) all documents referenced below were filed under SEC file number 001-33407.)

Exhibits:

2.1	Agreement and Plan of Merger, dated September 27, 2022, by and between Isoray, Inc., Isoray Acquisition Corp., Viewpoint Molecular Targeting, Inc., and Cameron Gray, incorporated by reference to Exhibit 2.1 of the Form 8-K filed on September 28, 2022.
2.2	First Amendment to Agreement and Plan of Merger, dated October 21, 2022, between Isoray, Inc., Isoray Acquisition Corp., Viewpoint Molecular Targeting, Inc., and Cameron Gray, incorporated by reference to Exhibit 2.1 of the Form 8-K filed on October 24, 2022.
3(i)	Amended and Restated Certificate of Incorporation of Perspective Therapeutics, Inc. as of February 14, 2023, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on February 16, 2023.
3(ii)	Amended and Restated Bylaws of Perspective Therapeutics, Inc. as of February 14, 2023, incorporated by reference to Exhibit 3.2 of the Form 8-K filed on February 16, 2023.
4.1* 10.1*	Description of the Registrant's Securities. Separation agreement between Perspective Therapeutics, Inc., and Jennifer Streeter, effective August 28, 2023.
10.1* 10.2***	Executive Employment Agreement, dated effective June 16, 2023, by Second Amended and between the Company and Johan Spoor, Restated 2020 Equity Incentive Plan, incorporated by reference to Exhibit 10.1 of the Form 8-K filed on June 23, 2023 October 12, 2023.
10.2***	Executive Employment Agreement, dated effective June 16, 2023, by and between the Company and Jonathan Hunt, incorporated by reference to Exhibit 10.2 of the Form 8-K filed on June 23, 2023.
10.3***	Executive Employment Agreement, dated effective June 16, 2023, by and between the Company and Dr. Markus Puhlmann, incorporated by reference to Exhibit 10.3 of the Form 8-K filed on June 23, 2023.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Co-Principal Financial Officer

31.3*	Rule 13a-14(a)/15d-14(a) Certification of Co-Principal Financial Officer
32.1**	Section 1350 Certifications
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
** Furnished herewith
***Denotes Management Contract or Compensatory Plan or Arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 11, 2023 November 14, 2023

PERSPECTIVE THERAPEUTICS, INC., a Delaware corporation

/s/ Johan (Thijs) Spoor

Johan (Thijs) Spoor

Chief Executive Officer
(Principal Executive Officer)

/s/ Jonathan Hunt

Jonathan Hunt

Chief Financial Officer
(Co-Principal Financial Officer)

/s/ Mark J. Austin

Mark J. Austin

Vice President of Finance and Corporate Controller
(Co-Principal Financial Officer, Principal Accounting Officer, Corporate Secretary)

Exhibit 4.1 10.1

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

This Confidential Separation Agreement and General Release (the "Agreement") is being entered into between Jennifer Streeter ("Employee") and Perspective Therapeutics, Inc. (the "Company") in connection with the without cause termination of Employee's employment with the Company as of July 14, 2023 (the "Separation Date").

DESCRIPTION OF THE REGISTRANT 1.'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 Final Wages; Resignation from Board Positions.

Regardless of whether Employee executes this Agreement, Employee will be paid all outstanding, earned and accrued wages through the Separation Date, and all accrued but unused vacation (if any) through the Separation Date, less the appropriate federal, state and local taxes and other withholdings, as determined by the Company, and any accrued and vested benefits under the employee benefit plan in which Employee is a participant. Pursuant to the Employment Agreement by and between Employee and Isoray Inc. dated May 26, 2021 (the "Employment Agreement"), regardless of whether Employee executes this Agreement, Employee will also (i) be reimbursed for all approved, but unreimbursed, business expenses, provided that Employee makes a request for reimbursement of business expenses within five (5) business days of the Separation Date and (ii) continue to receive the remainder of the twelve (12) months' pay set forth in Section 5(d) of the Employment Agreement that had not yet been paid as of the Separation Date, in accordance with the Company's regular payroll practices. As of the date Separation Date, Employee shall be deemed to have resigned from all officer and board member positions that Employee holds with the Company or any of the Quarterly Report on Form 10-Q of which this exhibit forms a part, the only class of securities of Perspective Therapeutics, Inc. ("we,""us" its respective subsidiaries and "our") registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is our common stock, $0.001 par value per share. affiliates.

The following description of our common stock summarizes provisions of our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), our Amended and Restated Bylaws (the "Bylaws") and the Delaware General Corporation Law (the "DGCL"). For a complete description, refer to our Certificate of Incorporation and our Bylaws, which are incorporated by reference as exhibits to the Quarterly Report on Form 10-Q of which this exhibit is a part, and to the applicable provisions of the DGCL.

General

We are authorized to issue up to 750,000,000 shares of common stock, par value $0.001 per share. As of August 9, 2023, there were 280,571,026 shares of our common stock outstanding. As of August 9, 2023, we had approximately 231 stockholders of record. This figure does not reflect the number of beneficial owners of shares of our common stock as a single stockholder of record often holds shares in nominee name (also referred to as, in "street name") on behalf of multiple beneficial owners.

The holders of our common stock have no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares of common stock. All of the outstanding shares of our common stock are, and the shares of our common stock when issued will be, fully paid and nonassessable.

Voting. Holders of our common stock are entitled to one vote per share of common stock on all matters to be voted on by our stockholders, provided, however, that, except as otherwise required by law, holders of common stock are not entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled,

either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation. The Bylaws provide that except as otherwise provided by applicable law, the Certificate of Incorporation, or the Bylaws, the presence, in person or by proxy, of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting constitutes a quorum.

Dividends. Our Board of Directors (the "Board"), in its sole discretion, may declare and pay dividends on our common stock, payable in cash or other consideration, out of funds legally available, if all dividends due on the preferred stock have been declared and paid. We have not paid any cash dividends on our common stock and do not plan to pay any cash dividends on our common stock for the foreseeable future.

Liquidation, Subdivision, or Combination. In the event of any liquidation, dissolution or winding up of us or upon the distribution of our assets, all assets and funds remaining after payment in full of our debts and liabilities, and after the payment to holders of any then outstanding preferred stock of the full preferential amounts to which they were entitled, would be divided and distributed among holders of the common stock.

Registration Rights

In connection with the Merger Agreement, on January 31, 2023, we entered into a Registration Rights and Lock-Up Agreement with each of the stockholders of Viewpoint (the "Registration Rights Agreement")**2. Severance Benefits**. Pursuant to Sections 5(b) and 5(e) of the Registration Rights Employment Agreement (i) we agreed if Employee executes and does not revoke this Agreement, complies with its terms, and the terms set forth in the Employment Agreement including but not limited to file a resale registration statement for section 5(e) of the Registrable Securities (as defined therein) no later than 30 days Employment Agreement (the "Conditions"), the Company will provide Employee with the following benefits referred to herein as "Severance Benefits":

a. Salary Continuation Payments. The Company will pay Employee, as severance, the equivalent of six (6) months of Employee's base salary in effect as of the Separation Date, subject to standard payroll deductions and withholdings. This amount will be paid over the course of six (6) months in accordance with the Company's standard payroll practices, beginning on the first reasonably practicable regularly scheduled payday following the closing of the merger, and to use commercially reasonable efforts to cause it to become effective as promptly as practicable following such filing, (ii) the stockholders have been granted certain piggyback registration rights with respect to registration statements filed subsequent to the closing of the merger, and (iii) the Lock-Up Holders (as defined in therein) agreed, subject to certain customary exceptions, not to sell, transfer, or dispose of any of our common stock until the earlier of (a) six months, or (b) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities, or other property. Effective Date.

Anti-Takeover Provisions**b. COBRA**. If Employee is eligible for and timely elects to continue Employee's health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or the state equivalent, the Company will subsidize the cost of the COBRA premiums for Employee and Employee's eligible dependents, if any, until the earlier of (A) six (6) months from the Separation Date, (B) the expiration of Employee's eligibility for the continuation coverage under COBRA, or (C) such time as Employee becomes employed by another employer or self-employed through which Employee is eligible for health insurance (thereafter, Employee will be responsible for all COBRA premium payments, if any) (such period from Employee's termination date through the earliest of (A) through (C), the "COBRA Payment Period"). For the avoidance of doubt, Employee will remain responsible for the employee portion of any COBRA payments. Employee agrees to promptly notify the Company if Employee becomes employed by another employer or self-employed through which Employee is eligible for health insurance during the COBRA Payment Period. For purposes of this paragraph, references to COBRA premiums shall not include any amounts payable by Employee under an Internal Revenue Code Section 125 health care reimbursement plan. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the Company cannot provide the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company may in lieu thereof pay Employee a taxable cash amount, which payment shall be made regardless of whether Employee elects health care continuation coverage (the "Health Care Benefit Payment"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid to Employee and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums (which amount shall be calculated based on Employee's COBRA premium for the first month of coverage), and shall be paid until the earlier of (i) the expiration of the COBRA Payment Period or (ii) the date Employee voluntarily enrolls in a health insurance plan offered by another employer or entity.

Sectionc. 203 of The Company will withhold the Delaware General Corporation Law

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned appropriate federal, state and local taxes and other withholdings, as determined by the interested stockholder, those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right Company, from any payments made to determine confidentially whether shares held subject Employee pursuant to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include the following:

- any merger or consolidation involving the corporation or any direct or indirect majority-owned subsidiary of the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder (in one transaction or a series of transactions);
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested stockholder;
- any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation. this Agreement.

***Amended 3. Benefits**. As of the Separation Date, Employee is no longer eligible to participate in any of the Company's benefit plans including, but not limited to, any long term care plans, retirement or 401(k) plans, vacation leave, sick leave, long term disability insurance, life insurance, Long-Term Incentive Plan, or personal accident insurance. Employee may be eligible to participate in a healthcare continuation coverage program such as under Section 4980B of the Internal Revenue Code ("COBRA") or any similar state medical and/or dental insurance continuation coverage program if Employee timely elects COBRA coverage. As of the Separation Date, any unvested equity provided to Employee under any Company-sponsored benefit plan shall be forfeited, and Restated Certificate vested benefits shall be treated in accordance with the terms of Incorporation the applicable benefit plan. For the avoidance of doubt, pursuant to section 11 of the Employment Agreement, as of the Change in Control (as defined therein), all of Employee's then outstanding unvested equity-based awards vested and Amended became immediately exercisable and Restated Bylaws* unrestricted.

Because our stockholders do not have cumulative voting rights, stockholders holding a majority**4. Acknowledgement/Resignation**. Employee acknowledges and agrees that, except as expressly provided in this Agreement, Employee has been fully paid any and all compensation due and owing to Employee, including all wages, salary, commissions, bonuses, incentive payments, variable compensation, profit-sharing payments, expense reimbursements, accrued vacation, leave or other benefits. Employee further acknowledges and agrees that, as of the shares Separation Date, Employee will no longer be eligible to earn, and will cease earning, any wages, commissions, bonuses, incentive payments, variable compensation, profit-sharing payments, leave or other benefits. Employee further agrees that Severance is not compensation for Employee's services rendered through Employee's Separation Date, but rather constitutes consideration for the promises contained in this Agreement, and is above and

beyond any wages or salary or other sums to which Employee is entitled from the Company under the terms of common stock outstanding are able to elect all of our directors. The Bylaws provide that directors may be removed by Employee's employment with the stockholders with Company or without cause upon the vote of a majority of the shares then entitled to vote at an election of directors. Furthermore, the authorized number of directors may be changed only by resolution of our Board, and vacancies and newly created directorships on our Board may, except as otherwise required by law under any other contract, or the Certificate of Incorporation, only be filled by a majority vote of the directors then serving on our Board, even though less than a quorum. law.

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5. General Release. Except for any rights granted under this Agreement, Employee, for Employee's self , and for Employee's heirs, assigns, executors and administrators, hereby releases, remises and forever discharges the Company, its parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and each of their respective members, managers, directors, officers, partners, attorneys, shareholders, administrators, employees, agents, representatives, employment benefit plans, plan administrators, fiduciaries, trustees, insurers and re-insurers, and investors, and all of their predecessors, successors and assigns, and each of their respective members, managers, directors, officers, partners, attorneys, shareholders, administrators, employees, agents, representatives, employment benefit plans, plan administrators, fiduciaries, trustees, insurers and re-insurers, investors (collectively, the "Releasees") of and from all claims, causes of action, covenants, contracts, agreements, promises, damages, disputes, demands, and all other manner of actions whatsoever, in law or in equity, that Employee ever had, may have had, now has, or that Employee's heirs, assigns, executors or administrators hereinafter can, shall or may have, whether known or unknown, asserted or unasserted, suspected or unsuspected, as a result of or related to Employee's employment with the Company, the termination of that employment, or under any other contract, or any act or omission which has occurred at any time up to and including the date of the execution of this Release (collectively, the "Released Claims").

a. Released Claims. The Bylaws also provide Released Claims include, but are not limited to, claims for monetary damages; claims related to Employee's employment with the Company or the termination thereof; claims related to or arising out of any contract with the Company (including, but not limited to the Employment Agreement); claims to severance or similar benefits; claims to expenses, attorneys' fees or other indemnities; claims based on any actions or failures to act that stockholders seeking occurred on or before the date of this Agreement; and claims for other personal remedies or damages sought in any legal proceeding or charge filed with any court or federal, state or local agency either by Employee or by any person claiming to present proposals before a meeting act on Employee's behalf or in Employee's interest. Employee understands that the Released Claims may have arisen under different local, state and federal statutes, regulations, or common law doctrines. Employee hereby specifically, but without limitation, agrees to release all Releasees from any and all claims under each of stockholders to nominate candidates the following:

i. Antidiscrimination laws, such as Title VII of the Civil Rights Act of 1964, as amended, and Executive Order 11246 (which prohibit discrimination based on race, color, national origin, religion, or sex); Section 1981 of the Civil Rights Act of 1866 (which prohibits discrimination based on race or color); the Americans with Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973 (which prohibit discrimination based upon disability); the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 *et seq.* (which prohibits discrimination on the basis of age); the Equal Pay Act (which prohibits paying men and women unequal pay for election as directors equal work); the Arizona Employment Protection Act; the Arizona Civil Rights Act; Arizona's genetic testing laws; or any other business to be properly brought at a meeting of stockholders must provide timely advance notice in writing and specify requirements as to the form and content of a stockholder's notice.

The Certificate of Incorporation provides our Board the authority, without further action by our stockholders, to issue up to 7,000,000 shares of preferred stock in one or more series, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in control.

The combination of these provisions makes it more difficult for our existing stockholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Since our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us.

These provisions are intended to enhance the likelihood of continued stability in the composition of our Board and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

Choice of Forum

Our Bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any claim or counterclaim, including without limitation (i) any derivative action or proceeding brought on behalf of the us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine, shall be a local, state or federal court located within statute, regulation, common law or decision concerning discrimination, harassment, or retaliation on these or any other grounds or otherwise governing the State of Delaware, in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Bylaws. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may result in increased costs for investors to bring a claim. Further, these exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find the exclusive-forum provision in our Bylaws to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A . The transfer agent's address is 462 South 4th Street, Suite 1600, Louisville, Kentucky 40202, and its telephone number is (800) 962-4284. employment relationship.

Listing**ii.** Other employment laws, such as the federal Worker Adjustment and Retraining Notification Act of 1988; the Executive Retirement Income Security Act of 1974 (which, among other things, protects employee benefits); the Fair Labor Standards Act of 1938 (which regulates wage and hour matters); the Family and Medical Leave Act of 1993 (which requires employers to provide leaves of absence under certain circumstances); the Arizona Occupational Health and Safety Act; Arizona's right to work laws; Arizona's employee drug testing laws; the Arizona Medical Marijuana Act; the U.S. Patriot Act; the Sarbanes Oxley Act; the Dodd Frank Act; and any other federal, state, or local statute, regulation, common law or decision relating to employment, reemployment rights, leaves of absence or any other aspect of employment.

Our**iii.** Other laws of general application, such as federal, state, or local laws enforcing express or implied employment agreements or other contracts or covenants, or addressing breaches of such agreements, contracts or covenants; federal, state or local laws providing relief for alleged wrongful discharge or termination, physical or personal injury, emotional distress, fraud, intentional or negligent misrepresentation, defamation, invasion of privacy, violation of public policy or similar claims; common stock law claims under any tort, contract or other theory now or hereafter recognized, and any other federal, state, or local statute, regulation, common law doctrine, or decision regulating or regarding employment.

b. Participation in Agency Proceedings. Nothing in this Agreement shall prevent Employee from speaking with law enforcement or filing a charge (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission (the "EEOC"), the National Labor Relations Board (the "NLRB"), or other similar federal, state or local agency, or from participating in any investigation or proceeding

conducted by law enforcement, the EEOC, the NLRB, or similar federal, state or local agencies. However, by entering into this Agreement, Employee understands and agrees that Employee is listed waiving any and all rights to recover any monetary relief or other personal relief against the Releasees as a result of any such EEOC, NLRB, or similar federal, state or local agency proceeding, including any subsequent legal action.

c. Claims Not Released. The Released Claims do not include claims by Employee for: (1) unemployment insurance; (2) worker's compensation benefits; (3) state disability compensation; (4) previously vested benefits under any the Company-sponsored benefits plan; (5) enforcing this Agreement; and (6) any other rights that cannot by law be released by private agreement.

d. No Existing Claims or Assignment of Claims. Employee represents and warrants that Employee has not previously filed or joined in any claims that are released in this Agreement and that Employee has not given or sold any portion of any claims released herein to anyone else, and that he will indemnify and hold harmless the Company and the Releasees from all liabilities, claims, demands, costs, expenses and/or attorneys' fees incurred as a result of any such prior assignment or transfer.

e. Acknowledgement of Legal Effect of Release. BY SIGNING THIS AGREEMENT, EMPLOYEE UNDERSTANDS THAT EMPLOYEE IS WAIVING ALL RIGHTS EMPLOYEE MAY HAVE HAD TO PURSUE OR BRING A LAWSUIT OR MAKE ANY LEGAL CLAIM AGAINST THE COMPANY OR THE RELEASEES, INCLUDING, BUT NOT LIMITED TO, CLAIMS THAT IN ANY WAY ARISE FROM OR RELATE TO EMPLOYEE'S EMPLOYMENT OR THE TERMINATION OF THAT EMPLOYMENT, FOR ALL OF TIME UP TO AND INCLUDING THE DATE OF THE EXECUTION OF THIS AGREEMENT. EMPLOYEE FURTHER UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EMPLOYEE IS PROMISING NOT TO PURSUE OR BRING ANY SUCH LAWSUIT OR LEGAL CLAIM SEEKING MONETARY OR OTHER RELIEF.

f. Restrictions. Notwithstanding anything to the contrary herein, Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Company restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including but not limited to the Securities Exchange Commission and the federal Office of Occupational Safety And Health (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Company's prior authorization to engage in such conduct. Notwithstanding, in making any such disclosures or communications, Employee must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information (as defined below) to any parties other than the Government Agencies. This Agreement does not limit Employee's right to receive an award for information provided to any Government Agencies.

6. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

7. Non-Disclosure of This Agreement. Employee agrees that from and after the date of the receipt of this Agreement, Employee will not, directly or indirectly, provide to any person or entity any information concerning or relating to the negotiation of this Agreement or its terms and conditions, except: (i) to the extent specifically required by law or legal process or as authorized in writing by the Company; (ii) to Employee's tax advisors as may be necessary for the preparation of tax returns or other reports required by law; (iii) to Employee's attorneys as may be necessary to secure advice concerning this Agreement; or (iv) to members of Employee's immediate family. Employee agrees that prior to disclosing such information under parts (ii), (iii), or (iv), Employee will inform the recipients that they are bound by the limitations of this section. Subsequent disclosure by any such recipients will be deemed to be a disclosure by Employee in breach of this Agreement.

8. Proprietary and/or Confidential Information. Employee agrees that any sensitive, proprietary, or confidential information or data relating to the Company or any of its affiliates or other Releasees as defined in Section 5 above, including, without limitation, trade secrets, processes, practices, pricing information, billing histories, customer requirements, customer lists, customer contacts, employee lists, salary information,

personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities, new or developing business for the Company, technological innovations in any stage of development, the Company's financial data, long range or short range plans, any confidential or proprietary information of others licensed to the Company, and all other data and information of a competition-sensitive nature, including but not limited to all other data and information of a competitive-sensitive nature that Employee obtained while serving as a director, officer or employee of the Company or any of its affiliates or Releasees, together with any received from any former affiliates of the Company or its affiliates or other Releasees (collectively, "Confidential Information"), and all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the Company or Releasees reflecting such Confidential Information, that Employee acquired while an employee of the Company will not be disclosed or used for Employee's own purposes or in a manner detrimental to the Company's interests. **In addition, Employee hereby reaffirms Employee's existing obligations to the Company, to the fullest extent permitted by law, under Sections 6 through 9 of the Employment Agreement, pertaining to confidentiality, non-solicitation, non-disparagement and work product continuing obligations, all of which shall survive the execution of this Agreement, and shall remain in full force and effect.A copy of the Employment Agreement is attached hereto as Exhibit 1.** Notwithstanding the foregoing, pursuant to 18 USC § 1833(b), an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the NYSE American reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

9. Return of Information and Property. Employee agrees to return to the Company all property and equipment belonging to the Company and the Releasees, including without limitation all cell phones, computers/laptops, hard drives, and access cards and/or keys/badges, the originals and all copies (regardless of medium) of all information, files, materials, documents or other property relating to the business of the Company, the Releasees, or their affiliates, and Employee represents that all such information and items have been returned to the Company. If Employee fails to return any such property, the Company shall be entitled to deduct from the Severance an amount equal to the value of non-returned property.

10. Non-disparagement. Employee agrees that Employee will not make to any person or entity any false, disparaging, or derogatory comments about the Company, its business affairs, its employees, clients, contractors, agents, or any of the other Releasees. Employee will refer all reference requests regarding Employee's employment with the Company to the Company's Human Resources department, who will disclose only Employee's dates of employment with the Company, last position held, and upon Employee's written request, final salary, in response to such reference requests.

11. General Provisions. This Agreement contains the entire understanding and agreement between the parties relating to the subject matter of this Agreement, and supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter hereof, **except for Sections 6-9, and 12-15 of the Employment Agreement**, which the parties acknowledge shall remain in full force and effect. This Agreement may not be altered or amended except by an instrument in writing signed by both parties. Employee has not relied upon any representation or statement outside this Agreement with regard to the subject matter, basis or effect of this Agreement. This Agreement will be governed by, and construed in accordance with, the laws of the state of Arizona, excluding the choice of law rules thereof. This Agreement shall also be subject to the Binding Arbitration provision as set forth in the Employment Agreement, except that the forum for arbitration shall be located in Phoenix, Arizona. Each of the parties hereby waives its right to a jury trial of any claim or cause of action based upon or arising under this Agreement. The language of all parts of this Agreement will in all cases be construed as a whole, according to the language's fair meaning, and not strictly for or against any of the parties. This Agreement will be binding upon and inure to the benefit of the parties and their respective representatives, successors and permitted assigns. Neither the waiver by either party of a breach of or default under any of the provisions of the Agreement, nor the failure of such party, on one or more occasions, to enforce any of the provisions of the Agreement or to exercise any right or privilege hereunder will thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any provisions, rights or privileges hereunder. The parties agree to take or cause to be taken such further actions as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms, and conditions of this Agreement. This Agreement and the rights and obligations of the parties hereunder may not be assigned by Employee without the prior written consent of the Company, but may be assigned by the Company or its successors and assigns without Employee's permission or consent. If any one or more of the provisions of this Agreement, or any part thereof, will be held to be invalid, illegal or unenforceable,

the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby. This Agreement may be signed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one instrument.

12. No Admission; Attorneys' Fees. The parties agree that nothing contained in this Agreement will constitute or be treated as an admission of liability or wrongdoing by either of them. In any action to enforce the terms of this Agreement, the prevailing party will be entitled to recover its costs and expenses, including reasonable attorneys' fees.

13. Cooperation. Employee agrees that Employee will cooperate fully with the Company with respect to transitioning Employee's duties and responsibilities and any matter in which Employee was in any way involved during his employment with the Company. Employee shall render such cooperation in a timely manner on reasonable notice from the Company.

14. Waiver of Age Discrimination Claims and Claims under ADEA; Acknowledgment/Time Periods. With respect to the General Release in Section 5 of this Agreement, Employee agrees and understands that by signing this Agreement, Employee is specifically releasing all claims Employee may have against Releasees, including without limitation all claims for age discrimination under the trading symbol "CATX" Age Discrimination in Employment Act as amended, 29 U.S.C. Section 621 et seq. Employee acknowledges that he has carefully read and understands this Agreement in its entirety, and executes it voluntarily and without coercion.

a.Consideration Period; Deadline. Employee acknowledges that Employee has been given a period of at least twenty-one (21) days upon receipt of the Agreement to consider and execute this Agreement before signing it. If Employee fails to sign this Agreement and deliver it within twenty-one (21) days, this Agreement shall be deemed null and void. Employee further acknowledges that Employee is hereby being advised in writing to consult with a competent, independent attorney of Employee's choice, at Employee's own expense, regarding the legal effect of this Agreement before signing it.

b.Revocation Deadline. Employee understands and acknowledges that Employee has seven (7) days following Employee's execution of this Agreement to revoke it in writing, and that this Agreement is effective and enforceable on the day following the expiration of the seven (7) day period without Employee's revocation ("Effective Date"). For a revocation to be effective, written notice must be delivered by email to the attention of Stepphaine Gaylord at sgaylord@perspectivetherapeutics.com no later than 11:59 p.m. ET on the seventh calendar day after Employee signs the Agreement ("Revocation Deadline"). In the event that Employee timely revokes Employee's acceptance of this Agreement before the Revocation Deadline, this Agreement shall be voided in its entirety at the election of the Company and the Company shall be relieved of all obligations to provide any benefits set forth in Section 2, and to the extent that Employee already received such benefits Employee must immediately return the amount received.

BY SIGNING BELOW, EMPLOYEE REPRESENTS AND WARRANTS THAT EMPLOYEE HAS FULL LEGAL CAPACITY TO ENTER INTO THIS AGREEMENT, EMPLOYEE HAS CAREFULLY READ AND UNDERSTANDS THIS AGREEMENT IN ITS ENTIRETY, HAS HAD A FULL OPPORTUNITY TO REVIEW THIS AGREEMENT WITH AN ATTORNEY OF EMPLOYEE'S CHOOSING, AND HAS EXECUTED THIS AGREEMENT VOLUNTARILY, WITHOUT DURESS, COERCION OR UNDUE INFLUENCE. THIS AGREEMENT MAY BE SIGNED ELECTRONICALLY BY EITHER PARTY. A PDF VERSION OF THIS AGREEMENT IS THE SAME AS A HARD COPY OR ORIGINAL VERSION.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the undersigned, intending to be bound hereby, have agreed to the terms and conditions of this Agreement as of the date first set forth below.

Jennifer Streeter

By: /s/ Jennifer Streeter

Name: Jennifer Streeter

Date: 8/22/2023

Perspective Therapeutics, Inc.

By: /s/ Johan (Thijs) Spoor

Name: Johan (Thijs) Spoor

Title: CEO

Date: 8/28/2023

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Exhibit 31.1

CERTIFICATION

I, Johan (Thijs) Spoor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Perspective Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023 November 14, 2023

/s/ Johan (Thijs) Spoor

Johan (Thijs) Spoor

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Jonathan Hunt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Perspective Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023 November 14, 2023

/s/ Jonathan Hunt

Jonathan Hunt

Chief Financial Officer

(Co-Principal Financial Officer)

Exhibit 31.3

CERTIFICATION

I, Mark J. Austin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Perspective Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023 November 14, 2023

/s/ Mark J. Austin

Mark J. Austin

Vice President of Finance and Corporate Controller

(Co-Principal Financial Officer, Principal Accounting Officer, Corporate Secretary)

Exhibit 32.1

Section 1350 Certifications

Pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Perspective Therapeutics, Inc., a Delaware corporation (the "Company"), hereby certify that:

To my knowledge, the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 11, 2023 November 14, 2023

/s/ Johan (Thijs) Spoor

Johan (Thijs) Spoor

Chief Executive Officer

(Principal Executive Officer)

/s/ Jonathan Hunt

Jonathan Hunt

Chief Financial Officer

(Co-Principal Financial Officer)

/s/ Mark J. Austin

Mark J. Austin

Vice President of Finance and Corporate Controller
(Co-Principal Financial Officer, Principal Accounting Officer, Corporate Secretary)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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