

## GeoVax Labs, Inc.

(GOVX - OTC)

### 2018 Financial & Operational Review

Based on our DCF model and a 15% discount rate, GOVX is valued at approximately \$0.15 per share. Our model applies a 15% probability of eventual sales for GOVX-B11 based on historical Phase 2 success ratios. Our valuation includes geographic contributions from the US, and outside the US. We do not include any value for the preclinical programs.

Current Price (4/5/2019) **\$0.01**  
**Valuation** **\$0.15**

### OUTLOOK

GeoVax boasts a pipeline with over ten vaccines in various stages of development. The company's lead candidate is a preventative vaccine for HIV which is currently in Phase II clinical trials conducted by the HIV Vaccine Trials Network (HVTN) with funding from the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH). The company is also developing approaches for hemorrhagic fevers including Ebola, Marburg, Lassa and Sudan viruses.

GeoVax employs the Modified Vaccinia Ankara (MVA) Virus-Like Particle (VLP) platform technology which uses recombinant DNA to produce VLPs. Preclinical and clinical work has shown the VLPs are safe and elicit a strong and durable humoral and cellular immune response.

Collaborations are a backbone of the company's approach and work with governmental, academic and private companies are helping advance the portfolio of vaccines. The list of collaborators includes the DoD, Emory University, Vaxeal, ViaMune, AGT, the NIH, the CDC and many others.

GeoVax is awaiting the outcome of a shareholder vote on a reverse stock split. Success will allow the company to raise additional capital and advance select programs into the clinic.

### SUMMARY DATA

52-Week High **0.05**  
 52-Week Low **0.01**  
 One-Year Return (%) **-82.4**  
 Beta **0.71**  
 Average Daily Volume (sh) **1,502,180**

Shares Outstanding (mil) **278**  
 Market Capitalization (\$mil) **2.4**  
 Short Interest Ratio (days) **0.0**  
 Institutional Ownership (%) **8.7**  
 Insider Ownership (%) **0.5**

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

5-Yr. Historical Growth Rates  
 Sales (%) **N/A**  
 Earnings Per Share (%) **N/A**  
 Dividend (%) **N/A**

P/E using TTM EPS **N/A**  
 P/E using 2018 Estimate **N/A**  
 P/E using 2019 Estimate **N/A**

Zacks Rank **N/A**

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

### ZACKS ESTIMATES

#### Revenue

(In millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2017	\$0.3 A	\$0.4 A	\$0.3 A	\$0.2 A	\$1.1 A
2018	\$0.2 A	\$0.1 A	\$0.3 A	\$0.3 A	\$1.0 A
2019					\$1.1 E
2020					\$1.0 E

#### Earnings per Share

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2017	-\$0.01 A	-\$0.01 A	-\$0.01 A	-\$0.01 A	-\$0.03 A
2018	-\$0.01 A	-\$0.00 A	-\$0.00 A	-\$0.00 A	-\$0.02 A
2019					-\$0.01 E
2020					-\$0.01 E

## What's New

GeoVax Labs, Inc. (OTC: GOVX) [filed](#) their annual 10-K and issued the accompanying [press release](#) on March 27, 2019 providing an operational and financial update on the company's performance. There were several important highlights for the year including several new collaborations, grants awarded from government entities, collaborations and publications and presentations at scientific conferences.

GeoVax will hold a special meeting of stockholders in April so they may vote to grant the board of directors authorization to effect a [reverse stock split](#). The anticipated range of consolidation is from 1:100 to 1:500. A favorable vote may adjust the share price to a level where shares qualify for the NASDAQ, allowing GeoVax greater ability to raise capital on favorable terms. The reverse split will also free up sufficient shares through the consolidation so that GeoVax can issue additional authorized shares. Proceeds from additional financing will be applied towards advancing additional programs into the clinic. We believe the most likely candidates to be advanced are the Zika and/or the immuno-oncology programs.

Revenues for 2018 were \$1.0 million, representing a 10% decline over 2017 levels. The vast majority of revenues consist of grant and collaboration funds from Zika, Lassa fever and HIV programs. During 2018, the two Lassa fever grants began to ramp up offsetting the wind down of the HIV funding. Total expenditures for 2018 were \$3.5 million up 8% from 2017 levels. R&D expenditures of \$1.9 million compared to \$2.0 million in the prior year. G&A was \$1.6 million, increasing from \$1.2 million in 2017 with the increase almost entirely due to greater stock compensation expense.

As of December 31, cash on the balance sheet was \$260,000 and debt outstanding was \$40,000 in a note held by the Georgia Research Alliance. Cash burn for 2018 was (\$1.5) million, which compares to (\$1.7) million in 2017.

### Programs

GeoVax has a full pipeline of programs with HIV holding the most advanced position with Phase II work being done. The remainder of the portfolio is centered on infectious disease and immuno-oncology preclinical work. Below, we summarize current status of the programs.

HIV Immunotherapy – In 2018, GeoVax received \$256,000 for its HIV program from the NIH Small Business Innovative Research (SBIR) grant. Clinical trials for HIV are ongoing. The company plans another Phase I study in the near future with further evaluation of the protein boost. Looking forward, we anticipate a Phase IIb efficacy trial when additional grants or partnerships are secured.

Ebola – An ongoing outbreak in Congo has highlighted the need for a safe, effective and durable vaccine that can remain viable at room temperatures. GeoVax has had several publications of its preclinical Ebola trial results published in *Atlas of Science and Nature*. The study demonstrated 100% single-dose protection in a large primate model. We discuss the details of the articles [here](#).

Lassa fever – A \$300,000 Fast Track Phase I/II SBIR grant was received in support of further advancing the Lassa fever development program. Total project budget is \$1.9 million for a Phase II award, which we anticipate will be secured. A U.S. Department of Defense (DoD) award for \$2,442,307 was also granted in a cooperative agreement to develop Lassa vaccine. The Lassa vaccine has demonstrated 100% single dose protection in a mouse model.

Zika – A two year, \$600,000 Small Business Innovative Research (SBIR) grant was awarded in June 2017 in support of the development program. Efforts will focus on preclinical testing of the Zika vaccine in nonhuman primates in preparation for human clinical trials. The Zika program is likely to be advanced into human clinical trials if sufficient funding is raised. Furthermore, there are ongoing discussions with Brazilian entities which may yield additional collaborations.

**Malaria** – An ongoing collaboration with the Australian Burnet Institute is underway to develop a vaccine using the MVA-VLP platform. A second collaboration is with Leidos, which was announced in February 2019. Leidos is developing candidates against *Plasmodium falciparum* malaria and will use the MVA-VLP platform in its development efforts.

**Hepatitis B** – Collaborations with Georgia State University Research Foundation (GSURF) and CaroGen Corporation are advancing work in this area.

**Vaccine Delivery** – A collaboration was announced with Enesi Pharma in January 2019 to develop needle free vaccine formulations. The formulations will be used in conjunction with Enesi’s Implava device which may provide better consistency, stability in the vaccine administration and minimization of vaccination and needle phobia.

**Cancer Immunotherapy** – Collaborations with University of Pittsburgh and ViaMune are underway. The academic collaboration is focused on MUC1 with the goal of raising protective anti-tumor antibodies and T cell responses in cancer patients. Efforts with ViaMune are also centered on MUC1 and is seeking to combine a MUC1 vaccine for use with checkpoint inhibitors. Preclinical work in animal models have shown efficacy. Additional work with Vaxeal, Emory Vaccine Center, Virometrix and Leidos are also taking place in immuno-oncology. The immuno-oncology program is likely to be advanced into the clinic if sufficient capital is raised.

**Exhibit I – GeoVax Vaccine Pipeline**

Indication	Vaccine Type	Designation	Stage of Development				Collaborator/ Funding
			Discovery	Preclinical	Phase 1	Phase 2	
<b>HIV</b>							
HIV – Clade B	Preventive	GOVX-B11	■	■	■	■	NIH, HVTN
HIV – Clade B	Therapeutic	GOVX-B01	■	■			AGT
HIV – Clade C	Preventive	GOVX-C55	■	■			NIH
<b>Other Infectious Diseases</b>							
Ebola virus	Preventive	GEO-EM01	■	■			NIH, USAMRIID
Marburg virus	Preventive	GEO-EM05	■	■			
Sudan virus	Preventive	GEO-EM03	■	■			
Lassa virus	Preventive	GEO-LM01	■	■			NIH, Scripps, UMD, USNRL, UTMB
Zika virus	Preventive	GEO-ZM02	■	■			NIH, CDC
Hepatitis B	Therapeutic		■	■			Georgia State Univ., CaroGen
Malaria	Preventive		■	■			Burnet Institute
Human Papillomavirus	Preventive		■	■			Emory University
<b>Cancer</b>							
Immuno-oncology	Therapeutic	GEO-CM01	■	■			Univ. of Pittsburgh, ViaMune, Vaxeal

■ NIH Funded    ■ Internally Funded

GeoVax has made numerous advances across its pipeline portfolio in 2018. Several programs were provided government grants, including the Lassa fever vaccine which received \$2.4 million from the US Department of Defense, and the Zika vaccine which received \$300,000 for the second year of the NIH SBIR grant. Many collaborations continue including the HIV program with American Gene Technologies (AGT) International, the oncology program with Vaxeal Holding and the Hepatitis B program with CaroGen Corporation. In addition to the details provided above, GeoVax is also working with Dr. Rafi Ahmed of Emory University Vaccine Center to develop an HPV vaccine.

## Year to Date Highlights

- GeoVax & Vaxeal collaborate in immunotherapy – [January 2018](#)
- Ebola publication in Nature scientific journal – [January 2018](#)
- GeoVax & Carogen collaborate on hepatitis B vaccine – [February 2018](#)
- GeoVax awarded fast track for Lassa fever – [April 2018](#)
- GeoVax awarded NIH grant for Zika – [May 2018](#)
- GeoVax & Emory collaborate on HPV program for head & neck cancer – [July 2018](#)
- David Dodd appointed as Chairman and CEO – [August 2018](#)
- GeoVax & PharmaJet collaborate on Zika needle free vaccine – [August 2018](#)
- GeoVax awarded \$2.4 million from DoD for Lassa fever Vaccine – [September 2018](#)
- Publication of HIV Vaccine Review – [October 2018](#)
- Presentation of Phase I trial for HVTN 114 (HIV) – [October 2018](#)
- Collaboration with Virometix on immunotherapy program for HPV – [November 2018](#)
- Collaboration with Leidos on immunotherapy program using PD-1 checkpoints – [November 2018](#)
- Collaboration with Enesi Pharma to develop vaccines using Implavax – [January 2019](#)
- Ebola vaccine study published in Atlas of Science – [March 2019](#)
- Expansion of Leidos collaboration in malaria – [March 2019](#)

## Summary

GeoVax continues to develop programs with a variety of grants while they seek a partner and funding for later phase development of its HIV projects. The company has been focused on preclinical work in other pipeline programs while seeking funding or partnerships to pursue a registrational trial in HIV. The value of vaccines to global health should not be ignored and they can be a fundamental part of [eliminating](#) the HIV epidemic in the US. Additionally, the public health value of preventing the spread of Ebola, Lassa fever, Zika or any of the other infectious diseases targeted by the company's MVA-VLP programs is immense. We adjust our price target to reflect current share balance and our estimate of dilutive securities generating a \$0.15 per share target price.

## PROJECTED FINANCIALS

### GeoVax Labs, Inc. - Income Statement

GeoVax Labs, Inc.	2017 A	Q1 A	Q2 A	Q3 A	Q4 A	2018 A	2019 E	2020 E
<b>Total Revenues</b>	<b>\$1.1</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$1.0</b>
R&D	\$2.0	\$0.5	\$0.4	\$0.6	\$0.5	\$1.9	\$2.0	\$2.0
G&A	\$1.2	\$0.4	\$0.4	\$0.5	\$0.4	\$1.6	\$1.6	\$1.6
<b>Operating Income</b>	<b>(\$2.2)</b>	<b>(\$0.6)</b>	<b>(\$0.6)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$2.6)</b>	<b>(\$2.5)</b>	<b>(\$4.1)</b>
<i>Operating Margin</i>	-202.2%	-281.5%	-684.2%	-191.0%	-276.0%	-266.1%	-227.3%	-410.0%
Interest Expense	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	\$0.0	\$0.0
<b>Pre-Tax Income</b>	<b>(\$2.2)</b>	<b>(\$0.6)</b>	<b>(\$0.6)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$2.6)</b>	<b>(\$2.5)</b>	<b>(\$4.1)</b>
Taxes & Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>Tax Rate</i>	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>(\$2.2)</b>	<b>(\$0.6)</b>	<b>(\$0.6)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$2.6)</b>	<b>(\$2.5)</b>	<b>(\$4.1)</b>
<b>Reported EPS</b>	<b>(\$0.03)</b>	<b>(\$0.01)</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>	<b>(\$0.02)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>
<i>YOY Growth</i>						-50.5%	-43.5%	54.4%
Shares Outstanding	68.6	124.2	155.2	167.4	207.6	163.6	282.5	300.0

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

# HISTORICAL STOCK PRICE

## GeoVax Labs, Inc. – Historical Price Chart<sup>1</sup>



<sup>1</sup> Price chart courtesy of barchart.com

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