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GeoVax Labs, Inc. (GOVX - OTC)

Lassa Grant from DoD Provides Capital

Based on our DCF model and a 15% discount rate, GOVX is valued at approximately $0.25 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 (11/11/2018)	$0.02
Valuation	**$0.25**

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.

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SUMMARY DATA

52-Week High	**0.10**
52-Week Low	**0.02**
One-Year Return (%)	**-39.8**
Beta	**0.86**
Average Daily Volume (sh)	**978,390**
Shares Outstanding (mil)	**196.9**
Market Capitalization ($mil)	**3.9**
Short Interest Ratio (days)	**0.0**
Institutional Ownership (%)	**9.9**
Insider Ownership (%)	**0.9**
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 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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 E	$0.9 E
2019					$1.0 E
2020					$1.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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 E	-$0.02 E
2019					-$0.04 E
2020					-$0.05 E

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What's New

GeoVax Labs, Inc. (OTC: GOVX) filed their 3Q:18 10-Q and press release on November 8th providing an operational and financial update on the company's performance. Several highlights were noted in the release, including the receipt of several grants from government entities, collaborations and publications and presentations at scientific conferences.

Revenues in the quarter were $349,000, up from $248,000 in 3Q:17. Greater contributions from the Zika and Lassa Fever program were offset by a reduction in contribution from the HIV program. Total expenditures in the quarter were $1.0 million up 21% from the same period a year ago. R&D expenditures of $558,000 in 3Q:18 compared to $498,000 in 3Q:17 with the fluctuation due to timing of expenditures related to government grants. G&A was $459,000, increasing from $340,000 in the same period in 2017 with the increase due to greater stock compensation expense.

As of September 30, cash on the balance sheet was $511,000 and debt outstanding was $50,000 in a note held by the Georgia Research Alliance. Cash burn was $280,000 and $1.0 million for the third quarter and the first nine months of 2018 respectively.

Exhibit I – GeoVax Vaccine Pipeline

Indication	Vaccine Type	Designation	Stage of Development				Collaborator/ Funding
			Discovery	Preclinical	Phase 1	Phase 2	
HIV							
HIV – Clade B	Preventive	GOVX-B11					NIH, HVTN
HIV – Clade B	Therapeutic	GOVX-B01					AGT
HIV – Clade C	Preventive	GOVX-C55					NIH
Other Infectious Diseases							
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
Cancer							
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. GeoVax is also working with Dr. Rafi Ahmed of Emory University Vaccine Center to develop an HPV vaccine and with the Burnet Institute in Australia for malaria. The data and conclusions from the programs are being shared at conferences worldwide which we discuss in our October 30 note.

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

Summary

GeoVax continues to develop programs with a variety of grants while they seek a partner for later phase development of their pipeline. 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. The lifetime treatment cost of HIV is almost $400,000 in the United States, which is over $400 billion, when applied to the 1.1 million estimated to have the disease. 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 maintain our target price of $0.25 per share

PROJECTED FINANCIALS

GeoVax Labs, Inc. - Income Statement

GeoVax Labs, Inc.	2017 A	Q1 A	Q2 A	Q3 A	Q4 E	2018 E	2019 E	2020 E
Grant Revenue	$1.1	$0.2	$0.1	$0.3	$0.3	$0.9	$1.0	$1.0
Product Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$1.1**	**$0.2**	**$0.1**	**$0.3**	**$0.3**	**$0.9**	**$1.0**	**$1.0**
R&D	$2.017	$0.487	$0.372	$0.558	$0.5	$2.0	$4.0	$6.0
G&A	$1.232	$0.357	$0.359	$0.459	$0.4	$1.6	$4.8	$6.0
Operating Income	($2.2)	($0.6)	($0.6)	($0.7)	($0.7)	($2.6)	($7.8)	($12.5)
Operating Margin	*-202.2%*	*-281.5%*	*-684.2%*	*-191.0%*	*-276.0%*	*-286.5%*	*-780.0%*	*-1250.0%*
Interest Expense	($0.0)	($0.0)	($0.0)	($0.0)	$0.0	($0.0)	$0.0	$0.0
Pre-Tax Income	($2.2)	($0.6)	($0.6)	($0.7)	($0.7)	($2.6)	($7.8)	($12.5)
Taxes & Other	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	-	-	-	-	-	-	-	-
Net Income	($2.2)	($0.6)	($0.6)	($0.7)	($0.7)	($2.6)	($7.8)	($12.5)
Reported EPS	**($0.03)**	**($0.01)**	**($0.00)**	**($0.00)**	**($0.00)**	**($0.02)**	**($0.04)**	**($0.05)**
YOY Growth						*-48.5%*	*122.9%*	*40.6%*
Shares Outstanding	68.6	124.2	155.2	167.4	196.0	160.7	215.0	245.0

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

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