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Zacks Small-Cap Research

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Evaxion Biotech (EVAX-NASDAQ)

EVAX: Extended Trial is Excellent News

EVAX is using well-developed AI technology in the pursuit of important treatments. We value EVAX at $19.75 using discounted cash flow analysis with a 10% discount rate.

Current Price (02/26/25)	$2.26
Valuation	**$19.75**

OUTLOOK

EVAX is a clinical stage company that has proprietary AI models designed to more efficiently and more accurately target much-needed treatments. The company has two streams of possible revenue: from the treatments themselves and from the licensing of AI technology.

The company announced that a key Phase 2 trial was being extended due to the positive results seen to this point, which is a very positive sign for the treatment potential of EVX-01.

SUMMARY DATA

52-Week High	**$21.55**
52-Week Low	**$2.17**
One-Year Return (%)	**-87.65**
Beta	**-0.28**
Average Daily Volume (sh)	**3,782,411**
Shares Outstanding (mil)	**6.3**
Market Capitalization ($mil)	**$14.0**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**11**
Insider Ownership (%)	**42**
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 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**

Risk Level	**Above Avg.**
Type of Stock	**Biotech**

ZACKS ESTIMATES

Revenue
(in thousands of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	73 A
2024	51 A	154 A	3017 A	3319 E	6541 E
2025	3200 E	3250 E	3300 E	3525 E	13275 E
2026	6100 E	6300 E	6500 E	7650 E	26550 E

Earnings per Share (USD)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	-0.81 A
2024	0.03 A	-0.12 A	-0.04 A	-0.03 E	-0.16 E
2025	-0.65 E	-0.45 E	-0.10 E	-0.12 E	-1.32 E*
2026	0.05 E	0.20 E	0.21 E	0.23 E	0.69 E

* ADS ratio was changed in Q1 2025.

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Update

Evaxion (EVAX) is a clinical stage company that is making AI useful in the current environment by using the technology to develop new cancer-fighting vaccines. The company notes that it has demonstrated that it can identify, through the company's AI models, novel targets within days, rather than the traditional years it commonly takes with standard drug discovery methods. The use of AI also allows the company to decrease the risk of failure as the technology filters out those results that may result in low efficacy or unacceptable toxicity.

Company management announced that it is extending its Phase 2 trial of EVX-01 in order to gather additional data that may lead to enhanced treatments. As a reminder, EVX-01 is the company's lead clinical asset. EVX-01 is a personalized peptide-based cancer vaccine intended for first-line treatment of multiple advanced solid cancers. As a result of the positive results seen to this point, some of which are described below, the company is adding a year to the trial in order to get more data and determine if there is an opportunity for enhanced treatments. This is an extremely positive development and does nothing to slow down the progress of the Phase 2 trial. The current trial is investigating EVX-01 in combination with Keytruda in patients with advanced melanoma. That trial will continue as scheduled, but trial participants will now be given the opportunity to continue to a third year of treatment using EVX-01 as a stand alone treatment.

The company has decided to add the additional year due to the good results seen thus far and the belief that EVX-01 may be even more effective than initially believed. The additional year, according to company management, will not affect the cost structure or require additional fund raises—so we strongly believe this is a win-win for investors.

As a reminder, EVX-01 triggered a 79% tumor-specific response, a substantial increase from the 58% response rate seen in the Phase I trial. As we've talked about in previous reports, the AI-Immunology platform of Evaxion showed the promise of improving treatment for patients by being able to "learn" from previous trials and improve upon the treatment as it moves along the approval process. These results are further confirmation of the vast potential that this platform has and illustrate why we continue to have a very positive view on the company.

We continue to be excited about the investment opportunities offered by EVAX. In our view, these announcements are the tip of the iceberg of what the AI platforms developed by Evaxion can achieve and positive news will continue to come out as we move forward. We suggest investors investigate EVAX further and consider investing, as we believe the company is at an inflection point that is the start of sustained uptrend.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Evaxion Pharmaceuticals Income Statement and Balance Sheet							
	(In thousands, except per share data)						
	2023A	**1Q2024A**	**2Q2024A**	**3Q2024A**	**4Q2024E**	**2025E**	**2026E**
Revenue	73	51	154	3,017	3,319	13,275	26,550
Operating Costs:							
Research and Development	(11,916)	(2,836)	(2,752)	(2,614)	(2,666)	(12,035)	(12,156)
General and Admistrative	(10,354)	(1,611)	(1,983)	(2,134)	(2,177)	(8,707)	(9,142)
Total Operating Gain/(Loss)	(22,197)	(4,396)	(4,581)	(1,731)	(1,524)	(7,467)	5,252
Finance Income	963	5,618	220	84	85	339	356
Finance Expenses	(1,681)	(246)	(2,036)	(384)	(388)	(1,551)	(1,629)
Other Income/(Expenses)	-	-	-	-	-	-	-
Income Tax Benefit	790	218	199	96	97	388	407
Net Gain/(Loss)	(22,125)	1,194	(6,198)	(1,935)	(1,730)	(8,291)	4,387
Basic and diluted loss per share	(0.81)	0.03	(0.12)	(0.04)	(0.03)	(1.32)	0.69
Common Shares Outstanding	27,335,829	48,638,239	53,787,469	55,255,329	55,807,882	6,300,000	6,363,000
Assets							
Current Assets							
Cash and cash equivalents	5,583	11,731	7,993	4,576	4,622	5,668	5,725
Other Assets	7,306	10,923	7,238	10,609	10,715	10,822	10,930
Total Assets	12,889	22,654	15,231	15,185	15,337	16,490	16,655
Liabilities and SH deficit (equity)							
Total Liabilities	17,618	20,050	13,978	15,111	15,262	15,415	15,569
Share Capital	5,899	7,964	8,244	8,732	8,819	8,908	8,997
Other Reserves	99,946	109,602	105,983	106,245	107,307	108,381	109,464
Accumulated Deficit	(107,860)	(112,033)	(112,974)	(114,903)	(116,052)	(116,213)	(117,375)
Effect from der. Liab. From warrants	(2,714)	(2,929)	0	0	0	0	0
Total SH deficit/(equity)	(4,729)	2,604	1,253	74	75	1,075	1,086
Total Liabilities and SH deficit/(equity)	12,889	22,654	15,231	15,185	15,337	16,490	16,655

HISTORICAL STOCK PRICE



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