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Zacks Small-Cap Research

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Evaxion Biotech (EVAX-NASDAQ)

EVAX: 1Q Results Show Potential and Good Cash

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 (05/26/25)	$1.88
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 1Q2025 financial results and highlighted many of the advances made in recent months. The company has good cash on hand and multiple products in the pipeline.

SUMMARY DATA

52-Week High	**$21.55**
52-Week Low	**$1.66**
One-Year Return (%)	**-90.74**
Beta	**-0.25**
Average Daily Volume (sh)	**64,648**
Shares Outstanding (mil)	**6.3**
Market Capitalization ($mil)	**$11.8**
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	122 A	3344 A
2025	0 A	0 E	0 E	0 E	0 E
2026	0 E	0 E	0 E	0 E	0 E

Earnings per ADS 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	-0.07 A	-0.20 A
2025	-0.50 A	-0.50 E	-0.50 E	-0.50 E	-2.00 E*
2026	-0.50 E	-0.50 E	0.00 E	-0.00 E	-1.00 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 released 1Q2025 results that showed the company made tremendous progress during recently, which we've written about, and reiterated a 2025 plan that is ambitious and exciting for investors and includes the potential for two new vaccine candidates and a potential option exercise by MSD that would provide a cash infusion to the company. Most importantly, due to capital market actions that we've discussed previously, the company has enough cash to last to mid-2026, great news for investors that may be concerned about dilution, with the likelihood that the runway will be extended into 2027 if/when MSD exercises their options. During the call accompanying the release, management addressed the desire to engage in at least two new development partnership agreements in 2025 and noted that the uncertain financial environment has made potential partners more hesitant, but they continue talking with multiple potential partners. We believe the continued groundwork is important and will prove to be valuable as deals become more available when the financial uncertainty diminishes, which we are sure that it will.

The company also recently announced data for its lead cancer vaccine EVX-01 that is being developed as a treatment for advanced melanoma. The new Phase 2 trial data showed that 80% of EVX-01 vaccine targets trigged a tumor-specific immune response. This is an improvement from the still impressive 71% and 79% hit rates announced previously.

The trend of the data getting better as time goes on is extremely encouraging for the treatments prospects and we are looking forward to the full two-year readout of clinical data in the second half of 2025. This builds on the encouraging news that the company is extending its trial of EVX-01 to a third year so that the company can better explore the full potential of the treatment.

Company management also recently noted that the company expects to use its proprietary AI-Immunology to identify two new vaccine candidates for infectious diseases in 2025—further broadening the company's pipeline and providing more opportunities for patient treatment.

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									
	1Q2024A	2Q2024A	3Q2024A	4Q2024A	1Q2025A	2Q2025E	3Q25025E	4Q2025E	2026E
Revenue	51	154	3,017	122	0	0	0	0	0
Operating Costs:									
Research and Development	(2,836)	(2,752)	(2,614)	(2,255)	(2,156)	(2,199)	(2,243)	(2,288)	(9,152)
General and Admistrative	(1,611)	(1,983)	(2,134)	(1,891)	(1,712)	(1,746)	(1,781)	(1,817)	(7,267)
Total Operating Gain/(Loss)	(4,396)	(4,581)	(1,731)	(4,024)	(3,868)	(3,945)	(4,024)	(4,105)	(16,419)
Finance Income	5,618	220	84	578	2,493	2,518	2,543	2,569	10,274
Finance Expenses	(246)	(2,036)	(384)	(458)	(397)	(401)	(405)	(409)	(1,636)
Other Income/(Expenses)	-	-	-	-	-				-
Income Tax Benefit	218	199	96	275	192	0	0	0	0
Net Gain/(Loss)	1,194	(6,198)	(1,935)	(3,629)	(1,580)	(1,828)	(1,886)	(1,945)	(7,781)
Basic and diluted loss per share	0.03	(0.12)	(0.04)	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Common Shares Outstanding	48,638,239	53,787,469	55,255,329	53,644,483	276,311,927	290,127,523	304,633,900	319,865,594	335,858,874
Assets									
Current Assets									
Cash and cash equivalents	11,731	7,993	4,576	5,952	17,843	16,059	14,453	13,008	11,707
Other Assets	10,923	7,238	10,609	6,533	7,396	6,656	5,991	5,392	4,853
Total Assets	22,654	15,231	15,185	12,485	25,239	22,715	20,444	18,399	16,559
Liabilities and SH deficit (equity)									
Total Liabilities	20,050	13,978	15,111	14,137	14,896	15,194	15,498	15,808	16,124
Share Capital	7,964	8,244	8,732	10,516	11,823	11,941	12,061	12,181	12,303
Other Reserves	109,602	105,983	106,245	106,369	118,632	119,818	121,017	122,227	123,449
Accumulated Deficit	(112,033)	(112,974)	(114,903)	(118,537)	(120,112)	(124,238)	(128,131)	(131,817)	(135,317)
Effect from der. Liab. From warrants	(2,929)	0	0	0	0	0	0	0	0
Total SH deficit/(equity)	2,604	1,253	74	(1,652)	10,343	7,521	4,947	2,591	435
Total Liabilities and SH deficit/(equity)	22,654	15,231	15,185	12,485	25,239	22,715	20,444	18,399	16,559

HISTORICAL STOCK PRICE



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