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## GeoVax Labs Inc. (GOVX) – Buy Rated

March 1, 2024

**Reports Full Year 2023 - \$6.5M in Cash, Expect a Raise, The Project NextGen (Covid) Award from BARDA Could be a Key Catalyst**

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*GeoVax reported full year 2023 results. GeoVax spent \$26.7M with the majority of the spending supporting clinical programs. The yearend balance sheet was \$6.5M. We do expect the company to raise capital soon. Management reviewed the clinical status of the pipeline and the associated catalysts. The big catalyst could be the “Project NextGen” award from the U.S. Government (BARDA).*

### Investment Highlights

**What is Project NextGen?** This past summer the U.S. Department of Health and Human Services (HHS), through the Administration for Strategic Preparedness and Response (ASPR), awarded more than \$1.4 billion for Project NextGen to support the development of a new generation of tools and technologies to protect against COVID-19 for years to come. GeoVax’s GEO-CM02 could receive a significant BARDA award. Management (on the earning call) stated: **“We can’t count on that (referring to the BARDA Award) because that’s a forward-looking statement to say that we are contemplating that award, but we’re very confident in that regard”.**

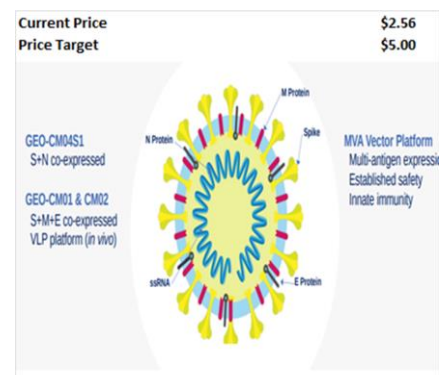
**GEO-CM02 – Initial Results Look Positive.** Consolidated data from all subjects tested one-month post-vaccination, documented statistically significant increases in neutralizing antibody responses against multiple SARS-CoV-2 variants, ranging from the original Wuhan strain through Delta and Omicron XBB 1.5; additional testing against the JN.1 variant is underway. This vaccine has been shown to induce a balanced antibody and cellular (T-cells) response against the multiple encoded immunogens, potentially limiting immune escape by emerging variants. Expression of the SARS-CoV-2 spike (S), membrane (M), and envelope (E) proteins by MVA supports the in vivo formation of virus-like particles (VLPs), which induce both antibody and T-cell responses.

**Gedepin – Gene Therapy for Solid Tumors:** Gedepin is now in P1/2 trial in advanced head and neck squamous cell carcinoma (HNSCC). This trial is partially funded by the FDA’s Orphan Products Clinical Trials Grants Program. The trial is designed to inform the design of a larger patient trial that also may involve patients with other anatomically accessible oral and pharyngeal cancers, including cancers of the lip, tongue, gum, floor of the mouth, salivary gland, and other oral cavities. **Orphan Drug Status** – The FDA has granted orphan drug status to Gedepin, for the intratumoral treatment of anatomically accessible oral and pharyngeal cancers, including cancers of the lip, tongue, gum, floor of the mouth, salivary gland, and other oral cavities.

**Additional Research Programs for Numerous Vaccines:** Monkey Pox, Hemorrhagic fever viruses (Ebola Zaire, Ebola Sudan, Marburg, and Lassa Fever), and malaria are at various stages of development. Expansion of the Gedepin technology to other Cancers.

**Valuation:** Our valuation is based on Gedepin and Covid Vaccines (only). We project our model out to 2033. We apply a 30% success probability to our projected revenues in our product model in addition to our 30% risk rate applied in our Free Cash Flow to the Firm (FCFF), discounted EPS (dEPS), and Sum-of-the-Parts (SOP) models.

**Risk to our thesis include:** 1. Regulatory Approvals; 2. Capital Requirements 3. Adoption Rates 4. Intellectual Capital 5. Dilution.



Source: GeoVax Labs Inc.

Stock Data			
52-Week Range	\$2.04	-	\$11.85
Shares Outstanding (mil.)	2.0		
Market Capitalization (mil.)	\$5		
Enterprise Value (mil.)	-\$8		
Debt to Capital	0%		
Book Value/Share	-		
Price/Book	1.9		
Average Three Months Trading Volume (K)	20		
Insider Ownership	2.0%		
Institutional Ownership	11.7%		
Short interest (mil.)	1.3%		



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- **Regulatory Approvals.** The company's products require regulatory approvals, and there can be no assurances that the requirements to achieve these approvals can be met.
- **Capital Requirements:** The business requires continued funding; there can be no assurances that the company will be able to raise the needed capital to continue operations.
- **Adoption Rates:** There are no assurances that the projected market share can be met. A combination of factors from pricing and reimbursement to competitive performance are expected to be key factors in driving users to administer these drugs.
- **The Competitive Landscape & IP.** The company does have intellectual property and knows how to preserve its competitive position. However, the company may face competition from well-financed competitors who are already in position in the target markets.
- **Dilution:** The company is likely to incur losses for the foreseeable future until it is able to generate sufficient revenue from product sales. Our model assumes a rising share count. There can be no assurances that the company can successfully raise the capital required to execute its business strategy.

**Exhibit 1. Income Statement**

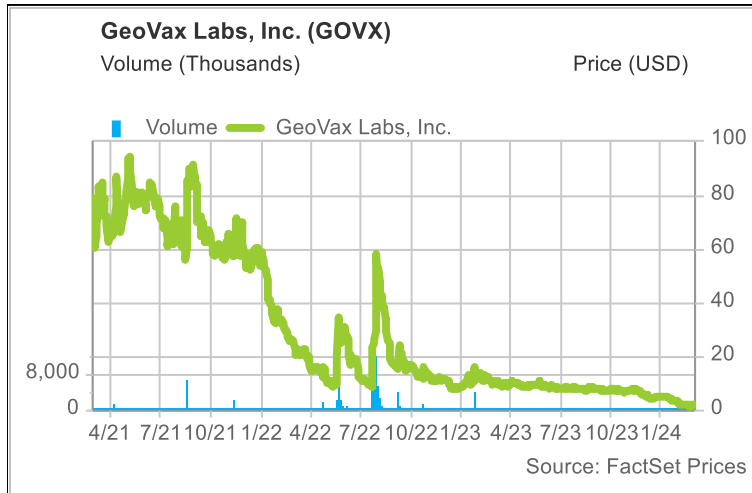
GeoVax: Income Statement '000																
000 : YE December 31	2022A	2023A	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Risk Adjusted Product sales Projections</b>																
Gadepitin									-	17,119	34,581	52,390	132,285	178,144	197,918	272,587
COVID Immuno-compromised									-	9,750	29,250	58,500	97,500	124,313	126,750	129,188
Grant Revenue	82															
<b>Total Product Sales</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,869</b>	<b>63,831</b>	<b>110,890</b>	<b>229,785</b>	<b>302,457</b>	<b>324,668</b>	<b>401,775</b>
<b>Expenses</b>																
COGS									0	5,374	12,766	22,178	45,957	60,491	64,934	80,355
COGS %			0%	0%	0%	0%			#DIV/0!	20%	20%	20%	20%	20%	20%	20%
Research and Development	9,123	20,721	5,968	6,216	6,216	6,465	24,865	29,838	35,806	42,967	43,396	47,736	57,283	68,740	82,488	98,985
General and Administrative	4,987	6,022	1,460	1,521	1,521	1,581	6,082	10,000	22,000	30,000	30,300	30,603	30,909	31,218	31,530	31,846
<b>Total Operating Expenses</b>	<b>14,110</b>	<b>26,743</b>	<b>7,427</b>	<b>7,737</b>	<b>7,737</b>	<b>8,046</b>	<b>30,947</b>	<b>39,838</b>	<b>57,806</b>	<b>78,341</b>	<b>86,463</b>	<b>100,517</b>	<b>134,149</b>	<b>160,449</b>	<b>178,952</b>	<b>211,186</b>
Loss from Operations	(14,029)	(26,743)	(7,427)	(7,737)	(7,737)	(8,046)	(30,947)	(39,838)	(57,806)	(51,471)	(22,632)	10,373	95,636	142,008	145,717	190,589
<b>Other (income) Expenses</b>																
Interest Income	7	776	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense																
<b>Total other (income) expense</b>	<b>7</b>	<b>776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Loss</b>	<b>(14,021)</b>	<b>(25,967)</b>	<b>(7,427)</b>	<b>(7,737)</b>	<b>(7,737)</b>	<b>(8,046)</b>	<b>(30,947)</b>	<b>(39,838)</b>	<b>(57,806)</b>	<b>(51,471)</b>	<b>(22,632)</b>	<b>10,373</b>	<b>95,636</b>	<b>142,008</b>	<b>145,717</b>	<b>190,589</b>
	-	-	-	-	-	-	-	-	-	-	-	1,037	14,345	21,301	24,772	38,118
<b>Tax Rate</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>17%</b>	<b>20%</b>
<b>GAAP Net Income (loss)</b>	<b>(14,021)</b>	<b>(25,967)</b>	<b>(7,427)</b>	<b>(7,737)</b>	<b>(7,737)</b>	<b>(8,046)</b>	<b>(30,947)</b>	<b>(39,838)</b>	<b>(57,806)</b>	<b>(51,471)</b>	<b>(22,632)</b>	<b>9,336</b>	<b>81,291</b>	<b>120,706</b>	<b>120,945</b>	<b>152,471</b>
<b>GAAP-EPS</b>	<b>(0.83)</b>	<b>(14.29)</b>	<b>(0.74)</b>	<b>(0.77)</b>	<b>(0.77)</b>	<b>(0.80)</b>	<b>(3.09)</b>	<b>(3.96)</b>	<b>(5.73)</b>	<b>(5.08)</b>	<b>(2.22)</b>	<b>0.91</b>	<b>7.92</b>	<b>11.72</b>	<b>11.69</b>	<b>14.68</b>
GAAP EPS (dil)	(0.83)	(14.29)	(0.37)	(0.39)	(0.39)	(0.40)	(1.55)	(1.98)	(2.86)	(2.54)	(1.11)	0.46	3.96	5.86	5.85	7.34
Wgtd Avg Shrs (Bas) '000	16,973	1,817	10,000	10,010	10,020	10,030	10,015	10,055	10,095	10,136	10,176	10,217	10,258	10,299	10,341	10,382
Wgtd Avg Shrs (Dil) '000	16,973	1,817	20,000	20,020	20,040	20,060	20,030	20,110	20,191	20,272	20,353	20,434	20,516	20,598	20,681	20,764

Source: Dawson James

Companies mentioned in this report:

**Important Disclosures:**

**Price Chart:**



Price target and ratings changes over the past three years:

- Initiated – Buy – March 3, 2023 – Price Target \$4.0
- Update Report – Buy – March 24, 2023 – Price Target \$4.0
- Update Report – Buy – April 6, 2023 – Price Target \$4.0
- Update Report – Buy – April 11, 2023 – Price Target \$4.0
- Update Report – Buy – April 19, 2023 – Price Target \$4.0
- Update Report – Buy – May 5, 2023 – Price Target \$4.0
- Update Report – Buy – May 25, 2023 – Price Target \$4.0
- Update Report – Buy – July 11, 2023 – Price Target \$4.0
- Update Report – Buy – July 21, 2023 – Price Target \$4.0
- Update Report – Buy – July 24, 2023 – Price Target \$4.0
- Update Report – Buy – August 10, 2023 – Price Target \$4.0
- Update Report – Buy – August 29, 2023 – Price Target \$4.0
- Update Report – Buy – September 12, 2023 – Price Target \$4.0
- Update Report – Buy – September 20, 2023 – Price Target \$4.0
- Update Report – Buy – September 27, 2023 – Price Target \$4.0
- Update Report – Buy – October 9, 2023 – Price Target \$4.0
- Update Report – Buy – October 25, 2023 – Price Target \$4.0
- Update Report – Buy – October 31, 2023 – Price Target \$4.0
- Update Report – Buy – November 9, 2023 – Price Target \$4.0
- Update Report – Buy – December 1, 2023 – Price Target \$4.0
- Update Report – Buy – December 5, 2023 – Price Target \$4.0
- Update Report – Buy – December 20, 2023 – Price Target \$4.0
- Update Report – Buy – January 8, 2024 – Price Target \$4.0
- Price Target Change – Buy – January 19, 2024 – Price Target changed from \$4.0 to NA
- Update Report – Buy – February 2, 2024 – Price Target N/A
- Update Report – Buy – February 9, 2024 – Price Target \$5.0
- Update Report – Buy – March 1, 2024 – Price Target \$5.0

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Current as of 27-Feb-24

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	20	57.14%	4	11.43%
Market Perform (Neutral)	15	42.86%	2	5.71%
Market Underperform (Sell)	0	0%	0	0.00%
Total	35	100%	6	17.14%

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