



GeoVax

Leveraging technology for Ebola

GeoVax has announced plans to develop two Ebola vaccines, one for the strain responsible for the current outbreak and a preventative vaccine against multiple strains for the future. GeoVax plans to construct the MVA vectors using its recombinant MVA vaccine platform ready for preclinical testing, for which additional funds are likely to be needed. These could potentially come from government sources, or from the capital markets.

Advancing two Ebola vaccines

In response to the current Ebola outbreak, GeoVax plans to develop two Ebola vaccines: (1) GOVX-E301 as a single-dose vaccine targeting the strain of Ebola responsible for the current outbreak, and (2) GOVX-E302, a potential prophylactic vaccine to protect against the three lethal strains of Ebola. GeoVax will produce the MVA vectors in preparation for preclinical testing and if funding is available, anticipates that E301 could be available by 2016.

Leveraging technology to address global needs

GeoVax's vaccine technology platform comprises a DNA primer and an MVA booster. These are used together in GeoVax's lead product Phase II vaccine GOVX-B11, in development as an HIV prophylactic vaccine. GeoVax is now using the recombinant MVA technology for the two Ebola vaccines, designed to produce virus-like particles (VLPs) that can elicit immune responses to the virus.

Ebola outbreak shows no signs of abating

The 2014 Ebola outbreak in West Africa is the largest to date, with more than 7,000 probable, confirmed and suspected cases and >3,330 deaths. Concerns around the virus spreading were recently heightened with the first US diagnosis in a patient who had travelled from West Africa. According to CDC, the number of cases in Sierra Leone and Liberia are doubling every 20 days with estimates suggesting that without additional interventions there could be 550,000 cases by January 2015.

Valuation: EV boosted, but still undemanding

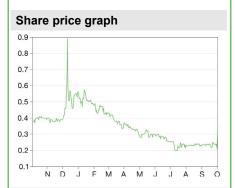
The Ebola plans have boosted the current EV +52% to \$6.6m. This is still undemanding considering GeoVax has a number of HIV vaccines in development, including GOVX-B11 to prevent HIV and an HIV immunotherapy programme for the developed world, in addition to preclinical assets for the developing world. However, end-June net cash of \$1.4m will be insufficient for further development.

| Historical financials | | | | | | |
|-----------------------|------------------|--------------|-------------|-------------|------------|--------------|
| Year end | Revenue (\$m) | PBT (\$m) | EPS (\$) | DPS (\$) | P/E (x) | Yield (%) |
| 12/11 | 4.9 | (2.3) | (0.15) | 0.0 | N/A | N/A |
| 12/12 | 2.7 | (2.1) | (0.12) | 0.0 | N/A | N/A |
| 12/13 | 2.4 | (2.3) | (0.11) | 0.0 | N/A | N/A |
| Source: Ge | eoVax | | | | | |

Pharma & biotech

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Share details Code GOVX Listing OTCQB Shares in issue 25.5m

Business description

GeoVax is a US vaccine development company. The lead programme is a preventative HIV vaccine (GOVX-B11), which has completed a Phase IIa trial and further trials are being planned in conjunction with the US NIH. An HIV immunotherapy is also being developed, in addition to preclinical Ebola vaccines.

Bull

- One of the most advanced prophylactic HIV vaccines in development.
- Development supported by the US NIH.
- Two preclinical Ebola vaccines.

Bear

- Limited funds to pursue clinical trials and NIH funding is not guaranteed.
- Historical HIV vaccine development has been challenging.
- Ebola is becoming an increasingly competitive market, including GSK in collaboration with NIH.

Analysts

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