

# GeoVax

**Pharma & biotech**
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## Q314 NIH funding decision could be key

GeoVax provided an update on its lead programmes with the recent Q214 financial results. The next development steps for GOVX-B11 are subject to US NIH funding and a decision, expected in Q314, to fund production of a key component of the vaccine for further trials could be indicative of future support. GeoVax is also working on the elements required for an HIV immunotherapy, with a Phase I/II trial currently being planned.

## Funding decision for vaccine production in Q314

Clinical development to date of GOVX-B11 has been conducted by HVTN (HIV Vaccine Trials Network) with funding from the US [NIH](#). Further development of GOVX-B11 was recently discussed at the HVTN full group meeting. A large Phase IIb trial is being planned and could start late 2015/early 2016, subject to NIH funding (estimated cost >\$50m). The DNA component of GOVX-B11 will need to be produced before the start of this trial and GeoVax has requested c \$3m from NIH to fund this, with a decision expected in Q314. This could be indicative of the chance of securing future funding for the Phase IIb trial as it seems unlikely, in our view, that NIH will agree to fund production for a trial unless there is an intention to conduct the trial.

## “Shock” tactics

GeoVax is also working on ways to potentially cure HIV. However, curing HIV is complicated by so-called latent HIV reservoirs, which are established early in HIV infection, do not actively produce virus, but are effectively invisible to standard antiretroviral treatment (ART). Hence, a key component of an HIV cure will be the ability to reactivate (“shock”) these reservoirs. GeoVax is working on a product to achieve this and is in the process of defining a Phase I/II trial as part of an HIV immunotherapy programme. This approach could also build on the immune response observed with GeoVax’s HIV vaccines.

## Valuation: EV of around \$4m

GeoVax has a number of HIV products in development for both the developed and the developing world. These include GOVX-B11 to prevent HIV and an HIV immunotherapy programme, in addition to preclinical assets for the developing world. End-June net cash of \$1.4m will be insufficient to fund further development, hence additional funding will be required. This could come from NIH for GOVX-B11, from grants or via the capital markets. Despite having one of the most advanced prophylactic HIV vaccines in development, the current EV is only around \$4m. However, HIV is a challenging arena and further funds will be needed.

### 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: GeoVax

**Price** **\$0.23**  
**Market cap** **\$6m**

### Share price graph



### Share details

Code	GOVX
Listing	OTCQB
Shares in issue	25.0m

### Business description

GeoVax is a US biotechnology company focused on developing vaccines for HIV. The lead programme is a preventative vaccine (GOVX-B11), which has completed Phase IIa development; a Phase IIb is being planned in conjunction with the US NIH. An HIV immunotherapy is also being developed.

### Bull

- One of the most advanced prophylactic HIV vaccines in development.
- Development supported by the US NIH.
- HIV is a significant market.

### Bear

- Limited funds to pursue clinical trials.
- NIH funding is not guaranteed.
- Historical HIV vaccine development has been challenging.

### Analysts

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