

## NUVILEX, INC. Major Achievements Set Stage for Big 2014

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August 6, 2013

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### NUVILEX, INC. (OTC:QB – NVLX - \$0.1495)

Price Target: \$0.75

Rating: Speculative Buy

### COMPANY SNAPSHOT

Nuvilex, Inc. has been a provider of all-natural products for many years, has expanded its company to increase its natural product-based footprint through medical marijuana studies and is becoming an international biotechnology provider of live, therapeutically valuable, encapsulated cells and services for treatments, research and medicine. The Company's offerings will ultimately include cancer, diabetes and other clinical treatments using the company's natural product knowledge, product base, cell and gene therapy expertise, and live-cell encapsulation technology in addition to other new products currently under development.

### KEY STATISTICS

Price as of 8/5/13	\$0.1495
52 Wk High – Low	\$0.22 – 0.019
Est. Shares Outstanding	460M
Market Capitalization	\$68.8M
3 Mo Avg Vol	3,300,000
Exchange	OTC:QB

### COMPANY INFORMATION

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### INVESTMENT HIGHLIGHTS

**Key Takeaway:** Nuvilex's just released shareholder update indicates that recent and pending milestones set the stage for a big 2014 for the Company.

**Background:** Yesterday, NVLX released a shareholder update that reviewed recent milestone events such as the acquisition of the cancer treatment platform licenses. Plus, management outlined new information that serve as major positives, along with upcoming milestone events.

**They Did It Again:** On the heels of the cancer treatment transaction, management noted that NVLX intends to acquire the worldwide exclusive rights to the use of the live-cell encapsulation technology for the development of treatments for diabetes from SG Austria with the closing of the transaction expected at the end of October 2013. **Estimated annual diabetes drug sales in the U.S. are \$22 billion, thus providing huge market potential for the Company.**

Funds for this acquisition have already been committed and the final paperwork is executed. A huge opportunity exists in utilizing the live-cell encapsulation treatment for diabetes patients as early animal tests have demonstrated the potential elimination of the need for insulin therapy. Moreover, given the correlation between individuals with diabetes and their 8-fold increased risk for pancreatic cancer, it is a natural fit into at least one of the Company's overall clinical directions. Management plans to begin preparing for future in-depth studies in the fourth quarter of this year.

### **Live Cell Inventory Solidified**

NVLX announced that has retained a 14.5% ownership stake in SG Austria. Retaining a meaningful minority stake in the Company enables access to senior SG Austria personnel, if needed, during the clinical development process.

### **Even Nuvilex's Financials Are Markedly Improved**

As evidenced by the ability of the Firm to close the cancer treatment platform acquisition and generate funding commitments for the diabetes treatment rights, Nuvilex is in much better financial shape than it has been in many years. To that end, the Company settled a \$2.2M debt owed to Cornerstone Bank, thus eliminating the largest single liability from its balance sheet. The removal of this line item will be reflected in upcoming filings. Moreover, management expects that the balance sheet will continue to improve in the coming quarters. All of these steps bode extremely well for Nuvilex to tap into strategic and investment capital for future clinical trials, as well as operations.

### **Diabetes Treatment Adds a Multi-Billion Dollar Blockbuster Prospect to its Arsenal**

Diabetes is a major health issue in the U.S. and other industrialized nations. According to the American Diabetes Association, nearly 24 million people in the U.S., or 8% of the population, have either Type I or Type II diabetes. Estimates indicate that nearly 25% of people with the disease are unaware that they have it. Type I is commonly diagnosed in children, where the body does not produce insulin. Type II is developed in adults and is the condition where "insulin resistance" (cells are unable to utilize insulin properly) occurs, and is particularly tied to obesity or bad diet habits. The number of patients diagnosed with Type II diabetes is growing at an alarming rate. According to the CDC, the rates of Type 2 Diabetes in the US have increased from 4.8 per 1,000 in 1995-1997 to 9.1 per 1,000 in 2005-2007, a 90% increase.

Clinicians and physicians have long known about the undefined correlation between the litany of health problems associated with diabetes and the link to pancreatic cancer, which is one of the reasons why the Nuvilex deal makes so much sense. Several research studies have found that about 80% of patients who have pancreatic cancer also have glucose intolerance issues or diabetes. Another study found that people diagnosed with diabetes after age 50 are eight times more likely to develop pancreatic cancer compared with the general population.

Clearly, Nuvilex plans to take advantage of the soon-to-be acquired early-stage diabetes technology and research combined with its advanced pancreatic cancer trials data to leverage its platform technology to treat both diseases. Moreover, considering that the diabetes treatment data indicates that it could eliminate the need for insulin therapy, Nuvilex is moving toward introducing a game-changing treatment platform that is potentially worth billions in annual sales.

We continue to rate these shares Speculative Buy with a \$0.75 price target.

**NUVILEX, INC. (OTC:QB NVLX)**

**Recent Trading History For NVLX**

(Source: Stockta.com)



**Senior Analyst: Robert Goldman**

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

**Analyst Certification**

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