



May 2, 2016

Dear Fellow Shareholders:

Each year GeoVax management provides a summary of recent activity and an anticipated outlook into the future for our Company. Because of recent decisions to expand the application of our MVA virus-like particle (VLP) technology to other infectious diseases and oncology, 2015 was a very active year of strategic considerations. While our HIV vaccine moves closer to efficacy trials, we have expanded our Ebola vaccine program to encompass other hemorrhagic fever diseases such as Marburg and Lassa Fever into a single vaccine, providing distinct advantages to protect people living in areas where these diseases are endemic. More recently, we initiated development programs addressing the recent Zika virus threat, as well as potentially applying our technology in the area of cancer immunotherapy, an opportunity with tremendous need and market potential.

### **Zika Vaccine Program**

The newly emerging Zika virus presents a major opportunity for GeoVax to demonstrate effective viral prevention through the use of our MVA-VLP technology. This rapidly spreading virus has only just begun to gain momentum in North America and no vaccine exists against this disease. The WHO estimates it may affect up to 4 million people by the end of 2016. This mosquito-transmitted disease is particularly dangerous for pregnant women who have a risk of their baby developing severe birth defects such as microcephaly. Microcephaly is a congenital condition marked by an abnormally small head and incomplete brain development. In adults a small but devastating risk is the autoimmune disorder Guillain-Barré syndrome that can cause paralysis.

To help speed the development of our vaccine, we are collaborating with the University of Georgia and in particular, Dr. Ted Ross, a Georgia Research Alliance Eminent Scholar in Infectious Diseases. We have also established collaborations with the CDC for various critical reagents and testing, as well as with the University of Texas Medical Branch for specific reagents. We expect to be in animal trials before the end of Q3 2016.

We believe that the GeoVax technology is ideally suited for application in a preventive vaccine against Zika virus. As we proceed with our development in this area, we anticipate increased awareness of the GeoVax technology and credibility which hopefully will result in additional funding and collaboration opportunities.

### **Cancer Immunotherapy**

Cancer immunotherapy (or “immuno-oncology”) is one of the most active and vibrant development areas in biotechnology today, showing promise to supplement, or possibly replace, current standard of care radiation and chemotherapy for various cancers. This approach is changing the way we treat cancer by unleashing the immune system to achieve functional cures in some of the most challenging cancers.

Much like vaccines being used against a virus, cancer immunotherapy therapies use an antigen from the tumor to train the immune system to recognize and destroy cancer cells. Our approach will be to use the Mucin-1 (MUC1) tumor-associated antigen (TAA) that is overexpressed by many types of cancer. We intend to present MUC1 TAA to the immune system using our MVA-VLP technology. Other attempts using MUC1 alone have not shown promise; however, we believe our approach, when combined with the new checkpoint inhibitors that expose the tumor to the natural immune system, promises to have merit.

We have entered into a research agreement with the University of Pittsburgh where our collaborator is a recognized expert in this approach. In particular, the university has screening methods to help choose the vaccines worthy of testing in their already developed animal models.

Because of the high interest in immuno-oncology, this development area is considered to be a very positive area for expanded financing as it represents a very promising area in treating cancers, using the immune system as opposed to radiation and medicinal cocktails. Once we have data in animal models to support our approach, we will undertake a serious fund-raising effort to rapidly advance this program.

### **Hemorrhagic Fever Vaccine Program**

The 2014-15 Ebola outbreak has waned and no longer garners the media attention it once did. Yet, while the virus is not currently an epidemic threat, we recognize that over the last several decades there have been twenty-eight separate outbreaks, and there will certainly be more. The reason for this is the endemic nature of the virus – it resides in a number of animal species. Once the virus transfers from infected animals to humans, it begins another lethal cycle. The severity and rapid spread of the last epidemic underscores the reason for concern over how the world should and can respond to the next outbreak. For this recurring problem a vaccine is necessary, and to date, no vaccine has gained approval from the FDA or any other governmental health agency.

We have demonstrated our MVA-VLP vaccine platform to be effective with Ebola, producing non-infectious particles resembling the Ebola virus to stimulate an effective immune response. And our rodent studies completed several months ago proved we can instill 100% protection against a lethal virus challenge. We are not aware of any other Ebola vaccine in development that has demonstrated such impressive results, with the safety profile and other advantages of our vaccine.

Our tetravalent hemorrhagic vaccine incorporates two of the most prevalent strains of Ebola plus antigens for two other hemorrhagic fever diseases -- Marburg virus and Lassa Fever virus. Combined into a single vaccine, we expect this will be a unique and effective approach to being able to vaccinate millions of individuals who live in the at risk areas, as well as travelers, military personnel, healthcare workers, etc.

The pathway to approval requires non-human primate trials before Phase 1 human clinical trials. Currently, we are vaccinating the non-human primates and based on the outcome will seek federal funding to support vaccine production in order to proceed to human clinical trials.

Being in the Ebola space opens the opportunity for collaboration and licensing, as we will need a commercialization partner for what the World Health Organization (WHO) estimates to be up to a 27 million dose market.

### **HIV Vaccine Programs**

GeoVax was founded with the goal of successfully developing a preventive HIV vaccine. To date our program has progressed to the point of being considered the most advanced vaccine candidate for clade B, the subtype of HIV prevalent in North America and Western Europe. Having completed the basic discovery research, preclinical animal testing, and safety testing in humans (through Phase 2a clinical trials), our next step is to plan for an efficacy trial. Efficacy trials are conducted using a population of individuals who are infection-free, but have lifestyles which could expose them to the disease. Under such conditions, it allows us for the first time, in humans, to assess whether the vaccine prevents infection. Trials such as this are routine and typically half of the subjects receive the vaccine versus the other half who receive a placebo vaccine. After a number of months the HIV infection rate in both groups are compared. Our goal will be to achieve an infection rate where the vaccinated group has at least 50% less infections as compared to the control (placebo) group.

All of the clinical trials of our HIV vaccine to date have been conducted by the HIV Vaccine Trials Network (HVTN) with financial support from the NIH. And given the size of a potential efficacy trial (approximately 3000 individuals), we will likely need to rely on additional HVTN/NIH support for the trial. While we appreciate and

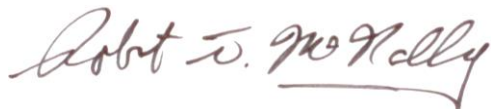
look forward to NIH support, the efficacy trial will be delayed as the NIH wishes to also evaluate the effect of adding a “protein boost” component to our vaccine. Protein boosts may augment antibody responses that can block virus infections (neutralizing antibody) and cause antibody dependent cellular cytotoxicity (ADCC). Proteins added to HIV vaccines have shown some success in other trials. The NIH believes this “dual-action” approach will be a prudent and cost-effective path forward for supporting large clinical trials. The delay is caused by the need to assess the safety of the two proteins chosen by the NIH. Meanwhile in a near-term effort to further evaluate the potential for a protein, we have a protein being added to a group of our previous clinical trial participants. This trial (HVTN 114) should start in mid-2016 and will be run by the HVTN. The use of proteins with our vaccine is also being tested now in non-human primates. The conclusion of both of these evaluations will either support or disprove the need to use the protein component in combination with our vaccine.

While HIV does not gather the headlines it once did, the new infection rate in this country has remained virtually unchanged for the past 20 years at 50,000 new cases each year. Our government, with funds generated by the U.S. taxpayer, contributes roughly \$20 billion toward HIV prevention, care and treatment. If this contribution were not available, the incidence of HIV would be increasing rather than staying constant. Like smallpox, polio, influenza, measles, and other infectious diseases, a vaccine is desperately needed to control the world’s 6<sup>th</sup> leading cause of death with 34 million people infected globally and 2.3 million new cases each year.

Fund raising to support our vaccine development programs is a continual process, and we a history of success in securing a balanced mix of federal grant support, in-kind support, and equity capital. As this letter is being written, we have funding to support our activities into late 2016 and will be judiciously seeking additional funding to further advance our programs.

In conclusion, we would like to thank and recognize the support our shareholders and employees have provided to GeoVax over the past year. We look forward to achieving further progress in our successful developments during 2016.

Sincerely,



Robert T. McNally, Ph.D.  
President & CEO



David A. Dodd  
Chairman of the Board

*Forward-Looking Statements. Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors, including whether: GeoVax can develop and manufacture its vaccines with the desired characteristics in a timely manner, GeoVax's vaccines will be safe for human use, GeoVax's vaccines will effectively prevent targeted infections in humans, vaccines will receive regulatory approvals necessary to be licensed and marketed, GeoVax raises required capital to complete vaccine development, there is development of competitive products that may be more effective or easier to use than GeoVax's products, GeoVax will be able to enter into favorable manufacturing and distribution agreements, and other factors, over which GeoVax has no control. GeoVax assumes no obligation to update these forward-looking statements, and does not intend to do so. More information about these factors is contained in GeoVax's filings with the Securities and Exchange Commission including those set forth at "Risk Factors" in GeoVax's Form 10-K.*