



April 2, 2015

Dear Fellow Shareholders:

It is a pleasure to provide you with an update on GeoVax's corporate and clinical progress during 2014, and to provide some insight as to what you should expect during 2015 and beyond. The most significant event of 2014 was our decision to begin the expansion of our vaccine development portfolio beyond HIV, with the Ebola virus as our first target. Our Ebola program will provide a series of near-term achievable milestones while our HIV program moves closer to our goal of an efficacy trial. With this step, we also intend to demonstrate the potential of our vaccine technology as a platform for use in additional disease areas.

### **Ebola/Marburg Vaccine Program:**

The Ebola outbreak in Guinea, Sierra Leone and Liberia gained worldwide attention during the second half of 2014. The sad statistic is that, as of this writing, there have been more than 20,000 infections, with nearly 40% resulting in death. We surmise that many of the Ebola vaccines being rushed into clinical trials will not be a permanent solution to the problem, and that our vaccine vector, MVA (modified vaccinia Ankara), will be very well-suited for a second generation Ebola vaccine. We know from our HIV vaccine successes that our vaccine is safe and provides a durable (long-lasting) immune response. Unlike other vaccines under development, our vaccine incorporates genetic sequences from the most recent outbreak, thus increasing chances the vaccine will be effective. Additionally, we believe our vaccine production methods will yield a favorable cost profile, which will also be an important consideration.

Since 1976, the CDC has reported 28 outbreaks of Ebola, with five occurring since 2010. The virus infects animals such as bats, creating reservoirs in nature that, like rabies, cannot be completely eradicated. Because of the long 3-week incubation period for someone to show any signs of Ebola infection, plus the increasing mobility and urbanization of the at-risk population, these outbreaks will continue to occur, and may worsen. Thus, an effective and safe vaccine is a top world health priority. There has been considerable discussion amongst world healthcare experts about whether to stockpile vaccines for future outbreaks or to vaccinate large segments of the population. Much of that decision will depend upon whether a vaccine meets the criteria for being effective, safe, long-lasting, and affordable.

There are three major strains of Ebola lethal to humans and a very similar virus, Marburg, which also causes hemorrhagic fever. GeoVax is developing a vaccine for each of the Ebola strains, plus Marburg, with the intention of allowing medical professionals the option to use an individual single-dose vaccine if there is an outbreak emergency, or all components together in a two-dose regimen for routine immunization.

Since we announced the initiation of our Ebola vaccine program in October 2014, and subsequently expanded it to include Marburg virus, our progress has been swift. We have used the very latest Ebola viral sequences in our vaccine to demonstrate that we can indeed produce the virus-like particles (VLPs) which we believe are the key to stimulating relevant and long-lasting immunity. We also produce VLPs with our HIV vaccine. These non-infectious VLPs are excellent for educating the recipient's immune system to recognize a virus, block its ability to infect, and kill infected cells. Soon we will begin animal testing by vaccinating small rodents, taking blood samples to assess the induction of an immune response, and then challenging these animals with the live Ebola virus to demonstrate protection. Later this year we plan to initiate non-human primate studies, and in parallel, begin manufacturing the vaccine in anticipation of human clinical trials, ideally before the end of 2016.

Being in the Ebola space gives GeoVax the potential to be more widely recognized and opens opportunity for collaboration and licensing. Given success, the Company 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:**

#### *Preventive HIV 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 \$16 billion toward HIV 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 5<sup>th</sup> leading cause of death with 34 million people infected globally and 2.3 million new cases each year.

GeoVax has risen to a leading position with a vaccine to prevent acquisition of the clade B subtype of HIV, which is the most prevalent clade in the Americas and Western Europe. We have successfully completed a Phase 2a safety trial and have had no reportable adverse events from use of the vaccine after 500 individual volunteers were vaccinated in multiple clinical trials. Our immune response data predicting the vaccine's ability to protect against HIV meets or exceeds competitive products. We have had numerous conversations with both the National Institutes of Health (NIH) and the HIV Vaccine Trials Network (HVTN), who conduct the clinical trials, about the goal to start a Phase 2b efficacy trial. While these two groups remain supportive of the idea to progress to this level, the \$70 million clinical trial cost presents a financial challenge, not only for GeoVax, but also for any entity considering funding this program. The HVTN believes the best path forward will be to test our vaccine in combination with a protein boost. Protein boosts may augment antibody responses that can both block virus infections and identify the virus for attack by immune system cells. The one partially successful HIV vaccine trial (known as RV144) included a protein boost, which the HVTN believes should be tested together with the GeoVax vaccine. Our current expectation is that the next clinical trial will begin in late 2015 and will be a follow-on study to the Phase 2a trial (HVTN 205), in which trial participants will be given a protein boost to test the ability of late boosts increasing the antibody responses elicited by the GeoVax vaccine. Information from this trial would then inform the design of future, larger clinical trials.

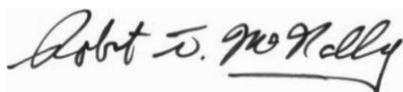
HIV Immunotherapy Program:

HIV-infected individuals who diligently remain on oral medications will have a chronic medical condition instead of a fatal outcome. But the startling statistic reported in the medical literature states that out of the 1.1 million individuals in the U.S. infected with HIV, only 25% successfully control their disease. The remaining 75% are capable of infecting others, thus propagating the disease. Lack of compliance with drug regimens has a variety of issues, such as the high cost of treatment and medical side effects as a result from toxicities from currently approved medications. Consequently, the NIH is pushing new research toward finding a cure for HIV infection. The NIH and other leaders in the HIV field have developed a new concept: the "shock and kill" strategy, in which patients remain on the standard-of-care, anti-retroviral drug therapy, while a second drug ("shock agent") is used to activate latent HIV and a third drug ("kill agent") is used to recognize and eliminate cells that harbor the latent HIV reservoir. A shock and kill therapy could potentially contribute to a cure for HIV. Future therapeutic studies of our HIV vaccine may investigate the vaccine's ability to act as a "shock agent" in a shock and kill therapy. We may also look to combine our vaccine with other therapeutic agents to work towards the ability to prevent the re-emergence of latent virus in the absence of drugs. Our timetable and specific clinical plans will depend on our ability to secure external funding for the program, and on the nature of any potential collaborations we may enter.

We recently reported the completion of a financing transaction of up to \$6 million, half of which was received upfront, giving the company net proceeds of \$2.7 million. The remainder may be exercised by the investors through next February. By securing these funds, GeoVax has the financial resources to continue its core functions, consider other vaccine platform disease applications, and complete near-term objectives for our Ebola program. If the objectives are met and the data are compelling with our new Ebola initiatives, the possibility for more U.S. and international grant funding will be enhanced.

In conclusion, we would like to thank and recognize all of 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 2015.

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 HIV or Ebola*

*infection 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.*