

28 May 2018

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge St
Sydney NSW 2000

Viralytics shareholders vote in favour of scheme of arrangement

At the scheme meeting of Viralytics Limited (ASX: VLA) (**Viralytics**) held today, Viralytics shareholders have voted in favour of the scheme of arrangement for the proposed acquisition of all of the shares in Viralytics by Merck Sharp & Dohme (Holdings) Pty Ltd ACN 000 235 245 (**MSD**) (a wholly owned subsidiary of Merck & Co., Inc.) (**Scheme**).

Next steps

Viralytics has applied to the Federal Court of Australia for approval of the Scheme at a hearing scheduled for Monday, 4 June 2018. The Scheme remains subject to approval by the Federal Court at this hearing.

Key dates for implementation of the Scheme are set out below:

Key dates	
Final court date for approval of scheme	Monday, 4 June 2018
Effective Date: - Court order lodged with the Australian Securities and Investments Commission and announced to ASX - Last day of trading in Viralytics shares on ASX (with shares suspended from close of trading)	Tuesday, 5 June 2018
Record date for determining entitlements to scheme consideration	5.00pm on Tuesday, 13 June 2018
Implementation date (for payment of the Scheme Consideration)	Tuesday, 20 June 2018

All dates are indicative only and are subject to change as agreed between Viralytics and MSD and announced to ASX.

Voting results – Scheme Meeting

For the purpose of ASX Listing Rule 3.13.2 and sections 251AA(1) and (2) of the *Corporations Act 2001* (Cth), Viralytics states that the resolution to approve the Scheme, as set out in the Notice of Meeting in Annexure E to the Scheme Booklet, were passed by the requisite majorities of shareholders.

The poll report submitted by the returning officer as appointed by Viralytics is attached.

Yours sincerely



Sarah Prince
Company Secretary

About Viralytics Ltd

Viralytics is developing oncolytic immunotherapy treatments for a range of cancers. The company's lead investigational product, CAVATAK[®], is currently being studied in clinical trials for the treatment of melanoma, as well as bladder and lung cancers. CAVATAK is a proprietary formulation of the common cold Coxsackievirus Type A21 (CVA21) that preferentially binds to specific 'receptor' proteins highly expressed on multiple cancer types. CAVATAK acts to kill both local and metastatic cancer cells through cell lysis and the potential generation of an immune response against the cancer cells – a two-pronged mechanism of action known as oncolytic immunotherapy.

Based in Sydney Australia, the company is listed on the Australian Securities Exchange (ASX: VLA) while Viralytics' ADRs also trade under VRACY on the US OTCQX International market. On 21 February 2018 the company announced a Scheme of Arrangement by which Merck Sharp & Dohme Australia (Holdings) Pty Ltd (**MSD**) proposes to acquire 100% of the ordinary shares in Viralytics. For more information, please visit www.viralytics.com.

Enquiries:

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APPENDIX 1

Shareholders considered the following resolution:

'That, under section 411 Corporations Act, the Scheme proposed to be entered into between Viralytics and holders of its fully paid ordinary shares is approved and the board of directors of Viralytics is authorised to agree to those modifications or conditions which are thought appropriate by the Court and, subject to approval of the Scheme by the Court, to implement the Scheme with any of those modifications or conditions.'

Voting on the resolution was conducted by a poll, and the results are summarised in the table below:

	Votes For	Votes Against	Total Votes	Abstain*
Votes	178,224,277	2,063,520	180,287,797	25,042
% of Votes	98.86%	1.14%	100%	-
Holders	1,276	73	1,349	3
% of Holders	94.59%	5.41%	100%	-

Proxy votes were received from 1,337 shareholders, and the total number of proxy votes exercisable by all proxies validly appointed, are set out below:

	For	Open	Against	Total Valid Available Votes	Abstain*
Votes	173,006,659	4,646,692	1,648,520	179,301,871	25,042
% of Votes	96.49%	2.59%	0.92%	100%	-
Holders	1,116	147	71	1,334	3
% of Holders	83.66%	11.02%	5.32%	100%	-

**Note that the votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.*