

20 June 2018

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

Implementation of scheme of arrangement

Viralytics Limited (ASX: VLA) (**Viralytics**) is pleased to advise that the scheme of arrangement between its shareholders and Merck Sharp & Dohme (Holdings) Pty Ltd ACN 000 235 245 (**MSD**) (a wholly owned subsidiary of Merck & Co., Inc.) which was approved by shareholders on 28 May 2018, and by the Federal Court of Australia on 4 June 2018 was implemented today. In accordance with the Scheme:

- all ordinary shares in Viralytics were transferred to MSD;
- MSD has paid \$502.4 million (being \$1.75 per share) to MSD shareholders as consideration for the Viralytics shares which were transferred to MSD; and
- Viralytics has applied to be removed from the official list of the ASX from the close of trading on 21 June 2018.

Viralytics is now 100% owned by MSD. All directors of Viralytics (other than Malcolm McColl who will continue as a director of Viralytics) retired from the board today and have been replaced with MSD directors Riad El-Dada and Paul Dodd.

Viralytics' Company Secretary, Sarah Prince, has also retired and been replaced with Georgina Diab.

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 an indirectly wholly owned subsidiary of Merck and Co., Inc. (known as MSD outside the United States and Canada). For more information, please visit www.viralytics.com.

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