

ASX and Media Release

Viralytics Receives \$6.4 Million R&D Tax Incentive

8 January 2018, Sydney, Australia: Viralytics Limited (ASX: VLA, OTC: VRACY) has received \$6.4 million from the Australian Taxation Office under the Research and Development Tax Incentive Programme relating to the financial year ending 30 June 2017.

With receipt of these funds, and the investment by Lepu Medical Group announced on 5 January, the company has more than \$57 million in total cash which can fund current and planned clinical activities into 2020, including:

- Progressing our CAPRA and MITCI clinical studies in melanoma;
- The collaborative KEYNOTE-200 study in lung and bladder cancer with Merck (known as MSD outside the United States and Canada);
- Initiating a pivotal trial in melanoma; and
- New small early phase signal seeking studies in Head & Neck cancer, Colorectal cancer and Uveal melanoma.

Viralytics Managing Director Malcolm McColl commented, "Clinical data on the three active combination trials continues to impress. The potentially transformative KEYNOTE-200 trial, where CAVATAK is delivered by intravenous administration, is forecast to complete enrolment in early 2018 with a further update on trial results to be reported in Q2 2018. We are excited by the recently announced investment by Lepu Medical Group and remain confident in the commercial potential based on our current body of data while also seeking to demonstrate potential in further substantial oncology markets."

Further details on the clinical development programme are available in the investor presentation on the home page of our website – www.viralytics.com.

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. For more information, please visit www.viralytics.com.

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