ASX and Media Release

Viralytics Receives $4.3 Million R&D Tax Incentive

13 February 2017, Sydney, Australia: Viralytics Limited (ASX: VLA, OTC: VRACY) has received $4.3 million from the Australian Taxation Office under the Research and Development Tax Incentive Programme relating to the financial year ending 30 June 2016.

The funds will contribute towards advancing the ongoing and future planned clinical trial programme in the US, UK and Australia, and support key regulatory and investigational product supply operations. The current trials are assessing oncolytic virus lead investigational product CAVATAK® in combination with important checkpoint inhibitor drugs[1] across a range of significant cancer indications. Promising preliminary results from these trials, and results from our earlier clinical trials, have been presented at major global oncology conferences (see our web site for conference poster presentations).

Further details on the clinical development programme are available in the Annual General Meeting presentation on the home page of our website.

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 Phase 1 and 2 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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[1] Checkpoint inhibitors include the anti-PD1 antibodies such as pembrolizumab (KEYTRUDA, trademark of Merck & Company Inc) and the anti-CTLA4 antibodies such as ipilimumab (YERVOY, trademark of Bristol Myers Squibb Company).