

ANNUAL GENERAL MEETING

27 NOVEMBER 2014

CHAIRMAN'S ADDRESS

Dear Fellow Shareholders,

It is a pleasure to be able to report to you on a year of remarkable achievements for Viralytics:

- Highly successful capital raise with strong global institutional support;
- Fully funded for current programs;
- Blue chip share register;
- Continued very encouraging data from clinical programs; and
- Recognition of CAVATAK™ at leading international scientific meetings

After many years of concentrated effort, Professor Darren Shafren's promising work on our CAVATAK therapy received substantial international recognition. Significantly this occurred not only in scientific and academic circles but also, importantly for Viralytics as an ASX-listed public company, in the US and UK capital markets. These are the world's most demanding and rigorous markets for attracting biotech investment funding.

Under the leadership of our Managing Director, Malcolm McColl, CAVATAK attracted key fund managers in the US and UK resulting in a transformative capital raising in March 2014 of \$27 million, one of the largest raisings by an ASX-listed biotech in recent years. It was a credit to Darren's science and Malcolm's direction that our new shareholders are some of the most prestigious fund managers globally.

Viralytics is now well funded to drive the development of CAVATAK across many broader fronts, particularly in combination with immune checkpoint inhibitors, an area of intense interest in immuno-oncology today.

Our science is exciting, our management sound and our finances are robust.

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Management was very active throughout the year presenting our technology at the key international oncology conferences AACR and ASCO, where our poster presentation was enthusiastically received, as well as BIO and at a broad range of financial meetings.

Peter Turvey joined the Board in September 2014 and brings with him deep Australian and international experience in the biotechnology and pharma sectors. We look forward to his contribution to our progress in the years ahead.

After many years of fine service, Peter Molloy and Phil Altman, stepped down from the Board in September 2014. I wish to record Viralytics' appreciation of their valued efforts.

Notwithstanding a year of great progress, Viralytics remains undervalued when measured against our peer group. We are committed to profiling the company to investors and institutions so that a re-rating of the stock will be reflected in a market price commensurate with our assets.

On behalf of the Board, I wish to acknowledge our appreciation to all Viralytics staff for their outstanding and key roles in the Company's success this year, and I also thank shareholders for their continued support.

We look forward to an exciting 2015.

Paul A. Hopper

Chairman

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