



Dear Shareholders,

2018 has been a game-changing year for Biotron. The Company's recent announcement regarding successful outcomes in its pivotal phase 2 clinical trial for the treatment of HIV-1 has been a major inflection point.

Recapping those headlines:

1. BIT225 is having a unique effect in patients, over and above what is seen with current antiretroviral drugs used to treat HIV-1 infection.
2. The data from the trial are consistent with targeting and eradication of virus from macrophage reservoir cells by BIT225.

As we have always maintained, eradication of this virus population from these reservoirs is central to an eventual HIV-1 cure.

This important trial builds on a solid foundation of previously reported laboratory studies that showed that BIT225 attacks HIV-1 in macrophage cells that current drugs cannot access.

Unless macrophage cells are cleared of HIV-1 virus, a cure is not possible. Current drugs do an excellent job of taking HIV-1 in the blood to undetectable levels but do not clear virus in macrophages. These cells, which reside in the body's tissues, produce low levels of HIV-1, even in patients taking current antiretroviral drugs. This means that the infection persists. Patients can't stop taking antiretroviral drugs; if they do, the virus quickly rebounds to high levels.

Clearing out virus from these macrophage reservoir cells is an important key step towards eradicating HIV-1 completely. Biotron's data indicate that BIT225 could form part of a cure strategy for HIV-1 infection.

The clinical trial also showed that BIT225 reduced an important macrophage associated protein (sCD163) that correlates with severity of disease. Higher levels of this protein are linked with adverse clinical

outcomes. Reduction of levels of this marker is a good indication of potential benefit in these patients.

The work undertaken by Biotron's dedicated team has achieved something not seen with current approved antiretroviral drugs. By targeting this long-lived source of virus, eradication of HIV-1 infection is one step closer.

In coming weeks, Biotron will brief potential pharmaceutical partners on the trial outcomes. We believe that the successful results from this study will facilitate commercialisation negotiations with these parties.

In parallel, the Company expects to present the detailed data from the clinical trial at conferences in late 2018/early 2019.

In addition, Biotron continues to explore regional partnering opportunities in China for the BIT225 Hepatitis C (HCV) program. China has one of the world's largest populations of people infected with HCV and there may be key benefits in this particular population for treatment of HCV with BIT225.

Being at the forefront of such cutting edge science isn't easy. But we have been unwavering in our goal of clearing this key virus reservoir and moving closer to the ultimate goal of curing HIV-1 infection. Commercialisation of the Company's antiviral technology platform remains the key focus.

We would like to thank shareholders for their patience and support during 2018.

Michelle Miller

CEO & Managing Director