A Letter from the CEO

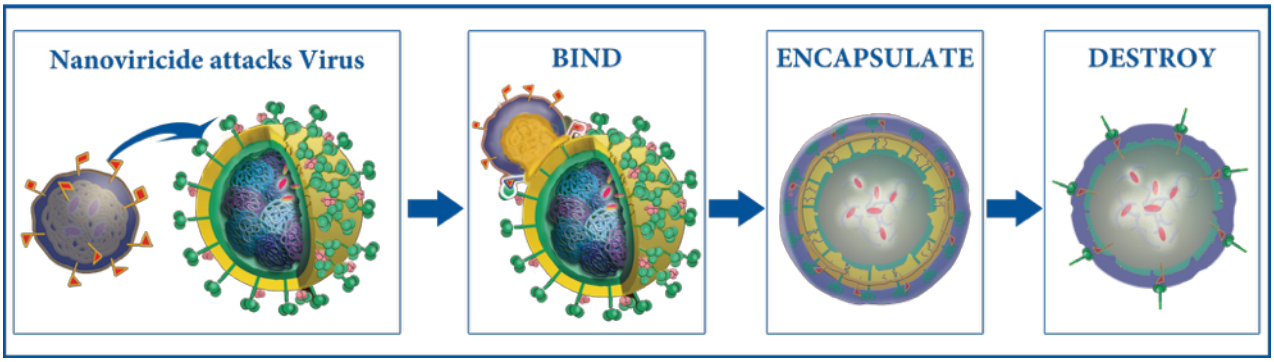
It has been an important and productive year for NanoViricides, Inc. (the “Company”), and I’d like to share highlights of the Company’s progress.

NanoViricides, Inc. is a global leader developing specially designed, biomimetic nanomedicines that we call “nanoviricides®” to treat viral infections. We have created special purpose nanomaterials to target some of the most complex and challenging viral diseases in the world today.

Most important as we head into 2017, NanoViricides is approaching a critical milestone on this path: human clinical trials. In addition, we have set the foundation for our long-term growth (with our hard work) to enable a discovery-to-manufacture integrated capability in recent years.

Advanced Nanomedicine Technology To Attack Complex Viral Diseases

With several drugs in pre-clinical and advanced pre-clinical development, we continue to advance our vision to discover, develop and commercialize anti-viral therapeutics to treat patients suffering from serious, and often life-threatening, viral infections.



Moreover, we believe our globally-patented, powerful platform technology will continue to feed into our already broad drug pipeline for decades to come, enabling our growth into a strong and healthy antivirals pharmaceutical company. Our technology is licensed from TheraCour Pharma, Inc., a global leader in the development of polymeric micelle-based nanomedicines against a number of disease areas.

Advanced Facilities

In 2016, NanoViricides moved operations to a new campus in Shelton, CT. With fully integrated drug development and scale-up capabilities, this campus delivers the infrastructure needed to build a pharmaceutical manufacturing company capable of advancing to clinical trials. Our new 18,000+ square foot facility includes:

- Laboratory for Production scale-up
- Large-chemistry synthesis lab
- State-of-the-art analytical instrumentation lab for nanomedicines characterization
- Virology laboratory for cell culture-based characterization of anti-viral effects of drug candidates
- Kilogram scale cGMP-capable manufacturing facility for producing any of our nanoviricides: oral, skin cream, eye drops or injectable drugs

Our new virology laboratory received Biological Safety Level 2 certification from the State of Connecticut, and this in-vitro virology lab became fully operational in March, 2016. This facilitates preliminary screening of a much larger number of drug candidates in-house, enabling more rapid identification and optimization of viable drug candidates than was feasible with our contract and collaborative relationships in the past.

Highly Skilled Scientific and Technical Resources

The Company doubled the scientific staff engaged in our drug development work in 2016, bringing together expertise in chemistry, polymer chemistry, chemical engineering, chemical and biochemical analyses, virology studies and regulatory filings.

Consistent, Scalable, Production Capability

Most nanomedicines are notoriously difficult to manufacture consistently from batch to batch. NanoViricides' platform technology has been designed from the ground up to enable consistent manufacture and control, built upon robust, reproducible and scalable processes.

We have been working on developing a number of analysis and characterization assays necessary for enabling batch-to-batch consistent production of our materials since moving to the new campus. In addition, we are also implementing a number of control mechanisms in our chemical reactions and unit operations to enable reproducible product batches. This is an iterative, painstaking, and time-consuming process that we have engaged into at an earlier stage than most pharma companies. We believe the benefits will be substantial time savings for producing the drug substance and drug product batches for initiating human clinical trials.

Potential to Build a Stand-Alone Pharma Company

This new infrastructure makes NanoViricides, Inc. unique among development stage pharmaceutical companies. From design and discovery, to synthesis, characterization and scale-up for clinical drug development, and all the way up to cGMP-capable manufacturing, the Company now possesses a fully integrated drug development capability to support initial market entry, when licensed, for any of our nanoviricides drug candidates.

We can proudly say that our rate of expenditure and estimated total expenditures in developing each of our drug candidates is far lower than industry standards. This should increasingly reflect in NanoViricides market capitalization as we move further towards commercialization.

In addition, our first drug with significant revenues could lead to multi-billion dollar market capitalizations for the Company. And the valuation would only continue to grow as we advance more drugs through the clinical approval process into the marketplace.

Thus, with eight different drugs currently in development, the future is indeed bright. With the strength of our platform technology, we believe we will continue to add many more drugs to the pipeline. The Company has developed drug candidates against a number of viral diseases including H1N1 swine flu; H5N1 bird flu; seasonal Influenza; HIV; oral and genital Herpes; viral diseases of the eye including EKC and herpes keratitis; shingles; Rabies; Dengue fever; and Ebola virus, among others.

Poised for Breakthrough with A Superior Platform for Growth

During the financial year ending June 30, 2016, NanoViricides, Inc. continued to make significant progress in advancing our drug pipeline as well as improving and expanding our resources. We now own a cGMP-capable (Good Manufacturing Practices) manufacturing facility. With this, we believe NanoViricides now has the critical components needed to bring our first drug into human clinical trials. With this foundation for long-term growth now in place, NanoViricides' superior, globally-patented platform technology is expected to enable rapid development of our other drug candidates against many other viruses once our shingles drug is approved.

Strategic Focus on the Fastest Paths to Market

Of course, to get there with minimal expenditures, we need to choose the fastest possible paths to market. We are therefore focusing on topical treatments, such as skin cream or lotion, and eye drops or gel. It is generally believed that the clinical development paths for topical drugs can be faster than those for systemic drugs such as injectables and oral drugs.

HerpeCide™ Program Franchise of Topical Treatments

We have demonstrated that our HerpeCide topical drug candidate exhibited extremely high effectiveness in a mouse model of a highly infectious HSV-1 strain (H129). We have since further optimized the ligands against different herpesviruses. This is resulting in a growing franchise of drug candidates, with four different indications at present.

We are thus currently developing:

- (a) a skin cream/lotion for topical treatment of shingles,
- (b) a skin lotion for topical treatment of HSV-1/2 “cold sores" (i.e. herpes labialis),
- (c) a skin lotion for topical treatment of HSV-2 genital ulcers, and
- (d) eye drops for the treatment of HSV-1 herpes keratitis.

While acyclovir and related drugs are the standard of care for HSV-1 and HSV-2, their effectiveness is limited. Effective control of herpesviruses will require drugs with a different mechanism of action than this existing nucleoside class of drugs.

Some for these nucleoside drugs are also approved for treatment of shingles, but they have extremely limited effectiveness against the varicella-zoster virus (VZV, aka HHV-3), the cause of chickenpox and shingles.

Thus, treatment of shingles is an unmet medical need.

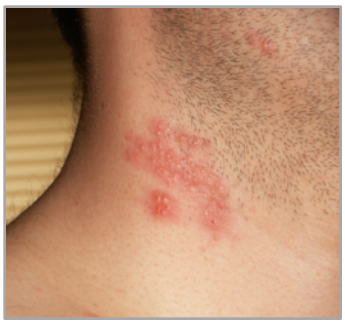
Treatment of herpesviruses is currently $3-to-5 Billion potential market. We believe that when an effective drug is introduced, the market size would increase substantially, based on the population penetration and exposure for these viruses.

We believe that our shingles drug candidate is likely to develop fastest into the human clinical trials stage, with the other HerpeCide drug candidates to follow in rapid succession.

The broad-spectrum nature of NanoViricides’ anti-Herpes Simplex Virus (HSV) drug candidates is expected to enable several additional anti-herpes-virus indications, most of which do not have satisfactory, if any, treatments at present. Examples of other common herpesviruses are the Epstein-Barr virus (EBV, which causes infectious mononucleosis) as well as the CytomegaloVirus (CMV, the cause of severe disabilities in newborns as well as potentially lethal infections in post-transplant patients on anti-rejection medications). Our initial drugs would enable a robust franchise against these and other herpes virus indications.

These developments should further provide the start of a robust franchise for NanoViricides given that many of our drug candidates have shown strong effectiveness and very high safety profiles in preclinical studies. These include preclinical candidates in the FluCide™ broad-spectrum anti-influenza program, DengueCide™ broad-spectrum anti- dengue virus therapeutic, and HIVCide™ broad-spectrum anti-HIV therapeutic.

Shingles Drug Candidate Moving Rapidly Towards Human Clinical Trials



The skin cream candidate against varicella zoster virus (VZV; shingles) is likely to be NanoViricides' earliest drug candidate to enter into human clinical trials. We anticipate this will be followed by NanoViricides' eye drop treatment for herpes keratitis, a potentially blinding herpes infection of the cornea, and our skin cream for HSV-1/2 cold sores. We believe that the safety/toxicology studies for these candidates will be relatively straightforward and rapid because these drug candidates are externally applied (dermal or ocular topical treatments).

Milestones in the Near Future for Advancing Our First Drug Candidate

The path to the clinical trials for NanoViricides' topical shingles preparation will include the following steps:

- Selection of a final clinical drug candidate
- Production of an adequate supply of the topical preparation for toxicology and initial human clinical trials
- Safety/Toxicology studies
- Filing of an IND in the US or equivalent application for beginning human clinical trials in another country
- Regulatory Approval to begin human clinical trials
- Initiation of Phase I Human Clinical safety trials to evaluate Safety
- Successful Completion of Phase I human clinical trials
- Initiation of Phase IIa Human Clinical trials to evaluate Effectiveness and Dosage
- Successful Completion of Phase IIa human clinical trials

We have been diligently working towards completing a number of tasks needed to accomplish these steps particularly during the last year.

We are on our way towards selecting a final clinical drug candidate. Our final drug candidates are currently undergoing cell culture testing at different facilities against VZV as well as HSV-1 and HSV-2. We have encouraging early cell culture data, which was expected based on previous successful studies. We are now awaiting completion of, and compilation of, the entire dataset from different collaborators and our own studies in cell culture. This will lead to selection of the best performing ligand in cell culture. We will then produce nanoviricides using this ligand and a short list of different nanomicelle polymer backbones to optimize effectiveness when applied onto skin. This work will be performed in Professor Moffat Lab at SUNY Upstate Medical Center. Successful completion of these human skin culture based studies should enable us to select a drug candidate for human clinical studies.

Simultaneously, we are already studying large scale synthesis of the nanomicelle polymer backbones as well as the short-listed ligands against HSV and VZV, which should provide us a head-start when we select the clinical candidate. We have scaled up many of the steps in the production to ~200g to ~500g scales. Our scale up lab and manufacturing facility are well equipped with reactor systems from as little as 500ml to as large as 30L already. We believe that approximately 200g production batch size should be sufficient for the Safety/Tox Study batch as well as for the Phase I and Phase II human clinical trials drug batches. We will need to successfully produce at least two batches that meet our quality assurance criteria before we can produce a clinical product batch.

We are also discussing the Safety/Toxicology studies needed for advancing into human clinical trials with our collaborators.

We are evaluating the prospects of performing initial clinical trials in the US as well as in Australia. There are advantages and disadvantages in both approaches. If we perform initial clinical trials in Australia, we plan to extend later clinical trials into the USA.

We are already in the process of putting together initial Phase I and Phase II human clinical trials designs. Once we have initial plans, we intend to discuss the same with our regulatory consultants to further refine them, and thereafter with appropriate regulatory authorities and potential clinical trial sites to finalize them.

We are performing many of these activities in parallel, in order to compress the timescale to enter human clinical trials. We cannot predict with certainty a timetable for accomplishing these activities because of dependence on several external factors, and limitations on our own internal resources. However, we believe that we are close to initiating the Safety/Tox studies which should lead to filing for initial human clinical trials.

Our Frugal Approach Means We Have Sufficient Funding to Advance into Clinical Trials

Importantly, our internal projections and planning indicate that we have sufficient funding in hand to advance our first drug into human clinical trials. We had approximately $22M cash in hand as of September 30, 2016, with a cash expenditure rate of about $2.2M per quarter.

Further steps that we will need to accomplish before commercial sales would be:

- Initiation of Phase IIb Human Clinical trials to further expand drug usage range
- Successful Completion of Phase IIb human clinical trials
- Initiation of Phase III Human Clinical trials in expanded patient population
- Successful Completion of Phase III human clinical trials
- Filing of a NDA (New Drug Application) in the US or equivalent application for commercialization in other countries
- Market Entry Sales from Our Existing Facility

Eventually, we will need to raise funds to further advance our drug candidates towards commercialization. We plan to develop licensing and co-development agreements with other pharmaceutical companies to support these further developments. Alternatively, we may raise limited funds through sale of equities, using vehicles similar to the ones we have used in the past. We believe that our current facility should have the capacity for c-GMP production of sufficient amount of drug substance to enable efficient initial market entry. We believe that we might be able to generate substantial sales from this facility alone, enabling us to build a stand-alone pharmaceutical company.

Shingles Topical Treatment is an Unmet Medical Need with Significant Market Opportunity

It is estimated that there are one million shingles cases annually in the US and approximately 20 million worldwide. One in three Americans will get shingles sometime in their lives, with similar population rates across the globe. It has been reported that 70% of shingles cases are in older individuals, and that 75% of people 70 years of age and older will develop a condition known as “Post-Herpetic Neuralgia” (PHN)—a severe, debilitating pain that persists more than 30 days after the beginning of skin lesion healing.

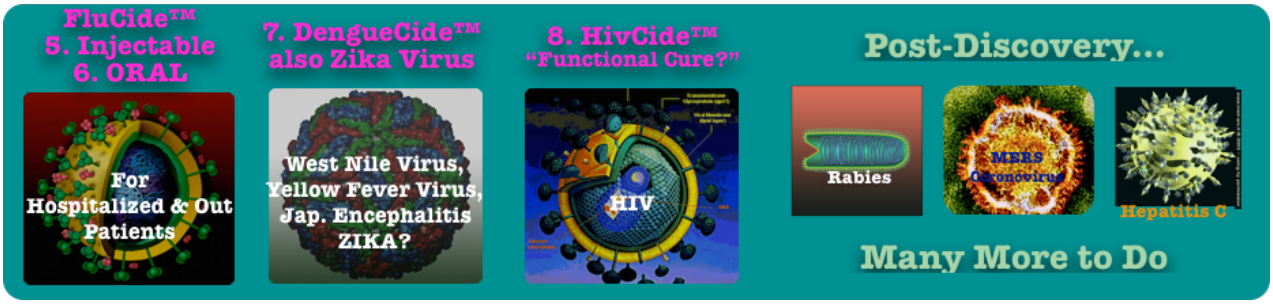
Most persons will develop shingles unilaterally and will recover in 20~30 days with nearly complete skin healing. However, human productivity is substantially affected due to the zoster associated pain. In addition, a large percentage of the elderly and otherwise immune-compromised patients present with very large dermatomes affected, and a small percentage may exhibit facial and ocular manifestations which can lead to visual disturbances. Such patients are also prone to developing PHN that may last from 30 days to more than a year.

Over 50,000 Americans are hospitalized each year with shingles or its complications and healthcare spending for shingles or PHN is in the billions of dollars in the US alone. Current drug therapy is generally ineffective in preventing a shingles outbreak and there are no effective topical treatments at present.

Thus, our shingles drug addresses an unmet medical need with a very large potential market.

Additional Drug Development Programs Are Continued

None of the current anti-influenza drugs are sufficiently effective to be of help to severely ill, hospitalized influenza patients. There are 100,000 to 300,000 such cases in the USA alone annually, accompanied by a 20% in-hospital mortality rate. NanoViricides' Injectable FluCide is designed to piggyback into intravenous (IV) infusions that are traditionally used in the treatment of seriously or critically ill patients. Based on the strong effectiveness observed in animal studies, we believe it will be substantially superior to current anti-influenza drugs and could potentially save many lives.



NanoViricides has also developed an oral FluCide drug candidate for outpatient influenza treatment. This experimental drug will follow injectable FluCide into human trials. It has shown extremely high broad-spectrum effectiveness against multiple influenza-A viruses in animal models. Oral FluCide (designed for the out-patient treatment of influenza) appears to be the first orally available nanomedicine drug created with high effective bioavailability.

NanoViricides will continue to develop our additional programs and add to our existing portfolio of products through internal discovery, clinical development and in-licensing activities.

Well-Positioned to Reach the Goal

NanoViricides, Inc. is intensely focused on getting the first of our drugs into humans and into the market. While there are dependencies on factors beyond our control, we believe we have set up the foundational infrastructure and drug development portfolio that should enable us to first begin clinical trials and then position into sustained commercial growth.

The Company's position heading into 2017 is stronger than ever. NanoViricides ended FY2016 on solid financial footing and has sufficient capital in hand to enable us to file at least one regulatory application and initiate human clinical trials in at least one of our drug programs.

Our drug development strategy and platform technology are the foundation for a promising pipeline of drugs across a range of viral diseases. Our first drug candidate, shingles topical treatment in the HerpeCide program, has blockbuster potential: a drug that can save billions of dollars in healthcare costs and improve millions of lives. And, with our unique, powerful, platform technology for drug development we have reached the stage for the introduction of new drugs in rapid succession after the initial drug enters human trials, limited only by available resources.

NanoViricides continues striving to create the best possible anti-viral nanoviricides in our quest to help eradicate the world's untreatable and incurable viral infections. We believe that our nanoviricides will change the way the world treats viral infections.

We will continue to update our progress with press releases as we have done in the past. We also post the press releases on our website at www.nanoviricides.com. Please do keep yourselves updated with the same. We appreciate your continuing engagement with and support for the Company.

Sincerely,

Eugene Seymour MD MPH

Chief Executive Officer

NanoViricides, Inc.
"NNVC" on the New York Stock Exchange

Cautionary Statement Relating to Forward - Looking Information for the Purpose of "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

This letter contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements contained in this letter, other than statements of historical fact, constitute "forward-looking statements." The words "expects," "believes," "anticipates," "estimates," "may," "could," "intends," "potential," "possible," "might," "look forward," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on our current expectations and are subject to a number of risks, uncertainties and assumptions. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. We believe these forward-looking statements are reasonable; however, you should not place undue reliance on any forward-looking statements, which are based on current expectations. Furthermore, forward-looking statements speak only as of the date they are made. If any of these risks or uncertainties materialize, or if any of our underlying assumptions are incorrect, our actual results may differ significantly from the results that we express in or imply by any of our forward-looking statements. These and other risks are detailed in the documents that we file with the Securities and Exchange Commission (the "Commission"). We do not undertake any obligation to publicly update or revise these forward-looking statements after the date of this letter to reflect future events or circumstances. We qualify any and all of our forward-looking statements by these cautionary factors.