



# Half Year Report

Vectus Biosystems Limited  
and Controlled Entities

ACN 117 526 137

2023



31 December 2023

# Appendix 4D

## Half Year Report for the six months ended on 31 December 2023

Name of entity

**VECTUS BIOSYSTEMS LIMITED** ABN: 54 117 526 137

Half year report for the six months ended on 31 December 2023 (comparatives for the six months ended on 31 December 2022).

### Results for announcement to the market

Revenues from ordinary activities	up	12%	to	648,175
(Loss) from ordinary activities after tax attributable to members	down	45%	to	(1,178,377)
Net (loss) for the period attributable to members	down	45%	to	(1,178,377)
<b>Dividends (distributions)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Final and interim dividends		Nil ¢		Nil ¢
Previous corresponding period		Nil ¢		Nil ¢

### Brief Explanation of figures

Refer to the attached 31 December 2023 Half-Year Financial Report.

Net tangible assets per security with the comparative figure for the previous corresponding period.

### Net Tangible Assets

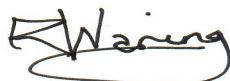
	31 Dec 2023	31 Dec 2022
Net tangible assets per ordinary share	4.45 cents	9.09 cents

### Audit qualification or review

The financial statements were subject to review by the Auditors and the review report is attached as part of the Half Year Report.

### Other comments

Refer to the attached 31 December 2023 Half-Year Financial Report.



**Robert J Waring**  
Company Secretary  
23 February 2024

This Report was authorised by the Board of Directors.

23 February 2024

## HALF-YEAR REPORT

### Overview

Vectus Biosystems Limited (Vectus or the Company) reports its financial results for the half year ended 31 December 2023. VB0004 Phase Ib human clinical trials continued during the December 2023 half year.

### Commentary on Activities

On 14 September 2022 Vectus announced the successful completion of its Phase Ia human trials for the Company's lead compound, VB0004. The Phase Ia trial has established an impressive safety profile for VB0004, with a maximum tolerated single dose of 300mg without significant adverse events. Similarly, no significant adverse events occurred in the multiple ascending dose studies at doses of 10mg, 30mg and 100mg administered daily for 14 days. This was a significant milestone, proving the safety of Vectus' antifibrotic / antihypertensive drug, VB0004. Pharmacokinetic data obtained in the Phase Ia trial provided evidence that VB0004 will be amenable to once-daily dosing, a desirable feature in medications for chronic conditions such as hypertension, heart failure, kidney failure and pulmonary fibrosis.

The recruitment of patients with mild to moderate hypertension and low cardiovascular risk continues for the Phase Ib clinical trial. No patient has discontinued the study as a consequence of side effects of VB0004, providing further evidence of the safety of VB0004. Engagement with international pharmaceutical companies (both human and veterinary) continues. The Company intends to further extend its outreach to global pharmaceutical companies at the completion of the Phase Ib study.

Studies completed by Asymchem now indicate that VB0004 remains stable at two-and-a-half years, increasing the shelf life of VB0004 from two years. In addition, plasma stability studies performed by Analytical RnD have shown that VB0004 remains unchanged in plasma stored at -20°C.

In the laboratory, work has continued on the emerging leads VB4-A32 (hepatic fibrosis), VB4-A79 (pulmonary fibrosis) and VB4-P5 (renal fibrosis), as well as investigating the most suitable analogues from Vectus' library for dementia and cancer treatment.

### Intellectual Property Portfolio

The Company continues to successfully grow and consolidate its patent protection, both in terms of scope and the increasing number of granted patents targeting high-value unmet needs across multiple disease states in major international territories. This expanded portfolio of granted patents increasingly affords Vectus a potentially leading position in treating fibrotic disease. There were a number of patents granted during the half year. The patent was granted in Europe for the Company's D group of compounds and their application in the management of pulmonary fibrosis. The patent for Vectus' P group of compounds, with indications for liver and renal fibrotic disease, was granted in the Republic of Korea. The patent for the Company's A group of compounds and their application in the management of fibrosis was granted in the Republic of Korea. The patent for Vectus' VB2 and VB3 groups of compounds has now been granted in the USA.

## Accugen

During the half year the Company continued its work to enhance its technology aimed at improving the speed and accuracy of measuring the amount of DNA and RNA in samples tested in laboratories. The technology, consisting of AccuCal™ and RealCount™ software, offers a time, cost and accuracy benefit compared with currently-available systems. Vectus' Accugen platform has been instrumental in the development of the Company's lead compounds and library, and further advancements have been made over the last six months. The technology comprises reagents and software that quantitate polymerase chain reactions (qPCR). Vectus continues discussions in relation to the introduction of its consumables and software into the qPCR market. This novel and well-patented platform is 100% owned by the Company. Work progressed on the development programme for food safety and diagnostic testing using the Accugen technology, which is a large and growing market.

## Annual General Meeting (AGM)

A comprehensive review of Vectus' activities was provided to its shareholders at the Company's AGM held on 22 November 2023, and the Chairman's Address and Chief Executive Officer's presentations were released to ASX prior to the commencement of the AGM. All Resolutions put to shareholders were passed by poll.

## Finance

The funds expended during the half year were largely in connection with the Phase Ib clinical trials for VB0004. Vectus' expenditure in the current half year of \$1.8 million compared with the previous corresponding period of \$2.7 million and is in line with the work being carried out in the clinical trial. Expenditure for the half year includes work to advance other emerging leads in the Company's library and new indications that may expand the franchises targeted by Vectus' novel drugs.

The Company is accruing receivables on current research and development (R&D) expenditure and received \$1,226,000 in November 2023 as an R&D refund from the Australian Taxation Office for expenditure incurred during the June 2023 financial year. A further \$764,000 is estimated as being receivable as at 31 December 2023.

## Summary

Vectus believes that VB0004's demonstrated safety profile has the potential to address large-scale, unmet chronic medical needs, to drive improved healthcare and to achieve these outcomes in the context of lower overall costs to the healthcare system, whilst driving shareholder value in parallel.

## Vectus Biosystems Limited

### Karen Duggan

Chief Executive Officer and Executive Director

This Report was authorised by the Board of Directors.

### About Vectus Biosystems Limited

The Company is developing a treatment for fibrosis and high blood pressure, including for three of the largest diseases in the fibrotic market, namely heart, kidney and liver diseases. Vectus successfully completed its Initial Public Offering (IPO) on the Australian Securities Exchange (ASX:VBS) and commenced trading on ASX on 23 February 2016, after raising \$5.1 million. Funds from the IPO were predominantly used to develop the Company's lead compound, VB0004, which aims to treat the hardening of functional tissue and high blood pressure. Vectus has conducted a range of successful pre-clinical trials, which have shown that VB0004 slows down the advances of fibrosis, potentially repairs damaged cell tissue and reduces high blood pressure. VB0004 is now progressing through a number of important milestones, including pharmaceutical scale-up and additional toxicity studies. Following the successful results from the 2019 fundraising via convertible notes, which were all subsequently converted into shares, and the 2020 and 2022 share placements, and share purchase plan, the Company has funding for its Human Phase Ib trial of VB0004, and to advance it and the other drugs in its library. Vectus' strategy is to develop and perform early validation of its drug candidates to the point where they may become commercially attractive to potential pharmaceutical partners.

The Company has also developed technology aimed at improving the speed and accuracy of measuring the amount of DNA and RNA in samples tested in laboratories. The technology, called Accugen, is owned by Vectus' wholly-owned subsidiary Accugen Pty Limited. The technology offers a time, cost and accuracy benefit compared to currently-available systems. The Company's current stage of investment in Accugen is a commercialisation programme that may include direct sales, distribution partnerships and licensing opportunities.

For personal use only



## Half Year Report Contents

	Page No.
Directors' Report	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	6
Directors' Declaration	10
Auditor's Independence Declaration	11
Independent Auditor's Review Report	12

## Corporate Directory

### Vectus Biosystems Limited

ACN: 117 526 137  
ABN: 54 117 526 137

### Directors

Dr Ronald Shnier	Non-Executive Director and Chairman
Mr Maurie Stang	Non-Executive Director and Deputy Chairman
Dr Karen Duggan	Executive Director and Chief Executive Officer
Prof Susan Pond	Non-Executive Director

### Company Secretary

Mr Robert Waring

### Registered and Principal Office

Level 3, 11 Julius Avenue,  
North Ryde, NSW 2113

Telephone: +61 2 8876 8200  
Email: [info@vectusbiosystems.com.au](mailto:info@vectusbiosystems.com.au)  
Website: [www.vectusbiosystems.com.au](http://www.vectusbiosystems.com.au)

### Share Registry

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067  
GPO Box 2976, Melbourne VIC 3001

Telephone: 1300 850 505  
Facsimile: +61 3 9415 4000  
Website: [www.computershare.com](http://www.computershare.com)  
Email: [admin@computershare.com.au](mailto:admin@computershare.com.au)

### Auditor

UHY Haines Norton Sydney  
Level 9, 1 York Street, Sydney NSW 2000  
GPO Box 4137, Sydney NSW 2001

Telephone: + 61 2 9256 6600  
Website: [www.uhyhnsydney.com.au](http://www.uhyhnsydney.com.au)

### Stock Exchange Listing

The Company is listed on the Australian Securities Exchange (ASX Limited). ASX Code: VBS

# Vectus Biosystems Limited

## DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Vectus Biosystems Limited (the Company) and its controlled entities together with the consolidated financial report for the half-year ended 31 December 2023.

### DIRECTORS

The names and details of the Company's Directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Ronald Shnier (Non-Executive Director and Chairman)  
Maurie Stang (Non-Executive Director and Deputy Chairman)  
Karen Duggan (Executive Director and Chief Executive Officer)  
Susan Pond (Non-Executive Director)

### PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial period consisted of medical research and development.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the half year ended 31 December 2023.

### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the opinion of the Directors, no matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

### REVIEW OF OPERATIONS

The Group has incurred operating losses after tax of \$1,178,377 for the half year to 31 December 2023 (2022: \$2,138,519). The net assets as at 31 December 2023 were \$2,369,514 (Net assets at 30 June 2023: 3,523,504)

### ROUNDING OF ACCOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investment Commission, relating to "rounding-off". Amounts in this report have been rounded off to the nearest dollar.

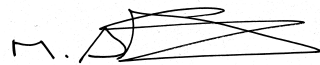
### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT

The Auditor's Independence Declaration is set out in the attached statement from UHY Haines Norton and forms part of the Directors' Report for the half year ended 31 December 2023.

### DIVIDENDS

No dividends were proposed, declared or paid during the half year period and to the date of this report (2022: Nil).

This report is made in accordance with a resolution of the Directors pursuant to section 306(3)(a) of the *Corporations Act 2001*.



**Maurie Stang**  
Non-Executive Director and Deputy Chairman

Sydney, 23 February 2024

For personal use only

# Vectus Biosystems Limited

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Notes	December 2023 \$	December 2022 \$
R&D tax incentive and other revenue	2	648,175	579,270
Administration and corporate expenses		(429,619)	(491,311)
Financial expenses	3	(3,465)	(200,313)
Depreciation and amortisation expense	3	(28,748)	(22,239)
Employee benefits expense and Directors' remuneration	3	(661,659)	(673,982)
Occupancy expenses	3	(88,861)	(88,861)
Research & Development expenses	3	(614,200)	(1,241,083)
<b>Loss before income tax expense</b>		<b>(1,178,377)</b>	<b>(2,138,519)</b>
Income tax benefit / expense		-	-
Loss after income tax expense for the half-year		(1,178,377)	(2,138,519)
<b>Other Comprehensive Income</b>			
Items that may be reclassified subsequently to profit or loss		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR</b>		<b>(1,178,377)</b>	<b>(2,138,519)</b>
<b>Total comprehensive loss for the half year attributable to members of Vectus Biosystems Limited</b>		<b>(1,178,377)</b>	<b>(2,138,519)</b>
<b>EARNINGS PER SHARE</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share	7	(2.22)	(5.04)
Diluted loss per share	7	(2.22)	(5.04)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

For personal use only



# Vectus Biosystems Limited

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	December 2023 \$	June 2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,018,733	2,950,956
Other current assets	5	<u>976,000</u>	<u>1,505,934</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>2,994,733</b></u>	<u><b>4,456,890</b></u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		<u>212,259</u>	<u>173,106</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>212,259</b></u>	<u><b>173,106</b></u>
<b>TOTAL ASSETS</b>		<u><b>3,206,991</b></u>	<u><b>4,629,996</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		214,860	253,608
Other current liabilities		151,326	403,207
Borrowings		-	-
Convertible notes		-	-
Provisions		<u>441,791</u>	<u>419,264</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>807,977</b></u>	<u><b>1,076,079</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		2,072	2,985
Other non-current liabilities		<u>27,428</u>	<u>27,428</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>29,500</b></u>	<u><b>30,413</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>837,477</b></u>	<u><b>1,106,492</b></u>
<b>NET ASSETS / (LIABILITIES)</b>		<u><b>2,369,514</b></u>	<u><b>3,523,504</b></u>
<b>EQUITY</b>			
Issued capital		38,367,954	38,352,080
Reserves		811,658	803,145
Other reserves		-	-
Accumulated losses		<u>(36,810,098)</u>	<u>(35,631,721)</u>
<b>TOTAL EQUITY / (DEFICIT)</b>		<u><b>2,369,514</b></u>	<u><b>3,523,504</b></u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Vectus Biosystems Limited

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Issued Capital \$	Share based payment Reserves \$	Other Reserves* \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2023</b>	<b>38,352,080</b>	<b>803,145</b>	-	<b>(35,631,721)</b>	<b>3,523,504</b>
<b>Total Comprehensive Income</b>					
Loss for the period	-	-	-	(1,178,377)	(1,178,377)
<b>Total comprehensive loss for the period</b>	-	-	-	(1,178,377)	(1,178,377)
<b>Transaction with owners in their capacity as owners</b>					
Issue of shares	15,874	-	-	-	15,874
Cost of issue	-	-	-	-	-
Share-based payment	-	8,513	-	-	8,513
Convertible notes adjustment	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>38,367,954</b>	<b>811,658</b>	-	<b>(36,810,098)</b>	<b>2,369,514</b>
<b>Balance at 1 July 2022</b>	<b>27,302,638</b>	<b>458,743</b>	<b>887,485</b>	<b>(32,182,861)</b>	<b>(3,533,995)</b>
<b>Total Comprehensive Income</b>					
Loss for the period	-	-	-	(2,138,519)	(2,138,519)
<b>Total comprehensive loss for the period</b>	-	-	-	(2,138,519)	(2,138,519)
<b>Transaction with owners in their capacity as owners</b>					
Cost of issue	(69,564)	-	-	-	(69,564)
Issue of shares	10,333,993	-	-	-	10,333,993
Share-based payment	-	343,857	-	-	343,857
Convertible notes adjustment	-	-	(102,472)	-	(102,472)
<b>Balance at 31 December 2022</b>	<b>37,567,067</b>	<b>802,601</b>	<b>785,013</b>	<b>(34,321,380)</b>	<b>4,833,301</b>

\* Other reserves balance as at 31 December 2022 represents equity generated from convertible notes value adjustment, which was moved to share capital on 30 June 2023.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Vectus Biosystems Limited

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	December 2023 \$	December 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees (inclusive of GST)	(2,028,491)	(2,739,995)
R&D Grant received	1,226,162	936,405
Interest paid	(2,480)	(21,149)
Interest and other income	37,495	12,907
<b>Net cash used in operating activities</b>	<u>(767,314)</u>	<u>(1,811,832)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Term deposit	(70,000)	-
Purchase of property, plant & equipment	(94,909)	(37,779)
<b>Net cash used in investing activities</b>	<u>(164,909)</u>	<u>(37,779)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans	-	(442,291)
Proceeds from issue of shares	-	4,600,571
Cost of issue of shares	-	(33,811)
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>4,124,469</u>
Net (decrease)/increase in cash held	(932,223)	2,274,858
Cash at the beginning of the half year	2,950,956	1,281,341
Cash at the end of the half year	<u>2,018,733</u>	<u>3,556,199</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

# Vectus Biosystems Limited

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 1 Statement of Accounting Policies

#### (a) Financial Reporting Framework

This Half Year Financial Report is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The Half Year Financial Report should be read in conjunction with the annual financial report of the Group as at 30 June 2023. It is also recommended that the Half Year Financial Report be considered together with any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The Half Year Financial Report does not include all notes of the type normally included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full Financial Report.

The Half Year Financial Report has been prepared on the basis of historical costs and does not take into account changing money values or fair values of assets.

The accounting policies that have been adopted in the preparation of this Financial Report have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2023 Financial Report.

#### Going Concern

The Group has incurred operating losses before tax of \$1,826,552 for the half year 31 December 2023 (2022: \$2,717,789). The net assets as at 31 December 2023 were \$2,369,514 (Net assets at 30 June 2023: 3,523,504).

The operating cash burn rate for the half-year ended 31 December 2023 was \$767,314 which include \$1,226,162, being its research and development (R&D) refund from the Australian Taxation Office for R&D activities of FY2023 (31 December 2022: \$1,811,832). The cash balance as at 31 December 2023 was \$2,018,733 (30 June 2023: \$2,950,956).

The above matters may give rise to a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report. However, the Directors believe that the Group will be able to continue as a going concern due to the following mitigating factors in relation to the material uncertainty.

The Company continues to evaluate a number of options to address its future capital requirements, and the funding of its future research and development (R&D), and product commercialisation programme. Vectus remains in active dialogue with potential investors, and a number of brokers and providers of other sources of funding, and is in strategic discussions with potential trade partners.

Vectus expects to be able to continue its operations and to meet its business objectives based on a capital raising and on positive discussions with potential trade partners.

The Directors are of the opinion that the Group will have adequate resources to continue to be able to meet its obligations as and when they fall due. For this reason they continue to adopt the going concern basis in preparing the half-year financial report.

#### (b) Changes in Accounting Policies

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half-year.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods.

#### (c) Impact of Standards issued but not yet applied by the Group

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

For personal use only

# Vectus Biosystems Limited

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

	December 2023 \$	December 2022 \$
<b>2 Revenue and other Income</b>		
Interest income	37,665	6,796
Other income	877	9,127
R&D tax offset rebate	609,633	563,347
Total revenue and other income	<u>648,175</u>	<u>579,270</u>
<b>3 Expenses</b>		
<b>Loss from ordinary activities before income tax expense includes:</b>		
Financial expenses		
Interest and bank fees	3,465	22,059
Interest on convertible notes	-	178,254
Realised foreign exchange loss	-	-
Total financial expenses	<u>3,465</u>	<u>200,313</u>
Depreciation and amortisation expense	28,748	22,239
Employee benefits expense and Directors' remuneration		
Base salary and fees	552,501	273,072
Superannuation expenses	51,508	52,031
Share based payment expense	24,387	349,122
Other employee expenses	11,649	4,630
Transfers from employee entitlements provisions	21,614	(4,873)
Total employee benefits expense and Directors' remuneration	<u>661,659</u>	<u>673,982</u>
Occupancy expenses	88,861	88,861
Research and development		
Research and development expense	445,803	1,018,505
Patent costs	168,397	222,578
Total research and development expense	<u>614,200</u>	<u>1,241,083</u>
	<b>December 2023 \$</b>	<b>June 2023 \$</b>
<b>4 Cash and Financial Assets</b>		
<b>Cash and Cash Equivalents</b>		
Cash at bank and on hand	2,018,733	2,895,956
Term deposits	-	55,000
	<u>2,018,733</u>	<u>2,950,956</u>
<b>5 Other Current Assets</b>		
Prepayments	92,652	70,995
R&D Grant Receivable	764,314	1,380,843
Term deposit	70,000	-
Inventory	978	978
GST and other receivables	48,056	53,118
	<u>976,000</u>	<u>1,505,934</u>
<b>6 Operating Segments</b>		

The consolidated group operates only in one reportable segment which is 'Research and Development'.

# Vectus Biosystems Limited

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

7 Earnings per Share	December 2023 \$	December 2022 \$
Basic loss per share (cents)	(2.22)	(5.04)
Diluted loss per share (cents)	(2.22)	(5.04)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic EPS	53,192,538	42,443,541
Weighted average number of ordinary shares outstanding during the half year used in the calculation of diluted EPS	53,192,538	42,443,541
<b>Options and rights eligible for conversion into ordinary shares in future</b>		
Options	372,855.00	316,000.00
Convertible notes	-	-
	<u>372,855.00</u>	<u>316,000.00</u>

Options and rights eligible for conversion into ordinary shares in future have an anti-dilutive effect, hence diluted EPS is same as basic EPS.

## 8 Related Party Transactions

A number of specified Directors, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arms-length basis.

Details of these transactions are shown below:

<b>Regional Healthcare Group Pty Ltd</b>	<b>December 2023 \$</b>	<b>December 2022 \$</b>
The Company and its controlled entities incurred cost for services provided by Regional Healthcare Group Pty Ltd.*		
Corporate and administration expenses	1,542	66,840
	<u>1,542</u>	<u>66,840</u>

	<b>December 2023 \$</b>	<b>June 2023 \$</b>
Outstanding Balance at the end of the reporting period	46	70

<b>Regional Corporate Services Pty Ltd</b>	<b>December 2023 \$</b>	<b>December 2022 \$</b>
The Company and its controlled entities incurred cost for services provided by Regional Corporate Services Pty Ltd.*		
Corporate and administration expenses	110,865	-
	<u>110,865</u>	<u>-</u>

	<b>December 2023 \$</b>	<b>June 2023 \$</b>
Outstanding Balance at the end of the reporting period	22,193	5,378

\* Mr M Stang is Director and shareholder of Regional Healthcare Group Pty Ltd and Regional Corporate Services Pty Ltd.

# Vectus Biosystems Limited

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 8 Related Party Transactions (continued)

<b>Aeris Environmental Ltd</b>	<b>December 2023</b>	<b>December 2022</b>
The Company and its controlled entities incurred cost for services provided by Aeris Environmental Ltd.*	\$	\$
Accounting expenses	-	-
	-	-
	<b>December 2023</b>	<b>June 2023</b>
Outstanding Balance at the end of reporting period *	\$ -	\$ -

\* Mr M Stang is Director and shareholder of Aeris Environmental Ltd.

<b>Loan from M Stang, Non-Executive Deputy Chairman</b>	<b>December 2023</b>	<b>June 2023</b>
Outstanding balance	\$ -	\$ -
	-	-
	<b>December 2023</b>	<b>December 2022</b>
Interest paid on loan	\$ -	\$ 17,546
Loan borrowing	-	-
Loan repaid	-	442,291

### 9 Commitments

<b>(a) Lease commitments - operating</b>	<b>December 2023</b>	<b>June 2023</b>
Committed at the reporting date but not recognised as liabilities, payable for the laboratory facility at North Ryde:	\$	\$
Within one year	14,810	14,810
One to five years	-	-
	<b>14,810</b>	<b>14,810</b>
<b>(b) Lease commitments - finance</b>		
Committed at the reporting date but not recognised as liabilities, payable		
Within one year	40,213	42,838
One to five years	10,978	27,368
	<b>51,191</b>	<b>70,206</b>
<b>(c) Operating commitments</b>		
Committed at the reporting date but not recognised as liabilities, payable:		
<i>Research and development expenses</i>		
Within one year	2,649,556	2,513,238
One to five years	1,104,500	-
	<b>3,754,056</b>	<b>2,513,238</b>
<b>(d) Capital expenditure commitments</b>		
There are no capital expenditure commitments.		

### 10 Events Subsequent to Reporting Date

There have been no matters or circumstances that have arisen since 31 December 2023 that have significantly affected, or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2023, of the consolidated entity;
- (b) the results of those operations; or
- (c) the state of affairs, in the financial years subsequent to 31 December 2023, of the consolidated entity.

# Vectus Biosystems Limited

## DIRECTORS' DECLARATION

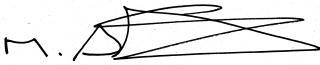
### Directors' Declaration

In the Directors' opinion:

- 1 the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- 2 the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- 3 there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



**Maurie Stang**

Non-Executive Director and Deputy Chairman

Sydney, 23 February 2024

For personal use only



**Auditor's Independence Declaration  
Under Section 307C of the Corporations Act 2001**

**To the Directors of Vectus Biosystems Limited**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Vectus Biosystems Limited and the entity it controlled during the financial period.



**Franco Giannuzzi**  
Partner  
Sydney  
23 February 2024



**UHY Haines Norton**  
Chartered Accountants

For personal use only

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Vectus Biosystems Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vectus Biosystems Limited ("the Company"), and the entities it controlled during the half-year (together "the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes, and the directors' declaration.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vectus Biosystems Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the half-year financial report, which discloses that the Group's ability to continue as a going concern. The matters described in Note 1 of the half-year financial report, indicate a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report. Our conclusion is not modified in respect of this matter.

### Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Financial Report

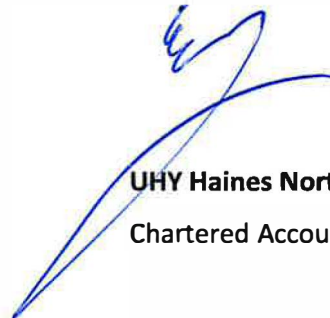
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Franco Giannuzzi**  
Partner  
Sydney

Dated: 23 February 2024



**UHY Haines Norton**  
Chartered Accountants

For personal use only

For personal use only

