



30 October 2025

Company Announcements Office
Australian Securities Exchange

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

In accordance with ASX Listing Rule 4.7B, Vectus Biosystems Limited (Vectus or the Company) presents its September 2025 Quarterly Activities Report and Quarterly Cash Flow Report – Appendix 4C.

Summary

- Vectus has executed a binding agreement (subject to close provisions) in relation to its VB4-P5 Renal Small Molecule Compound targeting renal fibrosis.
- C14 Consulting Group, LLC (C14) continues its active outreach programme in relation to the Company's lead compound, VB0004, as well as VB4-A32, VB4-A79 and Vectus' broader drug library.
- The Company has reached out to target potential new licensing opportunities in China following meetings at AusBiotech.

Commentary on Activities during September 2025 Quarter

Vectus is working closely on its commercialisation programme with Martina Molsbergen, Chief Executive Officer of the international firm, C14, based in the USA. C14 has confirmed that a number of active licensing / strategic discussions are being undertaken on behalf of the Company in relation to its lead compound, VB0004, together with Vectus' other drug candidates VB4-A32 (liver fibrosis), VB4-A79 (lung fibrosis) and other compounds from its broader drug library.

On 17 October 2025 the Company advised that it had signed a binding Term Sheet with XORTX Therapeutics Inc. (XORTX) for the sale of Vectus' VB4-P5 Renal Small Molecule Compound targeting renal fibrosis. The transaction, subject to final close provisions, will provide the Company with a direct shareholding in XORTX, a Canadian biotechnology company listed on both the Nasdaq and TSX Venture Exchange, which is focused on renal drug development. XORTX will acquire the intellectual property (IP) specifically related to the VB4-P5 compound, and the data generated by Vectus from its work on the VB4-P5 small molecule and related assets. The consideration is US\$3.0 million (approximately A\$4.5 million), to be satisfied by XORTX issuing the Company with both shares and pre-funded warrants (which can be exercised to receive shares for no additional payment by Vectus).

This transaction fits with the Company's strategy of developing, and carrying out early validation work on, its drug candidates to the point where they become commercially attractive to pharmaceutical partners. Unless the parties otherwise agree in writing, the contract settlement date (Closing) shall be no more than 90 days from the execution of the Term Sheet. Vectus will enter into a voluntary lockup agreement, in respect of the XORTX securities, for periods ranging from 45 days to 180 days after Closing.

The Company has transferred additional data received in relation to the VB0004 safety trials to C14 and has updated its data room, which contains a broad portfolio of IP, data and information in relation to VB0004 and Vectus' key assets. C14 continues to receive requests for access to the Company's data room and active discussions are currently taking place.

VECTUS BIOSYSTEMS LIMITED ABN 54 117 526 137

Ground Floor, Unit 5, 26-34 Dunning Avenue, Rosebery NSW 2018 Australia
Telephone: +61 2 8344 1300; Facsimile: +61 2 9697 0944
Email: info@vectusbiosystems.com.au
Website: www.vectusbiosystems.com.au

In addition to C14's commercial programme in China, Vectus has initiated further discussions in investigating potential licensees for the Chinese domestic market. There appears to be an accelerated path to approval in China when a drug, such as VB0004, has confirmed safety. The Company is examining opportunities for third parties to fund Phase IIa trials in China, specifically focusing on liver and lung diseases.

Vectus' portfolio of orally-doseable small molecules has the potential to deliver anti-fibrotic therapies to key cardiovascular organs in an easily tolerated and efficient manner. The key compounds are covered by multiple granted patents and treating fibrosis continues to be a significant global need.

Phase Ia/Ib Human Clinical Trials

The Company's data room continues to expand with studies and information put together by Vectus' team and key consultants.

Subject to further funding, the Company is examining the opportunity to work with a high-profile local university that has significant domain expertise in the field of anti-fibrotics.

Finance and Corporate

Vectus has significantly reduced its operating costs, and is now largely focussed on potential licensing opportunities and a variety of collaborations. The funds expended by the Company during the September 2025 quarter were in connection with the finalisation of the Phase I clinical trials and commercialisation of VB0004, together with IP renewals and corporate overheads. These payments for commercialisation, Phase I, research, patents and staff costs for the quarter amounted to \$200,000. Cash-on-hand at 30 September 2025 was \$569,000, and Vectus is utilising a line of credit provided by one of its Directors.

In September 2025 the Company received \$422,000 as its research and development cash-back claim from the Australian Taxation Office. The payments to a related party during the quarter were fees of \$16,000 (for corporate services, including cost re-imbursement for information technology, human resources and accounting services, in line with budget) paid to Regional Corporate Services Pty Ltd, of which Non-Executive Director Maurie Stang is a director.

Vectus continues to evaluate a number of options to address its future capital requirements and is examining the opportunity for potential partners or licensees to fund further clinical studies.

This report was authorised by the Company's Board of Directors.

Vectus Biosystems Limited

Ron Shnier
Chairman

About Vectus Biosystems Limited

The Company is developing treatments for fibrosis, including for three of the largest diseases in the fibrotic market, namely heart, kidney and liver diseases. Since listing on the ASX in 2016, Vectus has concentrated on the development of 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 has progressed through a number of important milestones, including pharmaceutical scale-up and additional toxicity studies, its Human Phase Ia and Ib human trials of VB0004, and the advancement of other drugs in its library. This fits with the Company's strategy of developing, and carrying out early validation work on, its library of drug candidates to the point where they become commercially attractive to pharmaceutical partners.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Vectus Biosystems Limited

ABN

54 117 526 137

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows

1 Cash flows from operating activities

1.1 Receipts from customers

1.2 Payments for

(a) patent and research expenses

(b) staff costs and directors' fees

(c) occupancy cost

(d) corporate overheads

(e) legal and professional fees

(f) other operating items

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income tax refund received (including R&D tax offset)

1.7 Government grants and tax incentives

1.8 Others (provide details if material)

1.9 Net cash from / (used in) operating activities

Current quarter \$A'000	Year to date (3 months) \$A'000
-	-
(152)	(152)
(48)	(48)
-	-
(98)	(98)
(38)	(38)
(19)	(19)
-	-
1	1
-	-
422	422
-	-
-	-
68	68

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-
3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	250	250
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	250	250

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	251	251
4.2 Net cash from / (used in) operating activities (item 1.9 above)	68	68
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	250	250
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	569	569

5 Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	569	251
5.2 Term Deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (item 4.6)	569	251

6 Payments to related parties of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	16
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

7 Financing facilities

Note: The term "facility" includes all forms of financing arrangements available to the entity

Add notes as necessary for an understanding of the sources of finance available to the entity

	Total facility \$A'000	Amount drawn \$A'000
7.1 Loan facilities	450	450
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	450	450
7.5 Unused financing facilities available at quarter end		-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

A loan facility of \$450,000 has been entered into with Director Maurie Stang, which has been fully drawn down as at 30 September 2025. This facility can be repaid, without penalty, if Vectus secures alternative funding. The loan is to be repaid from future receipts from the Australian Taxation Office (ATO) as research and development (R&D) cash-back or from other funds received.

8 Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	68
8.2 Cash and cash equivalents at quarter end (item 4.6)	569
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	569
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	Not applicable

- 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

As previously announced, the level of expenditure has been dramatically reduced as the Phase Ib human clinical trials have been finalised and the Company is now focussing its research and IP activities to support its commercialisation work. The Company has re-located to new premises that provide far lower costs and Vectus has come to arrangements that will defer certain significant operating costs through 2025 and for 2026. An amount of \$422,000 was received from the ATO in late September 2025 as a refund for 2024-25 expenditure incurred on R&D.

- 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company continues to evaluate a number of options to address its future capital requirements, and is actively pursuing licensing opportunities, which, if successful, may provide upfront payments to Vectus and annuity revenue going forward.

- 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The Company expects to be able to continue its operations, and to meet its business objectives, based on its reduced overheads and the matters outlined in 8.6.2.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **30 October 2025**

Authorised for release to the market by the Vectus Board of Directors.

Notes:

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.