



20 November 2020

Vectus completes \$7 million placement to accelerate both clinical and pre-clinical programmes

Vectus Biosystems Limited (ASX:VBS) (Vectus or the Company) is pleased to announce that it has received firm commitments from institutional and sophisticated investors to raise \$7,000,000, before costs, through a placement (Placement) of 7,777,778 new fully paid ordinary shares at \$0.90 per share.

The new shares to be issued under the Placement will rank *pari passu* with existing fully paid ordinary shares. Vectus will be utilising the Company's placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A, which will be available following upcoming Annual General Meeting (AGM) approvals on 30 November 2020. Vectus looks forward to updating its shareholders at its forthcoming AGM.

The Placement was supported by a number of institutions, together with a range of sophisticated investors, including healthcare industry professional investors, which do not include any related parties of the Company. The Directors were pleased to see that demand for the Placement was very strong. New share quotation on ASX is expected to occur on or about 2 December 2020.

The net proceeds of the Placement will be used to accelerate the Phase I clinical trials for VB0004, which targets the prevention and reversal of fibrosis in the heart and kidneys. Proceeds will also be used to advance Vectus' other emerging lead compounds and for working capital.

Gleneagle Securities (Aust) Pty Ltd was the Lead Manager for the Placement and key cornerstone investors were introduced by Morgans' Scone office.

The Company's Chairman, Ronald Shnier, said:

"We are very pleased with the strong support received for the Placement and welcome new shareholders, and are particularly grateful for the institutional and healthcare industry investor support. Vectus now has the ability to fast track work on its additional compounds to get them to lead status and move them towards human trials. A stronger balance sheet will underpin the Company's capabilities in pursuing work on VB0004, its other drugs and its Accugen product."

Ronald Shnier
Chairman

Karen Duggan
Executive Director and CEO

This announcement is authorised by the Board of Directors.

About Vectus Biosystems Limited

The Company is developing treatments for fibrosis and high blood pressure, which includes the treatment for three of the largest diseases in the fibrotic market, namely heart, kidney and liver disease. 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 A\$5.1 million. Funds from the IPO were 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

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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. Successful results have provided the Company with a clear path to Human Phase I and IIa Clinical Trials. 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, where a combination of direct sales, distribution partnerships and licencing opportunities are being evaluated.