20 October 2017

Company Announcements Office
Australian Securities Exchange

Successful Pre-Clinical Toxicity Trial and Granting of Key Patent

Australian drug development company, Vectus Biosystems Limited (ASX:VBS, Vectus or the Company) is pleased to announce the successful completion of its 28-day pre-clinical safety trial in dogs, in which no adverse events occurred to a maximum dose of 600 mg/kg daily. This dose is 1 to 5,000 times the anticipated daily human therapeutic dose and indicates a very wide safety margin for VB0004. This important trial is a key milestone, providing a direct path to Phase I human clinical trials. These results provide important safety data, which confirm the safety of VB0004 observed in Vectus' pre-clinical studies.

Vectus has now been granted a patent by the European Patent Office (EPO) for its lead cardiovascular and renal anti-fibrotic compound VB0004. The patent entitled "Compositions for the treatment of hypertension and / or fibrosis" has received the patent number 3046901 from the EPO. The grant of this European patent is an important achievement for the Company. The patent is a valuable addition to Vectus' existing intellectual property (IP) portfolio in that it provides broad protection for a novel anti-fibrotic agent that reverses fibrotic damage in both the heart and kidney. This patent extends the protection of the Company's IP into the world's largest single pharmaceutical market.

Vectus Biosystems Limited

Karen Duggan
Chief Executive Officer and Executive Director

About Vectus Biosystems Limited

Vectus Biosystems Limited (Vectus or the Company) is developing a treatment 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 are being 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. Successful results are providing 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 that may include direct sales, distribution partnerships and licensing opportunities.