

3 October 2019

Company Announcements Office  
Australian Securities Exchange

### **Issue of Shares and Options**

Vectus Biosystems Limited (ASX:VBS) (Vectus or the Company) advises that it has today issued a total of 104,000 fully paid ordinary shares and 12,500 options.

The Vectus shares include 100,000 shares issued to Non-Executive Director Peter Bush following the vesting of the Performance Rights issued to him in 2015, as detailed on page 95 of the Company's IPO Prospectus dated 23 November 2015. In addition, 4,000 shares have been issued on the exercise of options, following vesting, to three employees, as part of Vectus' staff performance and remuneration review for 2018-19. These options were issued under the Company's Employee Incentive Plan (EIP).

The 12,500 Vectus options, with no consideration payable on exercise and an expiry date of 3 October 2024, were issued under the Company's EIP. These five-year options will vest as to one third annually over three years, with one third vesting on 1 July 2020, one third vesting on 1 July 2021 and the balance vesting on 1 July 2022, based on the three staff members' satisfactory work performance, as assessed in the annual review.

The Appendix 3B is attached.

### **Vectus Biosystems Limited**

**Robert J Waring**  
Company Secretary

### **Notice under Section 708A(5)(e)**

As at 3 October 2019, Vectus gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act) that:

1. the Company issued the abovementioned securities without disclosure to investors under Part 6D.2 of the Corporations Act.
2. the Company has complied with the provisions, as they apply to the Company, of Chapter 2M of the Corporations Act and with Section 674 of the Corporations Act; and
3. there is no information:
  - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; or
  - b. that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial performance, profits and losses, and prospects of Vectus, or the rights and liabilities attaching to Vectus' ordinary shares.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**Vectus Biosystems Limited (ASX:VBS)**

ABN

**54 117 526 137**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (a) Fully paid ordinary shares<br>(b) Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 104,000 shares<br>(b) 12,500 options   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully paid ordinary shares<br>(b) Five-year options with no consideration payable on exercise, with an expiry date of 3 October 2024. The options will vest as to one third annually over a three-year period, with one third vesting on 1 July 2020, one third vesting on 1 July 2021 and the balance vesting on 1 July 2022, based on the staff members' satisfactory work performance, as assessed in the annual review. The options were issued under the Company's Employee Incentive Plan (EIP). |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

|    |   |  |
|----|---|--|
| 4  | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>(a) Yes</p> <p>(b) The options, if and when exercised into fully paid ordinary shares, will rank equally with existing fully paid ordinary shares.</p>  |
| 5  | Issue price or consideration  | <p>(a) Nil – refer attached letter</p> <p>(b) The options were issued for free under the Company's EIP, with no consideration payable on exercise.</p>   |
| 6  | <p>Purpose of the issue<br/>         (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>(a) Fully paid ordinary shares issued on conversion of performance rights and on exercise of options, which had been issued to incentivise performance.</p> <p>(b) Options issued under Vectus' EIP, based on the staff members' satisfactory work performance, as assessed in the annual staff review.</p> |
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>  | No   |
| 6b | The date the security holder resolution under rule 7.1A was passed  | Not applicable   |
| 6c | Number of +securities issued without security holder approval under rule 7.1  | Nil  |
| 6d | Number of +securities issued with security holder approval under rule 7.1A  | Nil  |

+ See chapter 19 for defined terms.

|    |   |                                   |  |
|----|---|-----------------------------------|--|
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)   | Nil                               |  |
| 6f | Number of +securities issued under an exception in rule 7.2   | 104,000 shares and 12,500 options |  |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.  | Not applicable                    |  |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements  | Not applicable                    |  |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements  | 522,599 securities                |  |
| 7  | +Issue dates<br><br>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.<br><br>Cross reference: item 33 of Appendix 3B. | 3 October 2019                    |  |
| 8  | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)   | Number                            | +Class   |
|    |   | 23,483,996                        | Fully paid ordinary shares   |
| 9  | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)<br><br>(a) 100,000 Performance Rights were converted into shares after meeting performance conditions.  | Number                            | +Class   |
|    |   | (a) Nil                           | Performance Rights (issued under the Vectus Employee Incentive Plan (EIP), which expire, if not converted into shares after meeting performance conditions).   |
|    |   | 75,000                            | Deferred Share Awards, issued under the EIP (expiry date of 17 November 2019 if not converted into fully paid ordinary shares after meeting performance conditions).   |
|    |   | 3,000,000                         | Convertible Notes (Tranche 1 of a two-tranche Convertible Note issue) at \$0.50, with 36 months until Maturity Date, plus 6% interest rate per annum capitalised and paid on Maturity Date, being 27 September 2022. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

|   | <u>Number</u>   | <u>+Class</u>   |
|---|---|---|
| (b) 1,000 Options, with no consideration payable, were exercised by two employees and were issued into shares under the EIP after vesting conditions, based on merit, were met.   | (b) Nil   | Options with no consideration payable on exercise, with an expiry date of 25 January 2022. All options, issued under the EIP, are to vest over two years starting on 1 July 2017, to vest each year based on merit.   |
| (c) 1,333 Options, with no consideration payable, were exercised by two employees and were issued into shares under the EIP after vesting conditions, based on the staff members' satisfactory work performance, were assessed in the recent annual review. | (c) 667   | Options with no consideration payable on exercise, with an expiry date of 29 May 2022. These options, issued under the EIP, will vest on 29 May 2020 based on the two staff members' satisfactory work performance, as assessed in the annual review.   |
| (d) 1,667 Options, with no consideration payable, were exercised by an employee and were issued into shares under the EIP after vesting conditions, based on the staff members' satisfactory work performance, were assessed in the recent annual review.   | (d) 3,333   | Options issued under the EIP, with no consideration payable on exercise and an expiry date of 23 August 2023, with 1,667 of these options to vest on 30 June 2020 and the remaining 1,666 options to vest on 30 June 2021, based on this staff member's satisfactory work performance, as assessed in the annual review.  |
|   | 12,500  | Options with no consideration payable on exercise, with an expiry date of 3 October 2024. These five-year options, issued under the EIP, will vest as to one third annually over three years (with one third vesting on 1 July 2020, one third vesting on 1 July 2021 and the balance vesting on 1 July 2022), based on the three staff members' satisfactory work performance, as assessed in the annual review. |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)   | Fully paid ordinary shares issue, including on the exercise of options, will have full participation in any future dividends. |   |

+ See chapter 19 for defined terms.

## Part 2 - Pro rata issue

Questions 11 to 33 are not applicable

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

### Entities that have ticked box 34(b)

Questions 38 to 42 are not applicable

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<sup>+</sup> See chapter 19 for defined terms.

### Quotation agreement

1        +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2        We warrant the following to ASX.

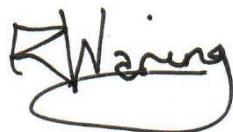
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3        We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4        We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(~~Director~~/Company Secretary)

Date: 3 October 2019

Print name:     Robert J Waring

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

| Rule 7.1 – Issues exceeding 15% of capital   |                             |
|--|-----------------------------|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |                             |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue  | 23,379,996                  |
| <b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul> | 3 Oct 2019 – 104,000 shares |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period  | Nil                         |
| <b>“A”</b>   | 23,483,996                  |

+ See chapter 19 for defined terms.



|  |  |
|--|--|
| <b>Step 2: Calculate 15% of “A”</b>  |  |
| <b>“B”</b>   | 0.15<br><i>[Note: this value cannot be changed]</i>  |
| <b>Multiply “A” by 0.15</b>  | 3,522,599  |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>   |  |
| <p><b>Insert</b> number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | 30 Sep 2019 – 3,000,000 Convertible Notes  |
| <b>“C”</b>   | 3,000,000  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>  |  |
| <p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>  | 3,522,599  |
| <p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>  | 3,000,000  |
| <b>Total [“A” x 0.15] – “C”</b>  | <p>522,599</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p> |

+ See chapter 19 for defined terms.

## Part 2

|  |   |
|--|---|
| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |   |
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>“A”</b><br><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  | Not Applicable  |
| <b>Step 2: Calculate 10% of “A”</b>  |   |
| <b>“D”</b>   | 0.10<br><br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>  |   |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |   |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul> |   |
| <b>“E”</b>   |   |

+ See chapter 19 for defined terms.

|  |   |
|--|---|
| <b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b> |   |
| $\text{“A”} \times 0.10$<br><i>Note: number must be same as shown in Step 2</i>                        |   |
| <b>Subtract “E”</b><br><i>Note: number must be same as shown in Step 3</i>                             |   |
| <b>Total</b> $[\text{“A”} \times 0.10] - \text{“E”}$   | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |