2024

Annual Report

VECTUS BIOSYSTEMS LIMITED
AND CONTROLLED ENTITIES
ACN 117 526 137

VECTUS BIOSYSTEMS


12018150

Contents

CHAIRMAN'S REPORT

The past 12 months have seen the completion of the Phase Ia and Phase Ib human safety clinical trials on the Company's lead cardiovascular candidate, VB0004, in collaboration with the Nucleus Network in Melbourne, Scientia Clinical Research in Sydney and Syneos Health. This represents the most important milestone in Vectus' history. VB0004, is supported by a broad portfolio of issued patents. Vectus, management team has a clear mandate to commercialise the Company's drug library, and particularly VB0004. Vectus' strategy is to develop and perform early validation of its drug candidates to the point where they become commercially attractive to potential pharmaceutical partners.

On 20 May 2024 the Company sadly reported the passing of its co-founder and Chief Executive Officer Dr Karen Duggan, whose untiring work during 18 years leading Vectus was to attempt to meet the challenge of prevention and treatment of cardiovascular fibrosis.

The completion of the Phase Ia and Ib trials is a significant milestone in proving the safety of the Company's antifibrotic / antihypertensive drug, and is critical as Vectus moves towards the next phase of testing of a compound that can have a significant and widespread, global positive impact on disease, the pathology of which has many aetiologies. Vectus' drugs are targeting some of the largest pharmaceutical franchises in the world as fibrotic diseases can account for up to 40% of the world's current mortality rate. The Company's drug library covers over 1,000 compounds and Vectus has selected additional emerging leads to more specifically address liver fibrosis (VB4-A32) and lung fibrosis (VB4-A79). VB0004 has the potential for its orally-active small molecules to play a role in this unmet need.

COMMERCIALISATION

Following the successful completion of the Phase Ia and Phase 1b human trials, the Company has recently appointed C14 Consulting Group, LLC in an exclusive role to lead and manage the programme of potential licencing, joint venture, or both, of Vectus' portfolio of patented small therapeutic molecules, particularly the human lead VB0004. The Company's strategy is to partner with one or more companies via a licencing programme, focusing initially on VB0004. The additional compounds also present an attractive commercial opportunity for Vectus and clinical success in any one of the Company's compounds is likely to generate increased interest by pharmaceutical companies. Vectus' compound is significant because it potentially not only arrests fibrosis progression but reverses damage in a clinically-significant way and therefore provides a meets large unmet need, and could be a transformational therapy of great significance.

INTELLECTUAL PROPERTY PORTFOLIO

Vectus' portfolio of granted patents will afford the Company a potentially-leading position in treating fibrotic disease. Vectus believes that its proprietary small molecules will be well positioned as first-in-class therapeutics with attractive reimbursement and long patent protection. Patents have been filed, and secured, in all major jurisdictions and in a number of minor, but strategically important, jurisdictions. For patents covering mimetics directly relevant to Vectus' drug development programme, the remaining patents have lives ranging from 10 to 13 years, excluding any patent term extension (up to five years) that may apply following registration of a pharmaceutical product with relevant regulatory authorities.

PEOPLE

The Board's sincere gratitude goes to the team for their work during the past year in moving VB0004 through the finalisation of the important Phase Ia and Ib stages during a period of challenges in patient recruitment. Thank you for the efforts and guidance from the Board members in working towards success and growth for the Company. Vectus' shareholders have been active in their support. Now that we are through the Phase I trials, we look forward to progressing our activities and growth with the objective of contributing in a meaningful way to society, patients, our stakeholders, and the delivery of improved healthcare worldwide.

Dr Ronald Shnier
Non-Executive Chairman

REVIEW OF OPERATIONS

Vectus Biosystems Limited (Vectus or the Company) reports on its operations and results for the year ended 30 June 2024.

OVERVIEW

Vectus has developed and successfully patented a range of novel compounds for the treatment of chronic fibrosis. These include four of the most significant in the fibrotic franchise, namely heart, kidney, liver and lung fibrosis. In recent years Vectus has successfully completed a range of pre-clinical and toxicological studies of its lead compound VB0004, which is aimed at inhibiting and reversing the loss of functional tissue due to fibrosis / scarring. The Company has successfully completed its Phase Ia human studies, which were conducted in Australia, which is recognised as one of the most rigorous regulatory environments globally.

On 20 May 2024 the Company announced the tragic death of its co-founder and Chief Executive Officer (CEO) Dr Karen Duggan, whose life's work was centred on the challenge of prevention and treatment of cardiovascular fibrosis. Vectus has subsequently put in place a management team with a clear mandate to commercialise the Company's drug library, and particularly VB0004.

In the 2023-24 financial year Vectus continued to progress VB0004 in a Phase Ib Clinical Human Trial, having completed the Phase Ia human trials in September 2022. No significant adverse events were reported, adding again to the impressive safety record of VB0004. Patient recruitment continued during the year for the Phase 1b clinical trial in patients with mild to moderate hypertension who are at low cardiovascular risk. No adverse events were reported from patients that related to side effects of VB0004, providing further evidence of the inherent safety of VB0004.

In April 2024 Vectus announced the finalisation of its Phase Ib human clinical trial. The Phase Ib trial was entitled: "A Phase I/Ib, First-Time-in-Human, Single Centre, Double-Blind, Randomised, Placebo-Controlled, Dose Escalating Study of the Safety, Tolerability and Pharmacokinetics of Single and Repeat Doses of VB0004 Administered Orally to Healthy Volunteers; and to Patients with Mild to Moderate Hypertension with Low Cardiovascular Risk", NCT04925050. As both Phase Ia and Phase Ib trials were conducted double-blind, the request has been made to open the code. The Company will report these results in due course.

As Vectus' focus moves mainly to commercialisation it is anticipated that the operating costs of the Company will be significantly reduced. With the finalisation of the Phase Ib human trial and the curtailment of laboratory activities, staff numbers were reduced in July and August 2024 and costs reduced.

Fibrosis is the process that causes organ failure in damaged or diseased hearts, kidneys, livers and lungs. VB0004 represents a first-in-class drug aimed at not only impacting disease progression, but indeed reversing existing disease which potentially represents a significant medical and commercial breakthrough.

DRUG LIBRARY

The Company has performed detailed investigation of the mechanisms involved in the development of hepatic fibrosis in the rat models of liver fibrosis. The data obtained demonstrate multiple and significant parallels with human disease. The detailed mechanism of action information has led to understanding how VB4-A32 has the potential to reverse hepatic fibrotic damage via several novel mechanisms. Work continued during the 2023-24 year on pulmonary fibrosis and VB4-A79, the molecule that Vectus has found reverses fibrosis in the bleomycin-treated rat (the most commonly used animal model of pulmonary fibrosis). Now that the Phase I clinical trials have confirmed the pre-clinical safety profile of VB0004 in humans, the Company is in a position to seek collaborations to bring forward its other pre-clinical assets, such as VB4-A32 (hepatic fibrosis) and VB4-A79 (pulmonary fibrosis).

During the year, in the laboratory, work continued on the emerging leads VB4-A32, VB4-A79 and VB4-P5 (renal fibrosis), as well on the most suitable analogues from Vectus' library for other new indications, such as dementia.

PHARMACEUTICAL COMPANY ENGAGEMENT

The Company's strategy is to develop and perform early validation of its drug candidates to the point that they become commercially attractive to potential pharmaceutical partners. Now that the Phase Ib human trials have been finalised, Vectus is fully focussed on the commercialisation of its lead drug and other promising compounds in its extensive drug library.

The Company has recently appointed C14 Consulting Group, LLC (C14) in an exclusive role to lead and manage the programme of potential licencing, joint venture, or both, of Vectus' portfolio of patented small therapeutic molecules, including the human lead VB0004. Based in the USA, C14 is a highly regarded consultancy with a global capability. Led by C14's CEO, Martina Molsbergen, C14 has an enviable track record of securing licence agreements, joint ventures and commercialisation of pharmaceutical patented assets to all levels of pharma from large scale to biotech companies, specialising in orphan and targeted applications.

C14 will now be managing existing discussions with, and expanding the outreach to, potential pharmaceutical partners. C14 has demonstrated that it has long standing relationships with a broad cross section of pharmaceutical companies, and a detailed knowledge of the indications and market segments on which each of these companies is currently focusing.

The Company has put in place an Advisory Board with input from leaders in the biotechnology and pharmaceutical arenas.

INTELLECTUAL PROPERTY PORTFOLIO

In the 2023-24 year the Company continued to successfully grow its intellectual property portfolio of both patents and proprietary knowhow. Vectus' portfolio of seven patent families, targets high-value unmet needs across multiple disease states in major international territories. In the year a number of additional patents were granted. The patent for the Company's A group of compounds and their application in the management of fibrosis was recently granted in the Republic of Korea and in Canada. Patents for use of VB0004, A, T and P groups of compounds in the prevention and treatment of pulmonary fibrosis have been granted in 12 European countries. Patent for use of P group of compounds in the treatment of kidney and/or liver disease has been granted in Republic of Korea. The patents for Company's VB2, VB3 and VB5 compound libraries have now been granted in the USA, Japan, Singapore and the Republic of Korea.

ACCUGEN

During the 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 AccuCalTM and RealCountTM software, offers a time, cost and accuracy benefit compared with currently-available systems. Vectus continued discussions in relation to the introduction of its consumables and software into the qPCR market.

FINANCE

Vectus' expenditure in the 2023-24 financial year was predominantly on the human Phase Ib Clinical Trials, funding its patent portfolio and advancing the library of the Company's other drugs.

The Group, being Vectus and Accugen, incurred a loss for the year after income tax of $2,338,124 in the year ended 30 June 2024 (2023: $3,441,789). Operating expenses were $3,476,798 in the 2023-24 financial year compared to $4,796,324 in the 2022-23 financial year.

During the year Vectus received $1,226,000 as a research and development (R&D) refund from the Australian Taxation Office (ATO) in November 2023 and a further $289,700 in May 2024 for expenditure for the year to 30 June 2023. The Company forecasts the receipt of $977,000 in the December 2024 quarter as its R&D refund from the ATO for R&D expenditure for the year ended 30 June 2024 and is accruing receivables on R&D expenditure for the 2024-25 financial year.

Consistent with the Company's announced focus on commercialisation, Vectus has reduced its cost base significantly and has relocated its head office to Rosebery in Sydney. The Company is now utilising a number of advisers.

SUMMARY

Vectus has a broad portfolio of granted patents and a drug library of over 1,000 small compound drug candidates. During the year the Company confirmed safety of VB0004 in relation to both the human Phase Ia and Ib clinical trials. Vectus believes that VB0004's demonstrated safety profile has the potential to address large-scale, unmet needs for some of the most significant chronic clinical conditions affecting patients today.

The Company today is net debt free and has reduced its costs while focusing on commercialising its extensive drug library. With the agreement with C14, the Company now can expand its outreach programme by leveraging on C14's pharmaceutical company database and expertise.

DIRECTORS' REPORT

The Directors of Vectus Biosystems Limited present their Report together with the financial statements of the consolidated entity, being Vectus Biosystems Limited (the Company) and its controlled entity (the Group) for the year ended 30 June 2024.

DIRECTORS' DETAILS

The names of the Directors in office at any time during, or since, the end of the year are:

Ronald Shnier

Maurie Stang

Karen Duggan
- Ceased to be a Director on 19 May 2024

Susan Pond

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The consolidated loss after tax of the Group for the 2024 financial year amounted to $2,338,124 (2023: loss $3,441,789).

For a comprehensive review of the Group's operational performance, refer to the attached Review of Operations.

A review of the Group's operations during the financial year and the results of those operations are as follows:

- The Group's operations during the financial year performed as expected in the opinion of the Directors; and
- No significant change in the nature of these activities occurred during the financial year.

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Group consisted of:

- Medical Research and Development

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There have been no matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

a. the operations, in financial years subsequent to 30 June 2024, of the Group; or

b. the results of those operations; or

c. the state of affairs, in the financial years subsequent to 30 June 2024, of the Group, other than:

The Company's announced focus on commercialisation following the completion of the Phase I human trials, with the significant reduction in the Company's cost base, including the relocation of its head office to Rosebery in Sydney. It involves the utilisation of a number of advisers, such as C14 Consulting Group, in the commercialisation process.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this Report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the year ended 30 June 2024.

DIVIDENDS

There were no dividends paid during the year.

There were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or state law

INDEMNITY AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the directors and executives of the Group for the costs incurred, in their capacity as a director or executive, for whichthey may be held personally liabile, except where there is a lack of good faith.

- During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001 . The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has agreed to indemnify the auditor, UHY Haines Norton, to the extent permitted by law

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

BOARD OF DIRECTORS AND COMPANY SECRETARY

Vectus Biosystems Limited's (Vectus or the Company) Board has a broad range of experience in drug research and development, and early stage biotech companies, capital markets, financial and scientific expertise.

Dr Ronald Shnier

Non-Executive Chairman

Dr Ronald Shnier completed his radiology fellowship at Royal Prince Alfred Hospital (RPAH) before undertaking his neuroradiology fellowship at RPAH in 1989 and musculoskeletal fellowship at the University of California Los Angeles (UCLA) in 1991. He was a consultant specialist at RPAH between 1990 and 1993. Dr Shnier started one of Australia's first Private MRI practices in 1991 before becoming General Manager of Mayne's Diagnostic Imaging in 2007 and was its National Director for many years. He has served on several international MRI advisory boards. Dr Shnier has a strong involvement in clinical research, and has lectured both in Australia and overseas. He is currently the Chief Medical Officer of I-MED Radiology network.

Directorships held in other listed entities in the past three years: none

Appointed to the Board: 2 September 2015

Mr Maurie Stang

Non-Executive Deputy Chairman

Mr Maurie Stang has more than three decades of experience building and managing companies in the healthcare and biotechnology industry in Australia and internationally. His strong business development and marketing skills have resulted in the successful commercialisation of intellectual property across global markets. Mr Stang has been the Executive Chairman of unlisted company Lumitron Technologies since 2016.

Directorships held in other listed entities in the past three years: A member of the Board of Nanosonics Limited (ASX:NAN) from 14 November 2000 until 18 November 2022, Non-Executive Chairman from when NAN listed on 15 May 2007 until 1 July 2022, and Deputy Chairman of NAN from 1 July 2022 until 18 November 2022. Non-Executive Chairman of Aeris Environmental Ltd (ASX:AEI) since 24 July 2002.

Appointed to the Board: 12 December 2005

Dr Susan Pond

Non-Executive Director

Dr Susan Pond AM (MD, DSc, FRACP) has a strong scientific and commercial background, having held executive positions in the biotechnology and pharmaceutical industry for 12 years, including as Chairman and Managing Director of Johnson & Johnson Research Pty Limited (2003 to 2009). Dr Pond has held many Board positions such as: Non-Executive Director and Chairman of AusBiotech Limited (2006 to 2008); Director of the Australian Nuclear Science and Technology Organisation (ANSTO) (2010 to 2014); Board member of Innovation Australia (2012 to 2015); and Vice President of the Academy of Technological Sciences and Engineering (ATSE) (2010 to 2015). She is a Fellow of ATSE, the Australian Institute of Company Directors, and the Academy of Health and Medical Sciences. Dr Susan Pond obtained specialist clinical credentials in internal medicine, clinical pharmacology and clinical toxicology, and held academic appointments at the University of California in San Francisco and the University of Queensland before joining industry.

Directorships held in other listed entities in the past three years: Non-Executive Director of Biotron Limited (ASX:BIT) since 7 March 2012.

Appointed to the Board: 4 May 2016

Dr Karen Duggan

Executive Director and Chief Executive Officer

Dr Karen Duggan is a founder of the Company. She was formally director of the Hypertension Service – South Western Sydney Area Health Service (SWSAHS), and a former chair of the National Blood Pressure and Vascular Disease Advisory Committee. Dr Duggan was also a member of the Cardiovascular Health Advisory Committee of the National Heart Foundation of Australia, the Post-Acute Stroke Guidelines Advisory Committee of the Australian Government Department of Health and Aging and the Cardiovascular Clinical Expert Reference Group of the NSW Department of Health. In Dr Duggan's role as Director of the Hypertension Service SWSAHS she was responsible for managing a multidisciplinary team (medical, nursing, laboratory and administrative staff), as well as developing and implementing new and innovative strategies in patient care within SWSAHS. The Hypertension Service participated in a number of clinical trials of both new therapeutics as well as evaluation of new diagnostic devices.

Directorships held in other listed entities in the past three years: None

Appointed to the Board: 4 September 2006

Ceased to be a Director: 19 May 2024

Mr Robert Waring

Company Secretary

Mr Robert Waring (BEc, CA, FCIS, FFin, FAICD) has over 50 years of experience in financial and corporate roles, including over 30 years in Company Secretarial roles for ASX-listed companies, and over 20 years as a Director of ASX-listed companies. Mr Waring has significant company secretarial experience for both listed and unlisted companies, and is currently serving as Company Secretary for ASX-listed companies Aeris Environmental Ltd and Xref Limited. He is a Director of Oakhill Hamilton Pty Ltd, which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Appointed as Company Secretary : 9 July 2015.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director / Committee member were:

	Board of Directors Meetings	Audit and Risk Management Committee Meetings	Remuneration and Nomination Committee Meetings	Corporate Governance Committee Meetings	R&D and Innovation Committee Meetings
Number of meetings held	13	3	3	-	-
Number of meetings attended					
Ronald Shnier***	13	2	3	N/A	-
Maurie Stang**	13	3	3	N/A	N/A
Susan Pond	13	3	3	-	-
Karen Duggan*	8	N/A	N/A	-	-

*On 19 May 2024 Karen Duggan ceased to be a Director of the Board, and a member of both the Corporate Governance Committee, and the R&D and Innovation Committee.

**On 20 June 2024 Maurie Stang became a member of the Corporate Governance Committee.

***On 16 August 2023 Ronald Shnier became a member of the Audit and Risk Management Committee.

In addition to the above meetings: the Board and senior executives conduct formal management meetings from time-to-time, and the Non-Executive Directors meet when necessary.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit and Risk Management Committee, a Corporate Governance Committee, a Remuneration and Nomination Committee, an R&D and Innovation Committee, and a Disclosure Committee of the Board of Directors. Members acting on the Committees of the Board are:

Audit and Risk Management Committee

Susan Pond (Chair)
Maurie Stang
Ronald Shnier

Remuneration and Nomination Committee

Maurie Stang (Chair)
Ronald Shnier
Susan Pond

Corporate Governance Committee

Susan Pond (Chair)
Maurie Stang

R&D and Innovation Committee

Susan Pond (Chair)
Ronald Shnier

Disclosure Committee

Made up of three Directors, which would normally be the Chairman (Ronald Shnier), a Non-Executive Director and the Executive Director. This Committee approves ASX announcements when the full Board is not available.

SHARE REGISTRY

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne VIC 3001
Telephone Australia: 1300 850 505
Telephone International: +61 3 9415 4000
Website: http://www.computershare.com
Email: www.investorcentre.com/contact

AUDITOR'S INDEPENDENCE DECLARATION

UHY Haines Norton continues in office in accordance with section 327 of the Corporations Act 2001.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF UHY HAINES NORTON

There are no officers of the Company who are former audit partners of UHY Haines Norton.

CORPORATE GOVERNANCE

Vectus Biosystems Limited's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released.

The Company's Corporate Governance Statement, and Corporate Governance Compliance Manual, can both be found on the Company's website at: **http: // www.vectusbiosystems.com.au/investor-centre/corporate-governance.**

DIRECTORS' INTERESTS

	Ordinary Shares	Options or rights over ordinary shares
Ronald Shnier	345,791	-
Maurie Stang	4,889,452	316,000
Karen Duggan - *Ceased to be a Director on 19 May 2024*	3,298,342	-
Susan Pond	40,250	-

REMUNERATION REPORT (AUDITED)

KEY MANAGEMENT PERSONNEL (KMP)

The key management personnel of the Company comprises the Directors only as follows:

Ronald Shnier

Maurie Stang

Karen Duggan - *Ceased to be a Director on 19 May 2024*

Susan Pond

REMUNERATION POLICIES

Details of Vectus' remuneration policies and practices, together with details of Directors' and Executives' Remuneration, are as follows:

a. Overview of remuneration structure:
The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. Processes have been established to ensure that the levels of compensation and remuneration are sufficient and reasonable, and explicitly linked to the achievement of personal and corporate objectives. The short and long-term incentive plans are specifically aligned to shareholder interests.

Vectus' Remuneration and Nomination Committee advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for staff, including Directors and Senior Managers of the Company.

The Committee has access to the advice of independent remuneration consultants but has not used their services during the year.

b. Non-Executive Directors:
Payments were made during the year to Non-Executive Directors for their services. This is reviewed annually.

c. Executives
The objective of Vectus' executive reward system is to ensure that remuneration for performance is competitive and appropriate for the results delivered. Executive pay structures include a base salary and superannuation. In addition, executives and senior managers can participate in the Employee Incentives Plan.

EQUITY HOLDING TRANSACTIONS

The movement during the reporting period in the number of ordinary shares in Vectus Biosystems Limited held directly, indirectly, or beneficially by each specified Director and specified executive including their personally-related entities, are as follows:

2024	Number held 30 June 2023	Acquired during year	Sold during year	Number held 30 June 2024
Ronald Shnier	345,791	-	-	345,791
Maurie Stang	4,889,452	-	-	4,889,452
Karen Duggan*	3,278,500	19,842	-	3,298,342
Susan Pond	40,250	-	-	40,250
	8,553,993	**19,842**	**-**	**8,573,835**

2023	Number held 30 June 2022	Acquired during year	Sold during year	Number held 30 June 2023
Ronald Shnier	308,291	37,500	-	345,791
Maurie Stang	2,591,000	2,298,452	-	4,889,452
Karen Duggan*	3,278,500	-	-	3,278,500
Susan Pond	21,500	18,750	-	40,250
	6,199,291	**2,354,702**	**-**	**8,553,993**

* Ceased to be a Director on 19 May 2024.

TRANSACTIONS WITH DIRECTORS AND DIRECTOR RELATED ENTITIES

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 Company 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 and outstanding balances are shown below:

Regional Health Care Group Pty Ltd	$ 2024	$ 2023
Corporate, administration and laboratory expenses	2,402	111,167
Current payables	-	70
Regional Corporate Services Pty Ltd		
Corporate and administration services	205,228	87,089
Current payables	35,664	5,378

Maurie Stang is a director and shareholder of Regional Healthcare Group Pty Ltd and Regional Corporate Services Pty Ltd.

Aeris Environmental Ltd	$ 2024	$ 2023
Accounting services provided	-	14,360
Current receivables	-	2,442

Maurie Stang is a director and shareholder of Aeris Environmental Ltd.

Loan from Maurie Stang, Non-Executive Deputy Chairman	$ 2024	$ 2023
Loan borrowing	-	-
Loan repaid	-	442,291
Interest paid on loan	-	17,546
Outstanding balance	-	-

Details of directors' and executive officers' remuneration for the year ended 30 June 2024:

	Short-term benefits		Equity based benefits			
	Salary and Directors' fees	Post employment benefits	Shares	Options or Rights	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Ronald Shnier	58,559	6,441	-	-	65,000	0.0%
Maurie Stang	49,550	5,450	-	-	55,000	0.0%
Susan Pond	40,541	4,459	-	-	45,000	0.0%
Total Non-Executive Directors	148,650	16,350	-	-	165,000	
Executive Directors						
Karen Duggan*	208,684	21,975	-	-	230,659	0.0%
Total Executive Directors	208,684	21,975	-	-	230,659	
Total	357,334	38,325	-	-	395,659	

There were no long term benefits paid to directors and executive officers during 2024 financial year

Details of directors' and executive officers' remuneration for the year ended 30 June 2023:

	Short-term benefits		Equity based benefits			
	Salary and Directors' fees	Post employment benefits	Shares	Options or Rights	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Ronald Shnier	58,824	6,176	-	-	65,000	0.0%
Maurie Stang* **	49,774	5,226	-	-	55,000	0.0%
Peter Bush**	16,290	1,710	-	-	18,000	0.0%
Susan Pond	40,724	4,276	-	-	45,000	0.0%
Total Non-Executive Directors	165,612	17,388	-	-	183,000	
Executive Directors						
Karen Duggan*	231,485	24,263	-	-	255,748	6.0%
Total Executive Directors	231,485	24,263	-	-	255,748	
Total	397,097	41,651	-	-	438,748	

There were no long term benefits paid to directors and executive officers during 2023 financial year.

***316,000 options issued towards remuneration for services as a Non-Executive Director and Deputy Chairman for 6.33 years ended on 31 December 2021.

2,298,452 shares acquired my Maurie Stang during the financial year through conversion of convertible notes and other purchases, do not form part of his remuneration and hence not included in the above table.

**Ceased to be a Director on 23 November 2022

*Ceased to be a Director on 19 May 2024

19,842 shares were issued to Karen Duggan in December 2023 in satisfaction of amounts owing to her as a bonus for the year ended 31 December 2022.

EMPLOYMENT CONTRACTS

Executive Director and Chief Executive Officer (CEO):

The following sets out the key terms of the employment agreement for the Executive Director and CEO, Dr Karen Duggan.

Contract term	Continuous employment until notice is given by either party. *Ceased to be a Director on 19 May 2024*
Fixed remuneration	$231,655 per year plus superannuation. On December 2023, $15,874 was paid as short term incentives in the form of 19,842 shares, in satisfaction of amounts owing to her as a bonus for year ended 31 December 2022.
Notice period	To terminate the employment, Dr Duggan is required to provide Vectus with 3 months written notice. Vectus must provide 3 months written notice.
Resignation or termination	On resignation, unless the Board determines otherwise: • All unvested short term or long term benefits are forfeited. • All vested but unexercised benefits are forfeited after 90 days following cessation of employment.
Statutory entitlements	Annual leave applies in all cases of separation. Long Service applies unless service is under 10 years and she is dismissed for misconduct.
Termination for serious misconduct	Vectus may immediately terminate employment at any time in case of serious misconduct, and Dr Duggan will only be entitled to payment of fixed remuneration until termination date. Such termination will result in all unvested benefits being forfeited. Treatment of any vested but unexercised benefits will be at the discretion of the Board.
Restraint of Trade	For a period of 6 months or, if that period is unenforceable, 3 months after termination of employment, Dr Duggan must not in the area of Australia or, if that area is unenforceable, New South Wales: i. solicit, canvass, approach or accept any approach from any person who was at any time during her last 12 months with the Company a client of the Company in that part or parts of the business carried on by the Company in which she was employed with a view to obtaining the custom of that person in a business that is the same or similar to the business conducted by the Company; or ii. interfere with the relationship between the Company and its customers, employees or suppliers; or iii. induce or assist in the inducement of any employee of the Company to leave their employment.

There are no other contracts to which a Director is a party or under which a Director is entitled to a benefit other than as disclosed above and in the financial statements.

LINK BETWEEN REMUNERATION AND PERFORMANCE AND STATUTORY PERFORMANCE INDICATORS

The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001 .However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2024 $	2023 $ (Re-stated)	2022 $ (Re-stated)	2021 $ (Re-stated)	2020 $ (Re-stated)
Loss for the year	(2,338,124)	(3,441,789)	(3,969,886)	(3,837,915)	(2,973,222)
Basic loss per share (cents per share)	(4.39)	(7.18)	(11.89)	(13.62)	(12.63)
Dividend payments	-	-	-	-	-
(Decrease) / increase in share price (%)	(82.5%)	(55.3%)	(27.0)%	87.5%	111.8%
Total KMP remuneration as percentage of loss for the year (%)	(17%)	(13%)	(12%)	(10%)	(13%)

PERFORMANCE RIGHTS OR OPTIONS

Following rights or options for issue of shares issued to key management personnel were not exercised or expired as at the end of financial year:

	Number of options / rights 2024	 2023
Options granted to Maurie Stang, Non-Executive Director	316,000	316,000

No shares were issued to key management personnel as the result of the exercise of options or rights.

Signed in accordance with a resolution of the directors; pursuant to section 298(2)(a) of Corporations Act 2001 on behalf of the directors.

Dr Ronald Shnier
Non-Executive Chairman

30 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

UHY Haines Norton
Chartered Accountants

Level 9 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhnsyd.com.au
www.uhyhnsydney.com.au

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Directors of Vectus Biosystems Limited

As lead auditor for the audit of Vectus Biosystems Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Franco Giannuzzi
Partner

Sydney
30 September 2024

UHY Haines Norton
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2024 $	2023 $ (Re-stated refer note 28)
Revenue and other income	3	1,138,674	1,354,535
Administration and corporate expenses		(776,535)	(930,687)
Finance costs	4	(8,704)	(205,522)
Depreciation and amortisation expense	4	(58,835)	(47,209)
Employee benefits expense and directors' remuneration	4	(1,303,337)	(1,455,934)
Occupancy expenses		(177,721)	(177,721)
Research & development	4	(1,151,046)	(1,957,587)
Travel expenses		(620)	(21,664)
Loss before income tax benefit from continuing operations		**(2,338,124)**	**(3,441,789)**
Income tax benefit	5	-	-
NET LOSS FOR THE YEAR		**(2,338,124)**	**(3,441,789)**
TOTAL COMPREHENSIVE LOSS FOR YEAR, NET OF TAX		**(2,338,124)**	**(3,441,789)**
Loss for the year attributable to:			
Owners of Vectus Biosystems Limited		(2,338,124)	(3,441,789)
Total comprehensive loss for the year attributable to:			
Owners of Vectus Biosystems Limited		(2,338,124)	(3,441,789)
Loss per share	25		
Basic loss per share (cents per share) from continuing operations		(4.39)	(7.18)
Diluted loss per share (cents per share) from continuing operations		(4.39)	(7.18)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2024 $	2023 $ (Re-stated refer note 28)	2022 $ (Re-stated refer note 28)
CURRENT ASSETS				
Cash and cash equivalents	6	808,969	2,950,956	1,281,341
Other current assets	7	1,034,487	1,505,934	2,447,404
TOTAL CURRENT ASSETS		**1,843,456**	**4,456,890**	**3,728,745**
NON-CURRENT ASSETS				
Property, plant and equipment	8	182,171	173,106	207,508
TOTAL NON-CURRENT ASSETS		**182,171**	**173,106**	**207,508**
TOTAL ASSETS		**2,025,627**	**4,629,996**	**3,936,253**
CURRENT LIABILITIES				
Trade and other payables	9	213,234	253,608	149,012
Other current liabilities	10A	156,801	403,207	943,598
Borrowings	12	-	-	5,889,724
Provisions	11A	164,659	175,434	179,247
TOTAL CURRENT LIABILITIES		**534,694**	**832,249**	**7,161,581**
NON-CURRENT LIABILITIES				
Provisions	11B	4,568	2,985	1,642
Other non-current liabilities	10B	-	27,428	70,266
TOTAL NON-CURRENT LIABILITIES		4,568	30,413	71,908
TOTAL LIABILITIES		**539,262**	**862,662**	**7,233,488**
NET ASSET / (LIABILITIES)		**1,486,365**	**3,767,334**	**(3,297,236)**
EQUITY				
Issued Capital	13	38,368,557	38,352,080	27,302,638
Convertible Notes - Equity		-	-	887,485
Reserves	24	843,823	803,145	458,743
Accumulated Losses	14	(37,726,015)	(35,387,891)	(31,946,102)
TOTAL EQUITY / (DEFICIT)		**1,486,365**	**3,767,334**	**(3,297,236)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 $	2023 $
Cash flows from operating activities			
R&D tax offset rebate received		1,515,869	2,144,765
Payments to suppliers and employees		(3,616,829)	(4,527,702)
Interest received		76,858	54,459
Interest paid		(8,704)	(24,264)
Net cash used in operating activities	**22(b)**	**(2,032,806)**	**(2,352,742)**
Cash flows from investing activities			
Investment in property, plant and equipment		(67,900)	(17,127)
Net cash used in investing activities		**(67,900)**	**(17,127)**
Cash flows from financing activities			
Lease payments		(41,281)	(55,846)
Issue of shares		-	4,600,571
Cost of Issue of shares		-	(62,950)
Repayment of loans		-	(442,291)
Net cash provided by / (used in) financing activities	**22(c)**	**(41,281)**	**4,039,484**
Net increase / (decrease) in cash and cash equivalents		(2,141,987)	1,669,615
Cash and cash equivalents at the beginning of the financial year		2,950,956	1,281,341
Cash and cash equivalents at the end of the financial year	**22(a)**	**808,969**	**2,950,956**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Equity $	Convertible Notes $	Accumulated losses $	Reserves $	Total attributable to equity holders of the entity $
Balance at 1 July 2022 as reported		27,302,638	887,485	(32,182,861)	458,743	(3,533,995)
Re-stated balance at 1 July 2022 (refer note 28)		27,302,638	887,485	(31,946,102)	458,743	(3,297,236)
Comprehensive Income (re-stated)						
Loss for the year		-	-	(3,441,789)	-	(3,441,789)
Total comprehensive loss for the year (re-stated)		-	-	(3,441,789)	-	(3,441,789)
Convertible Notes - Redemption	12	-	(887,485)	-	-	(887,485)
Transactions with owners						
Shares issued during the year	13	11,119,006	-	-	-	11,119,006
Share issue costs	13	(69,564)	-	-	-	(69,564)
Movements in share-based payment reserve	24	-	-	-	344,402	344,402
Re-stated balance at 30 June 2023		38,352,080	-	(35,387,891)	803,145	3,767,334
Balance at 1 July 2023		38,352,080	-	(35,387,891)	803,145	3,767,334
Comprehensive Income						
Loss for the year		-	-	(2,338,124)	-	(2,338,124)
Total comprehensive loss for the year		-	-	(2,338,124)	-	(2,338,124)
Transactions with owners						
Shares issued during the year	13	16,477	-	-	-	16,477
Movements in share-based payment reserve	24	-	-	-	40,678	40,678
Balance at 30 June 2024		38,368,557	-	(37,726,015)	843,823	1,486,365

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The financial report of Vectus Biosystems Limited (the Group) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 28 September 2024. The directors have the power to amend and reissue the financial statements.

Vectus Biosystems Limited (the parent) is a company limited by shares incorporated in Australia whose shares are publicly listed on the Australian Stock Exchange (ASX code: VBS).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Account Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

GOING CONCERN

The Group has incurred an operating loss after tax of $2,338,124 for the financial year ended 30 June 2024 (2023: Operating loss after tax of $3,441,789 re-stated) and the net equity has moved from $3,767,334 (re-stated) as at 30 June 2023 to $1,486,365 as at 30 June 2024. The operating cash burn rate for the financial year ended 30 June 2024 was $2,032,806 (2023: $2,352,742). The cash balance as at 30 June 2024 was $808,969. 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 Directors have prepared detailed cash flow projections for the period of 12 months from the date of signing this Report. The Group is dependent on funds received from R&D Start Grants, as well as capital raisings, licencing and commercial activities, and shareholders to continue to operate with enough cash on hand for the next 12 months. The Group demonstrated in previous years its success in raising capital, including in the 2023 financial year when an amount of $4.6 million was raised. The Directors remain confident that this can be repeated as required to support the Group's continuing activities. As previously announced, the Company is now focusing on the commercialisation of its clinical drug VB0004. The funds required as operating costs of the Company for this work will be significantly reduced. Further, in the event of the Group not raising sufficient funds to meet its current cash flow forecasts, the Group will reduce its expenditure accordingly to be able to pay its debts as and when they are due. In the event insufficient funds are raised to meet the Going Concern principle through the methods mentioned in this note above, the Group will further reduce costs and related party creditors will defer requests for payment so that the Group will be able to continue as a Going Concern.

Consequently, the Group's financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities and commitments in the normal course of business.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

STATEMENT OF COMPLIANCE

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the applicable and relevant new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Management does not currently expect any of the new accounting standards not yet effective to have a material impact on the group, however these will be continued to be monitored ahead of the effective date.

There are no standards that have been issued by the International Accounting Standards Board, not yet adopted by Australia, that needs to be considered or is expected to have any material impact on the financial performance or position of the consolidated entity.

New and revised Standards and amendments thereof and Interpretations effective for the current year include:

AASB 2021-2 Amendments to AustralianAccounting Standards – Disclosure ofAccounting Policies and Definition ofAccounting Estimates

AASB 2021-5 Amendments to AustralianAccounting Standards – Deferred Tax relatedto Assets and Liabilities arising from a Single transaction

The application of the amendments did not have a material impact on the Group's consolidated financial statements, as the amendments either do not affect the Group's existing accounting policies, or apply to situations, transactions and events that the Group does not undertake.

ACCOUNTING POLICIES

A. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Vectus Biosystems Limited) and the subsidiary (including any structured entities). Subsidiary is the entity the parent controls. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 18.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of the subsidiary has been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidations at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

B. Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carry amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Depreciation

The depreciable amount of all fixed assets is depreciated on a prime cost method over the assets useful life to the company commencing from the time the asset is held ready for use. Depreciation is recognised in the profit and loss. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	20% - 40%
Fixtures & Fittings	10% - 20%
Office Equipment	20% - 50%

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discontinued to their present values in determining recoverable amounts.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within the short-term borrowings in current liabilities in the statement of financial position.

D. Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable.

Interest revenue is recognised using the effective i nterest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

E. Trade Receivables and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

F. Trade Creditors and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

G. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from the ATO is included with other receivables in the statement of financial position.

Cash Flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities are recoverable, or payable to, the ATO are presented as operating cash flows included in receipts from or payments to suppliers.

H. Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payment

The fair value of options or share-based payments granted under the Employee Option Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or shares.

At each balance sheet date, the entity revises its estimate of the number of options or shares that are expected to vest or become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

I. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

J. Financial Instruments

Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch.

Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Interest

Interest is classified as an expense consistent with the balance sheet classification of the related debt or equity instruments.

Financial liabilities

The Group classifies its financial liabilities as measured at amortised cost. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk.

These financial liabilities include the following items:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or move events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if not impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognised the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including

the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

K. Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of the new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

L. Convertible Notes

Convertible notes are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible notes, the fair value of the liability component is determined using an equivalent market rate.

This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished or derecognised on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised. Liability component is removed from the balance sheet upon conversion or redemption. The difference between the carrying amount of a financial liability that has been redeemed and the consideration paid, including any non-cash settlement, is recognised as equity.

Based on the above, classification of Convertible Notes value is in accordance with AASB 9 as per note 12.

M. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when; it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

N. Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

Patents and trademarks

Patents are in relation to research and are not capitalised, the costs associated with patents have been included as an expense.

O. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

P. Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

R. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted averagenumber of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. OTHER INCOME

	2024 $	2023 $
Revenue and other income		
R&D tax offset rebate	1,060,939	1,288,190
Interest income	76,858	55,513
Other revenue	877	10,832
TOTAL	**1,138,674**	**1,354,535**

4. LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax includes the following items of expense:

	2024 $	2023 $
Depreciation and Amortisation Expense		
Depreciation of property, plant and equipment	58,835	47,209

	2024 $	2023 $ (Re-stated refer note 28)
Employment benefits and directors' remuneration		
Base salary and fees	1,150,003	1,322,883
Superannuation and statutory oncosts	115,745	127,733
Share based payments	42,530	2,065
Other employee expenses	4,251	5,722
Transfers from employee entitlements provisions	(9,192)	(2,469)
TOTAL	1,303,337	1,455,934

Finance Costs		
Borrowing cost - convertible notes	-	178,254
Interest on Directors' loan	2,822	17,546
Other finance costs	5,882	9,722
TOTAL	8,704	205,522

Research & Development expense		
Research and Development expense	834,765	1,559,704
Patent costs	316,281	397,883
TOTAL	1,151,046	1,957,587

5. INCOME TAX

A. Income tax expense

The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax benefit in the financial statements as follows:

	2024 $	2023 $ (Re-stated refer note 28)
Loss for year before income tax benefit	(2,338,124)	(3,441,789)
Income tax benefit calculated at 30%	(701,437)	(1,032,537)
Temporary differences and tax losses not recognised	403,134	504,076
Permanent differences		
R&D grant included in P&L not assessable	(318,282)	(386,457)
R&D expenses not deductible	604,382	776,664
Capitalised new patents	-	33,974
Share based payments	12,203	104,280
Income tax benefit	-	-

B. Deferred tax balances not recognised

Calculated at 30% not brought to account as assets:

	2024 ($)	2023 ($)
Deferred tax assets relating to tax losses		
Revenue tax losses available for offset against future tax income	6,108,056	5,640,126
Net deferred tax asset not recognised in respect of tax losses	6,108,056	5,640,126
Deferred tax assets relating to temporary differences		
Provision for employee entitlements	-	126,675
Accruals	29,460	104,412
Other liabilities	50,768	-
Prepayments	(17,183)	(21,298)
TOTAL	63,046	209,789
Net deferred tax asset not recognised in respect of temporary differences	**63,046**	**209,789**

Relevance of tax consolidation to the consolidated entity

Legislation to allow groups comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes ('the tax consolidation system') was substantively enacted on 21 October 2002. The company and its wholly-owned Australian resident entity have been consolidated for tax purposes under this legislation.

6. CASH AND CASH EQUIVALENTS

	2024 ($)	2023 ($)
Cash on Hand	400	860
Cash at Bank and Term Deposits	808,569	2,950,096
TOTAL	808,969	2,950,956

7. OTHER CURRENT ASSETS

	2024 ($)	2023 ($)
Prepayments	57,275	70,995
R&D Grant Receivable	935,907	1,380,843
Inventory	978	978
Goods and Services Tax and other receivables	40,327	53,118
TOTAL	1,034,487	1,505,934

The carrying amounts of the group's other current assets are a reasonable approximation of their fair values.

8. PROPERTY, PLANT AND EQUIPMENT

	2024 ($)	2023 ($)
Plant and Equipment	876,644	808,744
Less: Accumulated depreciation	(697,665)	(652,790)
	178,979	155,954
Office Equipment	88,020	88,020
Less: Accumulated depreciation	(84,828)	(70,868)
	3,192	17,152
TOTAL	182,171	173,106

Reconciliations of the written down values at the beginning and end of the current financial year are set out below

	Plant and Equipment	Office Equipment	Total
Balance at 1 July 2023	155,954	17,152	173,106
Additions	67,900	-	67,900
Depreciation	(44,875)	(13,960)	(58,835)
Balance at 30 June 2024	178,979	3,192	182,171
Balance at 1 July 2022	192,961	14,547	207,508
Additions	-	12,807	12,807
Depreciation	(37,007)	(10,202)	(47,209)
Balance at 30 June 2023	155,954	17,152	173,106

9. CURRENT TRADE AND OTHER PAYABLES

	2024 ($)	2023 ($)
Trade creditors	187,062	219,570
PAYG withholding payable	26,172	34,038
TOTAL	213,234	253,608

The carrying amount of the Group's current trade and other payables are a reasonable approximation of their fair values.

10. OTHER CURRENT AND NON-CURRENT LIABILITIES

	2024 ($)	2023 ($)
A. Other current liabilities		
Accrued expenses*	127,875	360,428
Lease liability	28,926	42,779
TOTAL	156,801	403,207
B. Other non-current Liabilities		
Lease liability	-	27,428
TOTAL	-	27,428
Accrued expenses include:		
Accrued R&D and Patent expenses	*37,375*	*275,102*
Other accruals	*90,500*	*85,326*
TOTAL	*127,875*	*360,428*

The carrying amount of the Group's other current and non-current liabilities are a reasonable approximation of their fair values.

C. Particulars relating to lease liabilities

The Group has entered into finance lease contracts for fixed assets included in property, plant and equipment (note 8).

The balance outstanding on finance lease is accounted as lease liability (current and non-current) in note 10A and 10B.

The financial statements shows the following amounts relating to leases:

	2024 ($)	2023 ($)
Depreciation expense (included in depreciation and amortisation expense)	26,304	35,849
Interest expense (included in finance cost)	3,903	6,725
Value of asset included in property, plant and equipment	131,518	152,872
Total cash flows for finance leases	40,924	62,564
Expense relating to short-term operating leases (included in occupancy expenses)	177,721	177,721

11. PROVISIONS

	2024 ($)	2023 ($) (Re-stated refer note 28)
A. Current		
Provision for Annual Leave	95,228	114,335
Provision for Long Service Leave	69,431	61,099
TOTAL	164,659	175,434
B. Non-Current		
Provision for Long Service Leave	4,568	2,985
TOTAL	4,568	2,985

The carrying amount of group's provisions are a reasonable approximation of their fair values.

12. BORROWINGS

	2024 ($)	2023 ($)
Convertible Notes (Redeemed in 2023 - Notes below)	-	-
TOTAL	-	-

Convertible Notes

The Convertible Note capital raising announced on 17 September 2019 was completed following approvals at the Company's 22 November 2019 Annual General Meeting (AGM). Details are as follows:

Notes: 14,000,000 Convertible Notes were issued, each with a face value of $0.50.

Maturity date: 27 September 2022

Interest: 6% per annum capitalised and paid on redemption

Conversion: All 9,620,000 notes that were outstanding at the beginning of 2023 were converted during 2023.

Listing and security: The Convertible Notes are secured and not listed on ASX.

Valuation: In accordance with AASB 9, the convertible notes (liability and equity) were presented in the balance sheet as follows:

	2024 ($)	2023 ($)
Convertible Notes - Liability		
Face value of notes issued	N/A	7,000,000
Equity component	N/A	(1,013,122)
Cost of raising convertible notes (net)	N/A	(346,033)
Interest	N/A	2,380,764
Redeemed	N/A	(8,021,609)
	N/A	-
Convertible Notes - Equity		
Equity component recognised	N/A	1,013,122
Redemption adjustments	N/A	(1,013,122)
	N/A	-

13. ISSUED CAPITAL

	2024 Number of Shares	2023 Number of Shares	2024 ($)	2023 ($)
Ordinary shares - fully paid (no par value)	53,210,521	53,189,519	38,368,557	38,352,080
	53,210,521	53,189,519	38,368,557	38,352,080

MOVEMENTS IN ORDINARY SHARE CAPITAL OF VECTUS BIOSYSTEMS LIMITED

	2024 Number of Shares	2023 Number of Shares	2024 ($)	2023 ($)
Balance at beginning of the year	53,189,519	36,263,658	38,352,080	27,302,638
Shares issued during the year				
Shares issued to KMP	19,842	-	15,874	-
Shares issued on redemption of convertible notes	-	10,981,736	-	6,513,172
Other shares issues	1,160	5,944,125	603	4,605,834
	53,210,521	53,189,519	38,368,557	38,421,644
Transaction costs relating to share issues	-	-	-	(69,564)
Balance at end of year	53,210,521	53,189,519	38,368,557	38,352,080

For the purposes of these disclosures, the Group considers its capital to comprise its ordinary share capital and accumulated retained earnings. Neither the share based payments reserve nor the translation reserve is considered as capital.

CAPITAL RISK MANAGEMENT

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reducedebt.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

14. ACCUMULATED LOSSES

	2024 ($)	2023 (Re-stated refer note 28) ($)
Accumulated loss at the beginning of the financial year	(35,387,891)	(31,946,102)
Loss after income tax expense for the year	(2,338,124)	(35,387,891)
Accumulated loss at the end of the financial year	(37,726,015)	(35,387,891)

15. RELATED PARTY DISCLOSURES

A. Subsidiary

Vectus Biosystems Limited has a 100% interest in Accugen Pty Limited.

B. Key management personnel

Disclosures relating to key management personnel are set out in note 16.

C. Transactions with related parties

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 Company 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 and outstanding balances are shown below:

	2024 ($)	2023 ($)
Regional Health Care Group Pty Ltd		
Corporate, administration and laboratory expenses	2,402	111,167
Current payables	-	70
Regional Corporate Services Pty Ltd		
Corporate and administration services	205,228	87,089
Current payables	35,664	5,378

Maurie Stang is a director and shareholder of Regional Healthcare Group Pty Ltd and Regional Corporate Services Pty Ltd.

	2024 ($)	2023 ($)
Aeris Environmental Ltd		
Accounting services provided	-	14,360
Current receivables	-	2,442

Maurie Stang is a director and shareholder of Aeris Environmental Ltd.

Loan from Maurie Stang, Non-Executive Deputy Chairman		
Loan borrowing	-	
Loan repaid	-	442,291
Interest paid on loan	-	17,546
Outstanding balance	-	-

16. KEY MANAGEMENT PERSONNEL (KMP)

The Directors of Vectus Biosystems Limited during the year were:

Ronald Shnier

Maurie Stang

Karen Duggan - *Ceased to be a Director on 19 May 2024*

Susan Pond

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	2024 ($)	2023 ($)
Short-term employee benefits	357,334	397,097
Post-employment benefits	38,325	41,651
Share-based payments	-	-
TOTAL	395,659	438,749

Futher disclosures relating to the key management personnel are set out in remuneration report in the Directors' Report.

17. COMMITMENTS

	2024 ($)	2023 ($)
A. Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	28,926	42,838
One to five years	-	27,368
TOTAL	28,926	70,207

	2024 ($)	2023 ($)
B. Lease commitments - operating		
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	-	-
TOTAL	14,810	14,810

	2024 ($)	2023 ($)
C. Operating commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Research and development expenses		
Within one year	471,555	2,513,238
One to five years	16,285	-
TOTAL	487,840	2,513,238

D. Capital expenditure commitments

There are no capital expenditure commitments at the end of the financial year.

18. INTEREST IN SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1.

Name	"Principal place of business/ Country of Incorporation"	Ownership Interest	
		2024 (%)	2023 (%)
Accugen Pty Limited	Australia	100%	100%

19. SUBSEQUENT EVENTS

There have been no matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

a. the operations, in financial years subsequent to 30 June 2024, of the Group; or

b. the results of those operations; or

c. the state of affairs, in the financial years subsequent to 30 June 2024, of the Group, other than: the Company's announced focus on commercialisation following the completion of the Phase I human trials, with the significant reduction in the Company's cost base, including the relocation of its head office to Rosebery in Sydney. It involves the utilisation of a number of advisers, such as C14 Consulting Group, in the commercialisation process.

20. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by UHY Haines Norton, Chartered Accountants.

	2024 ($)	2023 ($)
Audit Services - UHY Haines Norton		
Audit and review of financial statements	59,000	56,400

21. PARENT ENTITY INFORMATION

	2024 ($)	2023 ($)
Loss after income tax	(2,260,182)	(3,426,457)
Total comprehensive loss	(2,260,182)	(3,426,457)
Total current assets	3,078,754	5,615,805
Total assets	3,257,282	5,784,110
Total current liabilities	532,849	830,804
Total liabilities	537,416	861,217
Equity		
Issued capital (net of share issue cost)	38,368,557	38,352,080
Reserves	843,823	803,145
Accumulated losses	(36,492,513)	(34,232,331)
TOTAL EQUITY	2,719,867	4,922,894

Guarantees entered into by the parent entity in relation to the debts of its subsidiary

The parent entity has not entered into guarantee agreement on behalf of its subsidiary.

Operating commitments and Contingent liabilities

Operating commitments and contingent liabilities of the parent entity as at the reporting date are same as of the Group disclosed in note 17 and 27 respectively.

Capital Commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2024.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, with exception of the investment in subsidiary that is accounted for at cost.

22. NOTES TO CASH FLOW STATEMENTS

A. Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the related items in the statement of financial position as follows:

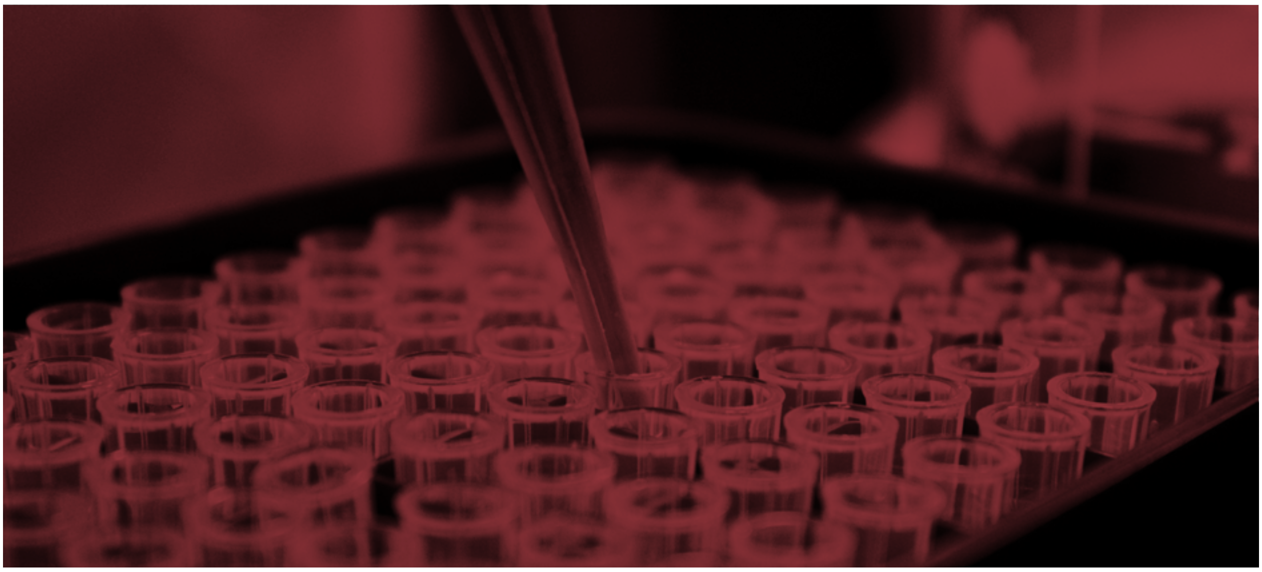
	2024 ($)	2023 ($)
Cash at bank and on hand	808,969	2,950,956

B. Reconciliation of operating loss after income tax to net cash flows from operating activities

	2024 ($)	2023 ($)
Operating loss after income tax	(2,338,124)	(3,441,789)
Non cash/non-operating items included in profit and loss		
Depreciation and amortisation	58,835	47,209
Convertible Notes interest	-	178,254
Share based payments	57,155	2,065
Change in employee entitlement provision	(9,192)	4,601
Other adjustments	-	53,552
Changes in assets and liabilities		
(Increase) / Decrease in other assets	471,447	941,470
Increase / (Decrease) in trade and other payables	(40,374)	104,596
Increase / (decrease) in other liabilities	(232,553)	(242,700)
NET CASH USED IN OPERATING ACTIVITIES	(2,032,806)	(2,352,742)

C. Changes in liabilities arising from financing activities

	Lease Liability	Loan Borrowings	Convertible Notes
Balance at 1 July 2023	70,207	-	-
Interest	3,903	-	-
Payments	(45,183)	-	-
Balance at 30 June 2024	28,927	-	-
Balance at 1 July 2022	126,046	442,291	5,447,433
Interest	6,725	17,546	178,255
Payments / adjustments	(62,564)	(459,837)	-
Redemption			(5,625,688)
Balance at 30 June 2023	70,207	-	-



23. OPERATING SEGMENTS

The Consolidated Entity operates in one segment, being pharmaceutical research and development. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

24. RESERVES

	2024 ($)	2023 ($)
Share based payments reserve		
Balance at beginning of financial year	803,145	458,743
Share based payments during the year allocated to:		
• **Employees and consultant (recognised as expense - refer note 4)**	41,281	2,065
• **Directors (settlement of accrued expenses - refer note 10A)**	-	347,600
• **Utilised for share issue**	(603)	(5,263)
BALANCE AT END OF FINANCIAL YEAR	843,823	803,145

	2024	2023
Particulars of options or rights granted over unissued shares		
Weighted average remaining contractual life	2.49 years	3.41 years
Range of exercise prices	NIL	NIL

Options or rights on issue		
Employees and consultants	337,890	3,480
Key Management Personnel (KMP)	316,000	316,000
TOTAL	653,890	319,480

Options or rights granted during the year (Details noted below*)		
Employees and consultants	335,570	6,774
Key Management Personnel (KMP)	-	316,000
TOTAL	335,570	322,774

Shares issued as a result of exercise of options or rights (Details noted below)**		
Employees and consultants	1,160	505,913
Key Management Personnel (KMP)	-	-
TOTAL	1,160	505,913

Options or rights expired or forfeited during the year		
Employees and consultants	-	24,480
Key Management Personnel (KMP)	-	-
TOTAL	-	24,480

*Details of options or rights granted during the year

	2024 Granted to Employees	2024 Granted to Employees	2024 Granted to Employees	2024 Granted to Consultants	2023 Granted to KMP	2023 Granted to Employees
Number of options	53,375	81,745	125,450	75,000	316,000	6,774
Exercise price	NIL	NIL	NIL	NIL	NIL	NIL
Expiry date	11/7/2027	20/2/2028	7/5/2028	14/12/2026	23/11/2026	15/3/2027
Grant date	20/11/2023	13/03/2024	7/05/2024	20/6/2024	14/12/2022	26/4/2023
Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Market price at grant date	$0.49	$0.09	$0.09	$0.09	N/A	$0.52
Valuation price	$0.49	$0.09	$0.09	$0.09	$1.10	$0.52

Valuation of 316,000 options granted to KMP in 2023 was on the basis of 90-day VWAP for the shares traded prior to the completion of Notice of 2023 AGM.

Valuation of options granted to employees was on the basis of market price at grant date.

**Details of shares issued as a result of exercise of options or rights

	2024 Issued to Employees	2023 Issued to Consultants	2023 Issued to Employees	2023 Issued to Employees
Number of options	1,160	500,000	2,500	3,413
Exercise price	NIL	$0.50	NIL	NIL
Exercise date	29/5/2024	28/12/2022	12/7/2022	16/9/2022
Market price at exercise date	$0.13	$0.77	$0.94	$0.75
Original valuation price	$0.52	$0.36	$0.74	$1.00

25. LOSS PER SHARE

	2024 $	2023 $
Basic loss per share (cents per share)	(4.39)	(7.18)
Diluted loss per share (cents per share)	(4.39)	(7.18)
Loss used to calculate basic loss per share	(2,338,124)	(3,441,789)
Loss used to calculate diluted loss per share	(2,338,124)	(3,441,789)
Weighted average number of ordinary shares used to calculate basic loss per share	53,200,982	47,952,355
Weighted average number of ordinary shares used to calculate diluted loss per share*	53,200,982	47,952,355
Options and rights eligible for conversion into ordinary shares in future		
Options	653,890	319,480
Convertible notes	-	-
TOTAL	653,890	319,480

*Weighted average number of shares including convertible note options and other options are not included because they were anti-dilutive.

26. FINANCIAL INSTRUMENTS DISCLOSURES

A. Capital

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues or debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

B. Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

C. Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risks arise, are:

- Cash at bank;
- R&D Rebate receivable;
- Deposits and bonds;
- Loan from Directors;
- Convertible Notes; and
- Trade and other payables.

D. General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of t he objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

i. Credit risk

Credit risk arises principally from the Group's cash and term deposits. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

The maximum exposure to credit risk at balance sheet date is as follows:

	2024 ($)	2023 ($)
Cash in banks and term deposits	808,569	2,950,096

ii. Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. As stated in note 1 (Going Concern paragraphs), the Group expected to have sufficient liquid resources to meet its obligations under all reasonable circumstances.

MATURITY ANALYSIS OF FINANCIAL ASSETS AND LIABILITY BASED ON MANAGEMENT'S EXPECTATIONS

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables and inventories). These assets are considered in the Group's overall liquidity risk.

Maturity Analysis 2024	Cash flows ($)	< 1 year ($)	1 - 3 years ($)	Total ($)	Carrying amount ($)
Financial assets					
Cash and cash equivalents	808,969	808,969	-	808,969	808,969
TOTAL	808,969	808,969	-	808,969	808,969
Financial liabilities					
Trade Creditors	213,234	213,234	-	213,234	213,234
Accruals	127,875	127,875	-	127,875	127,875
Loans	-	-	-	-	-
Lease liabilities (floating rate)	26,800	26,800	-	26,800	25,470
Lease liabilities (fixed rate)	3,770	3,770	-	3,770	3,456
Convertible notes	-	-	-	-	-
TOTAL	371,679	371,679	-	371,679	370,035
NET MATURITY	437,290	437,290	-	437,290	438,934

Maturity Analysis 2023	Cash flows ($)	< 1 year ($)	1 - 3 years ($)	Total ($)	Carrying amount ($)
Financial assets					
Cash and cash equivalents	2,950,956	2,950,956	-	2,950,956	2,950,956
TOTAL	2,950,956	2,950,956	-	2,950,956	2,950,956
Financial liabilities					
Trade Creditors	253,608	253,608	-	253,608	253,608
Accruals	360,428	360,428	-	360,428	360,428
Loans	-	-	-	-	-
Lease liabilities	77,228	38,614	38,614	77,228	70,207
Convertible notes	-	-	-	-	-
TOTAL	691,264	652,650	38,614	691,264	684,243
NET MATURITY	2,259,692	2,298,306	(38,614)	2,259,692	2,266,713

iii. Interest rate risk

The Group's exposure to fluctuations in interest rates that are inherent in financial markets arise predominantly from assets and liabilities bearing variable interest rates.

The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below :

	Weighted Average Rates (%)	Floating Rates ($)	Fixed Rates ($)	Non-interest Bearing ($)	Total ($)
2024					
Financial Assets					
Cash and cash equivalents	2.0%	808,969	-	-	808,969
TOTAL		808,969	-	-	808,969
Financial liabilities					
Trade Creditors	0.0%	-	-	213,234	213,234
Other payables and accruals	0.0%	-	-	127,875	127,875
Lease liabilities (floating rate)	9.1%	26,800	-	-	26,800
Lease liabilities (fixed rate)	5.2%	-	3,770	-	3,770
TOTAL		26,800	3,770	341,109	371,679
NET FINANCIAL ASSETS (LIABILITIES)		782,169	(3,770)	(341,109)	437,290

	Weighted Average Rates %	Floating Rates $	Fixed Rates $	Non-Interest Bearing $	Total $
2023					
Financial Assets					
Cash and cash equivalents	2.0%	2,950,956	-	-	2,950,956
TOTAL		2,950,956	-	-	2,950,956

Financial liabilities					
Trade Creditors	0.0%	-	-	253,608	253,608
Other payables and accruals	0.0%	-	-	360,428	360,428
Lease liabilities	5.3%	-	77,228	-	77,228
Loans from Directors	8.0%	-	-	-	-
TOTAL		-	77,228	614,036	691,264

NET FINANCIAL ASSETS (LIABILITIES)	2,950,956	(77,228)	(614,036)	2,259,692

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date. The analysis assumes all other variables remain constant.

Sensitivity analysis 2024	Carrying amount ($)	+0.5% interest Profit & Loss ($)	-0.5% interest Profit & Loss ($)
Cash at bank	808,969	4,045	(4,045)
Term deposits	-	-	-
		4,045	(4,045)
Tax charge of 30%		(1,213)	1,213
Post tax profit increase / (decrease)		2,831	(2,831)

Sensitivity analysis 2023	Carrying amount $	+0.5% interest Profit & Loss $	-0.5% interest Profit & Loss $
Cash at bank	2,950,956	14,755	(14,755)
Term deposits	-	-	-
		14,755	(14,755)
Tax charge of 30%		(4,426)	4,426
Post tax profit increase / (decrease)		10,328	(10,328)

27. CONTINGENT LIABILITIES

There are no contingent liabilities of the company or the Group.

28. CORRECTION OF ERRORS

During 2024, the Group discovered an error in the calculation of employee entitlements in the prior periods since 2012. As a consequence, provision, expenses and the related liabilities have been re-stated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following table summarises the impacts on the Group's consolidated financial statements.

	Reported $	Adjustment $	Restated $
Consolidated statement of financial position as at 30 June 2022			
Provisions (Current liabilities)	416,006	(236,759)	179,247
Total liabilities	7,470,248	(236,759)	7,233,488
Net Asset / (liabilities)	(3,533,995)	236,759	(3,297,236)
Accumulated losses	(32,182,861)	236,759	(31,946,102)
Consolidated statement of financial position as at 30 June 2023			
Provisions (Current liabilities)	419,264	(243,830)	175,434
Total liabilities	1,106,492	(243,830)	862,662
Net Asset / (liabilities)	3,523,504	243,830	3,767,334
Accumulated losses	(35,631,721)	243,830	(35,387,891)
Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023			
Employment benefits expense and directors' remuneration	1,463,005	(7,071)	1,455,934
Net loss for the year	(3,448,860)	7,071	(3,441,789)
Total comprehensive loss	(3,448,860)	7,071	(3,441,789)

There is no material impact on the Group's basic or diluted earnings per share and no impact on the statement of consolidated cash flow.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of the entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Parent entity						
Vectus Biosystems Limited	Body corporate	N/A	N/A	Australia	Australian	N/A
Controlled entities of Vectus Biosystems Limited						
Accugen Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A

The ultimate controlling entity of the Group is Vectus Biosystems Limited. The Group's consolidated entity disclosure statement as at 30 June 2024 has been prepared in accordance with Section 295 (3A) of the Corporations Act and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. the attached financial statements and notes that are set out on pages 24 to 63 and remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
5. the consolidated entity disclosure statement on page 63 is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

On behalf of the Board of Directors

Dr Ronald Shnier
Non-Executive Chairman

Sydney, 30 September 2024

INDEPENDENT AUDITOR'S REPORT

UHY Haines Norton
Chartered Accountants

Level 9 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhnsyd.com.au
www.uhyhnsydney.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Vectus Biosystems Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vectus Biosystems Limited (the Company) and its subsidiary (the Group) for the year ended 30 June 2024, which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which discloses the Group's ability to continue as a going concern. The matters described in Note 1 of the 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 financial report. Our opinion is not modified in respect of this matter.

UHY Haines Norton
Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

RESEARCH AND DEVELOPMENT COSTS

As at 30 June 2024, the Group's Statement of profit or loss and other comprehensive income includes research and development expenditures of $1.15 million (30 June 2023 of $1.96 million).

Why a key audit matter	How our audit addressed the risk
Our audit focused on this area due to the amount of the research and development costs incurred, and the fact that there is judgment involved in assessing whether the requirements detailed in the accounting standards for expensing or capitalising these costs have been met. The Group is currently performing a range of animal toxicology studies on its main compound. This research continues to progress over time with corresponding increases in the probability of future economic benefits flowing to the Company. AASB 138: Intangible Assets prescribes that research and development expenditure on an asset or product be capitalised as an intangible asset when specific criteria are met. Significant judgments relevant to the Group for capitalisation of research and development costs include determining if the development stage has been reached. Management's conclusion is that no material element of the spending this year on research and development met the criteria for capitalisation.	Our audit procedures included, amongst others: ▸ We discussed with management their accounting policies for expensing and capitalising the Group's research and development costs. ▸ We updated our understanding of management's process for assessing whether any research and development spend has met all of the AASB 138 recognition criteria. ▸ We discussed with management the nature of R&D work being completed and their assessment of the areas of judgment, particularly the current stage of the research and development. ▸ We performed substantive procedures on expenses recognised. ▸ We considered other information obtained during the audit, including products being developed, nature of contracts with key suppliers and the stage of related sales prospects.

UHY Haines Norton
Chartered Accountants

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement)*; and*

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

c) for such internal control as the directors determine is necessary to enable the preparation of:
   i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

UHY Haines Norton
Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16-22 of the directors' report for the year ended 30 June 2024.

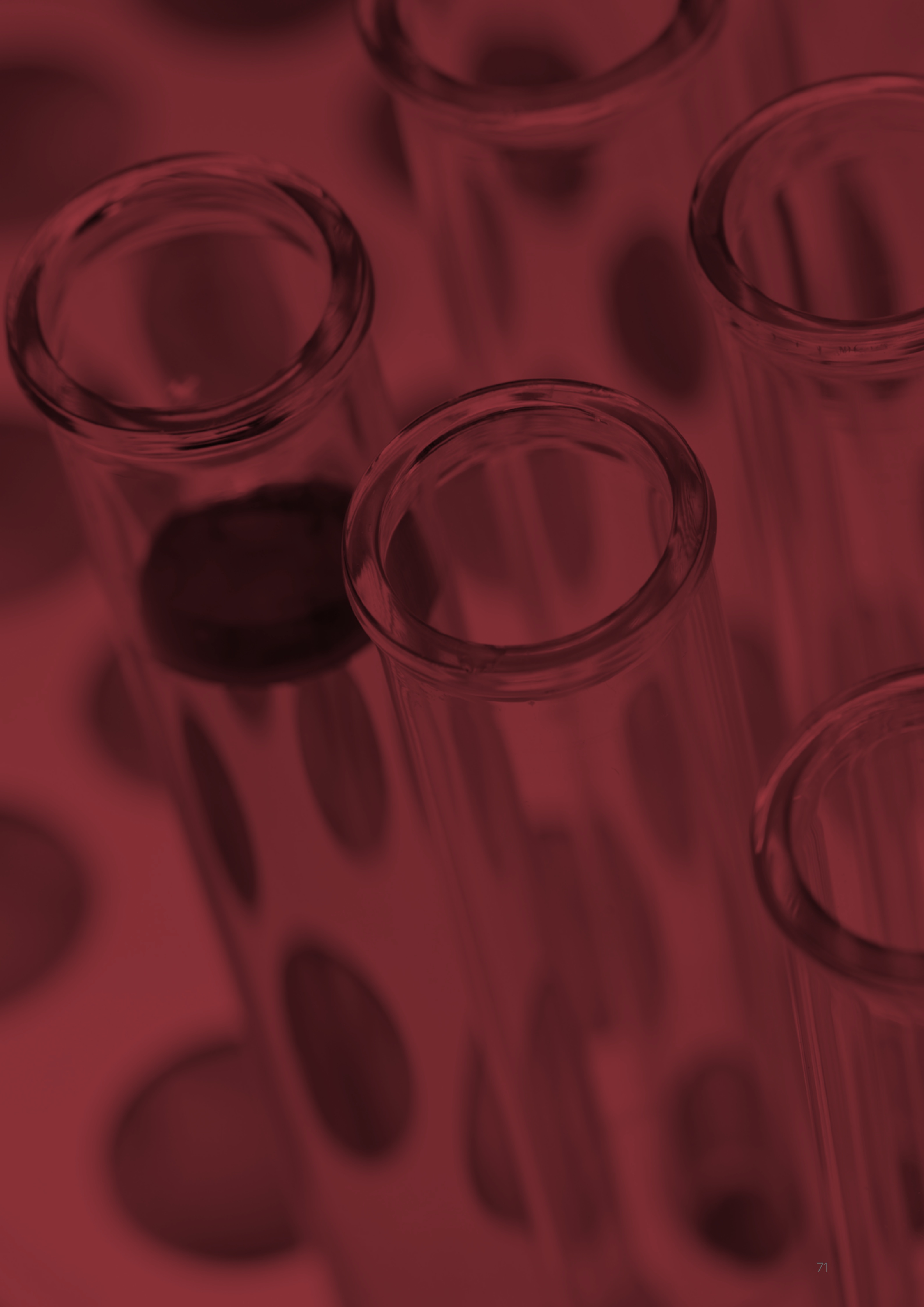
In our opinion, the Remuneration Report of Vectus Biosystems Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Franco Giannuzzi
Partner
Sydney
Date: 30 September 2024

UHY Haines Norton
Chartered Accountants



AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules, and not disclosed elsewhere in this Annual Report, is detailed below. This information was prepared based on Vectus Biosystems Limited's Share Registry information.

SECURITY HOLDER INFORMATION

DISTRIBUTION OF SHAREHOLDERS

Analysis of the fully paid ordinary shares by holding as at 12 September 2024

Spread of Holdings	Number of Holders	Ordinary shares	% of Total Issued Capital
1 – 1,000	76	40,561	0.08
1,001 – 5,000	169	390,312	0.73
5,001 – 10,000	61	460,823	0.87
10,001 – 100,000	186	7,023,347	13.20
100,001 – and over	73	45,295,478	85.12
TOTALS	565	53,210,521	100.00

On 12 September 2024 there were 264 shareholders holding less than a marketable parcel of $500 worth of shares at a share price of $0.08.

STATEMENT OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2024

The names of the 20 largest holders of fully paid ordinary shares are listed below:

#	Shareholder	Number of Shares	% Holding
1	Kefford Holdings Pty Ltd <The Kefford Family A/C>	5,020,000	9.43
2	Ajjika Technology Pty Limited <The Ajjika A/C>	3,200,000	6.01
3	Bernard Stang	2,764,500	5.20
4	Energy Trading Systems Pty Ltd <The MPF A/C>	2,562,500	4.82
5	Citicorp Nominees Pty Limited	2,378,179	4.47
6	Maurie Stang	2,285,952	4.30
7	J P Morgan Nominees Australia Pty Limited	1,766,594	3.32
8	Gleneagle Securities Nominees Pty Limited	1,611,596	3.03
9	Bennelong Resources Pty Ltd <John Egan Super Fund A/C>	1,500,000	2.82
10	Spinite Pty Ltd	1,435,773	2.70
11	Grizzly Holdings Pty Limited	1,407,035	2.64
12	Towns Corporation Pty Ltd <PAE Family A/C>	1,185,000	2.23
13	T S Rai 2 Pty Ltd <Websta Super Fund A/C>	999,999	1.88
14	Exit Out Pty Ltd <The Discretionary A/C>	846,538	1.59
15	Buttonwood Nominees Pty Ltd	821,069	1.54
16	Esklaw Pty Ltd <Tom Forrester Family A/C>	751,549	1.41
17	Paul Alexander Ehrlich + Lauren Stacey Ehrlich <PAE & LSE Super Fund A/C>	730,000	1.37
18	Robert Richter + Anne Lyell Richter <Robert Richter S/F No2 A/C>	716,691	1.35
19	Gleneagle Securities (Aust) Pty Ltd	638,675	1.20
20	Helensleigh Pty Ltd < Helensleigh Staff S/F A/C>	632,690	1.19
	Total of Top 20 Holdings	33,254,340	62.50
	Other Holdings	19,956,181	37.50
	Total Ordinary Shares	53,210,521	100.00

VOTING RIGHTS

At general meetings of the Company, all fully paid ordinary shares carry one vote per share without restriction. On a show of hands, every member present at a general meeting, or by proxy, shall have one vote and, upon a poll, each share shall have one vote. Option holders have no voting rights until the options are exercised into ordinary shares.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in Vectus Biosystems Limited, based on Substantial Shareholder Notices received by the Company, are as follows:

Name	Shares
Kefford Holdings Pty Ltd <The Kefford Family A/C>	5,178,668
Regal Funds Management Pty Limited & its associates	4,483,896
Mr Maurie Stang	4,858,952
Dr Karen Duggan	3,278,500
Mr Bernard Stang	2,560,500

Options (ASX:VBSAH and VBSAM) issued under Employee Incentive Plan as at 12 September 2024

Details of Option Holders	Zero Exercise Price Options (progressive vesting dates)
Vectus Director Mr Maurie Stang	316,000 – expire, if not exercised, on 23 November 2026 (VBSAH)
Vectus x1 employee	2,320 – expire, if not exercised, on 15 March 2027 (VBSAI)
Vectus x2 employees	53,375 – expire, if not exercised, on 11 July 2027 (VBSAJ)
Vectus x4 employees	81,745 – expire, if not exercised, on 20 February 2028 (VBSAK)
Vectus x1 employee	125,450 – expire, if not exercised, on 7 May 2028 (VBSAL)
Vectus x2 contractors	75,000 – expire, if not exercised, on 14 December 2026 (VBSAM)

ON-MARKET BUY-BACK

In accordance with ASX Listing Rule 4.10.18, the Company advises that there is no current on-market buy-back.

CORPORATE DIRECTORY

VECTUS BIOSYSTEMS LIMITED

ACN: 117 526 137

ABN: 54 117 526 137

DIRECTORS

Dr Ronald Shnier
Non-Executive Chairman

Mr Maurie Stang
Non-Executive Deputy Chairman

Dr Susan Pond
Non-Executive Director

COMPANY SECRETARY

Mr Robert Waring

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 5, Ground Floor
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

SHARE REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067
GPO Box 2975, Melbourne VIC 3001

Telephone Australia: 1300 850 505

Telephone International: +61 3 9415 4000

Facsimile: +61 3 9415 4000

Email: www.investorcentre.com/contact

Website: www.computershare.com

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

STOCK EXCHANGE LISTING

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

VECTUS
BIOSYSTEMS