Half Year Report

Vectus Biosystems Limited

ACN 117 526 137

31 December 2025

Rule 4.2A.3

Appendix 4D

Half Year Report
for the six months ended on 31 December 2025

Name of entity

VECTUS BIOSYSTEMS LIMITED ABN: 54 117 526 137

Half year report for the six months ended on 31 December 2025 (comparatives for the six months ended on 31 December 2024).

Results for announcement to the market

Income from ordinary activities	down	99%	to	5,488
(Loss) from ordinary activities after tax attributable to members	down	33%	to	(731,694)
Net (loss) for the period attributable to members	down	33%	to	(731,694)

Dividends (distributions)	Amount per security	Franked amount per security
Final and interim dividends	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢

Brief Explanation of figures

Refer to the attached 31 December 2025 Half Year Financial Report.

Net tangible assets per security with the comparative figure for the previous corresponding period.

Net Tangible Assets

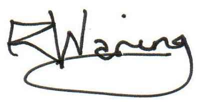
	31 Dec 2025	**31 Dec 2024**
Net tangible assets per ordinary share	(1.51) cents	0.76 cents

Audit qualification or review

The financial statements were subject to review by the Auditors and the review report is attached as part of the Half Year Report.

Other comments

Refer to the attached 31 December 2025 Half Year Financial Report.



Robert J Waring
Company Secretary
26 February 2026

This Report was authorised by the Board of Directors.

26 February 2026

HALF-YEAR REPORT

Vectus Biosystems Limited (Vectus or the Company) reports its financial results for the half year ended 31 December 2025.

Commentary on Activities

Vectus continues its efforts to commercialise its clinical drug, VB0004, together with advancing other drug candidates VB4-A32 and VB4-A79 from its extensive drug library. The Company is working closely with C14 Consulting Group, LLC (C14) in the USA under its mandate to lead and manage the outreach programme for potential transactions and licensing opportunities for Vectus' portfolio of patented small therapeutic molecules, including the human lead compound VB0004. In collaboration with C14, the Company is engaging with a number of potential licensees and is currently providing data room access to third parties in the pharmaceutical industry that may be interested in a licence or potential transaction in relation to some of Vectus' anti-fibrotic compounds. The Company's portfolio of orally-doseable small molecules has the potential to deliver anti-fibrotic therapies to key cardiovascular organs in an easily-tolerated and efficient manner.

On 17 October 2025 Vectus advised that it had signed a binding Term Sheet with XORTX Therapeutics Inc. (XORTX) for the sale of the Company's VB4-P5 Renal Small Molecule Compound targeting renal fibrosis. The transaction, which was subject to final close provisions, is targeted to be completed in March 2026. This will provide Vectus with a direct shareholding in XORTX, a Canadian biotechnology company listed on both the Nasdaq and the TSX Venture Exchange, which is focused on renal drug development. XORTX will acquire the intellectual property (IP) specifically related to the VB4-P5 compound, and the data generated by the Company from its work on the VB4-P5 small molecule and related assets. The consideration is to be satisfied by XORTX issuing Vectus with both shares and pre-funded warrants (which can be exercised into shares for no additional payment by the Company).

IP Portfolio

Vectus' patent protection, both in terms of scope and the number of granted patents, targets high-value unmet needs across multiple disease states in major international territories. The key compounds are covered by multiple granted patents and treating fibrosis continues to be a significant global need.

Annual General Meeting (AGM)

A comprehensive review of the Company's activities was provided to its shareholders at its AGM held on 26 November 2025, and the Chairman's Address and the Deputy Chairman's presentation were released to ASX prior to the commencement of the AGM. All Resolutions put to shareholders were passed on a poll.

Finance

Vectus has significantly reduced its operating costs, and is now largely focussed on potential licensing opportunities and a variety of collaborations. The funds expended by the Company during the December 2025 half were largely in connection with the commercialisation of VB0004, together with IP renewals and corporate overheads, and some costs relating to the last stages of the finalisation of the Phase I human clinical trials for VB0004. Vectus' expenditure in the current half year of $0.7 million compared with the previous corresponding period of $1.5 million.

Cash-on-hand at 31 December 2025 was $330,000. The Company's available funds were supplemented through the receipt of $422,000 in September 2025 as its research and development (R&D) refund from the Australian Taxation Office for R&D expenditure for the financial year ended 30 June 2025. Vectus continues to evaluate a number of options to address its future capital requirements and is examining the opportunity for potential partners or licensees to fund further clinical studies. In addition, and subject to closing the transaction with XORTX, the Company has the ability to gain additional liquidity through the sale of some tranches of its XORTX shares following the escrow period of 45 days from the completion of the transaction.

Summary

Vectus believes that VB0004's demonstrated safety profile has the potential to address large-scale, unmet chronic medical needs, to drive improved healthcare and to achieve these outcomes in the context of lower overall costs to the healthcare system, whilst driving shareholder value.

Vectus Biosystems Limited

Ron Shnier
Chairman of Directors

About Vectus Biosystems Limited

The Company is developing treatments for fibrosis, including for three of the largest diseases in the fibrotic market, namely heart, kidney and liver diseases. Since listing on the ASX in 2016, Vectus has concentrated on the development of the Company's lead compound, VB0004, which aims to treat the hardening of functional tissue and high blood pressure. Vectus has conducted a range of successful pre-clinical trials, which have shown that VB0004 slows down the advances of fibrosis, potentially repairs damaged cell tissue and reduces high blood pressure. VB0004 has progressed through a number of important milestones, including pharmaceutical scale-up and additional toxicity studies, its Human Phase Ia and Ib human trials of VB0004, and the advancement of other drugs in its library. This fits with the Company's strategy of developing, and carrying out early validation work on, its library of drug candidates to the point where they become commercially attractive to pharmaceutical partners.

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Corporate Directory

Vectus Biosystems Limited

ACN: 117 526 137
ABN: 54 117 526 137

Directors

Dr Ronald Shnier	Non-Executive Director and Chairman
Mr Maurie Stang	Non-Executive Director and Deputy Chairman
Ms Linda Walters	Non-Executive Director

Company Secretary

Mr Robert Waring

Registered and Principal Office

Unit 5, Ground Floor, 26-34 Dunning Avenue
Rosebery NSW 2018 Australia

Telephone:	+61 2 8344 1300
Email:	info@vectusbiosystems.com.au
Website:	www.vectusbiosystems.com.au

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975, Melbourne VIC 3001

Telephone:	1300 850 505
Facsimile:	+61 3 9415 4000
Website:	www.computershare.com
Email:	www.investorcentre.com/contact

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 Limited

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Vectus Biosystems Limited ("the Company" or "Vectus") and its controlled entities ("the Group") together with the consolidated financial report for the half-year ended 31 December 2025.

DIRECTORS

The names and details of the Company's Directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Ronald Shnier (Non-Executive Director and Chairman)
Maurie Stang (Non-Executive Director and Deputy Chairman)
Linda Walters (Non-Executive Director)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial period consisted of medical research and development.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the half year ended 31 December 2025.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In October 2025 the Company announced that it has signed a binding term sheet with XORTX Therapeutics Inc. (XORTX) for the sale of the Company's VB4-P5 Renal Small Molecule Compund targeting renal fibrosis. The transaction will provide Vectus with a direct shareholding in XORTX, a Canadian biotech company listed on both Nasdaq and TSX Venture Exchange (TSXV), which is focussed on renal drug development. The consideration is US$3 million, to be satisfied by XORTX issuing the Company with both shares and pre-funded warrants payable at the contract closing date, which was agreed to be not more than 90 days from the date of term sheet. In January 2026, both parties agreed to extend the closing date until 31 March 2026. The Company is in the final stages of the closing process with XORTX.

In the opinion of the Directors, no other matters or circumstances have arisen since 31 December 2025 that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

REVIEW OF OPERATIONS

The Group has incurred operating losses before tax of $731,694 for the half year ended 31 December 2025 (2024: $1,099,959). The net deficit as at 31 December 2025 was $806,293 (net restated deficit as at 30 June 2025: $81,233).

ROUNDING OF ACCOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investment Commission, relating to "rounding-off". Amounts in this report have been rounded off to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT

The Auditor's Independence Declaration is set out in the attached statement from UHY Haines Norton and forms part of the Directors' Report for the half year ended 31 December 2025.

DIVIDENDS

No dividends were proposed, declared or paid during the half year period and to the date of this report (2024: Nil).

This report is made in accordance with a resolution of the Directors pursuant to section 306(3)(a) of the *Corporations Act 2001* .

Maurie Stang
Non-Executive Director and Deputy Chairman

Sydney, 26 February 2026

Vectus Biosystems Limited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2025

	Notes	December 2025 $	December 2024 $
R&D tax incentive and other revenue	2	**5,488**	393,707
Administration and corporate expenses		**(453,456)**	(562,811)
Financial expenses	3	**(21,551)**	(3,212)
Depreciation and amortisation expense	3	**(1,583)**	(11,919)
Employee benefits expense and Directors' remuneration	3	**(182,399)**	(340,342)
Occupancy expenses	3	**(5,908)**	(24,769)
Research & Development and Patent expenses	3	**(72,285)**	(478,693)
Loss on disposal of fixed assets		**-**	(71,920)
Loss before income tax expense		**(731,694)**	(1,099,959)
Income tax benefit / expense		**-**	-
Loss after income tax expense for the half-year		**(731,694)**	(1,099,959)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		**(731,694)**	(1,099,959)
Total comprehensive loss for the half year attributable to members of Vectus Biosystems Limited		**(731,694)**	(1,099,959)
EARNINGS PER SHARE		**Cents**	Cents
Basic loss per share	7	**(1.37)**	(2.07)
Diluted loss per share	7	**(1.37)**	(2.07)

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

Vectus Biosystems Limited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	December 2025 $	June 2025 $ (Restated-Note 11)	June 2024 $ (Restated-Note 11)
CURRENT ASSETS				
Cash and cash equivalents	4	**330,496**	250,988	808,969
Advance to supplier		**71,389**	71,389	34,000
Other current assets	5	**57,131**	527,453	1,034,487
TOTAL CURRENT ASSETS		**459,016**	849,830	1,877,456
NON-CURRENT ASSETS				
Plant and equipment		**2,632**	4,215	182,171
Advance to supplier		**-**	-	226,507
TOTAL NON-CURRENT ASSETS		**2,632**	4,215	408,678
TOTAL ASSETS		**461,648**	854,045	2,286,134
CURRENT LIABILITIES				
Trade and other payables		**515,356**	433,395	213,234
Other current liabilities		**264,683**	287,168	156,801
Provisions		**16,960**	11,331	164,659
TOTAL CURRENT LIABILITIES		**796,999**	731,894	534,694
NON-CURRENT LIABILITIES				
Borrowings		**467,098**	200,000	-
Provisions		**3,844**	3,384	4,568
TOTAL NON-CURRENT LIABILITIES		**470,942**	203,384	4,568
TOTAL LIABILITIES		**1,267,941**	935,278	539,262
NET ASSETS / (LIABILITIES)		**(806,293)**	(81,233)	1,746,872
EQUITY				
Issued capital		**38,368,557**	38,368,557	38,368,557
Reserves		**884,730**	878,096	843,823
Accumulated losses		**(40,059,580)**	(39,327,886)	(37,465,508)
TOTAL EQUITY / (DEFICIT)		**(806,293)**	(81,233)	1,746,872

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

Vectus Biosystems Limited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2025

	Issued Capital $	Share based payment Reserves $	Other Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2025 (restated - Note 11)	**38,368,557**	**878,096**	**-**	**(39,327,886)**	**(81,233)**
Total Comprehensive Income					
Loss for the period	-	-	-	(731,694)	(731,694)
Total comprehensive loss for the period	-	-	-	(731,694)	(731,694)
Transaction with owners in their capacity as owners					
Issue of shares	-	-	-	-	-
Cost of issue	-	-	-	-	-
Share-based payment	-	6,634	-	-	6,634
Convertible notes adjustment	-	-	-	-	-
Balance at 31 December 2025	**38,368,557**	**884,730**	**-**	**(40,059,580)**	**(806,293)**
Balance at 1 July 2024 (restated - Note 11)	**38,368,557**	**843,823**	**-**	**(37,465,508)**	**1,746,872**
Total Comprehensive Income					
Loss for the period	-	-	-	(1,099,959)	(1,099,959)
Total comprehensive loss for the period	-	-	-	(1,099,959)	(1,099,959)
Transaction with owners in their capacity as owners					
Cost of issue	-	-	-	-	-
Issue of shares	-	-	-	-	-
Share-based payment	-	16,748	-	-	16,748
Convertible notes adjustment	-	-	-	-	-
Balance at 31 December 2024	**38,368,557**	**860,571**	**-**	**(38,565,467)**	**663,662**

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

Vectus Biosystems Limited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2025

	December 2025 $	December 2024 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (inclusive of GST)	**(597,500)**	(1,084,530)
R&D Grant received	**421,554**	906,706
Interest paid	**-**	(3,193)
Interest and other income	**5,454**	10,910
Net cash used in operating activities	**(170,492)**	(170,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Term deposit	**-**	70,000
Disposal of property, plant & equipment	**-**	101,033
Net cash used in investing activities	**-**	171,033
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing of loans	**250,000**	-
Net cash provided by financing activities	**250,000**	-
Net increase in cash held	**79,508**	926
Cash at the beginning of the half year	**250,988**	808,969
Cash at the end of the half year	**330,496**	809,895

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

1 Statement of Accounting Policies

(a) Financial Reporting Framework

This Half Year Financial Report is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001* , Australian Accounting Standard AASB 134 *Interim Financial Reporting* , Australian Accounting Interpretations and authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The Half Year Financial Report should be read in conjunction with the annual financial report of the Group as at 30 June 2025. It is also recommended that the Half Year Financial Report be considered together with any public announcements made by the Company during the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* .

The Half Year Financial Report does not include all notes of the type normally included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full Financial Report.

The Half Year Financial Report has been prepared on the basis of historical costs and does not take into account changing money values or fair values of assets.

The accounting policies that have been adopted in the preparation of this Financial Report have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2025 Financial Report.

Going Concern

The Group has incurred operating losses before tax of $731,694 for the half year ended 31 December 2025 (2024: $1,099,959). The net deficit as at 31 December 2025 was $806,293 (Net restated deficit as at 30 June 2025: $81,233).

The operating cash burn rate for the half year ended 31 December 2025 was $170,592 which included revenue of $421,554, for the research and development (R&D) refund from the Australian Taxation Office for R&D activities of FY2025 (31 December 2024: $170,107). The cash balance as at 31 December 2025 was $330,496 (30 June 2025: $250,988).

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 including Vectus remaining in active dialogue with potential investors and a number of brokers and providers of other sources of funding, and is in strategic discussions with potential trade partners and purchases of its patent.

In October 2025, the Company announced that it has signed a binding term sheet with XORTX Therapeutics Inc. (XORTX) for the sale of the Company's VB4-P5 Renal Small Molecule Compund targeting renal fibrosis. The transaction will provide Vectus with a direct shareholding in XORTX, a Canadian biotech company listed on both Nasdaq and TSX Venture Exchange (TSXV), which is focussed on renal drug development. The consideration is US$3 million, to be satisfied by XORTX issuing the Company with both shares and pre-funded warrants payable at the contract closing date, which was agreed to be not more than 90 days from the date of term sheet. In January 2026, both parties agreed to extend the closing date until 31 March 2026. The Company is in the final stages of the closing process with XORTX and then has the ability to gain additional liquidity through the sale of some tranches of XORTX shares following the escrow period of 45 days from the completion of the transaction.

In addition, the Company continues to focus on the commercialisation of its clinical drug VB0004. The funds required as operating costs of the Company for this commercialisation work is significantly reduced relative to the research work previously conducted. Further, 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.

The Directors are of the opinion that the Group will have adequate resources to continue to be able to meet its obligations as and when they fall due. For this reason they continue to adopt the going concern basis in preparing the Half Year Financial Report.

(b) Changes in Accounting Policies

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half-year.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior periods.

(c) Impact of Standards issued but not yet applied by the Group

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

2 Revenue and other Income

	December 2025 $	December 2024 $
Interest income	3,934	10,530
Other income	-	-
R&D tax offset rebate	1,554	383,177
Total revenue and other income	5,488	393,707

3 Expenses

Loss from ordinary activities before income tax expense includes:

	December 2025 $	December 2024 $
Financial expenses		
Interest and bank fees	20,835	3,193
Interest on convertible notes	-	-
Realised foreign exchange loss	716	19
Total financial expenses	21,551	3,212
Depreciation and amortisation expense	1,583	11,919
Employee benefits expense and Directors' remuneration		
Base salary and fees	163,072	314,082
Superannuation expenses	9,669	19,010
Share based payment expense	6,634	14,040
Other employee expenses	(3,065)	8,417
Change in employee entitlements provision	6,089	(15,207)
Total employee benefits expense and Directors' remuneration	182,399	340,342
Occupancy expenses	5,908	24,769
Research and development		
Research and development expense	978	366,394
Patent costs	71,307	112,299
Total research and development expense	72,285	478,693

4 Cash and Financial Assets

	December 2025 $	June 2025 $
Cash and Cash Equivalents		
Cash at bank and on hand	330,496	250,988
Term deposits	-	-
	330,496	250,988

5 Other Current Assets

	December 2025 $	June 2025 $
Prepayments	42,487	88,905
R&D Grant Receivable	-	420,000
Inventory	-	978
GST and other receivables	14,644	17,570
	57,131	527,453

6 Operating Segments

The consolidated group operates only in one reportable segment which is 'Research and Development'.

7 Earnings per Share

	December 2025 $	December 2024 $
Basic loss per share (cents)	**(1.37)**	(2.07)
Diluted loss per share (cents)	**(1.37)**	(2.07)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic EPS	**53,340,340**	53,230,986
Weighted average number of ordinary shares outstanding during the half year used in the calculation of diluted EPS	**53,340,340**	53,230,986
Options and rights eligible for conversion into ordinary shares in future		
Options	412,836	517,855
Convertible notes	-	-
	412,836	**517,855**

Options and rights eligible for conversion into ordinary shares in future have an anti-dilutive effect, hence diluted EPS is same as basic EPS.

8 Related Party Transactions

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 Group 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 are shown below:

Regional Corporate Services Pty Ltd

	December 2025 $	December 2024 $
The Company and its controlled entities incurred cost for services provided by Regional Corporate Services Pty Ltd.*		
Corporate and administration expenses	**82,281**	148,632
	82,281	148,632

	December 2025 $	June 2025 $
Outstanding Balance at the end of the reporting period	**307,022**	240,734

* Mr M Stang is Director and shareholder of Regional Healthcare Group Pty Ltd and Regional Corporate Services Pty Ltd.

Loan from Maurie Stang, Non-Executive Deputy Chairman	**December 2025 $**	June 2025 $
Loan borrowing	**250,000**	200,000
Loan repaid	**-**	-
Outstanding balance (principal)	**450,000**	200,000

	December 2025 $	December 2024 $
Interest on loan	**16,814**	-

8 Related Party Transactions (continued)

	December 2025 $	June 2025 $
Balances outstanding to Directors		
Directors' fees payable to Maurie Stang	**75,625**	45,375
Directors' fees payable to Ronald Shnier	**89,375**	53,625
Directors' fees payable to Linda Walters	**46,385**	23,885

9 Commitments

	December 2025 $	June 2025 $
(a) Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities		
Within one year	**3,020**	7,550
One to five years	**-**	-
	3,020	7,550
(b) Lease commitments - finance		
Committed at the reporting date but not recognised as liabilities, payable		
Within one year	**-**	-
One to five years	**-**	-
	-	-
(c) Operating commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Research and development expenses		
Within one year	**-**	23,769
One to five years	**-**	-
	-	23,769

(d) Capital expenditure commitments

There are no capital expenditure commitments.

10 Events Subsequent to Reporting Date

In October 2025 the Company announced that it has signed a binding term sheet with XORTX Therapeutics Inc. (XORTX) for the sale of the Company's VB4-P5 Renal Small Molecule Compund targeting renal fibrosis. The transaction will provide Vectus with a direct shareholding in XORTX, a Canadian biotech company listed on both Nasdaq and TSX Venture Exchange (TSXV), which is focussed on renal drug development. The consideration is US$3 million, to be satisfied by XORTX issuing the Company with both shares and pre-funded warrants payable at the contract closing date, which was agreed to be not more than 90 days from the date of term sheet. In January 2026, both parties agreed to extend the closing date until 31 March 2026. The Company is in the final stages of the closing process with XORTX.

Other than those stated above, there have been no matters or circumstances that have arisen since 31 December 2025 that have significantly affected, or may significantly affect:

(a) the operations, in financial years subsequent to 31 December 2025, of the consolidated entity;

(b) the results of those operations; or

(c) the state of affairs, in the financial years subsequent to 31 December 2025, of the consolidated entity.

11 Correction of errors and restatements

In 2021 the Company signed a work order with Syneos Health to conduct research activities. Vectus was required to make an initial payment as a deposit upon execution of the work order. The Company recorded these deposits as Contract Research expenses, whereas the amount should have been recorded as a deposit to offset against the final invoices at the end of the project.

In 2024 the Company paid a deposit to Asymchem Laboratories to conduct stability studies. The Company recorded these deposits as Contract Research expenses, whereas the amount should have been recorded as a deposit to offset against the final invoices at the end of the project.

These 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	**$**	**$**	**$**
Current assets	1,843,456	34,000	1,877,456
Non-current assets	182,171	226,507	408,678
Total Assets	2,025,627	260,507	2,286,134
Net Asset / (liabilities)	1,486,365	260,507	1,746,872
Accumulated losses	(37,726,016)	260,507	(37,465,508)
Consolidated statement of financial position as at 30 June 2025			
Current assets	778,441	71,389	849,830
Total Assets	782,656	71,389	854,045
Current liabilities	835,894	(104,000)	731,894
Total liabilities	1,039,278	(104,000)	935,278
Net Asset / (liabilities)	(256,622)	175,389	(81,233)
Accumulated losses	(39,503,275)	175,389	(39,327,886)

There is no impact on the Group's consolidated statement of profit or loss and other comprehensive income, basic or diluted earnings per share and on the statement of consolidated cash flow in the comparative figures for the six months period ended 31 December 2024.

DIRECTORS’ DECLARATION

Directors’ Declaration

In the Directors' opinion:

1 the attached financial statements and notes thereto comply with the *Corporations Act 2001,* Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

2 the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and

3 there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Maurie Stang

Non-Executive Director and Deputy Chairman

Sydney, 26 February 2026

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Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Vectus Biosystems Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2025, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

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

This declaration is in respect of Vectus Biosystems Limited and the entities it controlled during the financial period.

M Nicholaeff

Mark Nicholaeff
Partner
Sydney
Date: 26 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Vectus Biosystems Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Vectus Biosystems Limited ("the Company"), and the entities it controlled during the half-year (together "the Group"), which comprises the consolidated statement of financial position as at 31 December 2025, 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 half-year ended on that date, a statement of material accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vectus Biosystems Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report* Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

Emphasis of Matter - Material Uncertainty Related to Going Concern

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

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
Date: 26 February 2026

UHY Haines Norton
Chartered Accountants

VECTUS
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