



ASX ANNOUNCEMENT

31 January 2025

Vitrafy Life Sciences Quarterly Activities Report & Appendix 4C – Quarter 2, Financial Year 2025

Melbourne, Australia: Vitrafy Life Sciences Limited (ASX: VFY), (“**Vitrafy**” or “**the Company**”) an Australian company that has designed and developed an innovative solution for the advancement of cryopreservation is pleased to release its Quarterly Activities Report and Appendix 4C Cash Flow report for the second quarter period ended 31 December 2024 (“**Q2**”) of Financial Year 2025 (“**FY2025**”).

Highlights

- Successful listing on the Australian Securities Exchange (“**ASX**”) on 26 November 2024 and \$35.0m¹ capital raising
- Current customer validation studies in animal health and human health progressing well, with results continuing to meet or exceed expectations
- Additional business development opportunities in high-impact, application areas being progressed
- North American expansion commenced with recruitment of expertise in business development, regulatory and commercial sales underway
- Core product development projects in the Vitrafy Cryopreservation Unit 2.0 (“**VCU2**”) and LifeChain™ software, progressing on time and on budget
- Strong financial position, with closing cash and term deposits of ~\$34.4m to fund the Company’s continued development and commercialisation activities

Successful Initial Public Offer

In November 2024, Vitrafy successfully completed a \$35.0m capital raise via an initial public offer (“**IPO**”) on the ASX to fund the next phase of growth of the Company. The Vitrafy IPO was strongly supported by its long-term investor base resulting in demand for the Offer well exceeding the primary capital amount to be raised.

The capital raised will be applied towards accelerating the Company’s development and commercialisation activities. Investments are being made in business development and commercialisation activities, product development and building a sustainable operating platform for future growth, including in the US.

¹ All \$ figures quoted in the release are quoted in Australian dollars (“**A\$**”) unless specifically nominated



Operational Update

Application Development, Business Development and Commercialisation

Animal Health - Aquaculture

During the period, Vitrafy continued to make strides in the commercialisation and scientific validation within Animal Health. Commercial activities with Huon Aquaculture continued with the Spring fertilisation process successfully completed. In this period, fertilisation from Vitrafy cryopreserved salmon milt was approximately 65%² compared to a fresh fertilisation of approximately 68%. This also compares to publicly published cryopreserved fertilisation, using existing technology, of 0–40%, underscoring the improved outcomes achievable using Vitrafy cryopreserved salmon milt when compared against other cryopreservation technologies.

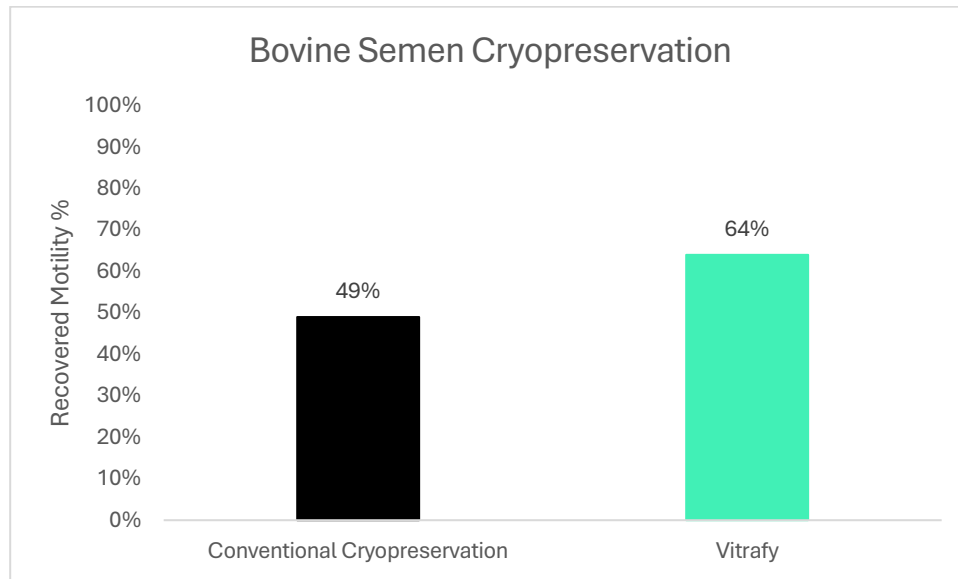
The 2024 breeding season represented the first completed season under the 3-year contract entered into between Huon and Vitrafy. After successful collaboration across prior seasons, the commercial agreement creates a cryopreservation-as-a-service model which includes minimum consumption levels of Vitrafy cryopreservation service and consumables whilst allowing the service to scale upwards to meet the growing needs of the Huon breeding program.

Vitrafy is currently working with Huon and other market participants to finalise plans for Autumn cryopreservation activities in 2025. Vitrafy expects that activities within the salmon aquaculture industry will continue to grow both in terms of the volume of biological material cryopreserved, as well as the number of clients.

Animal Health - Bovine

Vitrafy has continued to build out the scientific validation of its Cryopreservation Technology in bovine semen. Vitrafy completed an internal program of testing, comparing Vitrafy's Cryopreservation Technology against existing industry cryopreservation practices. The results were extremely positive with post thaw recovered motility of bovine semen being 64% using VCT compared to 49% recovered motility using current industry standard cryopreservation practices that were replicated by Vitrafy - representing a ~31% improvement in quality retention.

² Note: fertilisation % is an average across the eggs inseminated with Vitrafy cryopreserved salmon milt



Source: Vitrafy scientific sample testing of cryopreserved bovine semen using Vitrafy Cryopreservation Technology

The internal testing was undertaken via a control study using industry standard protocols and packaging. Optimisation of Vitrafy's Cryopreservation Technology has yielded an improvement on previously completed bovine testing results which were completed as part of work undertaken with industry participants.

Separately, Vitrafy continued to progress the collaboration with Select Sires, Inc ("SSI"). Off the back of the successful trials in 2024, Vitrafy and SSI have been working to understand the operational needs of SSI and create a clear pathway for commercial adoption. The next stage of collaboration will be a paid cryopreservation program at higher volumes of cryopreserved semen straws. This cryopreservation optimisation program will occur at SSI's Ohio headquarters in quarter 4 ("Q4") of FY2025 and will provide meaningful insights for both parties on the Vitrafy Cryopreservation Technology and how it can be integrated into operations to maximise value and quality retention outcomes. Should the cryopreservation optimisation program be successful, Vitrafy expects that the relationship with SSI should progress towards the establishment of an ongoing commercial agreement.

Human Health

The principal focus in the quarter was the commencement of the blood platelets project with the US Army Institute of Surgical Research (**USAISR**). Leveraging the blood platelets validation studies previously completed, the Vitrafy team has been working closely with the USAISR in developing the statement of works and preparing to commence the study which will be completed on base in San Antonio during Q3 of FY2025. The Company expects an outcome from the testing to be announced in Q4, with the next steps under the collaboration to commercialisation strategy around mid-year 2025.

In the application area of Cell & Gene Therapy ("**CGT**"), Vitrafy has been in discussion with several groups surrounding the use of the Vitrafy Cryopreservation Technology in specific application areas within the



category. The growth within CGT is generating interest in the Vitrafy Cryopreservation Technology and how it can deliver scale, productivity improvement and accessibility through quality retention.

Vitrafy will continue to assess and develop all opportunities across applicable CGT areas to bring forward revenue, whilst preserving our ability to become the quality standard for cryopreservation within the sector.

Organisational Growth

As previously outlined, Vitrafy intends to invest in business development with the funds raised from the IPO. To that end, Vitrafy has commenced the process of building out a formal presence within North America. The Company has commenced strategic planning and engagement to roadmap a market roll-out across the next 6-12 months in anticipation of commercial activities commencing in North America in the short-to-medium term.

One of the initial requirements is to recruit talent in North America to build our presence in market. The recruitment of further business development, regulatory and commercial sales talent in North America is underway and progressing well with key appointments expected in February 2025. A US based contractor with extensive cell and gene therapy experience, was appointed in December 2024, with and is focused on lead generation for Vitrafy's Cryopreservation Technology in that market.

Product Development

Based on user feedback and as part of the technology development process, Vitrafy is investing in the next generation of Cryopreservation Technology to support the anticipated growth in use in commercial settings. During the quarter, Vitrafy commenced two core product development projects:

- Vitrafy Cryopreservation Unit 2.0; and
- LifeChain development to support scalability and functionality.

Vitrafy has partnered with Australia's leading health-tech innovation and manufacturing company, Planet Innovation, to assist with the development of VCU2.0 and preparation for its outsourced manufacturing, principally in the US. During the period, initial concept designs and functionality requirements were finalised with key pieces of user feedback on the existing device incorporated as part the design phases.

Development has also commenced on the next version of the LifeChain™ software platform. With the continued build-out of the internal development team, Vitrafy is investing in a software platform upgrade to ensure that LifeChain™ is able to handle increased volume of data and users, whilst enhancing the functionality and data insights that underpin our client outcomes. This development program is expected to be completed by the first half of FY2026 and will build on the feedback from in-field use completed with existing partners.

Financial Position

During the quarter, the issue of equity securities at IPO generated ~\$35.0m. In the period, Vitrafy placed ~\$20.0m on term deposit with maturity terms ranged between 6 months and 9 months, leaving the Company with a cash balance of ~\$14.4m at the end of period, and an aggregate liquidity position of approximately ~\$34.4m. This cash position provides the Company a stable platform to execute on growth initiatives over the next 24 months. The Company will continue to maintain a balance of capital and resource allocation across product, business development and market penetration to ensure the delivery of material revenue as quickly as possible.

Not contained in the Appendix 4C, but critical to the simplification of the Company capital structure was the conversion of the outstanding convertible note liability at the IPO. All outstanding convertible notes were automatically converted to ordinary equity, fulfilling the Company's obligations under the terms of the convertible note deed.

During the period, net cash used in operating activities was ~\$1.34m. Whilst the Company received payment relating to commercial activities in aquaculture and its financial year 2024 research & development tax incentive (~\$2.0m), fixed operational and administrative expenditure and scaling the internal team to execute on the growth plan resulted in a net outflow from operational activities.

Whilst the Company expects the R&D Tax Incentive contribution to reduce over the coming periods due to increase commercial activity, Vitrafy will continue to assess and apply for other industry specific grants to help fund operations. The Company remains focussed on accelerating revenue generation over future quarters.

As per ASX Listing Rule 4.7C.2., the expenditure related to the Use of Funds lodged with the ASX on 6 November 2024 between settlement and the end of the period was ~\$5.2m. A summary of expenditure to date is outlined below:

	2-Year Use of Funds per prospectus \$'000	From 22 November 2024 (date of admission) to 31 December 2024 \$'000	Cumulative as at 31 December 2024 \$'000	Balance remaining \$'000
Market development				
- Business development, marketing and North American expansion	4,100	33	33	4,067
- Regulatory approvals	2,000	76	76	1,924
- Operational team build-out to service trials and commercial arrangements	4,800	250	250	4,550
	10,900	359	359	10,541

**Technology Development**

- Hardware v2.0 design and development	7,600	637	637	6,963
- Software development	5,200	137	137	5,063
- Ongoing research & development activities	1,500	11	11	1,489
	14,300	785	785	13,530

Capital Expenditure

- Intellectual property protection	500	16	16	484
- Operational equipment	700	2	2	698
	1,200	18	18	1,182

Working capital	11,600	772	772	10,828
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Costs of the Offer	3,400	3,216	3,216	184
	41,400	5,150	5,150	36,250

As noted in item 6 of the Company's Appendix 4C, payments made to directors, related parties and their associates totalled ~\$265,000 for the quarter. All payments comprised Non-Executive Directors' fees and Executive Director remuneration.

Release of the Half Year FY2025 Results

Vitrafy will be releasing its first half, FY2025 results to market on **Thursday, 6 February 2025**.

The Company invites all investors to join its investor briefing call at 8:45am (AEDT).

To attend the call, please register via the following link:

https://xcend.app/VFY_InvestorPresentation_FEB25



Outlook

With the near-term funding of the Company secured, the Vitrafy team is focussed on executing the existing opportunities with customers under the collaboration to commercialisation strategy; generating new business opportunities in the identified application areas; and building a sustainable corporate capability to support the scaling of operations both domestically and in the US. As part of this, the Executive team will be commencing the build out of operational capability in the US alongside our existing partner network.

In closing, Managing Director, Kate Munnings noted: *“With the IPO complete and funding of the Company secured, we are incredibly excited to have a clear runway to deliver on the potential of this innovative Australian technology.*

Our focus remains on building a commercial business that delivers both quality outcomes for the users of the Vitrafy Cryopreservation Technology and the recipients of Vitrafy cryopreserved products, and the greatest value for our investors.

With a strong pipeline of projects and partnerships and balance sheet strength, supported by the recent capital raise, we are well positioned for growth and success.”

ENDS

This announcement is authorised by the Board of Directors of Vitrafy Life Sciences Limited.

For further information contact:

Investor and Media Relations

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About Vitrafy

Vitrafy has developed a proprietary range of smart cryopreservation hardware and Lifechain™, a cloud-based software platform, to offer a complete cryopreservation solution. This integrated system ensures the preservation of biomaterial quality, empowering industries to retain the integrity of sensitive biological samples throughout the storage process. Vitrafy's innovative approach combines cutting-edge technology and seamless software integration to optimise cryopreservation, ensuring reliability and efficiency in maintaining valuable biological assets. Vitrafy is headquartered in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX: VFY).

For more information visit vitrafy.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Vitrafy Life Sciences Ltd

ABN

48 622 720 254

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8	40
1.2 Payments for		
(a) research and development	(685)	(1,584)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(1,360)	(2,482)
(f) administration and corporate costs	(1,347)	(2,056)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	50
1.5 Interest and other costs of finance paid	(6)	(12)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	2,023	2,023
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,340)	(4,021)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (term deposits with maturities greater than 3 months)	(20,000)	(20,000)
2.6	Net cash from / (used in) investing activities	(20,002)	(20,002)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	35,000	35,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	49	317
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,749)	(3,216)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(20)	(40)
3.10	Net cash from / (used in) financing activities	32,280	32,061

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,513	6,413
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,340)	(4,021)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20,002)	(20,002)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	32,280	32,061
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	*14,451	*14,451

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	14,451	3,513
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	*14,451	3,513

* In addition to the cash and cash equivalents balance above as at 31 December 2024, the Company holds an additional \$20 million in term deposits with maturity terms ranged between 6 months and 9 months (30 September 2024: nil), classified in the statement of financial position as short-term investments in accordance with AASB.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	265
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,340)
8.2 Cash and cash equivalents at quarter end (item 4.6)	14,451
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	*14,451
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
<i>* In addition to the cash and cash equivalents balance noted above at 8.4, the Company holds an additional \$20 million in term deposits, classified in the statement of financial position as short-term investments in accordance with AASB, due to the maturity date being greater than 3 months. As a result, the estimated quarters of funding available will be greater than the figure provided in 8.5 due to holding these additional short-term investments. On a pro-forma basis with the \$20 million included, the Company would have estimated quarters of funding available amounting to 25.7.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025
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Authorised by: The Board of Directors
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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.