Vitrafy Life Sciences Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Vitrafy Life Sciences Limited
ABN:	48 622 720 254
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	201.6%	to	57,509
Loss from ordinary activities after tax attributable to the owners of Vitrafy Life Sciences Limited	up	54886.2%	to	(25,683,508)
Loss for the half-year attributable to the owners of Vitrafy Life Sciences Limited	up	54886.2%	to	(25,683,508)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Consolidated entity after providing for income tax amounted to $25,683,508 (31 December 2023: $46,709).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	54.47	(787.09)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Foreign entity is in compliance with IFRS which is equivalent to Australian Accounting Standards.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of Vitrafy Life Sciences Limited for the half-year ended 31 December 2024 is attached.

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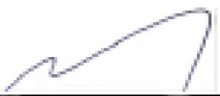
12. Signed



Signed ____________________________ Date: 6 February 2025

Sonia Petering
Independent Non-Executive Chair
Melbourne, Australia

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Vitrafy Life Sciences Limited

ABN 48 622 720 254

Interim Report - 31 December 2024

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Vitrafy Life Sciences Limited
Contents
31 December 2024

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Vitrafy Life Sciences Limited
Corporate directory
31 December 2024

Directors	Ms. Sonia Petering – Independent Non-Executive Chair Ms. Kathryn Munnings – Chief Executive Officer and Managing Director Mr. Brent Owens – Deputy Chief Executive Officer and Executive Director Professor John McBain AO – Independent Non-Executive Director Mr. Vaughan Webber – Independent Non-Executive Director
Chief Financial Officer	Mr. Simon Martin
Company Secretary	Mr. Michael Sapountzis
Registered office and principal place of business	Level 4, 96-100 Albert Road South Melbourne VIC 3205 Tel: +61 (0) 3 9692 7222
Share register	Xcend Pty Ltd Level 1, 139 Macquarie Street Sydney NSW 2000
Auditor	Grant Thornton Audit Pty Ltd Level 22, Tower 5 Collins Square 727 Collins Street Melbourne VIC 3008 Tel: +61 (0) 3 8310 2222 www.grantthornton.com.au
Solicitors	Herbert Smith Freehills 80 Collins Street Melbourne VIC 3000 Tel: +61 (0) 3 9288 1234 www.herbertsmithfreehills.com
Stock exchange listing	Vitrafy Life Sciences Limited shares are listed on the Australian Securities Exchange (ASX code: VFY)
Website	https://vitrafy.com

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Vitrafy Life Sciences Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ('financial half-year').

Directors

The following persons were directors of Vitrafy Life Sciences Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ms. Sonia Petering – Independent Non-Executive Chair
Ms. Kathryn Munnings – Chief Executive Officer and Managing Director
Mr. Brent Owens – Deputy Chief Executive Officer and Executive Director
Professor John McBain AO – Independent Non-Executive Director
Mr. Vaughan Webber – Independent Non-Executive Director
Mr. Sean Cameron – Executive Director (resigned on 30 September 2024)
Mr. Brian Taylor – Executive Director (resigned on 30 September 2024)
Mr. James Groom – Non-Executive Director (resigned on 30 September 2024)

Principal activities

The principal activity of Vitrafy Life Sciences Ltd during the financial half-year was the research, development and commercialisation of its vertically integrated cryopreservation solution. This includes cryopreservation medical devices (freezer, thawer and packaging solutions), LifeChain integrated software system, and application services for identified application areas in human health and animal health services.

No significant changes in the nature of the Company’s activity occurred during the financial half-year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Consolidated entity for the financial half-year after providing for income tax amounted to $25,683,508 (31 December 2023: $46,709).

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 will be made in business development and commercialisation activities, product development and building a sustainable operating platform for future growth, including in the US.

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%[1] compared to a fresh fertilisation of approximately 68%. This average fertilisation rate is comparative to fresh fertilisation and highlights the improved outcomes achievable using Vitrafy cryopreserved salmon milt when compared against other cryopreserved technology.

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.

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

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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.

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 3 ("**Q3**") 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 quarter 4 ("**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 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
With the US regulatory clearance secured for Vitrafy Cryopreservation Freezer, 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 18 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, marketing and commercial strategy talent in North America is well underway and is progressing well. In the meantime, specialist consultants within business development and lead generation have been appointed with a particular focus being on the CGT 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.

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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 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.

Significant changes in the state of affairs

On 1 July 2024, the Company issued 6,001,830 options to key executive and management personnel under the legacy Employee Option Plan. These options have a strike price of $1.42 and incorporate a series of vesting conditions based upon performance and time.

On 11 July 2024, the Company registered its cryopreservation freezing device as a Class II Medical Device with the FDA for use within specific nominated biological materials.

On 30 July 2024, the Supreme Court of Victoria listed a proceeding for a directions hearing. The legal representative for the Third Party provided a draft amended pleading for the first time on 13 August 2024. At the directions hearing held on 16 August 2024, Justice Osborne ordered that Vitrafy is not required to respond to the draft amended pleading and the Third Party cannot proceed with their claim, until the costs and security for costs issues raised by Vitrafy have been determined. Please refer to note 10 – Contingent Liabilities for further information.

In September 2024, 1,022,270 ordinary shares were issued as a result of various options exercised in relation to both employee and Director option issuances.

At the Annual General Meeting of the Company on 10 October 2024, the shareholders passed a resolution to subdivide every 1 ordinary share of the Company into 5 ordinary shares in accordance with section 254H of the Corporations Act and for all other purposes.

On 21 November 2024, and immediately prior to the allotment of shares under initial public offering ('IPO' or 'the Offer'), 28,225,674 Fully Paid Ordinary Shares (Shares) were issued on the conversion of the convertible notes. Interest accrued on the convertible notes until 21 November 2024 formed part of the total amount owing on the convertible notes which were converted into Shares.

The Company commenced trading on the Australian Stock Exchange (ASX) under ticker code VFY on 26 November 2024 following a successful IPO of its shares which raised $35.0 million.

There were no other significant changes in the state of affairs of the Consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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Vitrafy Life Sciences Limited
Directors' report
31 December 2024

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

On behalf of the directors

Sonia Petering
Independent Non-Executive Chair

Vaughan Webber
Independent Non-Executive Director

6 February 2025

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Grant Thornton Audit Pty Ltd
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Melbourne VIC 3008
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Melbourne VIC 3001

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Auditor's Independence Declaration

To the Directors of Vitrafy Life Sciences Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Vitrafy Life Sciences Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 6 February 2025

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Vitrafy Life Sciences Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated 31 December 2024 $	31 December 2023 $
Revenue			
Sales Revenue		7,704	6,350
Interest income		49,805	12,715
Research and development tax incentives	4	680,000	1,185,799
Expenses			
Administrative expenses	5	(3,769,598)	(1,201,047)
Research and development expenses		(2,322,983)	(2,231,598)
Other expenses	6	(1,413,481)	(2,779,386)
Finance costs		(6,481,057)	(4,398,418)
Fair value (loss)/gain on embedded derivative	8	(12,433,898)	9,358,876
Loss before income tax expense		(25,683,508)	(46,709)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Vitrafy Life Sciences Limited		(25,683,508)	(46,709)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Vitrafy Life Sciences Limited		(25,683,508)	(46,709)
		Cents	**Cents**
Basic loss per share	14	(98.64)	(1.57)
Diluted loss per share	14	(98.64)	(1.57)

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

Vitrafy Life Sciences Limited
Statement of financial position
As at 31 December 2024

	Note	Consolidated 31 December 2024 $	Consolidated 30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents		14,450,782	6,412,662
Trade and other receivables		181,914	218,186
R&D tax incentive receivables		680,000	2,022,825
Prepayments		-	376,708
Other financial assets	7	20,000,000	-
Total current assets		35,312,696	9,030,381
Non-current assets			
Property, plant and equipment		307,055	345,988
Right-of-use assets		363,171	399,560
Total non-current assets		670,226	745,548
Total assets		35,982,922	9,775,929
Liabilities			
Current liabilities			
Trade and other payables		346,804	403,779
Convertible notes	8	-	22,858,398
Derivative financial instruments	8	-	10,174,395
Lease liabilities		86,120	82,569
Employee benefits		456,332	359,294
Total current liabilities		889,256	33,878,435
Non-current liabilities			
Lease liabilities		348,463	392,357
Employee benefits		40,090	106,226
Total non-current liabilities		388,553	498,583
Total liabilities		1,277,809	34,377,018
Net assets/(liabilities)		34,705,113	(24,601,089)
Equity			
Issued capital	9	89,685,360	5,187,576
Reserves		1,361,078	869,152
Accumulated losses		(56,341,325)	(30,657,817)
Total equity/(deficiency)		34,705,113	(24,601,089)

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

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Vitrafy Life Sciences Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital $	Share options reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2023	4,919,584	679,231	(20,231,970)	(14,633,155)
Adjustment for correction of error	-	-	(373)	(373)
Balance at 1 July 2023 - restated	4,919,584	679,231	(20,232,343)	(14,633,528)
Loss after income tax expense for the half-year	-	-	(46,709)	(46,709)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(46,709)	(46,709)
Transactions with owners in their capacity as owners:				
Share-based payments	-	224,658	-	224,658
Balance at 31 December 2023	4,919,584	903,889	(20,279,052)	(14,455,579)

Consolidated	Issued capital $	Share options reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	5,187,576	869,152	(30,657,817)	(24,601,089)
Loss after income tax expense for the half-year	-	-	(25,683,508)	(25,683,508)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(25,683,508)	(25,683,508)
Transactions with owners in their capacity as owners:				
Issue of shares from initial public offering ("IPO") (note 9)	35,000,002	-	-	35,000,002
Transaction costs from IPO (note 9)	(3,248,900)	-	-	(3,248,900)
Share-based payments (note 15)	-	985,854	-	985,854
Conversion of convertible notes into shares (note 9)	51,935,446	-	-	51,935,446
Issue of shares on exercise of options (note 9)	811,236	(493,928)	-	317,308
Balance at 31 December 2024	89,685,360	1,361,078	(56,341,325)	34,705,113

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

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Vitrafy Life Sciences Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Note	Consolidated 31 December 2024 $	31 December 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		41,163	34,924
Payments to suppliers and employees (inclusive of GST)		(6,122,800)	(6,352,432)
		(6,081,637)	(6,317,508)
Interest received		49,805	12,715
Interest and other finance costs paid		(12,303)	(17,891)
R&D tax incentives received		2,022,825	2,013,326
Net cash used in operating activities		(4,021,310)	(4,309,358)
Cash flows from investing activities			
Payments for term deposits with maturities greater than 3 months		(20,000,000)	-
Payments for property, plant and equipment		(1,854)	(9,619)
Net cash used in investing activities		(20,001,854)	(9,619)
Cash flows from financing activities			
Proceeds from issue of shares	9	35,000,002	-
Share issue transaction costs		(3,215,683)	-
Proceeds from exercise of options		317,308	-
Proceeds from issue of convertible notes		-	6,238,463
Convertible notes transaction costs		-	(103,496)
Proceeds from shareholder loan		-	450,000
Repayment of shareholder loan		-	(450,000)
Repayment of lease liabilities		(40,343)	(47,130)
Net cash from financing activities		32,061,284	6,087,837
Net increase in cash and cash equivalents		8,038,120	1,768,860
Cash and cash equivalents at the beginning of the financial half-year		6,412,662	1,720,864
Cash and cash equivalents at the end of the financial half-year		14,450,782	3,489,724

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

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Note 1. General information

The financial statements cover Vitrafy Life Sciences Limited as a Consolidated entity consisting of Vitrafy Life Sciences Limited ("the Company" or "Vitrafy") and the entity it controlled (collectively "the Consolidated entity") at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Vitrafy Life Sciences Limited's functional and presentation currency.

Vitrafy Life Sciences Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 96-100 Albert Road
South Melbourne VIC 3205

A description of the nature of the Consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, which had no material impact on the Consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments
The Consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and management team in assessing performance and determining the allocation of resources. Management has determined there to be only one operating segment.

Management has identified one reportable segment being Cryopreservation: income and expenses directly attributable to the business of providing cryopreservation services, including research and development.

The financial breakdown for the segment information for the reportable segments for the half-year ended 31 December 2024 – refer Statement of Profit and Loss & Other Comprehensive Income and the Statement of Financial Position.

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Note 4. Research and development tax incentives

	Consolidated	
	31 December 2024 $	31 December 2023 $
Research and development tax incentives	680,000	1,185,799

Significant accounting policy information

Research and development tax incentive

The Research and Development Tax Incentive programme provides tax offsets for expenditure on eligible R&D activities. Under the programme, the Consolidated entity, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% (31 December 2023: 43.5%) on the eligible R&D expenditure incurred on eligible R&D activities. One of the conditions the company must meet is ensuring more than 50% of total R&D activity costs will be incurred in Australia. The refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

Significant judgement and estimates

Research and development rebate

With the successful track record of the consolidated entity in obtaining the Research and Development rebate from the ATO, the estimated rebate of $680,000 has been accrued into income for the half-year ended 31 December 2024 (31 December 2023: $1,185,799).

The Consolidated entity is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claim lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may only occur in the event that those expenditures do not appropriately qualify for the grant program.

Note 5. Administrative expenses

	Consolidated	
	31 December 2024 $	31 December 2023 $
Recruitment	120,518	28,424
Accounting fees	162,889	171,400
Audit & review of financial statements	114,697	91,464
Company secretarial services	22,118	27,093
Computer expenses	73,746	47,621
Share based payments	985,854	224,658
Fees & permits	15,364	2,850
Insurance	228,209	29,010
Office expenses	23,535	25,174
Payroll tax expense	121,332	14,603
Staff training & welfare	15,660	8,901
Wages & salaries and oncosts	1,808,483	477,016
Workcover	19,077	19,396
Other	58,116	33,437
	3,769,598	1,201,047

Note 6. Other expenses

	Consolidated 31 December 2024 $	31 December 2023 $
Legal costs	140,618	135,884
Professional fees	112,794	137,660
Distribution costs	137	317
Depreciation of property, plant and equipment	40,787	56,370
Amortisation of right-of-use assets	36,389	56,434
Marketing	10,197	43,586
Meeting expenses	825	1,323
Occupancy costs	73,201	33,730
Pest control	2,937	3,259
Subscriptions	36,868	24,563
Travelling expenses	132,880	27,563
Contract work	329,013	189,668
Patent fees & expenses	117,716	174,685
Patents - trademarks	-	85,290
Capital raising costs	366,501	1,795,422
Unrealised currency loss/(gains)	74	(1,559)
Realised currency loss	12,544	15,191
	1,413,481	2,779,386

Note 7. Other financial assets

	Consolidated 31 December 2024 $	30 June 2024 $
Current assets		
Term deposits	20,000,000	-

Term deposits held as at 31 December 2024 with interest rate of 4.45% and maturity terms ranged between 6 months and 9 months (30 June 2024: nil) at acquisition, were classified in the statement of financial position as short-term investments in accordance with AASB 107 Statement of Cash Flows.

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Note 8. Convertible notes and derivative financial instruments

Background
The Company successfully raised $12,000,000 in capital via convertible notes in December 2023 to mature on 31 December 2024, with an optional extension period to 30 June 2025.

As part of the capital raising, the Company secured a reconstruction of the existing 2021 convertible notes (amount raised $7,550,000) and 2022 convertible notes (amount raised $6,312,354) to ensure alignment in maturity with the new convertible notes being issued. As consideration for the amendment of the existing convertible note terms, existing noteholders were provided a one-off interest payment that was capitalised in-line with the treatment of interest determined by the structure of the convertible note.

On 22 November 2024, the company listed on the Australian Stock Exchange. The listing was a liquidity event under the terms of the convertible note deed poll and the convertible notes on issue converted into ordinary shares of the company. The note holders converted their notes into 28,225,674 ordinary shares of the company at a conversion price of $1.84 per share, less a 25% discount. The convertible notes and associated embedded derivative were derecognised at this point in time. There was no cashflow impact on conversion.

Financial Instruments: Interest bearing loans and borrowings
The Convertible Notes have been valued with an apportionment between the liability and underlying embedded derivative. The below table reconciles the movements from the start of the period to the end of the period, highlighting the movement between of the values within the period:

	1 July 2024 $	Cashflow $	Effective interest $	Transaction costs $	Fair value loss/(gain) $	Conversion $	31 December 2024 $
2021 Convertible Note	8,002,705	-	3,156,358	-	-	(11,159,063)	-
2022 Convertible Note	4,899,049	-	1,657,927	-	-	(6,556,976)	-
2023 Convertible Note – Tranche 1	5,000,917	-	813,179	-	-	(5,814,096)	-
2023 Convertible Note – Tranche 2	4,955,728	-	841,290	-	-	(5,797,018)	-
	22,858,398	-	6,468,754	-	-	(29,327,153)	-
2021 Embedded Derivative	4,315,884	-	-	-	6,548,700	(10,864,584)	-
2022 Embedded Derivative	2,396,188	-	-	-	3,274,465	(5,670,653)	-
2023 Embedded Derivative – Tranche 1	1,727,318	-	-	-	1,281,042	(3,008,360)	-
2023 Embedded Derivative – Tranche 2	1,735,005	-	-	-	1,329,691	(3,064,696)	-
	10,174,395	-	-	-	12,433,898	(22,608,293)	-
	33,032,793	-	6,468,754	-	12,433,898	(51,935,446)	-

Note 9. Issued capital

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 $	30 June 2024 $
Ordinary shares - fully paid	63,849,674	3,115,998	89,685,360	5,187,576

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Note 9. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	3,115,998		5,187,576
Exercise of options	August 2024	190,070	$0.00	380
Exercise of options	September 2024	832,200	$0.97	810,856
Subdivision of shares *	10 October 2024	12,463,992	$0.00	-
Conversion of convertible notes (note 8)	21 November 2024	28,225,674	$1.84	51,935,446
Issue of shares from initial public offerings	26 November 2024	19,021,740	$1.84	35,000,002
Transaction costs		-	$0.00	(3,248,900)
Balance	31 December 2024	63,849,674		89,685,360

* At the Annual General Meeting of the Company on 10 October 2024, the shareholders passed a resolution to subdivide every 1 ordinary share of the Company into 5 ordinary shares in accordance with section 254H of the Corporations Act and for all other purposes.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Accounting policy for capitalising IPO transaction costs
Transaction costs directly attributable to the issuance of new shares in an IPO are capitalised and deducted from equity, net of any income tax benefits. These costs include, but are not limited to, underwriting fees, legal fees, accounting fees, and other professional services directly related to the share issuance.

Costs that are related to the stock market listing or are not directly attributable to the issuance of new shares are expensed as incurred. These costs include, but are not limited to, regulatory fees and other costs associated with the listing process.

Where costs relate to both the issuance of new shares and the listing, they are allocated between these functions on a rational and consistent basis. In the absence of a more specific basis for apportionment, an allocation based on the proportion of new shares issued to the total number of shares listed is an acceptable approach.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

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Note 11. Contingent liabilities

In late 2018, Vitrafy entered into an MOU with a third party (**Third Party**) relating to the human health applications of its technology. The MOU contemplated the Third Party taking an exclusive licence of this aspect of Vitrafy's cryopreservation solution and sublicensing it to an international corporation, with material ongoing licence fees payable to Vitrafy, if such a sublicence could be achieved.

The MOU had an initial end date of 31 December 2019 and was extended by the Third Party to 31 December 2020. In late December 2020, the Third Party purported to extend the MOU for a further 12 months. In January 2021, Vitrafy formally rejected the Third Party's purported extension of the MOU, and confirmed in writing that it considered the MOU expired on 31 December 2020 such that Vitrafy was no longer bound by its terms.

After Vitrafy denied that the MOU remained on foot, on 4 October 2021, the Third Party commenced proceedings against Vitrafy in the Supreme Court of Victoria. The Court granted an application made by Vitrafy to determine, as a separate question, whether the MOU could be extended more than once. Vitrafy was successful on the separate question, and on 25 March 2022, an order was made by the Supreme Court requiring the Third Party to pay Vitrafy's costs.

The Third Party subsequently filed an application to the Victorian Court of Appeal for leave to appeal from the judgment, which was unsuccessful (with the Court of Appeal making a costs order in Vitrafy's favour). The Third Party then filed an application to the High Court of Australia for special leave to appeal the Victorian Court of Appeal's decision, which was also dismissed in February 2023 with a costs order in Vitrafy's favour.

The Third Party has indicated that it still intends to pursue a breach of contract claim against Vitrafy for the period that the MOU was on foot, and in August 2024, provided Vitrafy with a draft amended statement of claim that would enable them to do so. However, the Victorian Supreme Court ordered that Vitrafy is not required to respond to the draft amended statement of claim (the finalisation of which is required to allow the Third Party to proceed with their claim), until the Court has heard and determined applications by Vitrafy in relation to payment of the costs orders made in its favour and security for Vitrafy's costs for the remainder of the proceeding.

The Third Party is claiming that the MOU must be performed by Vitrafy and that it is entitled to damages as a result of the alleged breach by Vitrafy (although they have never specified the loss that they claim to have suffered as a result of the alleged breach).

The Company's position remains that it has not breached the MOU, and therefore it will vigorously defend any breach of contract claims made by the Third Party.

Note 12. Commitments

The Consolidated entity had no material commitments that are not recognised as liabilities as at 31 December 2024 and 30 June 2024.

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Note 14. Loss per share

	Consolidated	
	31 December 2024 $	**31 December 2023 $**
Loss after income tax attributable to the owners of Vitrafy Life Sciences Limited	(25,683,508)	(46,709)

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Note 14. Loss per share (continued)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	26,038,548	2,980,847
Weighted average number of ordinary shares used in calculating diluted earnings per share	26,038,548	2,980,847

	Cents	**Cents**
Basic loss per share	(98.64)	(1.57)
Diluted loss per share	(98.64)	(1.57)

As at 31 December 2024, the Consolidated entity has 6,480,635 unlisted options on issue. In addition, a number of options were exercised during the period. These options are considered to be non-dilutive whilst the Consolidated entity is in a loss position.

Note 15. Share-based payments

The establishment of the new ESOP rules were approved by shareholders at the 2024 Annual General meeting. The plan is designed to provide long-term incentives for employees (including directors) to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. During the year, the company issued options to relevant employees. These options have a range of vesting conditions, based on the responsibility of the employee, and includes both time based and performance hurdles. The options are settled in ordinary shares of the company.

Between 1 July 2024 and 1 September 2024, 1,200,366 options (6,001,830 post share split) were issued in several tranches to relevant employees at a pre-share split strike price of $7.11 per option ($1.42 post share split). The options vest over a period of between one and three years.

Set out below are summaries of options granted under the plan:

31 December 2024 - (Post share split)

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/02/2019	01/02/2024*	$0.30	563,130	-	(563,130)	-	-
01/02/2020	01/02/2025	$0.55	358,760	-	(269,070)	(89,690)	-
24/06/2022	30/06/2027	$4.00	478,805	-	-	-	478,805
30/06/2022	31/10/2026	$0.00	32,830	-	(32,830)	-	-
01/01/2023	31/10/2027	$0.00	66,685	-	(66,685)	-	-
01/07/2023	30/06/2028	$0.00	90,555	-	(90,555)	-	-
01/07/2024	30/06/2029	$1.42	-	5,115,165	-	-	5,115,165
01/08/2024	30/06/2029	$1.42	-	833,335	-	-	833,335
01/09/2024	30/06/2029	$1.42	-	53,330	-	-	53,330
			1,590,765	6,001,830	(1,022,270)	(89,690)	6,480,635

**Remaining options were reconstructed to change the expiry to immediately prior to a liquidity event*

All options were reconstructed in accordance with their terms as part of the subdivision approved at the AGM on 10 October 2024.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.9 years.

Equity-settled share-based compensation
Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

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Note 15. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

The total expense arising from share-based payment transactions recognised during the period was $985,854 (31 December 2023: $224,658).

Share-based payment transactions
The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

For the options granted during the current financial year, there are two valuations models used. For the performance based options, a binomial model is used. For options with a time based vesting, a Black-Scholes model is used.

The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
01/07/2024	30/06/2029	$1.42	$1.42	60.00%	-	4.30%	$0.49 - $0.66
01/08/2024	30/06/2029	$1.42	$1.42	60.00%	-	4.30%	$0.64
01/09/2024	30/06/2029	$1.42	$1.42	60.00%	-	4.30%	$0.62

Vitrafy Life Sciences Limited
Directors' declaration
31 December 2024

In the directors' opinion:

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

- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

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

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

On behalf of the directors

Sonia Petering	Vaughan Webber
Independent Non-Executive Chair	Independent Non-Executive Director

6 February 2025

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Independent Auditor’s Review Report

To the Members of Vitrafy Life Sciences Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Vitrafy Life Sciences Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, 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 accompanying half-year financial report of Vitrafy Life Sciences Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group’s financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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.

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Directors' responsibility for the half-year 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 control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2024 and its performance for the half-year ended on that date, and complying with 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 6 February 2025

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