

Appendix 4E

Preliminary final report

1. Company details

Name of entity:	Vitrafy Life Sciences Limited Group
ABN:	48 622 720 254
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

					\$
Revenues and other income from ordinary activities	up	34.0%	to		2,804,355
Loss from ordinary activities after tax attributable to the owners of Vitrafy Life Sciences Limited	up	213.8%	to		(32,710,477)
Loss for the year attributable to the owners of Vitrafy Life Sciences Limited	up	213.8%	to		(32,710,477)

The loss for the Consolidated entity after providing for income tax amounted to \$32,710,477 (2024: \$10,425,475).

Dividends

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

Comments

The loss for the year for the Consolidated entity after providing for income tax amounted to \$32,710,477 (30 June 2024: \$10,425,475).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	45.16	(787.09)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

7. Dividend reinvestment plans

Not applicable.

Appendix 4E continued

8. Details of associates and joint venture entities

Not applicable.

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.

10. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Vitrafy Life Sciences Limited and its group subsidiaries for the year ended 30 June 2025 is attached.

12. Signed



Sonia Petering
Chair

Date: 4 August 2025

Annual Report 2025

Vitrafy Life Sciences Limited

ABN: 48 622 720 254

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Pioneering
Technology,
Preserving Life.



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Addressing a global need

We exist to break the cycle of damage to biological materials in cryopreservation.

Across global healthcare systems, critical barriers limit life-saving treatments: the inconsistent supply, short shelf-life, and variable quality of essential biological materials.

Cryopreservation has the potential to solve this, but traditional freezing and thawing methods cause significant damage to biological materials, leading to poor outcomes and wasted resources.

Vitrafy was founded to change this. Our next-generation cryopreservation technology protects biomaterials at the cellular level, improving post-thaw quality and functionality to unlock more effective treatments and drive higher quality health outcomes.

Our Vision

To become the global leader in cryopreservation by significantly improving the survival of cryopreserved biological materials when compared to existing industry standards.





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Our Mission

To improve the quality of healthcare treatments by providing effective cryopreservation technology, preserving life.



2025 Highlights

Well-funded
for growth

\$35m

Successful IPO raise

\$4.8m

Commercialisation grant awarded

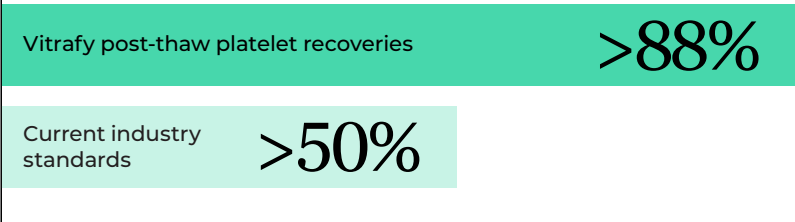


Vitrafy’s cryopreservation technology unlocks supply, minimises waste and delivers better quality outcomes.



Blood platelets

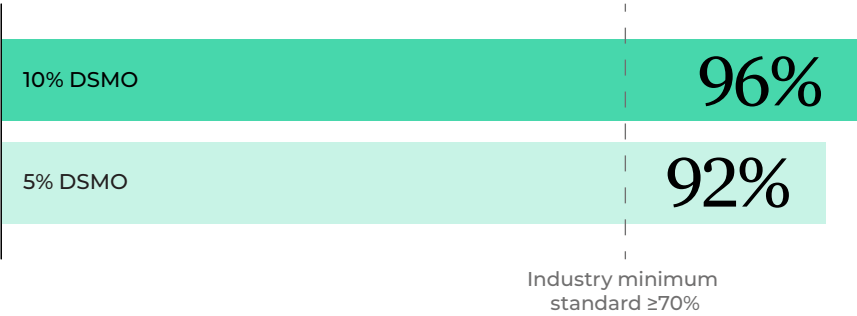
USAISR phase 1 study exceeded all regulatory & industry standards.



Cell & Gene Therapies

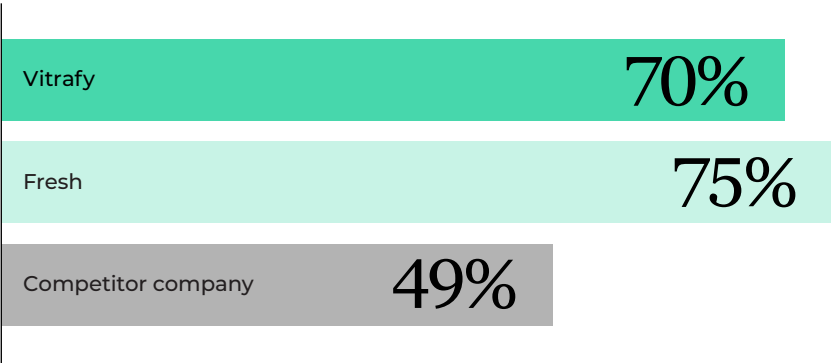
PBMC* Validation Data (raw material)

* PBMCs are a critical starting raw material for Cell and Gene Therapy manufacturing. The quality, consistency and viability directly impact therapeutic outcomes.



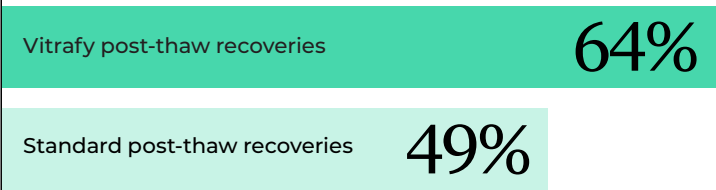
Aquaculture

Vitrafy cryopreserved salmon milt comparable to fresh:



Bovine

Vitrafy cryopreserved bovine semen achieve significantly higher post-thaw recoveries compared to existing industry standards.



Operating and Financial Report

Chair Report



Sonia Petering
Chair

Dear fellow shareholders,

It is a privilege to present Vitrafy Life Sciences' first Annual Report as a listed company.

Vitrafy's **mission** is to improve the quality of healthcare treatments by providing effective cryopreservation technology, preserving life.

The global cryopreservation market is a critical enabler in human and animal healthcare, with growth opportunities driven by rising demand for reliable, high-integrity cryopreservation and supply chain solutions for biological materials. Vitrafy's cryopreservation technology is purpose-built to reduce biological waste and improve the quality and consistency of cryopreserved biological materials across animal and human health applications.

A platform technology with scalable, cross-sector relevance, Vitrafy is strategically placed to capture long-term value in high-growth markets, underpinned by strong macroeconomic and demographic tailwinds, such as the expansion of cell and gene therapies, the rise of precision medicine and an increasing global investment in biosecurity.

Becoming a publicly listed company has introduced new responsibilities, added governance disciplines, and opened up new opportunities. FY25 has been about laying the foundations and putting the right systems and people in place to support Vitrafy's long-term commercial ambitions.

Successful IPO and Changes to Leadership

To reflect on a significant milestone in Vitrafy's history, the path to IPO was carefully considered, ensuring executive capability was established and compelling value for shareholders and noteholders was delivered.

Vitrafy took careful steps to ensure the Company was set up for success as an ASX-listed company and global leader in life sciences. We appointed a CEO and CFO with ASX and commercial experience to support the

listing process and develop Vitrafy's leadership team to ensure we had both deep subject matter expertise and strong governance capability to prepare the Company for the next phase of growth. We also reshaped the Board, moving to a structure that reflects best practice for an early-stage listed business, now with a majority of independent directors who bring a complementary mix of skills, experience and perspectives. Our sincere thanks to Sean Cameron, Brian Taylor and James Groom for their service as directors until their retirement on 30 September 2024. Their skills, experience, and perspectives were greatly valued.

The Company successfully listed on the Australian Stock Exchange (ASX) on 26 November 2024 with a listing valuation of \$127.5 million. Importantly, Vitrafy achieved a strong investor response to our offering, with interest in investing in the company almost 100% oversubscribed.

Progress Since IPO

It is pleasing to see the progress achieved since the IPO, much of which is discussed in detail in the Joint CEO and Deputy CEO report.

Importantly, FY25 saw Vitrafy make progress in its commercialisation strategy and market positioning. The team is developing a flexible commercial framework designed to support a range of customer engagement models, with the aim of building predictable, high-quality recurring revenue streams, while staying responsive to the needs of each customer and partner.

Given Vitrafy is bringing both a new product and a new commercial model to market, the Board is confident



that this iterative, partner-centric approach is the right one, and that it positions us to maximise long-term value for our shareholders.

We have been delighted to see notable results from our collaboration partnerships, with phase 1 study with the US Army Institute of Surgical Research in human health and in both aquaculture and bovine in animal health. I encourage you to read about these results in this Annual Report.

Capital Management

Over the course of FY25, Vitrafy was disciplined in its fiscal management, with a clear focus on necessary product development and commercialisation.

To assist and support this focus, Vitrafy was awarded a \$4.8 million Industry Growth Program Grant by the Federal Government to accelerate the global rollout of its technology. The Industry Growth Program is administered by the Department of Industry, Science and Resources. It funds innovative companies with commercial potential, and Vitrafy's selection highlights confidence in the global impact that our technology can offer in delivering better health outcomes.

Outlook

As we look ahead, we do so with optimism, momentum, and a strong sense of responsibility to deliver. In FY26, we will maintain the focus on execution of our strategy, guided by science and technology, grounded by the expertise of our leadership, and driven by purpose.

We acknowledge the challenges inherent in bringing new technology to market, establishing new partnerships, customers and revenue, and the non-linear path an early-stage company generally needs to take to pursue and pivot on opportunities in the addressable market of bio banks and distribution, cell cryopreservation and animal breeding and aquaculture.

I want to take a moment to sincerely thank our shareholders, many of whom have supported Vitrafy from the very beginning. Thank you for your patience, your trust in our team and in the technology.

Thank you also to the Vitrafy team. Your commitment, skill, and belief in what the company is building has underpinned everything that has been achieved this year. It takes a lot to start something new. Something industry changing. Developing models, processes and relationships from scratch. You are determined, committed, and relentless in your pursuit of the strategic vision – to be the global leader in cryopreservation.

A stylized, handwritten signature in black ink.

Sonia Petering

Chair, Vitrafy Life Sciences

Operating and Financial Report continued

Joint CEO & Deputy CEO Report



Kate Munnings
Chief Executive Officer



Brent Owens
Deputy Chief Executive Officer,
Co-Founder and Executive Director

FY25 was a defining year for Vitrafy Life Sciences.

Our first as a publicly listed company, it was a year marked by strong operational progress; focused on delivering on the commitments we made at IPO, progressing commercialisation efforts across multiple application areas, and building the technology and organisational structure needed to scale globally.

We approached the year with a clear focus: to build the next generation of our technology, deepen relationships with collaboration partners, and progress towards commercialisation. We made pleasing gains across all three areas.

Commercialisation progress

Our work in Animal Health has continued to gain traction. In aquaculture, our commercial partnership with Huon has consistently delivered high quality outcomes, with Vitrafy cryopreserved salmon milt performing comparably to fresh milt across all seasonal fertilisation programs throughout the year. The outcomes delivered for Huon has led to year-on-year growth in the quantity of milt cryopreserved through Vitrafy technology as well as broader market engagement, with Vitrafy completing paid pilots with other Australian salmon providers.

In the bovine sector, following successful phase 1 studies, we entered the next phase of our collaboration with U.S. based company, Select Sires Inc., which includes on-site trials at their Ohio facility.

Separately, internal validation testing supported our work in bovine, with results showing post-thaw recovered motility of bovine semen being 64% using Vitrafy's technology, an improvement of ~31% in quality retention compared to current industry standards.

As we establish our relevance and value proposition within key agricultural industries, Vitrafy is assessing various commercial models, including distribution partnerships and licencing arrangements, to accelerate revenue generation.

In Human Health, our collaboration with the U.S. Army Institute of Surgical Research reached a critical milestone, with successful completion of the phase 1 study into cryopreserved blood platelets. Importantly, outcomes exceeded regulatory and industry standards for post-thaw recovery and functionality, achieving post-thaw platelet recovery >88%. The next stage of work with USAISR will include expanded validation and commercial planning.

This represents a significant opportunity for Vitrafy. Haemorrhage is the leading cause of preventable death in combat, with it estimated that blood loss is responsible for up to 90% of injury fatalities. Successfully cryopreserving blood platelets, which have critical clotting ability to slow blood loss, can extend the shelf life of these products from days to years, as well as increase the forward deployment and logistical flexibility of blood products during mass casualty events and large-scale combat operations.



Outcomes exceeded regulatory and industry standards for post-thaw recovery and functionality, achieving post-thaw platelet recovery >88%.

We continued to advance opportunities in Cell and Gene Therapy, where our technology's precision and reliability align strongly with industry needs. Conversations are progressing in both Australia and the U.S., supported by ongoing internal validation work that is building out our data set and supporting commercial engagement.

Product Development

The development of the next generation of our cryopreservation technology was a core focus following the IPO, and Vitrafy has made a significant investment into the upgrade of these technologies throughout FY25.

With the added financial support of the \$4.8million Industry Growth Fund grant from the Australian Government, the VCU2 device remains on track for product launch in H1 of FY26. In parallel, the upgrade to our LifeChain™ software platform is also advancing well and is scheduled for release in the same timeframe.

Our go-to-market strategy is structured in two phases to maximise commercial opportunities in both regulated and unregulated environments, focused initially on the U.S. and Australian markets. In the first phase, the initial launch of the VCU2 will centre on unregulated markets, specifically targeting commercialisation in animal health and human clinical research applications, particularly in cell and gene therapies and blood platelets. As a research-use-only product, VCU2 is well positioned to support a broad range of animal health solutions and address the significant market of clinical research in human health, for applications where biological samples are stored but not transfused into the human body.



Operating and Financial Report continued

Vitrafy will then move to the next phase of the strategy, with FDA regulatory clearance for VCU2 as a medical-grade device expected in H2 FY26. This milestone will enable Vitrafy to focus on commercial opportunities in regulated clinical settings in human health, significantly expanding our addressable market and commercial potential.

Our next-generation technologies will underpin our future service model and market differentiation. The balance for FY26 will be between generating demand and ensuring that our products can be delivered at scale to meet that demand.

Building Team Capability

As part of our broader shift from a development-phase company to one focused on commercial execution, FY25 saw a realignment of our internal capabilities to better support our commercialisation strategy.

The Ballarat site is Vitrafy's Innovation Hub, where the engineering and medical science teams are dedicated to the ongoing development and technical advancement of our platform technologies, and support the infield team working directly with our collaboration partners.

We also completed the build-out of our internal software capability to support the development of LifeChain™ as a scalable, enterprise-grade platform.

Our software team has grown to ensure that we have the technical strength needed to deliver a robust, commercial-ready product.

In parallel, we have made targeted investments in operational and commercial capability. In the U.S., we are building a highly experienced business development, marketing and services team, driving our engagement with strategic partners and building our commercial pipeline.

Together, these changes represent a strategic reallocation of resources, refocusing our R&D footprint while scaling up the commercial and operational capabilities needed to take our solutions to market.

Looking Forward

As we look ahead, Vitrafy enters a critical phase in its evolution, where the groundwork laid over the past year begins to translate into commercial outcomes.

Our strategic priorities are clear:

- Launch our next-generation technology platform, including VCU2 and the upgraded LifeChain™ software in both unregulated and regulated environments;
- Expand our commercial footprint in the U.S. and convert current engagements into commercial revenue;
- Deepen strategic partnerships in key verticals, particularly cell and gene therapy, blood and blood products, and animal health, and;
- Continue to scale a lean, high-performing team that supports execution and drives innovation.

We continued to advance opportunities in Cell and Gene Therapy, where our technology's precision and reliability align strongly with industry needs.

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We believe Vitrafy is uniquely positioned in the cryopreservation market with our technology offering a distinct advantage and a clear value proposition, as our target sectors increasingly demand efficiency, reliability and scalability. We are building a company that is not only scientifically and commercially robust but also capable of making a meaningful and lasting impact.

To our shareholders, thank you for your continued trust and support. We remain disciplined in our execution, ambitious in our vision, and committed to delivering long-term value as we move into this next phase of growth.



Kate Munnings

Chief Executive Officer,
Vitrafy Life Sciences



Brent Owens

Deputy Chief Executive Officer,
Co-Founder and Executive Director



Our Board



Sonia Petering
Chair



Kate Munnings
Managing Director
& Chief Executive Officer

Our Board of Directors bring relevant experience, including sector and business knowledge, financial management and corporate governance experience, to drive forward Vitrafy's pioneering approach to cryopreservation.

Sonia is a lawyer with extensive experience as a non-executive director and board chair in various highly regulated sectors. Sonia has been on the Board of Vitrafy since March 2023. She is currently a member of the University of Melbourne Law School Foundation, and a councillor of the Victorian Division of the Australian Institute of Company Directors.

Sonia previously served as Chair of QANTM IP Ltd (previously ASX:QIP), Chair of Virtus Health Ltd (previously ASX:VRT), and Chair of Rural Finance Corporation of Victoria. She also previously served as a board member of TAL Dai Ichi Life Australia Pty Ltd, Cuscal, Transport Accident Commission of Victoria, and Grampians Wimmera Mallee Water. Sonia served as a member of the Hazelwood Mine Fire Inquiry, and for the past several years, she has assisted the Victorian Minister for Water as one of the members of the selection panel for appointments to the 18 Water Corporation Boards in Victoria.

Sonia is Principal of her own legal practice. She holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne, is a Fellow of the Australian Institute of Company Directors, and a member of Chief Executive Women.

Kate has extensive and diverse experience as a senior executive at ASX-listed health and services companies. Kate has been on the Board of Vitrafy since October 2024. Most recently, Kate was Managing Director and Chief Executive Officer of Virtus Health Ltd (previously ASX:VRT), one of the largest global providers of assisted reproductive services. While at Virtus Health, Kate created Virtus Ventures, which included successful collaborations between Virtus Health and a range of biotech start-ups, to undertake translational research, commercialise technology and successfully obtain innovation grants.

Kate is currently Chair of the Digital Health Cooperative Research Centre, and is a non-executive director of NZX-listed Ryman Healthcare (NZX:RYM) Limited, as well as a non-executive director of ASX-listed Wesfarmers Limited (ASX:WES).

Kate has deep operational experience, including as Chief Operations Officer at Ramsay Health Care (ASX:RHC), and as Chief Executive Operations Officer at Transfield Services (previously ASX:TSE) (now Ventia Services Group Limited). Before moving into operations, Kate was Chief Risk and Legal Officer/Company Secretary for eight years.

Kate was previously a partner at Corrs Chambers Westgarth, and Baker McKenzie. She has a Bachelor of Laws from the University of New South Wales and a Bachelor of Health Science (Nursing) from the University of Technology Sydney, and is a member of Chief Executive Women.

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The world’s demand for high quality healthcare products is only increasing. Improving cryopreservation sample outcomes is a vital need that can ensure constant supplies of high quality, life-saving and life-improving products are available.



Assoc Professor John McBain AO
Chair, Scientific Advisory Board and Non-Executive Director

John is the former Head of the Endocrine and Metabolic Service, Director of Surgical Services then Head of Reproductive Services spanning 1998–2019 at The Royal Women’s Hospital, Melbourne, he was also a founder and then Chairman of Melbourne IVF, now part of Virtus Health. He is a former president of the Fertility Society of Australia, which has credited his advocacy for embryo freezing in the 1980s as virtually eliminating triplet or higher-order pregnancy, leading to his being featured in the television series Icons in Medicine. In 1978, John wrote the first Australian Report into AID, which demonstrated the non-inferiority of frozen donor semen over fresh.

In 2013, John was made an Officer in the Order of Australia (AO) for his contribution to reproductive medicine and his distinguished service as a gynaecologist, as an academic in medical education, and his contribution to professional organisations.

John has almost 30 years’ experience in investing in and supporting early stage companies. He is a non-executive director of Rhinomed Limited (ASX:RNO), and was formerly a non executive director of Touch Ventures Limited (ASX:TVL) and Simavita Limited (ASX:SVA)



Brent Owens
Deputy Chief Executive Officer, Co-Founder and Executive Director

Brent Owens is a creative entrepreneur and co-inventor of Vitrafy technology, with extensive expertise in intellectual property development. Brent has been on the Board of Vitrafy since March 2018. He has played a pivotal role in pioneering Vitrafy’s technological innovations, product development and enterprise grade software, securing collaboration agreements, grant funding and securing supporting patent protection.

Brent is responsible for developing and implementing the strategic vision for Vitrafy, ensuring the alignment of its technology innovations with customer needs, creating commercial opportunities.

In 2023, Brent was recognised as runner-up Biotechnology Pioneer of the Year at the AmCham Alliance Awards.



Vaughan Webber
Non-Executive Director

Vaughan has extensive industry and public markets experience, having spent more than 20 years in corporate finance at leading Australian stockbrokers, focusing on developing, funding and executing strategies for mid-to-small cap ASX-listed companies (including extensive IPO experience). He has been on the Board of Vitrafy since November 2022.

Vaughan has held and currently holds directorships in private and other public companies, and is currently Chair of Althea Group Holdings Limited (ASX:AGH). Vaughan has a Bachelor of Economics from Monash University.

Directors' Report

1. Company

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 year ended 30 June 2025.

Directors

The following persons were directors of Vitrafy Life Sciences Limited during the whole of the financial 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 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 year.

Dividends

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

Review of operations

The loss for the Consolidated entity for the financial year after providing for income tax amounted to \$32,710,477 (30 June 2024: \$10,425,474).

Refer to the Operating and Financial Review for further information.

Vitrafy Life Sciences Ltd continues to build a commercialised vertically integrated cryopreservation business across a range of sectors. Building a company inherently involves risk. Risk factors change over time in both nature and weighting. Management and the Board of the Company actively manage risk and apply mitigation strategies (where possible) to reduce the impact of the stated risk in the achievement of the Company's goals. At the time of signing the Directors report, the material business risks that could impede the achievement of the Company's future operational and financial successes are set out below.

Directors' Report continued

Key Risks

Vitrafy may not successfully commercialise its technology	Vitrafy is an early stage business, which has not yet substantially commercialised Vitrafy's Cryopreservation Technology, does not generate profits and has generated only minimal revenue. As such, the future success of Vitrafy depends on its ability to commercialise Vitrafy's Cryopreservation Technology. However, there is no guarantee that Vitrafy's Cryopreservation Technology will achieve commercial success, and the Company's commercialisation efforts may be less successful, take longer or cost more than expected.
Vitrafy may not become cash generative for an extended period and has a limited operating history	Vitrafy is not yet cash generative, and the Company does not generate sufficient revenue from its operations to sustain them or to invest in research and development. Vitrafy may not be cash generative for an extended period. As such, the Company may be reliant on raising funds to continue to fund its business operations, and there is no guarantee the company will be able to secure the necessary capital on favourable terms or at all. Additionally, the Company's limited operating history makes it difficult for investors to evaluate its financial performance and future prospects.
Vitrafy has only a limited number of key relationships, which may be lost or deteriorate	Vitrafy has only entered into a small number of contracts with customers or potential customers. As such, the effect of losing any one customer or potential customer may significantly adversely affect the Company's prospects of generating revenue.
Vitrafy may not be able to successfully protect its intellectual property or may be restricted by third-party intellectual property	Vitrafy's intellectual property may not qualify for legal protection, may be subject to unauthorised disclosure or unlawful infringement, or the Company may incur substantial costs in asserting or defending its intellectual property rights. Even if Vitrafy can successfully protect its intellectual property, it may not prove sufficient to establish a competitive position for the Company. Additionally, third-party intellectual property could restrict Vitrafy's operations, along with its commercial success and financial prospects.
Actions of competitors may impact Vitrafy's ability to generate revenue	The cryopreservation industry is intensely competitive and may in the future be subject to rapid and significant technological change. Some of its competitors may have substantially greater resources than Vitrafy, or develop technologies superior to the Company's own technology. Incumbent competitors with inferior technology may adopt pricing or other strategies that seek to inhibit Vitrafy growing its market share.
Vitrafy may not be able to attract or retain key staff	Vitrafy relies on the talent and experience of its personnel, and losing key personnel could negatively impact the Company. The successful development and growth of Vitrafy will require the services of additional technical and sales staff, particularly if the Company is to achieve its growth plans. Vitrafy may struggle to attract new personnel required to support its intended growth, which may adversely affect Vitrafy's prospects.
Vitrafy may be affected by cyber-security breaches or loss of data	If a security breach occurs and data is accessed, Vitrafy may be liable for damages associated with the cyber-security or data breach, and the breach could substantially harm Vitrafy's reputation or relationship with its partners and customers, which could impact its future sales.
Vitrafy is subject to uncertain future demand for its products	The Company is using new technology in an innovative manner and developing new products. Accordingly, the information currently available in relation to existing products and markets may not be reliable, comparable or useful in determining whether the Company's products and technology will be successful.
Vitrafy may not be able to successfully generate or manage growth	Vitrafy has not initiated commercial-scale production, distribution or sale of its software or products. Consequently, Vitrafy's strategies in this regard are untested and may, over time, prove to be misguided or may be implemented ineffectively, leading to outcomes that could adversely affect Vitrafy's performance.

Directors' Report continued

R&D tax incentive	The Company receives tax concessions on research and development (R&D) expenditure under the federal government's R&D tax incentive. The R&D tax incentive is government dependent and may change or be removed should governments be replaced or their policies alter. The Company may be subject to ATO audits in relation to prior tax incentive receipts, and there is no guarantee that the tax incentives will continue to be received.
Reputational damage or liability risk	There is a risk that events may result in damage to Vitrafy's reputation and brand, including through negative publicity, disputes, or negative partner experiences.
Regulations may restrict or delay commercialisation of Vitrafy's technology	While Vitrafy's Cryopreservation Technology does not require regulatory approvals for use in animal health and commercial research applications, and the Company has received FDA registration for its VCU1 for sperm and ova and blood and blood products, and does not need FDA clearance for its LifeChain™ software, Vitrafy may seek additional approvals in Australia, the US and other jurisdictions for further products to enhance its product offering or end markets in the human health space. Delays or failures in obtaining approvals or registrations could hinder commercial success. Compliance with ISO 13485 certification and other healthcare regulations is necessary, and any lapses could impact Vitrafy's ability to manufacture and market its products.
Vitrafy's research and development activities may not be successful	Product and software development is expensive and inherently risky, and products in development may not meet design objectives or be successful in either pre-commercialisation or post-commercialisation testing. Consequently, Vitrafy may not realise some or all the benefits of its ongoing investment in product development.
Other general risks	There are a number of other general risks, including but not limited to macroeconomic, market conditions, liquidity in trading Shares, requirements of a public company, Shareholder dilution, litigation, operational, taxation, accounting standards, listed company transition, force majeure events, absence of dividends, and expected future events that may not occur.

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 in continued service with the Company.

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

In August and 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'), 28,225,786 Fully Paid Ordinary Shares (Shares) were issued on the conversion of the convertible loan notes. Interest accrued on the convertible loan notes until 21 November 2024 formed part of the total amount owing on the convertible loan 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 in external funding.

On 18 March 2025, the Company announced that it had been awarded a \$4.8 million Industry Growth Program Grant to accelerate the global commercialisation of its cryopreservation technology.

Other than the information in the review of operations above and herein, there were no other significant changes in the state of affairs of the Consolidated entity during the financial year.

Directors' Report continued

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 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.

The Board resolved on 4 August 2025 to appoint Brent Owens as Chief Executive Officer and Managing Director effective 1 September 2025.

Likely developments and expected results of operations

Refer Review of Operations, including the Operating and Financial Review.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on current directors

Sonia Petering

Title:	Independent Non-Executive Chairman
Qualifications:	LLB, B Com. FACID.
Experience and expertise:	Sonia is a lawyer with extensive experience as a non executive director and board chair in various highly regulated sectors. Sonia has been on the Board of Vitrafy since March 2023. She is currently a member of the University of Melbourne Law School Foundation, and a councillor of the Victorian Division of the Australian Institute of Company Directors. Sonia previously served as Chair of QANTM IP Ltd (previously ASX:QIP), Chair of Virtus Health Ltd (previously ASX:VRT), and Chair of Rural Finance Corporation of Victoria. She also previously served as a board member of TAL Dai Ichi Life Australia Pty Ltd, Cuscal, Transport Accident Commission of Victoria, and Grampians Wimmera Mallee Water. Sonia served as a member of the Hazelwood Mine Fire Inquiry, and for the past several years, she has assisted the Victorian Minister for Water as one of the members of the selection panel for appointments to the 18 Water Corporation Boards in Victoria. Sonia is Principal of her own legal practice. She holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne, is a Fellow of the Australian Institute of Company Directors, and a member of Chief Executive Women.
Other current directorships:	None
Former directorships (last 3 years):	Chair and NED of QANTM IP Ltd (previously ASX:QIP) (from July 2016 to August 2024) Chair and NED of Virtus Health Ltd (previously ASX:VRT) (from September 2014 to July 2022)
Special responsibilities:	Chairman of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	172,996 ordinary shares
Interests in options:	75,000 options exercisable at \$1.42
Contractual rights to shares:	None

Directors' Report continued

John McBain

Title: Independent Non-Executive Director

Qualifications: MBChB, MRCOG, FRANZCOG

Experience and expertise: Professor John McBain is Chair of the Scientific Advisory Board for Vitrafy and has been a Non-Executive Director of Vitrafy since August 2020.

John is the former Head of the Endocrine and Metabolic Service, Director of Surgical Services then Head of Reproductive Services spanning 1998–2019 at The Royal Women's Hospital, Melbourne, he was also a founder and then Chairman of Melbourne IVF, now part of Virtus Health. He is a former president of the Fertility Society of Australia, which has credited his advocacy for embryo freezing in the 1980s as virtually eliminating triplet or higher order pregnancy, leading to his being featured in the television series Icons in Medicine. In 1978, John wrote the first Australian Report into AID, which demonstrated the non inferiority of frozen donor semen over fresh.

In 2013, John was made an Officer in the Order of Australia (AO) for his contribution to reproductive medicine and his distinguished service as a gynaecologist, as an academic in medical education, and his contribution to professional organisations.

John has almost 30 years' experience in investing in and supporting early stage companies. He is a non executive director of Rhinomed Limited (ASX:RNO), and was formerly a non executive director of Touch Ventures Limited (ASX:TVL) and Simavita Limited (ASX:SVA)

Other current directorships: Non-Executive Director of Rhinomed Limited (ASX:RNO) (from May 2021)

Former directorships (last 3 years): Non-Executive Director of Touch Ventures Limited (ASX:TVL) (from June 2018 to May 2024)

Special responsibilities: Member of the Remuneration and Nomination Committee
Member of the Audit and Risk Committee

Interests in shares: 1,947,217 ordinary shares

Interests in options: 100,000 options exercisable at \$4.00 and 75,000 options exercisable at \$1.42

Contractual rights to shares: None

Directors' Report continued

Vaughan Webber	
Title:	Independent Non-Executive Director
Qualifications:	B. Ec
Experience and expertise:	Vaughan has extensive industry and public markets experience, having spent more than 20 years in corporate finance at leading Australian stockbrokers, focusing on developing, funding and executing strategies for mid to small cap ASX listed companies (including extensive IPO experience). He has been on the Board of Vitrafy since November 2022. Vaughan has held and currently holds directorships in private and other public companies, and is currently Chair of Althea Group Holdings Limited (ASX:AGH). Vaughan has a Bachelor of Economics from Monash University.
Other current directorships:	Chair of Althea Group Holdings Limited (ASX:AGH) (since September 2024)
Former directorships (last 3 years):	PRT Company Limited (ASX:PRT) (from April 2022 to January 2024 – delisting date)
Special responsibilities:	Chair of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	195,776 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Directors' Report continued

Kathryn Munnings

Title:	Chief Executive Officer and Managing Director
Qualifications:	BSc, LLB
Experience and expertise:	Kate has extensive and diverse experience as a senior executive at ASX listed health and services companies. Kate has been on the Board of Vitrafy since October 2024. Most recently, Kate was Managing Director and Chief Executive Officer of Virtus Health Ltd (previously ASX:VRT), one of the largest global providers of assisted reproductive services. While at Virtus Health, Kate created Virtus Ventures, which included successful collaborations between Virtus Health and a range of biotech start ups, to undertake translational research, commercialise technology and successfully obtain innovation grants. Kate is currently Chair of the Digital Health Cooperative Research Centre, and is a non executive director of NZX listed Ryman Healthcare (NZX:RYM) Limited, as well as a non executive director of ASX listed Wesfarmers Limited (ASX:WES). Kate has deep operational experience, including as Chief Operations Officer at Ramsay Health Care (ASX:RHC), and as Chief Executive Operations Officer at Transfield Services (previously ASX:TSE) (now Ventia Services Group Limited). Before moving into operations, Kate was Chief Risk and Legal Officer/Company Secretary for eight years. Kate was previously a partner at Corrs Chambers Westgarth, and Baker McKenzie. She has a Bachelor of Laws from the University of New South Wales and a Bachelor of Health Science (Nursing) from the University of Technology Sydney, and is a member of Chief Executive Women.
Other current directorships:	Non-Executive Director of Wesfarmers Limited (ASX:WES) (since August 2024) Non Executive Director of Ryman Healthcare Limited (NZX:RYM) (since November 2023)
Former directorships (last 3 years):	Managing Director and Chief Executive Officer of Virtus Health Ltd (previously ASX:VRT) (from March 2020 to January 2024)
Special responsibilities:	None
Interests in shares:	294,973 ordinary shares
Interests in options:	1,786,665 options exercisable at \$1.42
Contractual rights to shares:	None

Directors' Report continued

Brent Owens

Title:	Deputy Chief Executive Officer and Executive Director, Co-Founder
Experience and expertise:	Brent Owens is a creative entrepreneur and co inventor of Vitrafy technology, with extensive expertise in intellectual property development. Brent has been on the Board of Vitrafy since March 2018. He has played a pivotal role in pioneering Vitrafy's technological innovations, product development and enterprise grade software, securing collaboration agreements, grant funding and securing supporting patent protection. Brent is responsible for developing and implementing the strategic vision for Vitrafy, ensuring the alignment of its technology innovations with customer needs, creating commercial opportunities. In 2023, Brent was recognised as runner up Biotechnology Pioneer of the Year at the AmCham Alliance Awards.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,918,040 ordinary shares
Interests in options:	123,295 options exercisable at \$4.00 and 2,516,000 options exercisable at \$1.42
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Michael Sapountzis has held the role of Company Secretary since November 2024. Michael is an experienced company secretary and has over 12 years' professional experience providing company secretarial, governance and compliance support to a variety of boards across a range of industries and sectors including ASX-listed and unlisted companies and not-for-profit organisations. Michael specialises in corporate governance, compliance, and employee equity plans. Michael is currently the company secretary of several ASX-listed companies.

Michael holds a Bachelor of Commerce and Bachelor of Laws from Deakin University, Graduate Diploma of Legal Practice from the College of Law and Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. He is also a Graduate of the Australian Institute of Company Directors and Fellow of the Governance Institute of Australia.

Directors' Report continued

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Sonia Petering	10	10	3	3	3	3
John McBain	10	10	3	3	2	2
Vaughan Webber	9	10	3	3	3	3
Kathryn Munnings	7	7	–	–	–	–
Brent Owens	8	10	–	–	–	–
James Groom*	3	3	–	–	1	1
Brian Taylor*	3	3	–	–	–	–
Sean Cameron*	3	3	–	–	–	–

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Resigned 30 September 2024.

Directors' Report continued

Remuneration and Nomination Committee's Chair Letter

Dear Shareholders,

I am pleased to present the first Remuneration and Nomination Committee's report for Vitrafy Life Sciences, following our listing on the Australian Securities Exchange (ASX) on 26 November, 2024. That milestone marks a significant achievement for our Company, and we are committed to maintaining the highest standards of corporate governance and transparency as an ASX listed company.

Remuneration Philosophy and Framework

The Company's Remuneration Philosophy and Framework is designed to:

- Enable the company to attract, retain and motivate the best talent;
- Align the team with the creation of value for shareholders;
- Focus on achievement of the company's strategic objectives;
- Fairly reward performance; and
- Be transparent and easily understood.

Our aim is to align the interests of key management personnel, with those of our shareholders by linking remuneration to the Company's performance and long-term value creation. In line with this, during the year as part of the IPO, the Board adopted the Vitrafy Life Sciences Limited Equity Incentive Plan Rules (Plan Rules). The Plan Rules replaced the start up option plan that had been in place since April 2019 (Legacy Option Plan). Whilst the Legacy Option Plan was appropriate for an unlisted, start up company and complied with the requirements of the ATO for qualification as a start up plan, it was not consistent with the equity plan rules expected for listed entities.

Option Plans

In March 2024, while still a private company, the Board resolved to issue options to the Key Management Personnel (being CEO Kate Munnings, Deputy CEO & Founder Brent Owens and Non Executive Directors Sonia Petering and John McBain) under the Legacy Options Plan. Simon Martin, who commenced as CFO in July 2024, was issued options under the Plan Rules in March 2025.

All of the options issued were subject to vesting conditions over three years as detailed further in the report. The options issued to Brent Owens were in recognition of three years of long-term incentives not previously issued – being financial years 2023, 2024 and 2025. The options issued to Kate Munnings were in recognition of financial years 2024 and 2025, and for Simon Martin, financial year 2025. The options issued to Sonia Petering and John McBain were in recognition of their additional efforts in relation to capital raising in 2023 and the IPO preparation in early 2024.

Going forward, the Board has determined that options will not be issued, and instead, indeterminate rights will be issued pursuant to the Plan Rules.

Performance and Reward for FY25

Since listing, our executives have continued to progress the Company's focus on product development and business development and have achieved a number of key milestones including:

- being awarded a \$4.8 million Industry Growth Fund Grant from the Australian government;
- achieving a successful outcome in the phase 1 study undertaken by the US Army Institute of Surgical Research; and
- progressing the development of VCU2 and the upgrade of the LifeChain™ software, as per the plan.

As a result, the first third of the options issued during the 2025 financial year were vested with executives on 28 July 2025.

Directors' Report continued

In the interests of responsible cash management at this stage of the Company's maturity, the Board resolved not to pay the key management personnel a Short-Term Incentive (STI) for FY25, but rather took into account the value of the FY25 options issued to the Key Management Personnel at the start of the year in looking at total compensation.

Executive Remuneration from FY26

Given the Company is yet to generate material revenue, the Board has decided that the Executive Incentive Plan should not include a cash STI going forward. Instead, the Board has decided that from FY26 there be a Short-Term Incentive opportunity with key performance indicators and a Long-Term Incentive opportunity with a single metric via an annual equity incentive issue, using indeterminate rights as the instrument, focused on reward for performance and retention.

Non-Executive Director Remuneration

Non-executive directors receive a fixed, cash fee for their services, which reflects their responsibilities and the time commitment required. Their remuneration is reviewed periodically to ensure it remains competitive and aligned with market practices.

Board Changes & Leadership Transition

During the year, we re-sized the Board, moving to a structure that reflects best practice for an early-stage listed business, now with a majority of independent directors who bring a complementary mix of skills, experience and perspectives. Our sincere thanks to Sean Cameron, Brian Taylor and James Groom for their service as directors until their retirement on 30 September 2024. Their skills, experience, and perspectives were greatly valued.

The Board resolved on 4 August 2025 to implement planned succession of Leadership and appoint Brent Owens as Managing Director and CEO of the Company effective 1 September 2025. Kate Munnings will remain with the Company and move to a Non-Executive Director effective 1 September 2025. The Board looks forward to continuing to work with Brent in this new capacity, and continuing the Company's progress for its next chapter of innovation and commercial success. The Board would like to thank Kate for her leadership and dedication to Vitrafy to date. Kate has played a pivotal role in preparing the Company for commercialisation, mentoring the leadership team, and successfully supporting the Company's Initial Public Offering in November 2024. We are delighted that she will continue to support Vitrafy as a Non-Executive Director.

Looking Ahead

As we move forward, the Remuneration and Nomination Committee will continue to review and refine our remuneration policies to ensure they support the company's strategic goals and reflect best practices in corporate governance. We remain committed to fostering a culture of performance, accountability, and alignment with shareholder interests.

Thank you for your continued support.

Yours sincerely,



Sonia Petering

Chair, Remuneration and Nominations Committee

Directors' Report continued

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Enables the company to attract, retain and motivate the best talent;
- Aligns the team with the creation of value for shareholders;
- Focuses on achievement of the company's strategic objectives;
- Fairly rewards performance; and
- Is transparent and easily understood.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on financial drivers of value in sustained growth in shareholder wealth, consisting, for now, in product development, structuring the company for sustainable growth including outsourced product development and manufacturing, growth in revenues from commercialisation opportunities, as well as focusing the executive on key non-financial drivers of value; and
- attracting, motivating and retaining high calibre and experienced executives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive

Directors' Report continued

Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of her own remuneration. Non-Executive Directors have, in the past, received options in lieu of payment, however do not receive any other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The total amount paid to all Non Executive Directors for their services must not exceed an aggregate maximum amount of \$750,000 per annum or such other maximum amount as determined by the Company in a general meeting.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- fixed annual remuneration;
- share-based payments under the VFY Plan Rules; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the CEO/Managing Director for her direct reports and then by the Remuneration and Nomination Committee for KMP based on individual and business performance, the overall performance of the consolidated entity and comparable market remuneration. The Remuneration and Nomination Committee annually reviews the CEO/Managing Director's remuneration, consisting of base salary, superannuation and non-monetary benefits.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The Board considers that the use of cash short-term incentives (STI) is currently not appropriate given the current stage of the Company, where conservation of cash is important. Instead, the Company has determined that the use of share based payments in the form of share based incentives are more appropriate.

The Remuneration and Nomination Committee reviewed the options issued for executives during the year ended 30 June 2025 and determined that, based on performance for financial year 2025, the first one third tranche should vest in full. Details of the key measures/objectives used during the year ended 30 June 2025 to determine vesting of the performance based options were:

- Completion of the IPO capital raising and ASX Listing.
- Establishment of a head office in Melbourne.
- CEO and Executive ASX structure in place.
- Repurpose R&D capability and reinvest in commercialisation business development capability, including:
 - the appointment of ASX experienced CFO;
 - building a US market facing team; and
 - developing an inhouse software development team.
- Development of a revenue and pricing model for each application.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of incentive payments are dependent on targets being met and are reviewed by the Remuneration and Nomination Committee and recommended to the Board. Refer to the section 'Additional information' below for details of the key measures used in the year ended 30 June 2025.

The Remuneration and Nomination Committee will continue to refine the approach to performance based compensation over the coming year.

Directors' Report continued

Voting and comments made at the company's 2024 Annual General Meeting ('AGM')

As the company was not listed at the time of the 2024 Annual General Meeting, there was no requirement to adopt the remuneration report for the year ended 30 June 2024 at the 2024 AGM.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Vitrafy Life Sciences Limited:

- 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 – Independent Non-Executive Director (resigned on 30 September 2024)

And the following persons:

- Simon Martin – Chief Financial Officer

2025	Short-term benefits			Post-employment benefits	Long-term benefits		Total \$
	Cash salary and fees \$	Cash bonus \$	Annual Leave \$	Superannuation \$	Long service leave \$	Equity-settled options \$	
Non-Executive Directors:							
Sonia Petering	200,000	–	–	23,000	–	30,342	253,342
Vaughan Webber	61,462	–	–	4,538	–	–	66,000
John McBain	59,193	–	–	6,807	–	41,203	107,204
James Groom*	15,000	–	–	–	–	–	15,000
Executive Directors:							
Kathryn Munnings	568,000	–	14,590	30,000	1,706	622,475	1,236,771
Brent Owens	389,765	–	3,050	29,932	10,437	916,942	1,350,126
Brian Taylor*^	22,254	–	3,152	2,353	610	1,178	29,547
Sean Cameron*^	77,573	–	(2,286)	8,886	1,168	4,413	89,754
Other Key Management Personnel:							
Simon Martin**	261,500	–	(1,808)	24,323	175	180,555	464,745
	1,654,747	–	16,698	129,839	14,096	1,797,108	3,612,488

* Represents remuneration from 1 July 2024 to 30 September 2024.

** Represents remuneration from 1 August 2024.

[^] Were not employed in positions of key management during the year.

Directors' Report continued

2024	Short-term benefits			Post-employment benefits	Long-term benefits		Total \$
	Cash salary and fees \$	Cash bonus \$	Annual Leave \$	Super-annuation \$	Long service leave \$	Equity-settled options \$	
Non-Executive Directors:							
Sonia Petering	100,000	–	–	11,000	–	100,000	211,000
Vaughan Webber	65,000	–	–	–	–	–	65,000
John McBain	7,500	–	–	–	–	60,195	67,695
James Groom	60,000	–	–	–	–	130	60,130
Executive Directors:							
Brent Owens	319,491	–	(1,468)	34,000	10,899	27,960	390,881
Brian Taylor	81,818	–	2,639	9,000	4,608	7,698	105,763
Sean Cameron	310,291	–	(1,189)	34,000	8,824	27,960	379,886
Other Key Management Personnel:							
Kathryn Munnings*	224,836	–	18,713	23,962	183	–	267,693
	1,168,936	–	18,695	111,962	24,514	223,942	1,548,048

* Represents remuneration from 1 February 2024.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2024	2025	2024	2025	2024	2025
Non-Executive Directors:						
Sonia Petering	53%	88%	–	–	47%	12%
Vaughan Webber	100%	100%	–	–	–	–
John McBain	11%	62%	–	–	89%	38%
James Groom	100%	100%	–	–	–	–
Executive Directors:						
Kathryn Munnings	100%	50%	–	–	0%	50%
Brent Owens	93%	32%	–	–	7%	68%
Brian Taylor	93%	96%	–	–	7%	4%
Sean Cameron	93%	95%	–	–	7%	5%
Other Key Management Personnel:						
Simon Martin		61%		–		39%

Directors' Report continued

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Kathryn Munnings

Title:	Chief Executive Officer and Managing Director
Agreement commenced:	5 February 2024
Term of agreement:	Ongoing
Details:	Base salary for the year ending 30 June 2025 of \$598,000 inclusive of superannuation, to be reviewed annually by the Remuneration and Nomination Committee. 12 month termination notice by either party, non-solicitation and non-compete clauses. Share-based Incentives of up to 100% of fixed remuneration as per Remuneration and Nomination Committee recommendation and KPI achievements.

Brent Owens

Title:	Deputy Chief Executive Officer and Executive Director
Agreement commenced:	1 November 2021
Term of agreement:	Ongoing
Details:	Base salary for the year ending 30 June 2025 of \$411,709 inclusive of superannuation plus allowances, to be reviewed annually by the Remuneration and Nomination Committee. 12 month termination notice by either party, non-solicitation and non-compete clauses. Share-based Incentives of up to 100% of fixed remuneration as per Remuneration and Nomination Committee recommendation and KPI achievements.

Simon Martin

Title:	Chief Financial Officer
Agreement commenced:	1 October 2024
Term of agreement:	Ongoing
Details:	Base salary for the year ending 30 June 2025 of \$312,000 inclusive of superannuation, to be reviewed annually by the Remuneration and Nomination Committee. Permanent part time (3 days per week) with 6 month termination notice by either party, non-solicitation and non-compete clauses. Share-based Incentives of up to 100% of fixed remuneration as per Remuneration and Nomination Committee recommendation and KPI achievements.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Directors' Report continued

Share-based compensation

Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

The terms and conditions of each grant of options over ordinary shares during the year ended 30 June 2025 affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Kathryn Munnings	1,786,665	1 July 2024	30 June 25, 26, 27	30 June 2029	\$1.42	\$0.585
Brent Owens	2,516,000	1 July 2024	30 June 25, 26, 27	30 June 2029	\$1.42	\$0.607
Sonia Petering	75,000	1 July 2024	30 June 25, 26, 27	30 June 2029	\$1.42	\$0.662
John McBain	75,000	1 July 2024	30 June 25, 26, 27	30 June 2029	\$1.42	\$0.662
Simon Martin	1,040,000	28 March 2025	30 June 25, 26, 27	28 March 2029	\$1.84	\$0.292

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive or director becomes beneficially entitled to the option on the vesting dates. A portion of the grant is subject to achievement of KPIs as assessed by the Board. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Number of options granted during the year	Number of options granted during the year	Number of options vested during the year	Number of options vested during the year
	2025	2024	2025	2024
Kathryn Munnings	1,786,665	–	595,557	–
Brent Owens	2,516,000	–	838,666	–
Sonia Petering	75,000	56,595	25,000	56,595
John McBain	75,000	33,960	25,000	33,960
Simon Martin	1,040,000	–	346,666	–

Directors' Report continued

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options or the year %
Kathryn Munnings	1,044,365	–	–	50%
Brent Owens	1,526,373	52,752	–	68%
Sonia Petering	49,650	133,333	–	12%
John McBain	49,650	160,000	–	38%
Simon Martin	303,333	–	–	39%

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Grant date	Vesting dates	Number of options granted	Value of options granted \$	Value of options vested \$	Number of options lapsed	Value of options lapsed \$
Kathryn Munnings	1 July 2024	30 June 2025/26/27	1,786,665	1,044,365	324,221	–	–
Brent Owens	1 July 2024	30 June 2025/26/27	2,516,000	1,526,373	484,749	–	–
Sonia Petering	1 July 2024	30 June 2025/26/27	75,000	49,650	16,550	–	–
John McBain	1 July 2024	30 June 2025/26/27	75,000	49,659	16,550	–	–
Simon Martin	28 March 2025	30 June 2025/26/27	1,040,000	303,333	93,600	–	–

Directors' Report continued

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year**	Additions	Options Exercised	Disposals/ other	Balance at the end of the year
Sonia Petering	82,549	13,587	76,860	–	172,996
Vaughan Webber	195,776	–	–	–	195,776
John McBain	1,676,217	191,755	79,245	–	1,947,217
James Groom*	747,068	–	35,875	(782,943)	–
Kathryn Munnings	–	294,973	–	–	294,973
Brent Owens	1,546,785	–	371,255	–	1,918,040
Brian Taylor*	1,671,785	–	371,255	(2,043,040)	–
Sean Cameron*	1,546,785	–	281,565	(1,828,350)	–
Simon Martin	–	13,587	–	–	13,587
	7,466,965	513,902	1,216,055	(4,654,333)	4,542,589

* Disposals/other represents the number of shares held at resignation date.

** Number of shares restated for share split.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Sonia Petering	76,860	75,000	(76,860)	–	75,000
Vaughan Webber	–	–	–	–	–
John McBain	179,245	75,000	(79,245)	–	175,000
James Groom	35,875	–	(35,875)	–	–
Kathryn Munnings	–	1,786,665	–	–	1,786,665
Brent Owens	494,550	2,516,000	(371,255)	–	2,639,295
Brian Taylor	404,150	–	(371,255)	(32,895)	–
Sean Cameron	494,550	–	(281,565)	(212,985)	–
Simon Martin	–	1,040,000	–	–	1,040,000
	1,685,230	5,492,665	(1,216,055)	(245,880)	5,715,960

* Expired/forfeited/other includes the number of options held at resignation date.

Other transactions with key management personnel and their related parties

During the financial year, payments for legal services from Groom Kennedy Pty Limited (director-related entity of James Groom) of \$19,259 were made. The current trade payable balance as at 30 June 2025 was \$nil. All transactions were made on normal commercial terms and conditions and at market rates.

Directors' Report continued

Five year Company performance

	2021	2022	2023	2024	2025
Revenue and other income	841,528	1,825,823	2,056,463	2,093,564	2,804,355
Net profit/ (Loss) after tax	(3,058,933)	(7,660,411)	(7,812,705)	(10,425,475)	(32,710,477)
Net Assets	284,541	(7,270,301)	(14,633,155)	(24,601,089)	28,767,812

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Vitrafy Life Sciences Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under options
24/6/2022	30/6/2027	\$4.00	478,805
1/7/2024	30/6/2029	\$1.42	5,115,165
28/3/2025	28/3/2029	\$1.84	1,040,000
			6,633,970

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Vitrafy Life Sciences Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
1 February 2019	\$0.30	844,695
1 February 2020	\$0.55	269,070
30 June 2022	\$0.01	32,830
1 January 2023	\$0.01	46,420
1 July 2023	\$0.01	110,820

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Directors' Report continued

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Grant Thornton

There are no officers of the company who are former partners of Grant Thornton.

Rounding of amounts

The company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Auditor

Grant Thornton continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Sonia Petering
Chair

4 August 2025
Melbourne

Auditor's Independence Declaration



Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 audit of Vitrafy Life Sciences Limited for the year ended 30 June 2025, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized signature of the Grant Thornton firm, written in a cursive script.

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature of T S Jackman, written in black ink.

T S Jackman
Partner – Audit & Assurance
Melbourne, 4 August 2025

grantthornton.com.au

ACN-130 913 594

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Vitrafy Life Sciences Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 2025 \$	2024 \$
Sales revenue		65,112	37,166
Other income	5	1,756,604	33,573
Research and development tax incentives	6	982,639	2,022,825
Expenses			
Administrative expenses	7	(7,675,257)	(2,676,139)
Research and development expenses		(6,563,480)	(4,247,626)
Other expenses	8	(2,349,936)	(3,782,440)
Finance costs		(6,492,257)	(10,431,863)
Unrealised (loss)/gain on embedded derivative	18	(12,433,898)	8,619,029
Loss before income tax expense		(32,710,477)	(10,425,475)
Income tax expense	9	-	-
Loss after income tax expense for the year attributable to the owners of Vitrafy Life Sciences Limited		(32,710,477)	(10,425,475)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Vitrafy Life Sciences Limited		<u>(32,710,477)</u>	<u>(10,425,475)</u>
		Cents	Cents
Basic loss per share	33	(73.03)	(339.84)
Diluted loss per share	33	(73.03)	(339.84)

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 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	19,520,467	6,412,662
Trade and other receivables	11	672,632	218,186
Other financial assets	12	10,075,000	-
Prepayments		-	376,708
Research and development tax incentive receivables	13	982,639	2,022,825
Total current assets		<u>31,250,738</u>	<u>9,030,381</u>
Non-current assets			
Property, plant and equipment	14	266,546	345,988
Right-of-use assets	15	326,781	399,560
Total non-current assets		<u>593,327</u>	<u>745,548</u>
Total assets		<u>31,844,065</u>	<u>9,775,929</u>
Liabilities			
Current liabilities			
Trade and other payables	16	774,949	403,779
Deferred income	17	1,427,668	-
Convertible notes	18	-	22,858,398
Derivative financial instruments	18	-	10,174,395
Lease liabilities	19	89,784	82,569
Employee benefits	20	431,723	433,636
Total current liabilities		<u>2,724,124</u>	<u>33,952,777</u>
Non-current liabilities			
Lease liabilities	19	302,574	392,357
Employee benefits	20	49,555	31,884
Total non-current liabilities		<u>352,129</u>	<u>424,241</u>
Total liabilities		<u>3,076,253</u>	<u>34,377,018</u>
Net assets/(liabilities)		<u>28,767,812</u>	<u>(24,601,089)</u>
Equity			
Issued capital	21	89,685,360	5,187,576
Reserves		2,450,746	869,152
Accumulated losses		(63,368,294)	(30,657,817)
Total equity/(deficiency)		<u>28,767,812</u>	<u>(24,601,089)</u>

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

Vitrafy Life Sciences Limited
Statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$	Share options reserves \$	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 year	-	-	(10,425,474)	(10,425,474)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(10,425,474)	(10,425,474)
<i>Transactions with owners in their capacity as owners:</i>				
Share issued during the year	267,992	(149,736)	-	118,256
Share-based payments	-	339,657	-	339,657
Balance at 30 June 2024	<u>5,187,576</u>	<u>869,152</u>	<u>(30,657,817)</u>	<u>(24,601,089)</u>
Consolidated	Issued capital \$	Share options reserves \$	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 year	-	-	(32,710,477)	(32,710,477)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(32,710,477)	(32,710,477)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares from initial public offering ("IPO") (note 21)	35,000,002	-	-	35,000,002
Transaction costs from IPO (note 21)	(3,248,900)	-	-	(3,248,900)
Share-based payments (note 22)	-	2,075,522	-	2,075,522
Conversion of convertible notes into shares (note 21)	51,935,446	-	-	51,935,446
Issue of shares on exercise of options (note 21)	811,236	(493,928)	-	317,308
Balance at 30 June 2025	<u>89,685,360</u>	<u>2,450,746</u>	<u>(63,368,294)</u>	<u>28,767,812</u>

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

Vitrafy Life Sciences Limited
Statement of cash flows
For the year ended 30 June 2025

		Consolidated	
	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers and other income (inclusive of GST)		97,212	40,883
Payments to suppliers and employees (inclusive of GST)		(14,077,824)	(8,879,389)
Interest received		540,108	33,573
Interest and other finance costs paid		(23,504)	-
R&D tax incentives received		2,022,825	2,013,326
Government grant received (inclusive of GST)		2,640,000	-
Net cash used in operating activities	32	(8,801,183)	(6,791,607)
Cash flows from investing activities			
Payments for term deposits with maturities over 3 months		(20,075,000)	-
Payments for property, plant and equipment	14	(1,854)	(13,072)
Proceeds from term deposits with maturities over 3 months		10,000,000	-
Net cash used in investing activities		(10,076,854)	(13,072)
Cash flows from financing activities			
Proceeds from issue of shares	21	35,000,002	267,993
Exercise of options	21	317,308	-
Proceeds from issue of convertible notes		-	12,000,000
Capital raising costs	21	(3,248,900)	(639,013)
Proceeds from shareholder loan		-	550,000
Repayment of shareholder loan		-	(550,000)
Repayment of lease liabilities		(82,568)	(132,503)
Net cash from financing activities		31,985,842	11,496,477
Net increase in cash and cash equivalents		13,107,805	4,691,798
Cash and cash equivalents at the beginning of the financial year		6,412,662	1,720,864
Cash and cash equivalents at the end of the financial year	10	<u>19,520,467</u>	<u>6,412,662</u>

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

Vitrafy Life Sciences Limited
Notes to the financial statements
30 June 2025

1. General information

The financial statements cover Vitrafy Life Sciences Limited as a Consolidated entity consisting of Vitrafy Life Sciences Limited and the entities it controlled at the end of, or during, the 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:

Suite 2, Level 11
385 Bourke Street
Melbourne VIC 3000

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 4 August 2025. The directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated entity.

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

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the period ended 30 June 2025, the Consolidated entity incurred an operating loss of \$32,710,477 (30 June 2024: \$10,425,475) and reported a net assets at 30 June 2025 of \$28,767,812 (30 June 2024: deficiency in net assets of \$24,601,089). The Company recorded negative net cash flow from operating activities of \$8,801,183 (30 June 2024: \$6,791,607). Following the capital raise during the year, the Company has significant cash and liquid asset reserves and these are expected to be sufficient for operations for at least 12 months.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2. Material accounting policy information (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vitrafy Life Sciences Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Vitrafy Life Sciences Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an entity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Vitrafy Life Sciences Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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% (2024: 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. The incentive is recognised on an accruals basis when receipt is considered probable, and the amount can be reliably measured.

Grant income

Grant income is recognised in the statement of profit or loss and other comprehensive income under AASB 120.

Grant income is recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises as expenses, the related costs for which the grants are intended to compensate. As the grant is received in advance, any portion not yet earned by the end of the reporting period is recognised as deferred income in the statement of financial position.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2. Material accounting policy information (continued)

Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The income tax expense or benefit is adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

2. Material accounting policy information (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, Fixtures and Fittings	3-10 years
Plant and equipment	3-7 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Convertible Notes

Convertible notes are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of convertible notes, the note is bifurcated into a financial liability and a conversion option. The conversion option is an embedded derivative, as it does not meet the fixed for fixed criteria. The conversion option is initially recognised at fair value. Subsequent to initial recognition, the embedded derivative is measured at fair value at each reporting date through profit and loss. The difference between the consideration received and initially the fair value of the embedded derivative is recognised as the convertible note. Subsequent to initial recognition, the convertible note is accounted for at amortised cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair

2. Material accounting policy information (continued)

value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Cash and cash equivalents

In the statement of financial position, cash and cash equivalents are comprised of cash (i.e. cash held in bank and on-demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables are generally due for settlement within 30 days.

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

2. Material accounting policy information (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Leases

Right-of-use assets

At the lease commencement, the Consolidated entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Consolidated entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, adjusted for any initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease. Lease payments comprise of fixed payments and variable lease payments that depend on an index or a rate.

Subsequent to initial recognition, the lease liability is measured at amortised cost. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Consolidated entity's assessment of lease term.

Where the lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Contract liabilities

Contract liabilities represent the Consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Consolidated entity has transferred the goods or services to the customer.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2. Material accounting policy information (continued)

Employee benefits

Employee benefit obligations

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the lease liability are recognised in profit or loss.

Share-based payments

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.

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.

2. Material accounting policy information (continued)

Borrowings and convertible notes

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The face value of the convertible notes is deemed to be the value of the conversion right (the derivative liability) and residual debt liability component. The debt liability component of the convertible notes is amortised at each reporting period using the effective interest method. The derivative liability component is revalued at each reporting date over the life of the convertible notes.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

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.

Rounding of amounts

The Consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

3. Critical accounting judgements, estimates and assumptions

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

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. Refer to note 22 for further information.

3. Critical accounting judgements, estimates and assumptions (continued)

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 \$982,639 has been accrued into income for the year ended 30 June 2025 (30 June 2024: \$2,022,825).

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. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

Income for grants

When recognising income in relation to the grant agreements, management exercised judgment to determine the systematic basis over the periods in which the consolidated entity recognises as expenses, the related costs for which the grants are intended to compensate.

Management considers the input method of recognition is the most appropriate method for income recognition. Therefore grant income is recognised under AASB 120 over-time as the expenses are incurred.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Valuation of embedded derivatives on convertible notes

The Company entered into an agreement with sophisticated investors for the issue of convertible notes. The fair value of the embedded derivative was determined in line with AASB 9. The Company has applied the Monte Carlo model, using assumed inputs. The Monte Carlo model simulates plausible future share price paths assuming that the share price evolves according to the geometric Brownian motion model. The Monte Carlo simulation is a flexible approach that accommodates the conversion conditions and the maturity conditions directly into the valuation approach. The average conversion discount represents the fair value of the embedded derivative.

4. Operating segments

The Consolidated entity has no operating segments as management review financial information on a consolidated basis. During the year ended 30 June 2025 the Consolidated entity conducted all material activities through Australia.

5. Other income

	Consolidated	
	2025	2024
	\$	\$
Government grants *	972,332	-
Interest income	772,246	33,573
IP Recovery	12,026	-
Other income	<u>1,756,604</u>	<u>33,573</u>

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5. Other income (continued)

* On 18 March 2025, the company announced that it was awarded a \$4.8 million Industry Growth Program (IGP) Grant to accelerate the global commercialisation of its cryopreservation technology.

The Agreement is between the Commonwealth of Australia, represented by the Department of Industry, Science and Resources, and Vitrafy. Under the agreement Vitrafy will receive up to \$4.8 million in grant funding. Funding will be received quarterly in advance based on progress of the project against the agreed activities. Progress reports will be provided on a quarterly basis with the project anticipated to complete by 31 December 2026.

Refer to note 17 for deferred income as at 30 June 2025.

6. Research and development tax incentives

	Consolidated	
	2025	2024
	\$	\$
Research and development tax incentives	982,639	2,022,825

7. Administrative expenses

	Consolidated	
	2025	2024
	\$	\$
Recruitment	251,482	28,424
Accounting, audit and tax fees	418,214	378,152
Company secretarial services	81,008	57,093
Computer expenses	-	95,864
Share based payments	2,075,522	339,656
Fees & permits	15,850	14,612
Insurance	241,201	38,955
Office expenses	363,066	135,727
Payroll tax expense	198,215	37,145
Staff training & welfare	23,407	31,718
Wages & salaries and oncosts	3,981,890	1,485,084
Workcover	19,077	19,396
Other	6,325	14,313
	<u>7,675,257</u>	<u>2,676,139</u>

8. Other expenses

	Consolidated	
	2025	2024
	\$	\$
Legal costs	195,305	197,435
Professional fees	435,531	386,739
Distribution costs	-	4,207
Depreciation expenses	81,295	114,106
Marketing	29,759	70,550
Meeting expenses	27,330	4,010
Occupancy costs	150,532	78,345
Pest control	11,106	4,860
Protective clothing	-	635
Subscriptions	122,537	32,785
Travelling expenses	323,155	105,840
Contract work	260,500	303,747
Patent fees and trademarks	293,519	424,454
Registry and ASX costs	25,348	-
Capital raising costs	366,501	2,031,905
Unrealised currency gains	(429)	(1,140)
Realised currency losses	27,947	23,962
	<u>2,349,936</u>	<u>3,782,440</u>

9. Income tax

(a) Numerical reconciliation of income tax expense to prima facie tax payable:

	Consolidated 2025 \$	Consolidated 2024 \$
Loss before tax from continuing operations	(32,710,477)	(10,425,475)
Income tax (benefit) / expense calculated at 25%	(8,177,619)	(2,606,369)
Unused tax losses and tax offset not recognised as deferred tax assets:		
- Other non-deductible expenses:		
- R&D expenditure	564,735	1,162,543
- Accounting depreciation	20,324	28,527
- Patent expenses capitalised	73,380	72,793
- Trademark – non-deductible	-	28,848
- IPO costs capitalised	91,625	507,976
- Convertible note effective interest	1,890,282	1,890,282
Total other non-deductible expenses	2,640,346	3,690,969
- R&D income	(245,660)	(505,706)
- Gain / (loss) on embedded derivative	3,108,475	(2,154,757)
Total other non-assessable income	2,862,815	(2,660,463)
- Other deferred tax assets and tax liabilities not recognised	2,674,858	1,575,863
- Income tax (benefit) / expense reported in the statement of comprehensive income	-	-
- Unused tax affected tax losses for which no deferred tax asset has been recognised	<u>5,579,562</u>	<u>3,569,836</u>

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Unrecognised deferred tax balances

The following deferred tax assets and (liabilities) have not been brought to account:

9. Income tax (continued)

	Consolidated 2025 \$	Consolidated 2024 \$
Deferred tax assets comprise		
Temporary differences attributable to:	750,751	350,203
- Annual leave provision	88,572	89,823
- Long service leave provision	31,747	26,556
- Unpaid superannuation	8,918	8,363
- Share option reserve	607,126	217,288
- Debtors	14,388	8,172
Permanent differences attributable to:	5,579,562	3,569,836
- Tax losses	5,579,562	3,569,836
Deferred tax liabilities comprise		
Temporary differences - debtors	(14,388)	(8,172)
Net deferred tax assets	6,315,925	3,911,867

A deferred tax asset has not been recognised in the financial statements because it is not demonstrably probable that sufficient future taxable income will be available against with the Company can utilise the benefits thereof.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

The amount of franking credits available for subsequent reporting periods are:

	Consolidated 2025 \$	Consolidated 2024 \$
Deferred debit balance of franking account at the beginning of the reporting period	7,257,031	5,234,206
Deferred debit that will arise from receipt of the R&D tax offset for the current year	982,639	2,022,825
Balance of franking account adjusted for deferred debits arising from past R&D offsets received and expected R&D tax offset received for the current year	8,239,670	7,257,031

10. Cash and cash equivalents

	Consolidated 30 June 2025 \$	Consolidated 30 June 2024 \$
<i>Current assets</i>		
Cash at bank	19,520,467	6,412,662

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11. Trade and other receivables

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$	\$
Trade receivables	57,553	32,688
Deposits	49,798	39,300
GST receivable	307,782	146,198
	<u>415,133</u>	<u>218,186</u>
Interest receivable	257,499	-
	<u><u>672,632</u></u>	<u><u>218,186</u></u>

12. Other financial assets

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$	\$
<i>Current assets</i>		
Term deposits with maturities greater than 3 months *	<u>10,075,000</u>	<u>-</u>

* Term deposits held as at 30 June 2025 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.

13. Research and development tax incentive receivables

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$	\$
<i>Current assets</i>		
Research and development tax incentive receivables	<u>982,639</u>	<u>2,022,825</u>

14. Property, plant and equipment

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$	\$
Plant and equipment - at cost	587,468	585,614
Less: Accumulated depreciation	<u>(389,823)</u>	<u>(324,474)</u>
	<u>197,645</u>	<u>261,140</u>
Fixtures and fittings - at cost	157,545	157,545
Less: Accumulated depreciation	<u>(88,644)</u>	<u>(72,697)</u>
	<u>68,901</u>	<u>84,848</u>
	<u><u>266,546</u></u>	<u><u>345,988</u></u>

14. Property, plant and equipment (continued)

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

Consolidated	Plant and Equipment \$	Furniture, Fixtures, and Fittings \$	Total \$
Balance at 1 July 2023	342,932	104,090	447,022
Additions	13,072	-	13,072
Depreciation expense	(94,864)	(19,242)	(114,106)
Balance at 30 June 2024	261,140	84,848	345,988
Additions	1,854	-	1,854
Depreciation expense	(65,349)	(15,947)	(81,296)
Balance at 30 June 2025	<u>197,645</u>	<u>68,901</u>	<u>266,546</u>

15. Right-of-use assets

The Consolidated entity has an operating lease for its office, laboratory and warehouse facilities for a period of three (3) years. The Consolidated entity took up the option to extend the lease, from 31 January 2024.

	Consolidated	
	30 June 2025 \$	30 June 2024 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	550,798	550,798
Less: Accumulated depreciation	(224,017)	(151,238)
	<u>326,781</u>	<u>399,560</u>

Reconciliations

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

Consolidated	Buildings \$
Balance at 1 July 2023	581,215
Disposals	(79,328)
Depreciation expense	(102,327)
Balance at 30 June 2024	399,560
Depreciation expense	(72,779)
Balance at 30 June 2025	<u>326,781</u>

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16. Trade and other payables

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Trade payables	563,602	269,029
Sundry payables and accrued expenses	211,347	134,750
	<u>774,949</u>	<u>403,779</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17. Deferred income

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>1,427,668</u>	<u>-</u>

Reconciliation

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

Opening balance	-	-
Payments received in advance	2,400,000	-
Transfer to income - performance obligations satisfied in previous periods	(972,332)	-
Closing balance	<u>1,427,668</u>	<u>-</u>

Unsatisfied performance obligations

The aggregate amount of the value allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,427,668 as at 30 June 2025 (\$nil as at 30 June 2024) and is expected to be recognised as income in future periods as follows:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Within 6 months	<u>1,427,668</u>	<u>-</u>

18. 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 the values within the period:

	1 July 2024 \$	Cashflow \$	Effective interest \$	Transaction costs \$	Fair value loss/(gain) \$	Conversion \$	30 June 2025 \$
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)	-
	<u>22,858,398</u>	<u>-</u>	<u>6,468,754</u>	<u>-</u>	<u>-</u>	<u>(29,327,153)</u>	<u>-</u>
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)	-
	<u>10,174,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,433,898</u>	<u>(22,608,293)</u>	<u>-</u>
	<u>33,032,793</u>	<u>-</u>	<u>6,468,754</u>	<u>-</u>	<u>12,433,898</u>	<u>(51,935,446)</u>	<u>-</u>

19. Lease liabilities

	Consolidated	
	30 June 2025 \$	30 June 2024 \$
<i>Current liabilities</i>		
Lease liability	89,784	82,569
<i>Non-current liabilities</i>		
Lease liability	302,574	392,357
	<u>392,358</u>	<u>474,926</u>

19. Lease liabilities (continued)

	Consolidated 30 June 2025	30 June 2024
	\$	\$
Current lease liability		
Interest expense	18,893	23,503
Lease payment	(108,676)	(106,072)
Current lease liability	(89,783)	(82,569)
Non-current lease liability		
Interest expense	64,973	83,866
Lease payment	(367,547)	(476,223)
Non-current lease liability	(302,574)	(392,357)
Total lease liability	(392,357)	(474,926)

The maturity analysis of lease liability based on contractual undiscounted cash flows is shown in the table below:

	Shorter than 1 year \$	1 to 5 years \$	Greater than 5 years \$	Total contractual cash flows \$
30 June 2025				
Lease liability	108,676	234,837	132,710	476,223
	<u>108,676</u>	<u>234,837</u>	<u>132,710</u>	<u>476,223</u>
	Shorter than 1 year \$	1 to 5 years \$	Greater than 5 years \$	Total contractual cash flows \$
30 June 2024				
Lease liability	106,072	301,067	175,156	582,295
	<u>106,072</u>	<u>301,067</u>	<u>175,156</u>	<u>582,295</u>

Refer to note 24 for further information on financial instruments.

20. Employee benefits

	Consolidated 30 June 2025	30 June 2024
	\$	\$
Current liabilities		
Annual leave	354,289	359,294
Long service leave	77,434	74,342
	<u>431,723</u>	<u>433,636</u>
Non-current liabilities		
Long service leave	49,555	31,884
	<u>49,555</u>	<u>31,884</u>
	<u>481,278</u>	<u>465,520</u>

Vitrafy Life Sciences Limited
Notes to the financial statements
30 June 2025

21. Issued capital

	Consolidated			
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>63,849,674</u>	<u>3,115,998</u>	<u>89,685,360</u>	<u>5,187,576</u>
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$
Balance	1 July 2023	2,980,847		4,919,584
Shares issued during the year		<u>135,151</u>	<u>\$1.98</u>	<u>267,992</u>
Balance	30 June 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 18)	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		<u>-</u>		<u>(3,248,900)</u>
Balance	30 June 2025	<u>63,849,674</u>		<u>89,685,360</u>

* 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.

The Company does not have authorised capital or par value in respect of its shares.

22. Share-based payments

The new Equity Incentive Plan rules were designed to provide long-term incentives for employees 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.

On 28 March 2025, 1,040,000 options were issued to Chief Financial Officer of the company with an exercise price of \$1.84 per option. 520,000 of the total options issued were vested based on performance conditions and remaining 520,000 options issued were vested over a period of three years and were issued under the Plan Rules.

Vitrafy Life Sciences Limited
Notes to the financial statements
30 June 2025

22. Share-based payments (continued)

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

30 June 2025 -
(Post share
split)

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/02/2019	01/02/2024*	\$0.30	844,695	-	(844,695)	-	-
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)	-
28/03/2025	30/06/2029	\$1.84	-	1,040,000	-	-	1,040,000
			<u>1,872,330</u>	<u>7,041,830</u>	<u>(1,303,835)</u>	<u>(976,355)</u>	<u>6,633,970</u>
Weighted average exercise price			\$1.26	\$1.48	\$0.31	\$1.34	\$1.67

**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.

30 June 2024
(prior to share
split)

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/02/2019	01/02/2024*	\$1.50	230,252	-	(56,313)	(5,000)	168,939
01/02/2020	01/02/2025	\$2.75	76,752	-	-	(5,000)	71,752
24/06/2022	30/06/2027	\$20.00	97,261	-	-	(1,500)	95,761
30/06/2022	31/10/2026	\$0.01	6,566	-	-	-	6,566
01/01/2023	31/10/2027	\$0.01	13,337	-	-	-	13,337
01/07/2023	30/06/2028	\$0.01	-	18,111	-	-	18,111
			<u>424,168</u>	<u>18,111</u>	<u>(56,313)</u>	<u>(11,500)</u>	<u>374,466</u>
Weighted average exercise price			\$5.90	\$0.01	\$1.50	\$4.46	\$6.32

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

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.86 years (2024: 1.45 years).

The total expense arising from share based payment transactions recognised during the period was \$2,075,522 (2024: \$339,656).

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.

22. Share-based payments (continued)

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
29/03/2025	30/06/2029	\$1.25	\$1.84	50.00%	-	3.69%	\$0.22 - \$0.32

23. Dividends

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

24. Financial instruments

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- (a) Liquidity risk;
- (b) Credit risk;
- (c) Market risk; and
- (d) Taxation risk.

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Cash at bank;
- Trade and other receivables;
- Investments;
- Trade and other payables;
- Lease liabilities; and
- Convertible notes.

24. Financial instruments (continued)

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	19,520,467	6,412,662
Trade and other receivables	364,850	71,988
Investments	10,075,000	-
Total financial assets	29,960,317	6,484,650
Financial liabilities at amortised cost		
Convertible notes - June 2021 extension	-	8,002,705
Convertible notes - December 2022	-	4,899,049
Convertible notes – December 2023	-	5,000,916
Convertible notes – December 23 Tranche 2	-	4,955,728
Trade payables (excluding non-financial liabilities)	774,949	403,779
Lease liabilities - current	89,784	82,569
Lease liabilities – non-current	302,574	392,357
Total financial liabilities	1,167,307	23,737,103
Financial liabilities at FVTPL		
Embedded Derivative - June 2021 extension	-	4,315,884
Embedded Derivative - December 2022	-	2,396,188
Embedded Derivative – December 2023	-	1,727,318
Embedded Derivative – December 2023 Tranche 2	-	1,735,005
	-	10,174,395

24. Financial instruments (continued)

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Vitrafy Life Sciences Ltd's financial risk management framework. This includes the development of policies covering specific areas such as liquidity risk, credit risk, market risk, taxation risk and the use of financial instruments.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Vitrafy Life Sciences Ltd.'s activities.

The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rates.

The Board of Directors receives regular reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

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

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to raise issued capital.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The table below analyses the group's financial instrument liabilities into relevant maturity groupings based on their contractual maturities.

Consolidated - 30 June 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	774,949	-	-	-	774,949
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable	-	-	-	-	-	-
Lease liability	5.37%	108,676	73,736	161,101	132,710	476,223
Total non-derivatives		883,625	73,736	161,101	132,710	1,251,172

24. Financial instruments (continued)

Consolidated - 30 June 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	403,779	-	-	-	403,779
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable	-	42,409,826	-	-	-	42,409,826
Lease liability	5.37%	106,072	108,676	192,390	175,157	582,295
Total non-derivatives		42,919,677	108,676	192,390	175,157	43,395,900

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk is immaterial.

Taxation risk

The Company activities are significantly exposed to product development expenses. Due to the activities the Company is involved in, it submits annually research and development tax incentive claims. The incentive amounts received are the main source of revenue streams for the Company. There is risk of audit from the Australian Tax Office and an adverse finding would affect cashflow reserves of the Company.

25. Key management personnel disclosures

Directors

The following persons were directors of Vitrafy Life Sciences Limited during the financial year:

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	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)

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated entity, directly or indirectly, during the financial year:

Mr. Simon Martin	Chief Financial Officer
------------------	-------------------------

25. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Consolidated entity is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,671,445	1,187,631
Post-employment benefits	129,839	111,962
Long-term benefits	14,096	24,514
Share-based payments	1,797,108	223,942
	<u>3,612,488</u>	<u>1,548,049</u>

26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	162,750	104,442
<i>Other services - Grant Thornton Australia Limited</i>		
Preparation of the tax return	8,400	-
R&D claim	15,750	-
Employee Share Scheme lodgements	14,700	-
Independent accountant's report	95,500	-
	<u>134,350</u>	<u>-</u>
	<u>297,100</u>	<u>104,442</u>

27. Commitments

The Consolidated entity had no material commitments that are not recognised as liabilities as at 30 June 2025 and 30 June 2024.

28. Related party transactions

Parent entity

Vitrafy Life Sciences Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in following Consolidated entity disclosure statement section.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

28. Related party transactions (continued)

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Engagement of James Groom's law firm (Groom Kennedy) to act as a corporate legal adviser to the Company on an as required basis.

Engagement of the firm Vaughan Webber was employed by (Bell Potter Securities) to act as a corporate capital raising adviser to the Company on an as required basis. Vaughan resigned from Bell Potter Securities 15 December 2023.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025	2024
	\$	\$
Groom Kennedy	19,259	174,132
Bell Potter Securities	-	74,250

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the end of the current reporting period.

In September 2023 the company received loan funds from Directors Groom, Petering, Webber, Cameron, and McBain and also loans from 2 convertible note holders as short term funding pending receipt of the R&D Tax Incentive and pending capital raising in December 2023. Loans included a 10% interest component which was paid out on repayment of the loans. On 10 November 2023 these loans were repaid in full including interest of \$7,904.

29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Financial performance		
Loss for the year	(32,710,477)	(10,425,474)
Total comprehensive loss	<u>(32,710,477)</u>	<u>(10,425,474)</u>

Vitrafy Life Sciences Limited
Notes to the financial statements
30 June 2025

29. Parent entity information (continued)

Statement of financial position

	Parent 2025 \$'000	Parent 2024 \$'000
Financial position		
Total current assets	31,250,738	9,030,381
Total non-current assets	661,548	745,548
Total assets	<u>31,912,286</u>	<u>9,775,929</u>
Total current liabilities	(2,724,124)	(33,878,435)
Total non-current liabilities	(352,129)	(498,583)
Total liabilities	<u>(3,076,253)</u>	<u>(34,377,018)</u>
Net assets/(liabilities)	<u>28,836,033</u>	<u>(24,601,089)</u>
Issued capital	89,685,360	5,187,576
Reserves	2,450,746	869,152
Accumulated losses	<u>(63,300,073)</u>	<u>(30,657,817)</u>
Total equity	<u><u>28,836,033</u></u>	<u><u>(24,601,089)</u></u>

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
Vitrafy Life Sciences, Inc	United States	100.00%	100.00%

31. Events after the reporting period

The Board resolved on 4 August 2025 to appoint Brent Owens as Chief Executive Officer and Managing Director effective 1 September 2025.

No other matter or circumstance has arisen since 30 June 2025 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.

32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2025 \$	2024 \$
Loss after income tax expense for the year	(32,710,477)	(10,425,475)
Adjustments for:		
Depreciation	154,076	209,446
Convertible notes accrued interest	6,468,753	2,839,482
Fair value movements on derivative and convertible notes effective interest	12,433,900	(1,057,901)
Share-based payments	2,075,522	189,921
Capital raise costs (non-cash)	-	2,031,905
Change in operating assets and liabilities:		
Increase in trade and other receivables	(454,447)	(52,165)
Decrease/(increase) in R&D tax incentive receivable	1,040,186	(9,499)
Decrease/(increase) in prepayments	376,708	(376,708)
Increase/(decrease) in trade and other payables	371,170	(225,515)
Increase in deferred income	1,427,668	-
Increase in employee benefits	15,758	84,902
Net cash used in operating activities	<u>(8,801,183)</u>	<u>(6,791,607)</u>

33. Loss per share

Both the basic and diluted loss per share have been calculated using the loss for the year. The reconciliation of the weighted average number of shares for the purpose of diluted loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	Consolidated 2025 \$	2024 \$
Loss after income tax attributable to the owners of Vitrafy Life Sciences Limited	<u>(32,710,477)</u>	<u>(10,425,475)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>44,788,723</u>	<u>3,067,765</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>44,788,723</u>	<u>3,067,765</u>
	Cents	Cents
Basic loss per share	(73.03)	(339.84)
Diluted loss per share	(73.03)	(339.84)

As at 30 June 2025, the Consolidated entity has 6,633,970 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.

Vitrafy Life Sciences Limited
Consolidated entity disclosure statement
As at 30 June 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Vitrafy Life Sciences Limited	Body Corporate	Australia	-	Australia
Vitrafy Life Sciences, Inc	Body Corporate	United States	100.00%	United States

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10). Determination of Tax Residency Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where necessary, the Consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with. For the period, Vitrafy Life Sciences Inc conducted all its activities through Australia.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Sonia Petering
Chair

4 August 2025



Vaughan Webber
Director

Independent Auditor's Report

To the members of Vitrafy Life Sciences Limited



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Independent Auditor's Report

To the Members of Vitrafy Life Sciences Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Vitrafy Life Sciences Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Independent Auditor's Report continued

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Research and development tax incentive (Note 6, Note 13) For the year ended 30 June 2025, the Group recorded a research and development tax (R&D) incentive refund of \$982,639 in the consolidated statement of comprehensive income. The Group was assisted by a specialist with the review of the eligibility of expenses and with the lodgement of the R&D tax incentive claim. As a result, the R&D tax incentive recognised in the financial statements is based on judgements and estimates of the amount which will be received for expenditure incurred in the year ending 30 June 2025. We have determined this as a key audit matter due to the judgements, estimates and specialised knowledge required in determining the eligible expenditure which gives rise to the anticipated R&D tax incentive.	Our procedures included, amongst others: • Obtained a detailed understanding of the underlying processes for claiming the R&D incentive, through discussion with individuals across the organisation and review of relevant documentation; • Assessed the design and implementation of relevant control(s) in relation to determining the R&D incentive at the year-end; • Developed an understanding of the model, identifying and assessing the key assumptions in the calculation; • Assessed the adequacy of the work of Management's expert including their competence, capabilities and qualifications; • Engaged internal experts to review the reasonableness of the calculation provided by Management; • Considered the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate are likely to meet the eligibility criteria; • Validated the mathematical accuracy of the accrued amount; • Agreed a sample of R&D expenditure within the computation to underlying supporting documentation; • Compared the estimates made in previous years to the amount of cash actually received after lodgement of the R&D tax claim; • Performed substantive analytical procedures over the R&D claim, considering the nature of the R&D expenditure included in the current year and prior year estimates; • Inspected copies of relevant correspondence with AusIndustry and the ATO related to the claims; and • Assessed whether the disclosures in the financial statements, including on critical judgements and estimates, are appropriate.

Independent Auditor's Report continued

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the financial report

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

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

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 25 to 33 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Vitrafy Life Sciences Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd

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Independent Auditor's Report continued

Responsibilities

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance
Melbourne, 4 August 2025

Grant Thornton Audit Pty Ltd

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ASX Additional Information

Additional information required by the Australian Securities Exchange and now shown elsewhere in this report is as follows.

The shareholder information set out below was applicable as at 30 July 2025.

Distribution of equitable securities

Ordinary Share Capital

The Company has on issue 63,849,674 fully paid ordinary shares in the Company. All issued ordinary shares carry one vote per share and carry the rights to dividends.

Options

The Company has on issue 6,633,970 unquoted options. Options do not carry a right to vote.

Analysis of number of equitable security holders by size of holding:

Range	Ordinary Shares			Options over Ordinary Shares		
	Share Holders	Holdings	%	Option Holders	Holdings	%
1–1000	104	55,421	0.1%	0	–	0.0%
1001–5000	236	707,060	1.1%	8	25,000	0.4%
5001–10,000	173	1,293,918	2.0%	0	–	0.0%
10,001–100,000	366	12,198,974	19.1%	7	432,215	6.5%
100,001 and above	131	49,594,301	77.7%	7	6,176,755	93.1%
Total	1,010	63,849,674	100.0%	22	6,633,970	100.0%
Holdings less than a marketable parcel	27	–	–	–	–	–

The unmarketable parcel was calculated at a share price of \$1.64.

ASX Additional Information continued

Equity security holders

Twenty largest quoted equity security holders

The holders of quoted equity securities listed below are not currently subject to restriction or voluntary escrow arrangements:

Group/Holder Name	Holding	% IC
STACEY INV AUST PTY LTD	2,586,957	6.28
RYDER CAPITAL MANAGEMENT PTY LTD	1,755,639	4.26
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,566,737	3.80
RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	1,432,000	3.48
SUETONE PTY LTD <THE AK SHADFORTH FAMILY A/C>	741,580	1.80
RYDER CAPITAL LIMITED	724,638	1.76
RYDER INVESTMENT MANAGEMENT PTY LTD	724,638	1.76
KRISAMI INVESTMENTS PTY LTD	560,854	1.36
THREE EARLS PTY LTD	545,974	1.33
FIFTY-SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	543,476	1.32
FIR NOMINEES PTY LIMITED <TRS A/C>	519,134	1.26
UBS NOMINEES PTY LTD	514,537	1.25
ROWENA HOUSE PTY LTD	511,246	1.24
TELUNAPA PTY LTD <TELUNAPA CAPITAL A/C>	468,017	1.14
BUNGEELTAP PTY LTD	464,086	1.13
THORNEY TECHNOLOGIES LIMITED	434,782	1.06
TIGA TRADING PTY LTD <TIGA A/C>	362,319	0.88
TIGGANPAN PTY LTD	362,319	0.88
BANLEIGH PTY LTD <MICHAEL GRONOW FAM S/F A/C>	344,385	0.84
MR MICHAEL KENNETH HARVEY & MR BRUCE WILLIAM NEILL & MS BROOKE ELIZABETH SLATTERY <THE SELECT FOUNDATION A/C>	331,086	0.80
TOTAL TOP 20 HOLDERS	15,494,404	37.61

ASX Additional Information continued

Unquoted equity securities

The Company has 22,648,312 unquoted ordinary shares and 6,633,970 unquoted options on issue.

Unquoted equity security holdings greater than 20%

No person holds 20% or more of the equity securities in an unquoted class, except where the securities were issued or acquired under an employee incentive scheme.

Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
	Number of Shares Held	% of total shares issued
Ryder Capital Limited and associated entities*	4,126,462	6.4%

* As per the form 603 Lodged with the ASX on 27 November 2024.

Restricted Securities

Please see below a summary of restricted securities:

Class	Expiry Date	Number of Securities
24 Month ASX Mandatory Escrow – Ordinary Shares	26 November 2026	13,903,936
12 Month ASX Mandatory Escrow – Ordinary Shares	26 November 2025	8,744,376
Shares held to Voluntary Escrow	5 August 2025	5,205,280
Shares held to Voluntary Escrow	The release of the FY2026 Annual results	15,615,646
24 Month ASX Mandatory Escrow – Various Options	26 November 2026	5,294,650

Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that since its Admission on the ASX on Friday, 22 November 2024 it has used the cash and assets (in a form readily convertible to cash) at the time of admission in a way consistent with its business objectives.

Corporate Governance Statement

30 June 2025

The directors and management are committed to conducting the business of Vitrafy in an ethical manner and in accordance with the highest standards of corporate governance. Vitrafy has adopted and has substantially complied with the ASX Corporate Governance Council's Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of its operations.

In accordance with ASX Listing Rule 4.10.3, the Vitrafy Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year, identifies and explains any Recommendations that have not been followed.

The 2025 Corporate Governance Statement can be found on the Company's website at: <https://vitrafy.com/investors/>

Corporate Directory

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

Suite 2, Level 11, 385 Bourke Street
Melbourne VIC 3000

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 (3) 3 8310 2222

www.grantthornton.com.au

Solicitors

Herbert Smith Freehills

80 Collins Street
Melbourne VIC 3000

Tel: +61 (0) 3 9288 1234

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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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