



# INTERIM REPORT JANUARY-SEPTEMBER 2017

Vitrolife AB (publ)

Vitrolife is an international medical device Group. Vitrolife develops, produces and markets products for assisted reproduction. Work is also carried out to enable the use and handling of stem cells for therapeutic purposes.

Vitrolife today has approximately 370 employees and the company's products are sold in approximately 110 markets. The company is headquartered in Gothenburg, Sweden, and there are also offices in Australia, China, Denmark, France, Germany, Italy, Japan, United Kingdom and USA. The Vitrolife share is listed on NASDAQ Stockholm.

**Vitrolife** 

# Continuing high growth and profitability

## Third quarter

- Sales amounted to SEK 246 (210) million, corresponding to an increase of 17 percent in SEK. Sales growth was 20 percent in local currency and consisted in its entirety of organic growth.
- Operating income before depreciation and amortisation (EBITDA) amounted to SEK 98 (71)

million, corresponding to a margin of 40 (34) percent. Fluctuations in exchange rates negatively impacted EBITDA by SEK 7 million.

- Net income amounted to SEK 65 (45) million, which gave earnings per share of SEK 2.98 (2.05).

## January - September

- Sales amounted to SEK 775 (605) million, corresponding to an increase of 28 percent in SEK. Sales growth was 27 percent in local currency of which 21 percent represented organic growth.
- Operating income before depreciation and amortisation (EBITDA) amounted to SEK 305 (207) million, corresponding to a margin of 39 (34) percent. Last year's income included one-time expenses of SEK

8 million related to consolidation of the time-lapse business and SEK 2 million related to transaction expenses regarding the acquisition of Octax and MTG. Fluctuations in exchange rates negatively impacted EBITDA by SEK 2 million.

- Launch of RapidVit™ Omni, a media system for vitrification (rapid freezing) of eggs and embryos.
- Net income amounted to SEK 196 (131) million, which gave earnings per share of SEK 8.99 (6.03).

## The Group's Key Figures

SEK millions	July – September		January – September		Whole year 2016
	2017	2016	2017	2016	
Net sales	246	210	775	605	856
Net sales growth, local currency, %	20	19	27	17	18
Gross margin, %	66	62	65	65	66
Adjusted gross margin*, %	71	67	69	68	69
Operating income before depreciation and amortisation (EBITDA)	98	71	305	207	303
EBITDA margin, %	40	34	39	34	35
Net income	65	45	196	131	191
Net debt / Rolling 12 month EBITDA	-0.7	-0.3	-0.7	-0.3	-0.5
Earnings per share**, SEK	2.98	2.05	8.99	6.03	8.77
Share price on closing day, SEK	661.00	544.00	661.00	544.00	387.00
Market cap at closing day	14 350	11 810	14 350	11 810	8 402
<i>Changes in net sales</i>					
Organic growth in local currency, %	20	10	21	13	12
Acquired growth, %	-	9	6	4	6
Currency effects, %	-3	0	1	-1	1
Total growth, %	17	19	28	16	19

\* Gross margin excluding amortisation of acquisition-related intangible assets

\*\* Before and after dilution

For definitions, see page 15

### Vitrolife's financial objectives

Vitrolife's Board considers that Vitrolife should have a strong capital base in order to enable continued high growth, both organically and through acquisitions. The company's net debt in relation to EBITDA should normally not exceed 3 times. Vitrolife's Board targets a profitable growth. The objective for Vitrolife's growth over a three year period is an increase in sales by an average of 20 percent per year, with an operating margin before depreciation and amortisation (EBITDA) of 30 percent.

## CEO's comments

Growth during the third quarter amounted to 20 percent in local currency and consisted in its entirety of organic growth. During the third quarter Vitrolife's sales exceeded one billion SEK for the first time for a rolling 12-month period, a milestone in the company's history. All regions reported growth during the quarter. Growth in the Asia and Pacific region amounted to 34 percent. For the first time the Asia and Pacific region is the company's largest region in terms of rolling 12-month sales. The growing middle class in the highly populated nations of Asia in combination with high demand for advanced technology such as time-lapse has contributed to this. The EMEA region (Europe, the Middle East and Africa) increased by 15 percent during the quarter. Growth in the region has been positively impacted by good demand for time-lapse and products from the ART Equipment business unit. In the Americas region growth amounted to 1 percent. There is no market approval in the US for EmbryoScope+, RapidVit Omni and Navilase, which have contributed to growth this year in other regions. Vitrolife estimates that these three products will be approved for sales in the US market towards the end of 2018. All business units also reported growth during the quarter. Growth in the quarter for the Time-lapse business unit amounted to 85 percent. The high growth figure was positively impacted by a somewhat weaker comparative quarter. We are delighted to see continuing high demand for time-lapse technology in the market and that sales of the products are extending to more markets.



The operating margin before depreciation and amortization (EBITDA) amounted to 40 percent during the quarter. As previously, the good profitability has been generated by a combination of increased sales, economies of scale and good cost control. Profitability

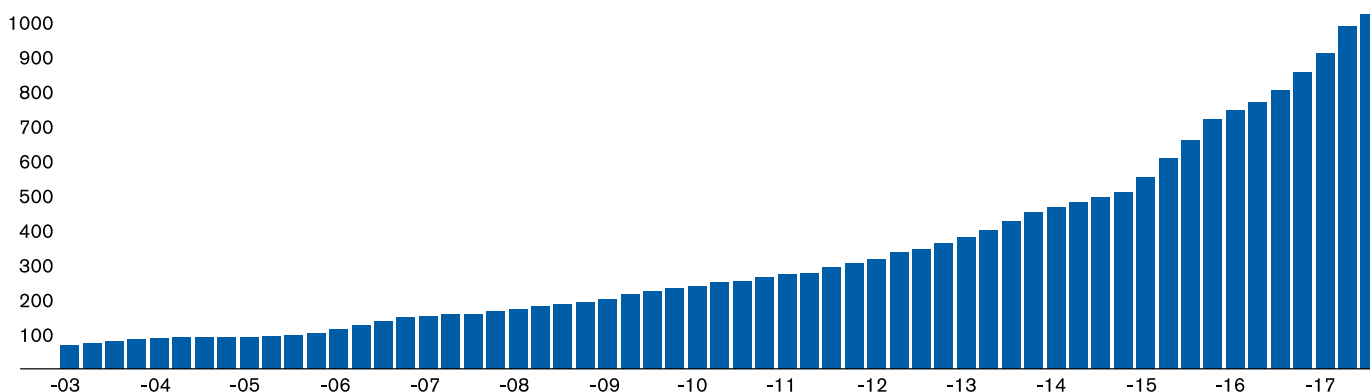
is also expected to be good in the future but we see that the company's research and development costs will increase. This is due both to planned investments in product development, such as further development of culture media and advanced software systems for the selection of embryos, and to expectations of increased regulatory costs for market approval. Medical device products generally have shorter and simpler processes for approval than pharmaceuticals. However, the trend is that authorities require more and more documentation in the form of studies and tests, which increases the costs of achieving market approval. All in all the company expects that the costs for research and development as a percentage of sales will rise somewhat during the years to come.

Vitrolife's customers, the IVF clinics, operate in a changing world. Rapid development is taking place in the market with regard to the technology available for IVF treatment, for example diagnostics, in order to achieve improved treatment results. Authorities are also increasing the demands on clinics to document and validate their processes and treatments. In addition, the IVF clinics' customers, that is the patients, place greater demands on the results of treatment. In this development Vitrolife sees opportunities to support the clinics with new products and services. Vitrolife intends to expand its offering through product development and acquisitions. The underlying growth in the market, the company's own product development and new offerings will contribute to the company's growth in the future.

Looking ahead, the market outlook is essentially unchanged and Vitrolife therefore anticipates a constantly expanding market, which in monetary terms is expected to grow by 5-10 percent per year in the foreseeable future.

Thomas Axelsson, CEO

Net sales (rolling 12 months), SEK millions



# Third quarter 2017 (July - September)

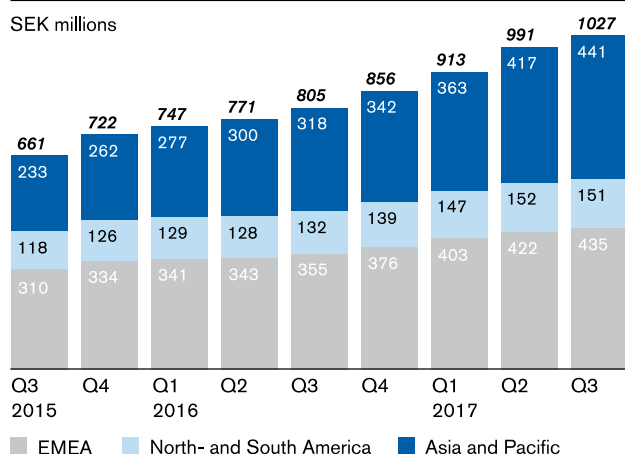
## Net sales

Sales amounted to SEK 246 (210) million, corresponding to an increase of 17 percent in SEK. Sales growth was 20 percent in local currency.

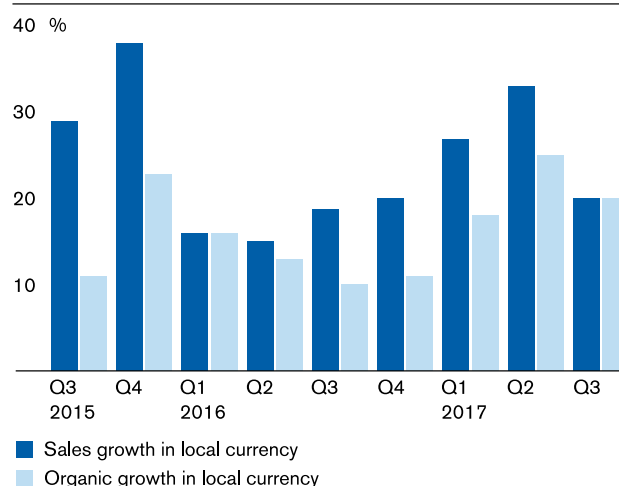
Sales in the EMEA region (Europe, the Middle East and Africa) increased by 15 percent in local currency and amounted to SEK 101 (88) million. Sales in the North and South American region amounted to SEK 34 (35) million. Sales increased by 1 percent in local currency. Sales in the Asia and Pacific region increased by 34 percent in local currency and amounted to SEK 111 (87) million.

Sales in the Media business unit increased by 9 percent in local currency during the quarter and amounted to SEK 134 (127) million. Sales in the Disposable Devices business unit increased by 9 percent in local currency and amounted to SEK 35 (32) million. Sales in the Time-lapse business unit increased by 85 percent in local currency during the quarter and amounted to SEK 55 (30) million. Sales were positively impacted by high demand for the EmbryoScope+ time-lapse incubator. Sales in the business unit ART Equipment increased by 11 percent in local currency during the quarter and amounted to SEK 18 (16) million. Freight revenues amounted to SEK 5 (5) million.

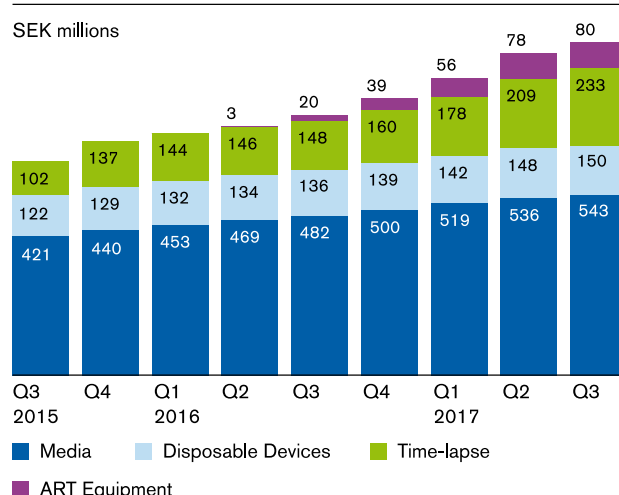
**Fig 1. Net sales per market region (rolling 12 months)**



**Fig 2. Sales development (per quarter)**



**Fig 3. Net sales per business unit (rolling 12 months)**



## Income

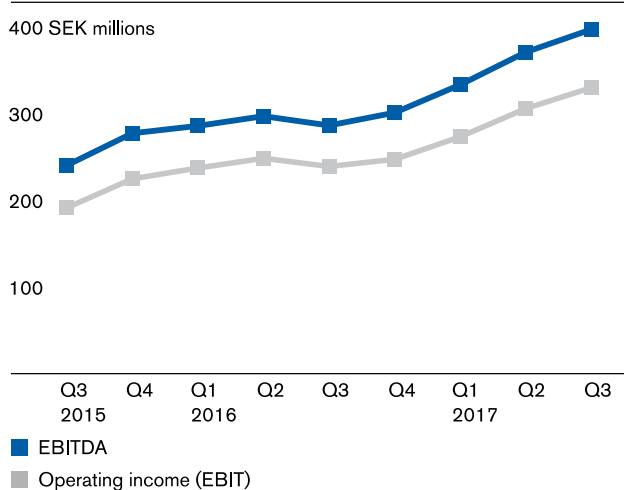
Operating income before depreciation and amortisation (EBITDA) amounted to SEK 98 (71) million, corresponding to a margin of 40 (34) percent. Fluctuations in exchange rates negatively impacted EBITDA by SEK 7 million.

Gross income amounted to SEK 163 (131) million. The gross margin amounted to 66 (62) percent and was positively impacted by economies of scale, the product mix and the reduction of the warranty provision of SEK 3 million with regard to Primo Vision EVO+ as a result of reduced guarantee measures. The gross margin adjusted for amortisation of acquisition-related intangible assets amounted to 71 (67) percent for the quarter.

Selling expenses amounted to 17 (19) percent of sales. Administrative expenses amounted to 9 (10) percent of sales. R&D costs amounted to 7 (7) percent of sales. The operating expenses were positively impacted by economies of scale. Depreciation, amortisation and write-downs of SEK 17 (15) million were charged against income.

Net financial items amounted to SEK -2 (2) million. Income before tax amounted to SEK 79 (58) million. Net income amounted to SEK 65 (45) million. Tax expenses were impacted positively by capitalization of loss carry-forward of SEK 3 million.

Fig 4. Income (rolling 12 months)



### Income per segment

The organisation consists of four business units whose products are sold by three geographic market organisations. Vitrolife reports the market contribution from each geographic segment. The market contribution is defined as gross income minus selling expenses per market. For more information, see note 5. During the quarter, the market contribution for the EMEA region amounted to SEK 49 (38) million. The contribution from the North and South American region amounted to SEK 16 (16) million and the contribution from the Asia and Pacific region amounted to SEK 57 (39) million. The increased income has primarily been generated by a combination of increased sales, product mix and economies of scale.

### Cash flow

The cash flow from operating activities amounted to SEK 85 (46) million. The change in working capital amounted to SEK 7 (-12) million and consisted amongst others of reduced accounts receivables. Gross investments in tangible assets amounted to SEK -1 (-2) million and consisted primarily of purchase of equipment. Gross investments in intangible assets amounted to SEK 0 (0) million. The cash flow from financing activities was SEK -31 (-3) million and consisted of repayment of the acquisition loan for Fertilitech. Cash and cash equivalents at the end of the period amounted to SEK 285 (119) million.

### Financing

Vitrolife's total credit facilities amounted to SEK 50 (91) million, of which SEK 0 (41) million was utilized. The Fertilitech

acquisition loan was repaid during the quarter. The equity/assets ratio was 87 (80) percent. Net debt in relation to income for a rolling 12 months before depreciation and amortisation (EBITDA) amounted to -0.7 (-0.3) times.

### Parent Company

Business activities focus on company-wide management and the company has no employees. Income included invoicing of management fee of SEK 1 (1) million. Income before tax for the quarter amounted to SEK -5 (-3) million. Cash and cash equivalents amounted to SEK 4 (7) million.

## The period 2017 (January - September)

### Net sales

Sales amounted to SEK 775 (605) million, corresponding to an increase of 28 percent in SEK. Sales growth was 27 percent in local currency of which 21 percent represented organic growth.

Sales in the EMEA region increased by 21 percent in local currency and amounted to SEK 322 (261) million. Sales in the North and South American region amounted to SEK 111 (101) million. The increase in local currency amounted to 8 percent. Sales in the Asia and Pacific region increased by 41 percent in local currency and amounted to SEK 342 (243) million. Growth in the Asia and Pacific region was positively impacted by good market growth, market share gained and high demand for EmbryoScope+.

### Income

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 305 (207) million, corresponding to a margin of 39 (34) percent. Last year's operating income included one-time expenses of SEK 8 million related to consolidation of the time-lapse business and SEK 2 million related to transaction expenses regarding the acquisition of Octax and MTG. Fluctuations in exchange rates negatively impacted EBITDA by SEK 2 million.

Gross income amounted to SEK 508 (393) million. The gross margin was 65 (65) percent and was positively impacted by economies of scale and product mix. The gross margin was negatively impacted by the acquisitions of Octax and MTG, both because the business has a lower gross margin than the average for the Group and because amortisation of acquisition-related intangible assets to the tune of SEK 15 million has been charged against gross income. The gross margin adjusted for amortisation of acquisition-related intangible assets amounted to 69 (68) percent.

Selling expenses amounted to 16 (19) percent of sales. Administrative expenses amounted to 9 (11) percent of sales. R&D costs amounted to 7 (7) percent of sales. The operating expenses were positively impacted by economies of scale. Depreciation, amortisation and write-downs of SEK 51 (37) million were charged against net income. Net financial items amounted to SEK -3 (1) million. Income before tax amounted to SEK 251 (171) million. Net income amounted to SEK 196 (131) million.

### **Income per segment**

During the period, the market contribution for the EMEA region amounted to SEK 149 (118) million. The contribution from the North and South American region amounted to SEK 55 (49) million and the contribution from the Asia and Pacific region amounted to SEK 178 (114) million. For all regions, the increased income has primarily been generated by a combination of increased sales and economies of scale.

### **Cash flow**

The cash flow from operating activities amounted to SEK 202 (103) million. Gross investments amounted to SEK -7 (-127) million and was related to fixed assets. The cash flow from financing activities was SEK -93 (-60) million and consisted of dividend of SEK -57 million and the repayment of borrowings of SEK -37 million. Cash and cash equivalents at the end of the period amounted to SEK 285 (119) million.

## **Prospects**

As the standard of living rises in several developing countries, more and more people choose to wait before they have children. This trend, which has existed in the West for decades, leads to reduced fertility, which in turn drives the fertility treatment market. The same trend is now developing in emerging countries, where the demand for this treatment is increasing rapidly. Vitrolife therefore anticipates a constantly expanding market, which in monetary terms is expected to grow by 5–10 percent per year in the foreseeable future.

Looking ahead, the company will continue to focus on expanding sales and broadening the product offering.

## **The company in brief**

### **Business concept**

Vitrolife's business concept is to develop, produce and market advanced, effective and safe products and systems for assisted reproduction.

### **Goal**

Vitrolife's goal is to become the world-leading supplier of medical devices for assisted reproduction.

### **Strategies**

- Establish a scalable global organisation focused on common values.
- Expand sales through an improved customer offering and solution selling.
- Broaden the product portfolio and achieve synergies between business units and market regions.
- Achieve economies of scale through increased internal efficiency.
- Take advantage of external growth opportunities such as collaborations and acquisitions.

## **Other information**

### **Organisation and personnel**

During the period the average number of employees was 354 (326), of whom 160 (149) were women and 194 (177) were men. Of these 140 (141) people were employed in Sweden, 72 (63) in Denmark, 72 (61) in the USA and 70 (61) in the rest of the world. The number of people employed in the Group at the end of the period was 372 (334).

### **Information on transactions with related parties**

No transactions that have substantially affected the company's results and financial position have been carried out with related parties during the period. For information on related parties, see the Annual Report for 2016, note 31.

### **Dividend**

It was decided at the Annual General Meeting on April 27 that the proposed dividend of SEK 2.60 per share would be paid out to the shareholders. Payment of the dividend took place on May 5.

### **Risk management**

Vitrolife works constantly and systematically to identify, evaluate and manage overall risks and different systems and processes. Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside Vitrolife's regular quality system. In this way the company can have a high rate of development and at the same time be aware of both the opportunities and risks.

The most important strategic and operative risks regarding Vitrolife's business and field are described in detail in the Management report, in the Annual Report for 2016. These are primarily constituted by the company's market investments, product development investments, currency risks

and legal risks. The company's management of risks is also described in the Corporate Governance Report in the same Annual Report. The same applies to the Group's management of financial risks, which are described in the Annual Report for 2016, note 3. The reported risks, as they are described in the 2016 Annual Report, are assessed to be essentially unchanged for 2017.

### Seasonal effects

Vitrolife's sales are affected relatively marginally by seasonal effects. There is often a downturn in orders before and during holiday periods. The reason that orders tail off before holiday periods is that fertility clinics minimize their stock, primarily of fertility media, as these have a relatively short shelf life, so as not to risk scrapping. The third quarter has the greatest negative effect from holiday periods, as July and August are affected by holiday periods, primarily in Europe. During the first quarter sales in China are affected negatively by the Chinese New Year in January or February. During the fourth quarter sales in December are negatively affected by the Christmas and New Year holidays. All in all, total sales are usually relatively even between the first and second half of the year.

### Events after the end of the period

No events have occurred after the end of the period that significantly affect the assessment of the financial information in this report.

November 2, 2017  
Gothenburg, Sweden

Thomas Axelsson  
CEO

### Financial reports

Vitrolife's interim reports are published on the company's website, [www.vitrolife.com](http://www.vitrolife.com), and are sent to shareholders who have registered that they would like to have this information.

### Financial calendar

2018-02-08: Report on operations 2017  
2018-04-24: Interim report January - March 2018  
2018-04-26: Annual General Meeting 2018  
2018-07-13: Interim report January - June 2018  
2018-11-06: Interim report January - September 2018  
2019-02-07: Report on operations 2018

### Review report

#### Introduction

We have reviewed the interim report for Vitrolife AB (publ), corporate identity number 556354-3452, for the period January 1 - September 30, 2017. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, November 2, 2017

DELOITTE AB  
Fredrik Jonsson  
Authorised Public Accountant

### Queries should be addressed to

Thomas Axelsson, CEO, phone +46 31 721 80 01  
Mikael Engblom, CFO, phone +46 31 721 80 14

This information is information that Vitrolife AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 am CET on November 2, 2017.

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.

## Consolidated income statements

SEK thousands	Note	January – September		July – September		Whole year
		2017	2016	2017	2016	2016
Net sales	5	775 370	605 197	245 904	210 427	856 106
Cost of goods sold		-267 623	-212 378	-82 564	-79 510	-294 805
<b>Gross income</b>		<b>507 747</b>	<b>392 819</b>	<b>163 340</b>	<b>130 917</b>	<b>561 301</b>
<i>Comprising</i>						
Adjusted gross income		537 974	414 132	173 389	140 668	593 011
Amortisation of acquisition-related intangible assets		-30 227	-21 313	-10 049	-9 751	-31 710
<b>Gross income</b>		<b>507 747</b>	<b>392 819</b>	<b>163 340</b>	<b>130 917</b>	<b>561 301</b>
Selling expenses		-125 629	-111 983	-41 110	-39 003	-155 686
Administrative expenses		-71 272	-68 773	-23 263	-21 190	-94 146
Research and development costs		-52 166	-43 224	-16 101	-15 294	-61 590
Other operating revenues and expenses		-4 659	1 653	-1 759	1 263	-1 038
<b>Operating income</b>		<b>254 021</b>	<b>170 492</b>	<b>81 107</b>	<b>56 693</b>	<b>248 841</b>
<i>Comprising</i>						
Adjusted operating income		285 219	192 742	91 481	66 756	281 819
Amortisation of acquisition-related intangible assets		-31 198	-22 250	-10 374	-10 063	-32 978
<b>Operating income</b>		<b>254 021</b>	<b>170 492</b>	<b>81 107</b>	<b>56 693</b>	<b>248 841</b>
Financial income and expenses		-2 929	613	-1 914	1 540	89
<b>Income after financial items</b>		<b>251 092</b>	<b>171 105</b>	<b>79 193</b>	<b>58 233</b>	<b>248 930</b>
Income taxes		-55 005	-39 625	-14 241	-13 632	-57 718
<b>Net income</b>		<b>196 087</b>	<b>131 480</b>	<b>64 952</b>	<b>44 601</b>	<b>191 212</b>
<b>Attributable to</b>						
Parent Company's shareholders		195 261	130 854	64 760	44 471	190 368
Non-controlling interests		826	626	192	130	844
Earnings per share*, SEK		8.99	6.03	2.98	2.05	8.77
Average number of outstanding shares		21 710 115	21 710 115	21 710 115	21 710 115	21 710 115
Number of shares at closing day		21 710 115	21 710 115	21 710 115	21 710 115	21 710 115

\* Before and after dilution.

Depreciation, amortisation and write-downs were charged against income for the period by SEK 50,523 thousand (36,886), of which SEK 16,916 thousand (14,756) for the third quarter.

## Statements of comprehensive income

SEK thousands	January – September		July – September		Whole year
	2017	2016	2017	2016	2016
<b>Net income</b>	<b>196 087</b>	<b>131 480</b>	<b>64 952</b>	<b>44 601</b>	<b>191 212</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to the income statement</i>					
Cash-flow hedges, net after tax	–	-935	–	-96	-657
Exchange rate differences	-18 739	33 247	-13 683	15 968	37 374
<b>Total other comprehensive income</b>	<b>-18 739</b>	<b>32 312</b>	<b>-13 683</b>	<b>15 872</b>	<b>36 717</b>
<b>Total comprehensive income</b>	<b>177 348</b>	<b>163 792</b>	<b>51 269</b>	<b>60 473</b>	<b>227 929</b>
<b>Attributable to</b>					
Parent Company's shareholders	176 520	163 070	51 104	60 298	227 008
Non-controlling interests	828	722	165	175	921



## Key ratios, total Group

	January – September		July – September		Whole year
	2017	2016	2017	2016	2016
Gross margin, %	65.5	64.9	66.4	62.2	65.6
Adjusted gross margin, %	69.4	68.4	70.5	66.8	69.3
Operating margin before depreciation and amortisation (EBITDA), %	39.3	34.3	39.9	34.0	35.4
Operating margin (EBIT), %	32.8	28.2	33.0	26.9	29.1
Net margin, %	25.3	21.7	26.4	21.2	22.3
Equity/assets ratio, %	86.6	80.4	86.6	80.4	81.6
Shareholders' equity per share, SEK	52.42	43.95	52.42	43.95	46.89
Return on equity, %	23.6	21.0	23.6	21.0	20.3
Cash flow from operating activities per share, SEK	9.31	4.73	3.89	2.14	8.35
Net debt*, SEK millions	-284.6	-77.4	-284.6	-77.4	-151.4

\* Negative amount implies net claim.

## Consolidated income statements per quarter

SEK thousands	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Net sales	245 904	285 385	244 081	250 909	210 427	207 772	186 998	199 023
Cost of goods sold	-82 564	-98 774	-86 285	-82 427	-79 510	-71 047	-61 821	-62 112
<b>Gross income</b>	<b>163 340</b>	<b>186 611</b>	<b>157 796</b>	<b>168 482</b>	<b>130 917</b>	<b>136 725</b>	<b>125 177</b>	<b>136 911</b>
Selling expenses	-41 110	-45 902	-38 617	-43 703	-39 003	-38 929	-34 051	-36 186
Administrative expenses	-23 263	-25 515	-22 494	-25 373	-21 190	-24 656	-22 927	-18 147
Research and development costs	-16 101	-17 573	-18 492	-18 366	-15 294	-15 377	-12 553	-11 789
Other operating revenues and expenses	-1 759	-3 017	117	-2 691	1 263	4 017	-3 627	-803
<b>Operating income</b>	<b>81 107</b>	<b>94 604</b>	<b>78 310</b>	<b>78 349</b>	<b>56 693</b>	<b>61 780</b>	<b>52 019</b>	<b>69 986</b>
Financial income and expenses	-1 914	-634	-381	-524	1 540	953	-1 880	-241
<b>Income after financial items</b>	<b>79 193</b>	<b>93 970</b>	<b>77 929</b>	<b>77 825</b>	<b>58 233</b>	<b>62 733</b>	<b>50 139</b>	<b>69 745</b>
Income taxes	-14 241	-22 490	-18 274	-18 093	-13 632	-14 553	-11 440	-12 600
<b>Net income</b>	<b>64 952</b>	<b>71 480</b>	<b>59 655</b>	<b>59 732</b>	<b>44 601</b>	<b>48 180</b>	<b>38 699</b>	<b>57 145</b>
<b>Attributable to</b>								
Parent Company's shareholders	64 760	71 297	59 204	59 514	44 471	47 956	38 427	57 180
Non-controlling interests	192	183	451	218	130	224	272	-35

## Key ratios per quarter, total Group

	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Shareholders' equity per share, SEK	52.42	50.07	49.47	46.89	43.95	41.17	40.65	38.84
Return on equity, %	23.6	22.7	21.4	20.3	21.0	22.9	22.9	23.5
Cash flow from operating activities per share, SEK	3.89	3.87	1.55	3.62	2.14	2.11	0.48	4.35

## Consolidated statements of financial position

SEK thousands	Note	Sep 30. 2017	Sep 30. 2016	Dec 31. 2016
<b>ASSETS</b>	2, 3			
Goodwill	5	399 718	402 128	403 216
Other intangible fixed assets	5	204 929	261 432	245 871
Tangible fixed assets	5	84 895	90 536	93 655
Financial fixed assets		9 100	8 122	8 948
Deferred tax assets		14 327	29 676	22 282
Inventories		146 047	134 834	145 654
Accounts receivable		158 843	126 906	126 187
Current tax assets		340	–	2 282
Other current receivables		13 962	17 086	13 151
Cash and cash equivalents		285 055	118 651	189 245
<b>Total assets</b>		<b>1 317 216</b>	<b>1 189 371</b>	<b>1 250 491</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	2, 3			
Shareholders' equity, attributable to the Parent Company's shareholders		1 138 129	954 117	1 018 055
Non-controlling interests		2 580	2 130	2 329
Provisions		7 214	8 395	9 043
Deferred tax liabilities		52 570	67 681	61 280
Long-term interest-bearing liabilities		407	28 663	466
Short-term interest-bearing liabilities		79	12 601	37 390
Current tax liabilities		9 595	20 118	22 044
Derivative instruments		–	357	–
Accounts payable		27 793	23 272	24 286
Other short-term non-interest-bearing liabilities		78 849	72 037	75 598
<b>Total shareholders' equity and liabilities</b>		<b>1 317 216</b>	<b>1 189 371</b>	<b>1 250 491</b>

## Consolidated changes in shareholders' equity

SEK thousands	Attributable to the Parent Company's shareholders				Non-controlling interests	Total shareholders' equity
	Share capital	Other capital contributed	Reserves	Retained earnings		
<b>Opening balance January 1, 2016</b>	<b>22 144</b>	<b>494 610</b>	<b>-24 681</b>	<b>351 078</b>	<b>1 821</b>	<b>844 972</b>
Total comprehensive income	–	–	36 640	190 368	921	227 929
Dividend (SEK 2.40 per share)	–	–	–	-52 104	–	-52 104
Dividend to non-controlling interests	–	–	–	–	-413	-413
<b>Closing balance December 31, 2016</b>	<b>22 144</b>	<b>494 610</b>	<b>11 959</b>	<b>489 342</b>	<b>2 329</b>	<b>1 020 384</b>
<b>Opening balance January 1, 2017</b>	<b>22 144</b>	<b>494 610</b>	<b>11 959</b>	<b>489 342</b>	<b>2 329</b>	<b>1 020 384</b>
Total comprehensive income	–	–	-18 741	195 261	828	177 348
Dividend (SEK 2.60 per share)	–	–	–	-56 446	–	-56 446
Dividend to non-controlling interests	–	–	–	–	-577	-577
<b>Closing balance September 30, 2017</b>	<b>22 144</b>	<b>494 610</b>	<b>-6 782</b>	<b>628 157</b>	<b>2 580</b>	<b>1 140 709</b>

## Condensed consolidated cash flow statements

SEK thousands	January – September		July – September		Whole year 2016
	2017	2016	2017	2016	
Income after financial items	251 092	171 105	79 193	58 233	248 930
Adjustment for non-cash items	50 842	35 815	15 573	12 799	55 126
Tax paid	-69 071	-67 044	-17 252	-12 438	-83 400
Change in inventories	-5 756	-17 108	89	-8 969	-26 323
Change in trade receivables	-36 002	-22 172	4 025	-2 743	-17 633
Change in trade payables	11 065	2 033	2 898	-404	4 562
<b>Cash flow from operating activities</b>	<b>202 170</b>	<b>102 629</b>	<b>84 526</b>	<b>46 478</b>	<b>181 262</b>
Cash flow from investing activities	-7 336	-126 549	-888	-2 586	-131 002
Cash flow from financing activities	-93 468	-59 968	-31 080	-2 716	-63 596
<b>Cash flow for the period</b>	<b>101 366</b>	<b>-83 888</b>	<b>52 558</b>	<b>41 176</b>	<b>-13 336</b>
Opening cash and cash equivalents	189 245	199 572	235 739	75 971	199 572
Exchange-rate difference in cash and cash equivalents	-5 556	2 967	-3 242	1 504	3 009
<b>Closing cash and cash equivalents</b>	<b>285 055</b>	<b>118 651</b>	<b>285 055</b>	<b>118 651</b>	<b>189 245</b>

## Income statements for the Parent Company

SEK thousands	January – September		July – September		Whole year 2016
	2017	2016	2017	2016	
Net sales	1 840	4 022	656	1 295	6 833
Administrative expenses	-9 879	-9 152	-6 471	-2 580	-14 825
Other operating revenues and expenses	54	27	4	-32	-5
<b>Operating income</b>	<b>-7 985</b>	<b>-5 103</b>	<b>-5 811</b>	<b>-1 317</b>	<b>-7 997</b>
Write-down participations in Group companies	-7 280	-7 500	-	-7 500	-7 500
Dividends from Group companies	68 467	158 432	-	3 366	158 432
Financial income and expenses	-206	2 220	345	2 442	2 415
<b>Income after financial items</b>	<b>52 996</b>	<b>148 049</b>	<b>-5 466</b>	<b>-3 009</b>	<b>145 350</b>
Year-end adjustments (received Group contribution)	-	-	-	-	3 384
Income taxes	1 790	50	1 191	-292	-
<b>Net income</b>	<b>54 786</b>	<b>148 099</b>	<b>-4 275</b>	<b>-3 301</b>	<b>148 734</b>

Depreciation and amortisation were charged against income for the period by SEK - thousand (-), of which SEK - thousand (-) for the third quarter.

## Balance sheets for the Parent Company

SEK thousands	Sep 30. 2017	Sep 30. 2016	Dec 31. 2016
<b>ASSETS</b>			
Tangible fixed assets	12	12	12
Participations in Group companies	770 448	777 446	777 720
Other financial fixed assets	3 746	3 746	3 746
Deferred tax asset	1 790	150	-
Other current receivables	131	2 223	1 677
Receivables from Group companies	208	77 575	11 889
Cash and cash equivalents	3 933	6 583	2 974
<b>Total assets</b>	<b>780 268</b>	<b>867 735</b>	<b>798 018</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	756 861	757 885	758 521
Long-term interest-bearing liabilities	-	28 174	-
Short-term interest-bearing liabilities	-	12 522	37 311
Current tax liabilities	-	105	4
Accounts payable	64	203	117
Liabilities to Group companies	20 468	67 115	-
Other short-term non-interest-bearing liabilities	2 875	1 731	2 065
<b>Total shareholders' equity and liabilities</b>	<b>780 268</b>	<b>867 735</b>	<b>798 018</b>

## Note 1. Accounting Principles

This interim report has been prepared for the Group in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Reporting Board, Accounting for Legal Entities.

Unless otherwise stated below, the accounting principles applied to the Group and the Parent Company are consistent with the accounting principles used in the presentation of the most recent Annual Report.

No standards, amendments or interpretations that entered force in 2017 are deemed to have had material impact on the Group financial statements.

### IFRS 9

IFRS 9 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and liabilities, and enters force on 1 January 2018. Changes compared to previous standard concern e.g. new approaches for classifications as well as a different model for impairment according to which provision for bad debt should be based not only on occurred events but also on expected events. Vitrolife's assessment is that transition to the new accounting standard will not cause any material effects to the Group financial statements.

### IFRS 15

From 1 January 2018 IFRS 15 'Revenue from contracts with customers' will be applied. After review of the current Group processes for revenue recognition, Vitrolife's assessment is that a transition to IFRS 15 will not cause any material effects to the financial reports of the Group. The great majority of Vitrolife's sales consists of products, which distinctly represent separate performance obligations. Based on that, no significant differences are assessed to exist between the current accounting and accounting in accordance with IFRS 15.

### IFRS 16

IFRS 16 'Leasing' will result in changes on how to account for leasing agreements. Not adopted by the EU and cannot be applied before. Enters force on 1 January 2019. Accounting according to IFRS 16 will mean that almost all leasing agreements will be recognised in the balance sheet as assets and liabilities. This accounting is based on the approach that the lessee has a right to use an asset during a specific period and at the same time an obligation to pay for this right. It is being investigated which effects the new standard will have on the Group financial statements.

## Note 2. Financial instruments - Fair value

Fair value has been measured for all financial assets and liabilities pursuant to IFRS 13, into the following hierarchy:

Classified in level 2 are derivatives for hedge accounting. Valuation of fair value for currency forward contracts is based on published forward rates on an active market.

Classified in level 3 are financial assets, which relate to unlisted shares, and have been valued based on the latest transaction (transfer of shares). Hence, fair value is estimated to be equal to book value.

Fair value for other financial fixed assets, accounts receivable, other current receivables, cash and cash equivalents, accounts payable, other liabilities and interest bearing liabilities is estimated to be equal to their book value (accumulated amortised cost). All long-term interest bearing loans have floating rates and therefore estimated that the fair value substantially conform with the book value. Financial assets and liabilities measured at amortised cost amount to SEK 449,586 thousand (253,322) and SEK 42,167 thousand (82,791).

## Fair value hierarchy

SEK thousands	Fair value levels	Sep 30.2017	Sep 30.2016	Dec 31.2016
<b>Financial assets</b>				
Financial assets to fair value through income statement	3	3 746	3 746	3 746
<b>Total Financial assets</b>		<b>3 746</b>	<b>3 746</b>	<b>3 746</b>
<b>Financial liabilities</b>				
Derivatives for hedge accounting	2	–	357	–
<b>Total Financial liabilities</b>		<b>–</b>	<b>357</b>	<b>–</b>

Level 1: valued at fair value based on quoted prices on an active market for identical assets. Level 2: valued at fair value based on other observable inputs for assets and liabilities than quoted price included in level 1. Level 3: valued at fair value based on inputs for assets and liabilities unobservable to the market.

## Note 3. Business combinations

No acquisitions have been carried out during 2017. On May 31, 2016 Vitrolife acquired all the shares in Octax Microscience GmbH och MTG Medical Technology Vertriebs-GmbH. The head office of the companies is located in Bruckberg, Germany. The purchase price for both companies amounted to EUR 13.7 million (corresponding to SEK 127.2 million on acquisition date), of which everything were paid in cash and were financed by available liquid funds. No additional purchase prices exist. The acquisition of the two companies is regarded as a business combination in accordance with IFRS 3. The table below summarizes the purchase price paid and acquired assets and liabilities reported at fair value at the date of acquisition. The acquisition analysis was finalized during the second quarter of 2017.

SEK millions	2016
Liquid funds	127.4
<b>Total purchase price</b>	<b>127.4</b>

### Identified assets and liabilities

Trademark	10.0
Production technology	75.0
Customer relations	20.3
Other intangible assets	0.4
Tangible fixed assets	2.3
Financial assets	0.2
Inventories	10.5
Other current assets	6.2
Cash and cash equivalents	11.0
Current liabilities	-13.7
Long-term liabilities	-0.6
Deferred tax liability due to surplus value	-31.6
Total acquired assets and liabilities	90.0

Goodwill	37.4
<b>Total</b>	<b>127.4</b>

SEK millions	
Liquid funds paid	-127.4
Liquid funds in acquired business	11.0
<b>Effect on group liquid funds</b>	<b>-116.4</b>

## Note 4. Pledged assets and contingent liabilities

SEK thousands	Sep 30.2017	Sep 30.2016	Dec 31.2016
<b>Group</b>			
Pledged assets	23 021	22 488	22 612
Contingent liabilities	489	337	409
<b>Parent company</b>			
Pledged assets	3 100	3 100	3 100
Contingent liabilities	–	–	–

Pledged assets pertain to floating charges for own commitments and collateral pledged for endowment insurance plans (cost).

## Note 5. Segments

Vitrolife consists of four business units whose products are sold by three geographic market organisations. As a result of the internal organisation, Vitrolife reports net sales and market contribution per geographic segment. Market contribution is defined as gross income reduced with the selling expenses per market.

SEK thousands	EMEA		North and South America		Asia & Pacific		Total	
	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales	321 928	261 368	111 097	100 758	342 345	243 071	775 370	605 197
Gross income	202 788	166 095	77 022	69 392	227 937	157 333	507 747	392 819
Selling expenses	-53 529	-48 350	-22 227	-20 630	-49 873	-43 003	-125 629	-111 983
<b>Market contribution</b>	<b>149 259</b>	<b>117 745</b>	<b>54 795</b>	<b>48 761</b>	<b>178 064</b>	<b>114 330</b>	<b>382 118</b>	<b>280 836</b>
Fixed assets*	605 532	664 890	83 415	89 149	595	57	689 542	754 096

SEK thousands	EMEA		North and South America		Asia & Pacific		Total	
	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016
Net sales	101 101	88 056	33 712	35 006	111 091	87 365	245 904	210 427
Gross income	65 260	53 112	23 108	23 243	74 972	54 562	163 340	130 917
Selling expenses	-16 586	-15 574	-6 908	-7 569	-17 616	-15 861	-41 110	-39 003
<b>Market contribution</b>	<b>48 674</b>	<b>37 538</b>	<b>16 200</b>	<b>15 674</b>	<b>57 356</b>	<b>38 701</b>	<b>122 230</b>	<b>91 914</b>
Fixed assets*	605 532	664 890	83 415	89 149	595	57	689 542	754 096

SEK thousands	EMEA	North and South America	Asia & Pacific	Total
	Whole year 2016	Whole year 2016	Whole year 2016	Whole year 2016
Net sales	375 611	138 506	341 989	856 106
Gross income	238 317	95 402	227 582	561 301
Selling expenses	-66 952	-29 108	-59 626	-155 686
<b>Market contribution</b>	<b>171 365</b>	<b>66 294</b>	<b>167 956</b>	<b>405 615</b>
Fixed assets*	647 330	94 803	609	742 742

\* Fixed assets refer to intangible and tangible fixed assets, i.e. excluding financial instruments and deferred tax assets.

## Reconciliation of alternative key figures

This report includes certain key ratios not defined in IFRS, but they are included in the report as company management considers that this information makes it easier for investors to analyze the Group's financial performance and position. Investors should regard these alternative key ratios as complementing rather than replacing financial information in accordance with IFRS. Please note that Vitrolife's definitions of these key ratios may differ from other companies' definitions of the same terms.

### Adjusted gross and operating income

As Vitrolife's gross and operating income is significantly impacted by the amortisation of surplus values related to the acquisitions that the company has carried out, it is management's assessment that it is appropriate to illustrate the Group's profitability and earning capacity by presenting gross and operating income adjusted for amortisation of these surplus values. Reconciliation of these figures are presented directly in the financial reports.

### Operating income before depreciation and amortisation (EBITDA)

As amortisation of surplus values related to the acquisitions that Vitrolife has carried out is charged against operating income, it is management's assessment that operating income before depreciation and amortisation (EBITDA) is a fairer measure of the Group's earning capacity compared to operating income (EBIT). Vitrolife's Board aims to achieve growth while maintaining profitability, where profitability is followed up through operating income before depreciation and amortisation (EBITDA).

SEK M	January-September		July-September		Whole year
	2017	2016	2017	2016	2016
Operating income	254.0	170.5	81.1	56.7	248.8
Depreciation and amortisation	50.5	36.9	16.9	14.8	54.3
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>304.5</b>	<b>207.4</b>	<b>98.0</b>	<b>71.5</b>	<b>303.1</b>

### Return on equity

It is Vitrolife's assessment that return on equity is an appropriate measure to illustrate to stakeholders how well the Group invests its equity.

SEK M	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Average shareholders' equity, rolling 12 month	1 079.3	893.4	937.1
Net income, rolling 12 month	254.8	188.0	190.4
<b>Return on equity, %</b>	<b>23.6</b>	<b>21.0</b>	<b>20.3</b>

### Net debt / Rolling 12 month EBITDA

One of Vitrolife's financial objectives is to have a strong financial capital base to enable continued high growth, both organic and through acquisitions. In relation to this, Group management follows up the ratio of net debt in relation to rolling 12-month operating income before depreciation and amortisation (EBITDA). According to Vitrolife's financial objectives, this ratio should normally not exceed three times. Management assesses that this ratio gives creditors and investors important information concerning the Group's attitude to debt.

SEK M	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Interest-bearing liabilities	0.5	41.3	37.8
Cash and cash equivalents	-285.1	-118.7	-189.2
<b>Net debt</b>	<b>-284.6</b>	<b>-77.4</b>	<b>-151.4</b>
SEK M	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Net debt	-284.6	-77.4	-151.4
Operating profit, rolling 12 month	332.3	240.5	248.8
Depreciation and amortisation, rolling 12 month	68.0	47.9	54.3
Rolling 12 month EBITDA	400.3	288.4	303.1
<b>Net debt / Rolling 12 month EBITDA</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-0.5</b>

### Net sales growth in local currency

As a large part of Vitrolife's sales are in other currencies than the reporting currency of SEK, sales are not only impacted by actual growth, but also by currency effects. To analyse sales adjusted for currency effects, the key ratio of sales growth in local currency is used.

#### Net sales per geographic segment

	EMEA		North and South America		Asia & Pacific	
	Jan-Sep 2017	Jul-Sep 2017	Jan-Sep 2017	Jul-Sep 2017	Jan-Sep 2017	Jul-Sep 2017
Growth in local currency, SEK M	57	13	8	0	99	28
<i>Growth in local currency, %</i>	21	15	8	1	41	34
Currency effects, SEK M	4	0	2	-1	0	-4
<i>Currency effects, %</i>	2	0	3	-5	0	-6
<b>Total growth, SEK M</b>	<b>61</b>	<b>13</b>	<b>10</b>	<b>-1</b>	<b>99</b>	<b>24</b>
<b>Total growth, %</b>	<b>23</b>	<b>15</b>	<b>11</b>	<b>-4</b>	<b>41</b>	<b>28</b>

#### Net sales per business unit

	Media		Disposable Devices		Time-lapse		ART Equipment*	
	Jan-Sep 2017	Jul-Sep 2017	Jan-Sep 2017	Jul-Sep 2017	Jan-Sep 2017	Jul-Sep 2017	Jan-Sep 2017	Jul-Sep 2017
Growth in local currency, SEK M	39	11	10	3	71	25	42	2
<i>Growth in local currency, %</i>	11	9	10	9	69	85	**	11
Currency effects, SEK M	4	-4	2	-1	0	-1	0	0
<i>Currency effects, %</i>	1	-3	2	-3	0	-7	**	1
<b>Total growth, SEK M</b>	<b>43</b>	<b>7</b>	<b>12</b>	<b>2</b>	<b>71</b>	<b>24</b>	<b>42</b>	<b>2</b>
<b>Total growth, %</b>	<b>12</b>	<b>6</b>	<b>12</b>	<b>6</b>	<b>69</b>	<b>78</b>	<b>**</b>	<b>12</b>

\* Comprises the operations conducted by the acquired companies MTG and Octax. The period Jan-Sep 2016 only include sales during the period of June to September, since the companies were acquired on May 31, 2016.

\*\* Not stated since the companies were not part of the Group during the entire comparison period.

#### Group total

	Jan-Sep 2017	Jan-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Whole year 2016
Organic growth in local currency, SEK M	131	66	41	17	90
<i>Organic growth in local currency, %</i>	21	13	20	10	12
Acquired growth, SEK M	33	20	-	16	39
<i>Acquired growth, %</i>	6	4	-	9	6
Currency effects, SEK M	6	-4	-5	0	5
<i>Currency effects, %</i>	1	-1	-3	0	1
<b>Total growth, SEK M</b>	<b>170</b>	<b>82</b>	<b>36</b>	<b>33</b>	<b>134</b>
<b>Total growth, %</b>	<b>28</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>19</b>

# Definitions

## Adjusted gross income

Gross income before amortisation of acquisition-related intangible assets.

## Adjusted operating income

Operating income before amortisation of acquisition-related intangible assets.

## Cash flow from operating activities per share

The cash flow from operating activities for the period in relation to the average number of outstanding shares for the period.

## Earnings per share

Income for the period in relation to the average number of outstanding shares for the period.

## Equity/assets ratio

Shareholders' equity and non-controlling interests as a percentage of total assets.

## Gross margin

Gross income as a percentage of net sales for the period.

## Market contribution

Gross income reduced with the selling expenses per market.

## Net debt

Interest-bearing liabilities minus interest-bearing receivables minus cash and cash equivalents.

## Net debt / Rolling 12 month EBITDA

Net debt in relation to rolling 12 months operating income before amortisation and depreciation (EBITDA).

## Operating margin before depreciation and amortisation (EBITDA)

Operating income before depreciation and amortisation as a percentage of net sales for the period.

## Operating margin

Operating income as a percentage of net sales for the period.

## Profit margin

Income for the period as a percentage of net sales for the period.

## Return on equity

Rolling 12 months net income as a percentage of the average shareholders' equity for the same period.

## Shareholders' equity per share

Shareholders' equity in relation to the number of shares outstanding at closing day.

# Glossary

The following explanations are intended to help the reader to understand certain specific terms and expressions in Vitrolife's reports:

## Biological quality tests

Using biological systems (living cells, organs or animals) to test how well a product or input material functions in relation to a requirement specification.

## Biopsy

Removal of one or several cells from living tissue for diagnostic evaluation.

## Biotechnology

Combination of biology and technology, which primarily means using cells or components from cells (such as enzymes or DNA) in technical applications.

## Blastocyst

An embryo at days 5-7 after fertilization. Cell division has gone so far that the first cell differentiation has taken place and the embryo thereby now has two different types of cells.

## Cell therapy

Describes the process when new cells are added to tissue in order to treat a disorder.

## Clinical study/trial

An investigation in healthy or sick people in order to study the effect of a pharmaceutical or treatment method.

## Embryo

A fertilized and cell divided egg.

## In vivo

Biological processes in living cells and tissue when they are in their natural place in whole organisms.

## In vitro (Latin "in glass")

A process that has been taken out from a cell to take place in an artificial environment instead, for example in a test tube.

## Incubator

Equipment for culture of embryos in a controlled environment.

## IUI

Intra-Uterine Insemination, "artificial insemination". A high concentration of active sperms is injected in order to increase the chance of pregnancy.

## IVF, In Vitro Fertilization

Fertilization between the woman's and the man's sex cells and cultivation of embryos outside the body.

## Medical devices

Comprise devices used to make a diagnosis of a disease, treat a disease and as rehabilitation.

## PGD

PGD (preimplantation genetic diagnosis) is a test to find specific hereditary genetic diseases that are caused by a single defective gene. This test is used for couples who have a genetic mutation that can cause a genetic disease where the couple want to be sure that their child will not carry this disease.

## PGS

PGS (preimplantation genetic screening) is a test which detects chromosomally abnormal embryos, which is a common cause of infertility. The percentage of chromosomally abnormal embryos increases with age and these deviations can often not be seen using conventional methods. By investigating chromosomal abnormalities before the embryo is transferred to the woman, the chances of getting pregnant are improved and the risk of a miscarriage can be reduced.

## Preclinical study

Research that is done before a pharmaceutical or a treatment method is sufficiently documented to be studied in people, for example testing of substances on tissue samples and later testing on experimental animals.

## Stem cells

Non-specialized cells to be found in all multi-cell organisms. Have the ability to mature (differentiate) into several cell types. Are usually divided up into three groups: adult stem cells (in the fully grown individual), embryonic stem cells and stem cells from the umbilical cord. In the developing embryo stem cells give rise to all tissue in the fetus-to-be. In adult individuals stem cells constitute a repair system to replace damaged cells. As stem cells have the potential to mature into specialized cell types, there are great hopes regarding their medical role.

## Time-lapse

Technology for supervision of embryos. Pictures of the development of the embryo are taken in short time interval, then played as a film and analyzed.

## Vitrification

Process for converting a material to a glasslike solid state, for example through rapid freezing, in this case rapid freezing of eggs and embryos, in order to be able to carry out IVF on a later occasion.

# TOGETHER. ALL THE WAY™

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