

# ANNUAL REPORT 2021





# CONTENTS

The year in summary	3
CEO's comments	4
Market and sales	6
IVF treatment and Vitrolife's offering	8
Acquisition of Igenomix	10
The value chain for the Consumables and Technologies business areas	14
Business concept, goals and strategies	16
Sustainable organisation and business	19
Auditor's report	31
The Vitrolife share	32

## FINANCIAL STATEMENTS\*

5-year summary	35
Key ratios	36
Management report	37
Board of Directors	46
Executive management	47
Income statements	49
Statements of financial position	51
Changes in equity	53
Cash flow statements	54
Notes	55
Auditor's report	70
Definitions of alternative performance measures	73
Glossary	75
Shareholder information	75
Addresses	76



### A new Vitrolife, page 4



### Creating a global leader in reproductive health, page 10



### Vitrolife's sustainability approach strengthen long-term competitiveness and value creation, page 19

## Our history

Vitrolife is committed to delivering successful treatment outcomes through a focus on IVF and the needs of clinics and testing labs. We have been dedicated to IVF since 1994, when the field was still young. Vitrolife was one of the first companies to provide IVF laboratories with high-quality, ready-to-use culture media. Through well-executed product development, consistent quality controls and the acquisition of other innovative IVF companies, Vitrolife has grown with the global market. As a result, our portfolio includes product solutions ranging from oocyte retrieval all the way to embryo transfer and cryopreservation, together with services that provide personalised genetic information. We support customers worldwide and always keep sustainability in mind. Our aim is to deliver outstanding products for the entire IVF journey, providing consistent performance and guaranteed quality. Vitrolife's vision is to fulfil the dream of having a baby. We achieve this by supporting our customers by improving their clinical practice and the outcome of the patient's fertility treatment.

*This is a translation of the Swedish version of the Annual Report.  
When in doubt, the Swedish wording prevails.*

\*The Vitrolife Group's formal financial statements can be found on pages 37–69 and have been audited by the Group's auditors.

# THE YEAR IN SUMMARY

## NORMALISATION AND ACQUISITION OF IGENOMIX

- During 2021, the IVF market recovered from the decline caused by the pandemic in 2020. The pace of the recovery differs regionally, but the number of IVF treatments globally are back on levels before the pandemic outbreak. The pandemic continued to impact Vitrolife's operations, although we were able to obtain our production capacity, supply chain of raw materials and customer distribution without major disruption.
- The acquisition of Igenomix was completed at the end of November and was included as the Genetic Services division as of December 2021. In connection with the acquisition, a new management team was established with competence from Vitrolife and Igenomix. Initially, the focus is to develop the customer offering.
- Sales amounted to SEK 1,681 million (1,246), corresponding to an increase of 35 percent in SEK. In local currencies, Consumables increased by 25 percent, Genomics by 49 percent and Technology by 34 percent. Sales from the acquired business Igenomix corresponded to a growth of 9 percent.
- Operating profit before amortisation, depreciation and impairment (EBITDA) amounted to SEK 645 million (454), adjusted for acquisition-related costs of SEK 101 million, corresponding to a margin of 38 percent (36). Currencies negatively impacted EBITDA with SEK 24 million.
- Net profit for the year amounted to SEK 244 million (288), giving earnings per share of SEK 2.97 (2.64).

### After the end of the period

- Russia's invasion of Ukraine has created uncertainty in the geo- and security political environment, whose consequences are not possible to judge.
- The Board's proposed dividend amounts to SEK 108 million (87), corresponding to SEK 0.80 (0.80) per share.

**1,681 SEK M**

Sales

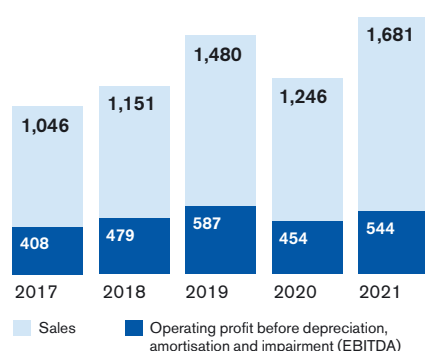
**35%**

Sales growth in SEK

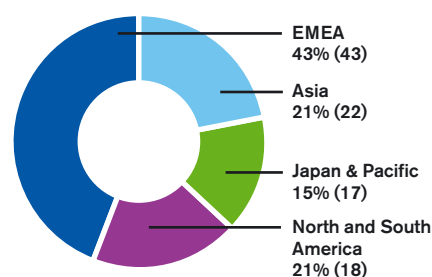
**38%**

EBITDA adjusted\*

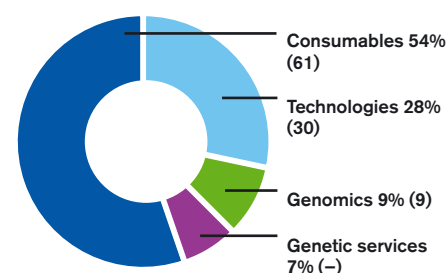
### Sales and EBITDA, SEK m



### Sales by region



### Sales by division



### Key ratios\*\*

	2021	2020
Net sales, SEK m	1,681	1,246
Sales growth in local currency, %	39	-13
Gross margin, %	62	62
Adjusted gross margin, %***	63	64
Operating profit before depreciation, amortisation and impairment (EBITDA), SEK m	544	454
Operation margin before depreciation, amortisation and impairment, %	32	36
Net income, SEK m	344	288
Net debt/EBITDA	3.2	-2.1
Earnings per share, SEK****	2.97	2.64
Share price on closing date, SEK	560,00	215.80
Market capitalisation on closing date, SEK m	75,850	23,425
Equity per share, SEK	113.12	18.54
Average number of employees (FTE)	478	405

Throughout the annual report, the corresponding value for the previous year is stated in parentheses, unless otherwise stated.

\*Adjusted for acquisition-related non-recurring costs.

\*\*For definitions, justifications and reconciliations of key figures, see pages 73-74.

\*\*\*Excluding amortisation of acquisition-related intangible assets.

\*\*\*\*Before and after dilution.

## CEO'S COMMENTS

# A NEW VITROLIFE

### Recovering market

We are continuing to see a strong recovery in the market following the pandemic, although this varies between regions. More treatments are being carried out in the US market compared with previous years, while we have seen some weakening in the Chinese market. IVF tourism continues to be impacted by travel restrictions, which has an impact on several markets. All-in-all, approximately the same number of IVF treatments are done globally as before the pandemic.

### Global leader in reproductive health

We are continuing to develop Vitrolife and are now – through the acquisition of Igenomix – a company offering both products and services. The acquisition was completed at the end of November, and as Genetic Services division during December. The acquisition was financed through a combination of a non-cash issue of shares, directed new issue of shares, bank loans and cash and is expected to have a positive contribution to EBITDA per share from 2022.

With 27 laboratories globally, Genetic Services offers clinically validated genetic tests and services, covering a wide range of genetic diagnostics in reproductive medicine, with preimplantation tests mainly driving sales. From the beginning of this year, we have a new management team and structure in place with the business areas Consumables (including Genomics), Technologies and Genetic Services, with global marketing and sales organisations as well as Group functions. Initially, the focus will be on developing our customer offering.

### Profitable growth

We increased our sales in SEK by 35 percent during the year, of which 30 percent was organic growth in local currencies, 9 percent was acquired growth and a negative currency impact of 4 percent. Our divisions are growing strongly and in local currencies Consumables grew by 25 percent, Technology by 34 percent and Genomics by 49 percent. During the year, we successfully launched iDAScore and EmbryoMap, which will continue to contribute to our positive development.

Our strongest growth is in the North and South America region, where we are growing by 64 percent, of which 38 percent is organic, followed by EMEA of 41 percent, of which 33 percent is organic, the Asia region with 28 percent, of which 25 percent is organic and Japan and Pacific with 20 percent, of which 16 percent is organic.

Operating profit before amortisation, depreciation and impairment (EBITDA) amounted to SEK 645 million, adjusted for non-recurring acquisition related costs of SEK 101 million, corresponding to a margin of 38 (36) percent. The increase in profit is mainly due to increased sales and economies of scale. The cost of customer-related activities were significantly lower during most of the year compared to before the pandemic, but increased slightly during the latter part of year. At the end of the year, operating income was negatively impacted by increased raw material prices, shipping costs, personnel-related costs and non-recurring costs for product certifications. In order to compensate for the cost increases during 2021, we implemented a general price increase in the beginning of 2022.

**“WE ARE CONTINUING TO DEVELOP VITROLIFE AND ARE NOW – THROUGH THE ACQUISITION OF IGENOMIX – A COMPANY OFFERING BOTH PRODUCTS AND SERVICES”**





## Consolidation increase opportunities

As IVF clinics recover from the pandemic, we can note that the trends seen in the market before the pandemic are continuing. The consolidation and new ownership structure of IVF clinics is driven by Private Equity companies. The number of IVF clinics that have been acquired in Europe is higher compared with other regions. We expect this trend to continue over the coming years. The management of the acquired clinics will focus on improving the patient experience and enhancing efficiency in their own operational activities. The IVF clinics who are not a part of a IVF-chain will be competitive based on their ability to attract customers locally and/or by serving as a professional fertility clinic. Vitrolife's product and service offering for genetic testing will help those customers to improve the patient experience through clinic results, by offering the clinics an opportunity to do the genetic testing themselves or by offering external analysis with genetic advice from us.

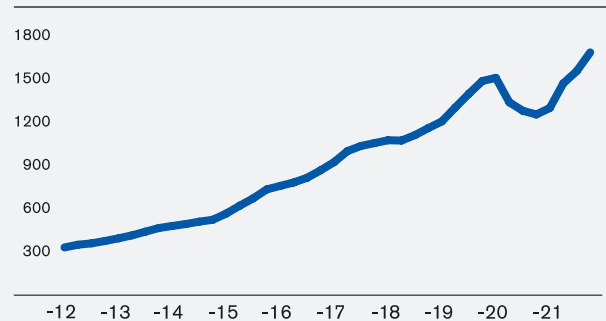
With the software development in time-lapse, we can offer solutions to facilitate work in clinics and contribute to improved treatment results. Thanks to product development and launch of our own PGT-A test (EmbryoMap) and the acquisition of Igenomix, we can offer several alternative methods for genetic testing of embryos. Overall, the ambition is to be the preferred partner for IVF clinics and IVF chains in their ambition to assist hopeful couples and individuals have children.

## Sustainable development

As a strategic prioritisation, Vitrolife worked actively during 2021 to enhance its sustainability approach and further integrate it into the strategic management of the company's organisation and business development. This means direct measures, combined with a more long-term strategic approach with the intention of developing the business in line with the UN's sustainable development goals. One important activity during the year was the signing of the UN's Women Empowerment Principles. These seven principles are based on the fact that global business has a major responsibility to contribute to the development of gender equality and women's rights. Not only is this an important position for Vitrolife, it also has a clear connection to Vitrolife's operations and will be beneficial from a broader perspective in the long term.

The results of Vitrolife's dedicated sustainability work and strong focus on work environment and good culture is also reflected in employee well-being. Despite two years of pandemic and challenges, we saw that the Employee Net Promoter Score in 2021 continued to increase.

Revenues, rolling 12 months, SEK m.  
Cumulative annual growth 2011–2021: 17%



## Outlook

Increased vaccination rates are supporting the recovery of the IVF market and enabling a return to more normal customer operations. Russia's invasion of Ukraine has created uncertainty in the geo- and security political environment, whose consequences are not possible to judge. Our total sales to Russia, including the Igenomix laboratory with 14 employees and sales of medical devices, represented approximately 2 percent of our consolidated sales (pro-forma). In terms of risks, the spread of Covid-19 is still strong in some regions, creating uncertainty about the market recovery. We are working actively with customer deliveries by securing our levels of stock and alternative subcontractors where necessary. A gradual cost increase is expected with new recruitments and a normalisation of operations, for example, trade fairs and customer visits and also development costs within the Genetic Services business area.

Vitrolife estimates that the long-term market outlook is largely unchanged, meaning a continuously growing market which, in financial terms, is expected to grow by 5-10 percent per year for the foreseeable future. We will continue to focus on expanding sales by expanding and improving the product and service offering.

## Thanks

I would like to take this opportunity to thank all our customers, committed employees and business partners for their efforts that have resulted in another successful year for Vitrolife. I would also like to welcome our new colleagues.

Gothenburg March 2022

Thomas Axelsson  
CEO

## MARKET AND SALES

# THE MARKET RECOVERED DURING THE YEAR AND IS EXPECTED TO RETURN TO LONG-TERM GROWTH OF 5–10 PERCENT PER YEAR

### Market size and growth excluding Genetic Services

Vitrolife's customers comprise private and public clinics, hospitals and laboratories. From the perspective of IVF clinics, the global market for assisted conception is estimated to be worth around SEK 100–150 billion.

The cost of the disposable products used in an IVF treatment in which Vitrolife currently offers products amounts to approximately SEK 2,000 per treatment cycle for the clinic (excluding the cost of genetics kits). The total price for the clinic for a fertility treatment amounts on average to around SEK 50,000. Prices vary greatly between different countries.

Vitrolife estimates that some 2 million IVF treatments are carried out each year. Reliable data on the number of treatments worldwide is limited, which is why the figures are an estimate by Vitrolife based on local market data and official statistics. The clinics' total purchases of disposable products and equipment are estimated to be approximately

SEK 10–15 billion, corresponding to around 10 percent of the clinics' sales. Based on this market definition, Vitrolife has a global market share of around 10 percent.

During 2021, the IVF market recovered from the decline caused by the pandemic in 2020. Over the long term, market growth in terms of value is estimated to be 5–10 percent per year, with considerably stronger growth in Asia than in western Europe. This growth is primarily being driven by a growing middle class, along with prospective parents opting to try for children later in life, increased social acceptance of IVF and increased use of technology in IVF treatments.

### Vitrolife's sales in 2021 including Genetic Services

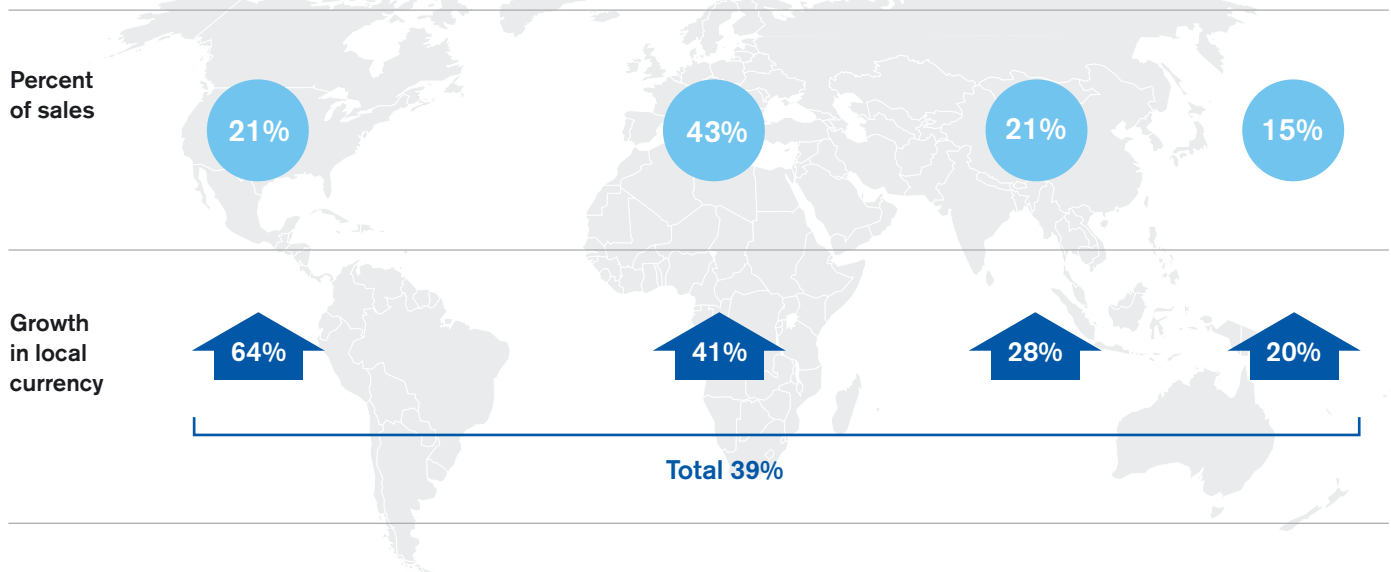
Sales amounted to SEK 1,681 million (1,246), corresponding to an increase of 35 percent in SEK, 30 percent organic growth in local currency and 9 percent in acquired growth. Foreign exchange rates had a negative effect of 4 percent.

## RECOVERY IN THE IVF MARKET

During the year, the IVF market recovered from the decline caused by the pandemic.



## Vitrolife's sales and growth by region



Sales for the EMEA region (Europe, Middle East and Africa) amounted to SEK 735 million (533). Sales increased by 41 percent in local currencies, of which organic growth amounted to 33 percent. In the North and South America region, sales amounted to SEK 354 million (226). Sales increased in local currencies by 64 percent, of which organic growth came to 38 percent. Sales in the Japan and Pacific region amounted to SEK 245 million (214). Sales increased by 20 percent in local currencies, of which organic was 16 percent. Sales in the Asia region increased by 28 percent in local currencies, of which organic growth was 25 percent, amounting to SEK 347 million (273). Growth in all regions was positively affected following the negative effect of the pandemic during the previous year.

Sales in the Consumables division increased by 25 percent in local currency and amounted to SEK 913 million (752). Sales in the Technology division increased by 34 percent in local currency and amounted to SEK 474 million (363). Sales in the Genomics division increased by 49 percent in local currency and amounted to SEK 153 million (107). Freight revenue amounted to SEK 27 million (24). Sales for the new Genetic Services division amounted to SEK 116 million, of which SEK 2 million is reported as freight revenue. Growth in all divisions was positively affected following the negative effect of the pandemic during the previous year.

## Competitors

Vitrolife's main competitors are global companies with a wide range of IVF-related products. Prominent examples are Cooper Companies, Cook Medical, Kitazato and Irvine Scientific. There are also global competitors who have specialised in niche product groups.

## FAST FACTS

### Customers

Private and public clinics, hospitals and laboratories

### Market size

Approx. SEK 10–15 billion\*

### No. of clinics

>5,000

### Market share

Around 10%\*

### Payment for treatments

Partially subsidised in most European countries, mainly private in the US and Asia

### Largest markets in terms of no. of treatments

1: China, 2: Japan, 3: USA

### No. of treatments per year

>2 million

\*Market defined as the IVF clinics' total purchases of disposable products and equipment, including products that Vitrolife does not offer.

### Global average price per treatment

Approx. SEK 50,000

\*Refers to the Consumables and Technologies business areas

# IVF TREATMENT AND VITROLIFE'S OFFERING

## COMPETITIVE OFFERING IN A GROWING MARKET

### Involuntary childlessness

The World Health Organization (WHO) estimates that approximately 48 million couples and 186 million individuals of reproductive age have difficulties with infertility. There are several methods to treat involuntary childlessness. Intrauterine insemination is often the first treatment option offered, but in vitro fertilisation (IVF), commonly called a test-tube baby procedure, is considered the most effective method.

### The IVF process

The laboratory procedure of an IVF treatment consists of several steps; collection and preparation of eggs and sperm cells, fertilisation, embryo culture and transfer of the embryo(s) into the uterus. Viable eggs, sperm cells and embryos not utilized can be cryopreserved for future use. The assessment of embryo development and subsequent selection of which will be transferred, is based on a microscopic analysis. Whereby the embryos are taken out of the incubator (the culture cabinet) and are analysed on several occasions during the culture process. Alternatively, the embryos can be left undisturbed by using a technology that allows almost constant visual monitoring of the embryos within the incubator (time-lapse technology). Such visual data have allowed the development of software for selecting embryos based on events observed during this period. Another method for embryo selection is to determine the chromosomal normality of cells (removed from the embryo) through DNA analysis. This technique is called preimplantation genetic testing (PGT) and its availability is generally regulated by the legislation in each country.

### Treatment results

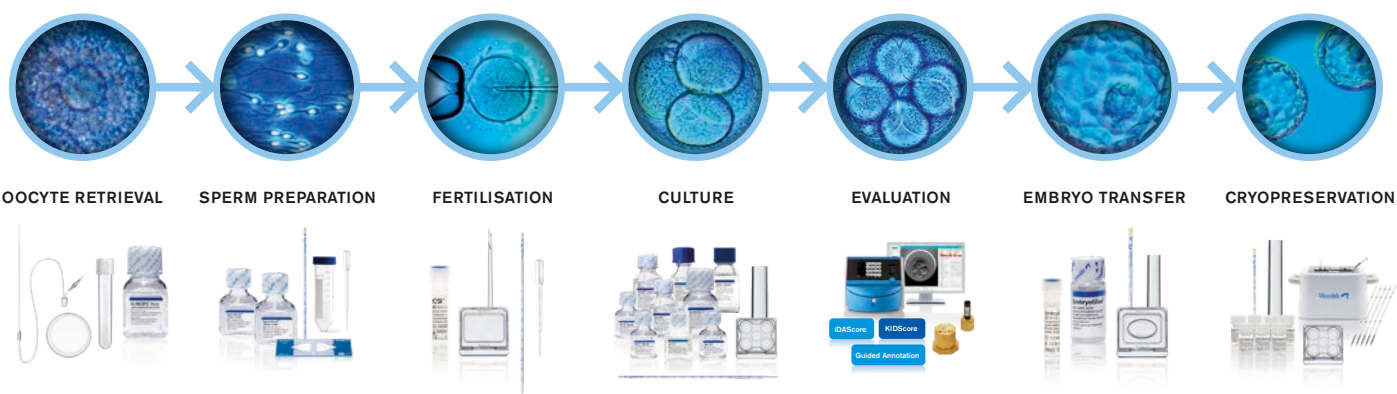
Some good news for patients is that clinical outcomes are improving. In the middle of the 1980s, approximately 15 percent of IVF treatments, on average, resulted in a successful pregnancy. Towards the end of the 1990s, the corresponding numbers were about 25–35 percent. Now certain clinics can achieve 50 percent or higher. The frequency of pregnancies depends on which groups are treated and how the treatment is conducted. Age, diagnosis, embryo culture factors and the number of embryos transferred are also important factors for the treatment outcome, but this increase is explained, mainly, by improved technique. Today, products specifically designed and tested for IVF are available, which are based on research and years of clinical experience.

### Competitive offer

Vitrolife's product portfolio includes needles for oocyte retrievals, pipettes for micromanipulation and disposable products. The range also includes media for supporting, handling and culturing of oocytes, sperm and embryos, as well as products used to cryopreserve them – all of the same high quality that ensures a good clinical outcome. Time-lapse technology is used by IVF clinics around the world to monitor embryo development, to make accurate assessments, and select embryos for transfer. Vitrolife is a market leader in this area with the time-lapse systems EmbryoScope+, EmbryoScope 8 and EmbryoScope Flex.

Vitrolife also offers a microlaser system that is mainly used for embryo biopsy, which allows removal of cells from the

### Vitrolife's product offer covers all steps in the IVF process







embryo, for subsequent genetic analysis. Since 2019, Vitrolife has also offered products for labs assessing preimplantation embryo biopsy samples through a global partnership with Illumina. At the end of the year, Vitrolife acquired Igenomix, which offers genetic tests of the embryo. For more information about Genetic Services, see pages 10–13.

### **2021 – a year when we increased our product offering in several markets**

The big news during 2021, besides the acquisition of Igenomix, was the launch of iDAScore (intelligent data analysis), which is a software that can be used by customers who have a Vitrolife time-lapse machine. With the help of iDAScore, clinics can automate certain processes and get objective ranking based on the likelihood of implantation of the patient's embryos. The study that was started during 2020 has continued and, parallel to the study, a series of clinics have already purchased and begun to use the software.

iDAScore was developed by Vitrolife's competent AI team in Aarhus, Denmark, and is unique because the AI technology builds on algorithms through deep learning. One of the biggest advantages of the new technology is that it removes all subjectivity, but also, to a significant degree, improves workflow efficiency in the lab because the end user does not need to spend time manually looking at images and entering data.

Another mark of progress was the launch of OVOIL HEAVY at the beginning of the year, a more viscous oil that offers

a number of advantages when handling the oil and can provide a better culture environment. OVOIL HEAVY is now sold in the USA, EMEA and Japan. Another innovation within media is the Gx Media system, which has recently been launched in the USA. Gx Media contains anti-oxidants which protect the embryo from oxidative stress, creating optimal conditions for the embryo to develop.

Another significant development from Vitrolife, which has been introduced globally during the year, is EmbryoMap, a kit containing reagents and associated software that can be used for labs assessing preimplantation embryo biopsy samples. EmbryoMap is initially only available for research purposes and enables a more efficient workflow and increased capacity.

### **Quality, efficiency, service and support**

Important factors for a successful treatment are quality, settings and the correct handling of the technical equipment. All materials that the egg, sperm cells and embryos come into contact with during the procedure can affect the results negatively. Therefore, besides a quality assured product line, Vitrolife has a team of experienced embryologists who help customers set up their processes and flow in an optimal way.

Vitrolife's ambition has been to create long-term and close collaborations with engaged customers, which has resulted in progress and good treatment results. Collaboration is Vitrolife's brand promise: "Together. All the way". For Vitrolife, the brand promise describes a feeling that the Group wants all those who come into contact with Vitrolife to experience.

# ACQUISITION OF IGENOMIX

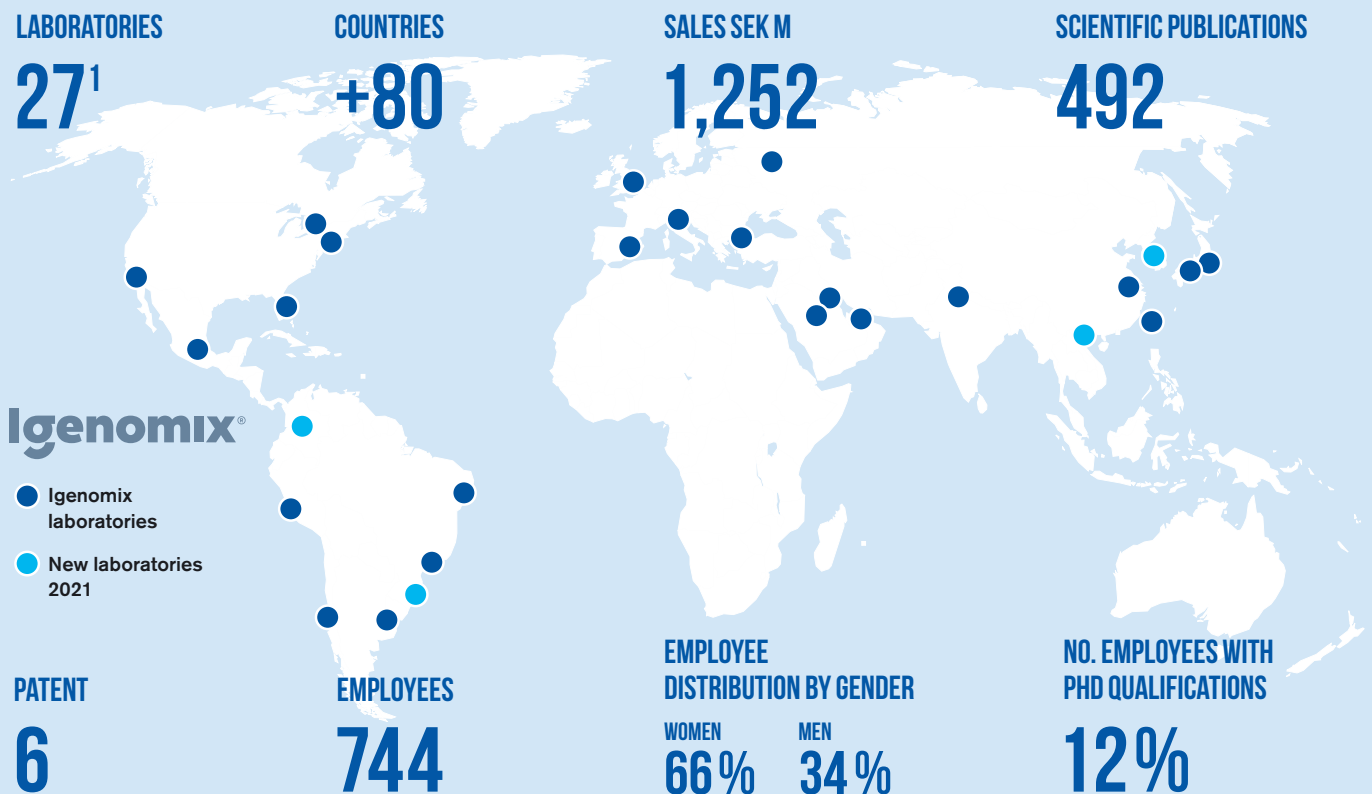
## CREATING A GLOBAL LEADER IN REPRODUCTIVE HEALTH

### A global leader in reproductive genetic testing services

One of Vitrolife's five strategic focus areas is the exploration of external growth opportunities through partnerships and acquisitions. The acquisition of Igenomix was completed in late November 2021 and it now forms part of the Genetic Services business area. Together, Vitrolife and Igenomix create a global leader in reproductive healthcare, expanding what is available to customers during the entire IVF treatment. A leading IVF platform has been created through the combination of Igenomix's portfolio of reproductive genetic testing services with Vitrolife's best-in-class product portfolio within IVF. The ambition is to generate long-term, profitable growth. Through the enhanced scale and synergies between products and services, Vitrolife can better serve clinics, professional staff and patients around the world. Specifically, acquiring Igenomix allows Vitrolife to leverage the respective commercial network of each entity, allowing the cross-selling of products and offering enhanced solutions to its customers, as well as sharing knowledge in order to drive innovation.

Igenomix was founded in 2011. The company is a global leader in the field of molecular genetics focused on providing personalised genetic information to improve clinical practice in reproductive medicine and rare diseases. Excellence, innovation, passion and humility are the core values of Igenomix. Together with clinics, fertility doctors and physicians worldwide, Igenomix investigates human reproduction and genetic testing to change the lives of couples who are trying to conceive and families that are affected by a genetic disorder.

Igenomix has 27<sup>1</sup> laboratories across the globe and a head office in Valencia, Spain. The company collaborates with more than 4,000 clinics (of which more than 3,000 are IVF clinics) in 80 countries. Igenomix's affiliates apply the same business model as at the Group level, but with adjustments to take into account the local market's special circumstances. The respective country managers are responsible for implementing strategies that are in line with the programme *Think global, Act local*. This international presence is a strength that drives and motivates Igenomix



to develop global practices and procedures that are applicable to all the countries in which the company is present. In this way, the business grows globally in a sustainable manner. Globally, the revenue is divided in the following way: EMEA 36 percent, North and South America 50 percent, Japan and Pacific 7 percent and Asia 6 percent. Igenomix's main competitor is Cooper Companies.

### Differentiated testing portfolio

Genetics have become a foundation within modern medicine. Personalised and appropriate care can be provided within all medical specialities, through identifying genes and applying knowledge about them. Reproductive medicine and rare disease medicine, in particular, have dramatically benefitted and continue to benefit from the development of genetic testing. The complete service portfolio from Igenomix spans preconception, preimplantation, prenatal and postnatal stages of the reproductive cycle, as well as neonatal and child-adulthood.

Of the global revenue, sales of ERA and PGT-A tests contribute 70%. These two services have many competitive advantages. PGT-A test quantifies the number of chromosomes in each embryo biopsy to differentiate between chromosomally normal embryos (euploid) and chromosomally

## “GENETICS HAVE BECOME A FOUNDATION WITHIN MODERN MEDICINE”

abnormal (aneuploid). The PGT-A test is performed using NGS technology and allows the analysis of all 24 chromosomes. Igenomix is the only lab that has published the validation of its PGT-A algorithm. The ERA test is performed using NGS technology coupled to a computational predictor that is much more accurate. ERA test establishes the time when the endometrium is receptive and reports the optimal time for embryo transfer, the predictive genetic analysis model analyses 248 genes, providing a much more complete view of all the processes which are involved in the endometrial receptivity. Its powerful AI-based algorithm provides decision support for the diagnosis of repeated implantation failure patients worldwide. Several publications, not only by Igenomix but also by a number of external clinics, show the clinical outcomes of personalised embryo transfer guided by ERA. The company works with the largest IVF networks, which helps make it a more accessible service. Additionally, the company offers full support and counselling by phone/e-mail to any location worldwide.



## A GLOBAL LEADER IN REPRODUCTIVE GENETIC TESTING SERVICES

Igenomix is a global leader in reproductive genetic testing at IVF clinics. The product portfolio consists of clinically validated genetic tests and services which cover a wide range of genetic diagnoses in reproductive and personalised medicine.



## Portfolio backed by science

Igenomix focuses on scientific research and the company's research and development division is a leader in the field. The team at Igenomix have well-established collaborations with well-respected institutions. From the start of 2011, the focus has been on supporting patients seeking reproductive medical treatment with one desire: *a healthy baby at home*.

Igenomix's research and development approach is focused on the following areas:

1. Basic studies used as a baseline for the acquisition of new knowledge and to open the way for new lines of related research.
2. Translational projects such as clinical trials, based on the progress of basic studies.
3. Clinical protocols for immediate application both in the reproductive sector and in common clinical practice.

With research as a cornerstone, the company's growth has been based on a solid track record of entering new strategic markets and new product development.

## Sustainability

Igenomix is fully apprised of the current local and global challenges, from the reduction of poverty and inequalities, to the fight against climate change and the promotion of diversity.

Socially responsible behaviour is especially important for Igenomix including respect for employees' rights,

free mutual negotiation, equal opportunities for men and women, non-discrimination and the protection of employee access to health care. In line with this, Igenomix believes in its people, their talent and in continuous personal growth.

Igenomix affects and is affected by several of the UN Sustainable Development Goals, which is an important compass for the company's long-term business priorities. Direct examples of how Igenomix contributes to these goals are:



Igenomix promotes a healthy life and wellness for all its employees, patients and stakeholders, which is essential for sustainable development.



Igenomix promotes fair and dignified working conditions, offering adequate and competitive remuneration in line with market conditions.



















Igenomix works together with fertility clinics and doctors around the world, researching human reproduction to change people's lives. This collaboration plays an important role in introducing and marketing new technologies.

The company has undertaken significant work to become even more effective, productive and competitive through continual development. This work, in combination with the consolidation with Vitrolife, will form an important part of our future success.

For more information about Igenomix, visit the web site [www.igenomix.com](http://www.igenomix.com)



## Complete offer of services within testing through all stages of the reproduction cycle

PRECONCEPTION	PREIMPLANTATION		PRENATAL AND POSTNATAL	NEONATAL/ CHILD-ADULTHOOD
 <p><b>CGT</b> (carrier genetic test): This is an important genetic test when planning a family because it helps to determine whether a couple carry genetic mutations that could be transmitted to their offspring.</p>  <p><b>WES</b> (whole exome sequencing): This is a complete DNA test to analyse the entire coding sequence of a gene to identify mutations in over 24,000 genes related to complex genetic conditions.</p>  <p><b>SAT</b> (sperm aneuploidy test): This is a test to study the genetic factors of male infertility. It evaluates the presence of sperm chromosomal abnormalities.</p>	<p><b>The Right Embryo</b></p>  <p><b>PGT-A</b> (preimplantation genetic testing for aneuploidies): This test is a genetic screening of the embryo produced during IVF treatment to identify numerical chromosomal abnormalities (aneuploidies).</p>  <p><b>PGT-SR</b> (preimplantation genetic testing for structural rearrangements): This test is a genetic screening of the embryo produced during IVF treatment to identify numerical and/or structural rearrangements of the chromosomes.</p>  <p><b>PGT-M</b> (preimplantation genetic testing for monogenic disorders): This is a genetic test that helps significantly decrease the chance of having a child with an inherited genetic disorder by analysing embryos before transfer and identifying those that do not carry the altered disease-causing gene.</p>  <p><b>EMBRACE</b> (niPGT-A) (embryo analysis of culture environment): This is a non-invasive test for prioritising embryo transfer that avoids invasive embryo biopsy.</p>	<p><b>The Right Endometrium</b></p>  <p><b>ERA</b> (endometrial receptivity analysis): A transcriptomic test that determines each woman's unique personalised embryo transfer timing, therefore, synchronising the embryo transfer with the individualised window of implantation.</p>  <p><b>EMMA</b> (endometrial microbiome metagenomic analysis): This is a test that analyses the endometrial microbiome to help identify abnormalities associated with a poor reproductive prognosis.</p>  <p><b>ALICE</b> (analysis of infectious chronic endometritis): This is a test that detects pathogenic bacteria, which cause chronic endometritis linked to implantation failure and recurrent miscarriage and recommends appropriate antibiotic treatment. A suitable antibiotic treatment is recommended.</p>  <p><b>EndomeTRIO</b> is a complete endometrial analysis that bundles the ERA, EMMA and ALICE tests together with only one biopsy.</p>	 <p><b>NACE</b> (non-invasive prenatal test): This is a non-invasive prenatal screening test for the most frequent chromosomal abnormalities (chromosomes 13, 18, 21, X, Y).</p>  <p><b>NACE24</b> (non-invasive prenatal test): This is a non-invasive prenatal screening test for all 24 chromosomes.</p>  <p><b>POC</b> (products of conception) Analyses fetal tissues from a miscarriage to determine if the lost pregnancy was the result of an aneuploidy.</p>	 <p><b>GPDx</b> (genomic precision diagnostics): Genetic testing and sequencing for diagnosis and screening of medical conditions and rare diseases that derive from genetic mutations.</p> 

# THE VALUE CHAIN FOR THE CONSUMABLES AND TECHNOLOGIES BUSINESS AREAS

## HIGH AND CONSISTENT QUALITY IS ONE OF VITROLIFE'S COMPETITIVE ADVANTAGES

### Innovative product development based on customer benefit and science

Vitrolife's Consumables and Technologies business areas cover the entire product's value chain, from research, development and production to sales and distribution. For information about Genetic Services, see pages 10–13. The research function together with the business areas evaluate new product opportunities with a focus on customer needs, medical needs and economics. The development work includes comprehensive testing and collaboration with opinion leaders to ensure the best functionality and safety, which leads to faster market acceptance of new products.

Vitrolife develops innovative products with solid scientific basis and it is of particular importance that they are protected through product or method patents. The application for a patent occurs at an early research stage, with applications submitted in the most important markets. Vitrolife also has a number of registered trademarks, for example, EmbryoGlue®, EmbryoScope® and OVOIL®.

The development work covers both pre-clinical and clinical studies to document the products efficacy and safety. The studies are often presented at scientific congresses and published in scientific journals. When delivering a product, these studies create a good basis for communicating the product's value.

### Product approval

Most of Vitrolife's products are classified as medical devices. The requirements for documentation for medical devices are different from the requirements for medicinal products. Product approval is required in each individual market in which the products will be sold. For example, in the USA approval by the Food and Drug Administration (FDA) is required, and in China approval is required from the National Medical Products Administration (NMPA). Within the EU, the product must be CE-marked (Conformité Européenne). The requirements for approvals for medical devices is increasing in the majority of markets. In May 2021, the EU Medical Device Regulation (MDR) came into force, which means that there are now more stringent standards.

### Purchase of raw materials, production and quality control

Vitrolife has their own manufacturing capability, supplemented with the outsourced production of disposable products in plastic, packaging and sterilisation. A large part of Vitrolife's competitiveness is based on a well-developed manufacturing technology. Since raw material suppliers lack methods for testing whether raw materials are appropriate for IVF treatment, many resources are dedicated to finding and testing acceptable raw materials.

### Extensive quality control from raw material to delivered product







**VITROLIFE OFFERS  
WORLD-LEADING  
PRODUCTS WITH THE  
HIGHEST QUALITY  
CONTROL AND EFFICACY**

**Vitrolife's quality and environmental management system\***  
ISO 14001:2015  
ISO 13485:2016 MDSAP  
US Quality System Regulation  
Canadian Medical Device Regulations  
EU Good Distribution Practice etc.

**Auditors for Vitrolife 2021**  
DNV, BSI, Presafe, TÜV Rheinland  
and TÜV SÜD.



A large part of the production is performed in clean rooms and all businesses are governed by a quality system, which fulfils the standards and regulations for medical devices. Advanced tests of raw materials, semi-finished and finished products ensure a high and consistent quality and is a strategic means of competition.

**Sales and distribution**

Vitrolife has sales in more than 110 markets. To support all markets, the group has developed a customer support function where customers can quickly gain access to qualified, scientific support. Along with the development of

more advanced products, the need for qualified customer support also increases. Customer support for both direct and distributor markets ensures that the products are used in the right way, ensuring that clinics can access the improved results that the products provide.

Even the distribution of medical devices requires high standards, for example, the transportation of refrigerated media to all parts of the world. Vitrolife has a long experience of this type of transport and our global cold chain balances quality requirements, environmental aspects and economy.

\*Refers to the Consumables and Technologies business areas.

# BUSINESS CONCEPT, GOALS AND STRATEGIES

## VITROLIFE'S GOAL SUPPORTS PATIENT'S DESIRE TO HAVE A HEALTHY BABY AND THE IVF CLINIC'S EFFICIENCY REQUIREMENTS

### Business concept

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

### Business goal

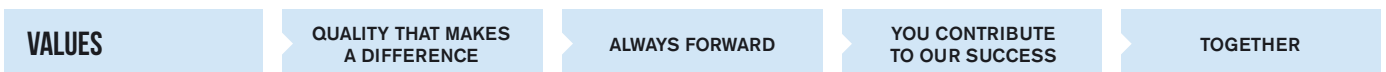
Vitrolife's goal is to be the leading provider of solutions that reduce the time to achieve a healthy baby and improve workflow efficiency and control for IVF clinics.

### Strategy

Vitrolife has identified five strategic focus areas to achieve that goal:

- Scalable global organisation and way of working focusing on attractive culture and sustainable capabilities.
- Strong sales and support channels that can offer customised solutions.
- Competitive and complete portfolio with leading support and service offering.
- Innovative research and development as well as efficient manufacturing and efficient processes.
- Take advantage of external growth opportunities such as collaborations and acquisitions.

### Vitrolife's growth strategy



\*Includes Media and Disposable Devices business units \*\*Includes Time-lapse and ART Equipment business units

## Financial objectives

The Board of Directors intends that Vitrolife will have a strong capital base to enable continued high growth, both organically and through acquisitions. Vitrolife aims to achieve growth through profitability. The objective for Vitrolife's growth over a three year period is a sales increase with an average of 20 percent per year in local currencies for an operating margin before depreciation, amortisation and impairment (EBITDA) of more than 30 percent. The Group's net debt should normally not exceed a multiple of three times EBITDA.

### Fulfilment of objectives Financial goals

#### Sales growth

During the last three year period, Vitrolife's sales have grown both organically and through acquisition by an average of 14 percent per year in local currencies. The pandemic affected the IVF market negatively. The acquisition of Igenomix in 2021 contributed to Vitrolife's sales for one month. The objective of 20 percent growth per year is

defined as growth measured in local currencies organically, and through acquisition, as an average over three years. Growth in 2021 exceeded the target, while annual growth during the last three-year period is below the objective.

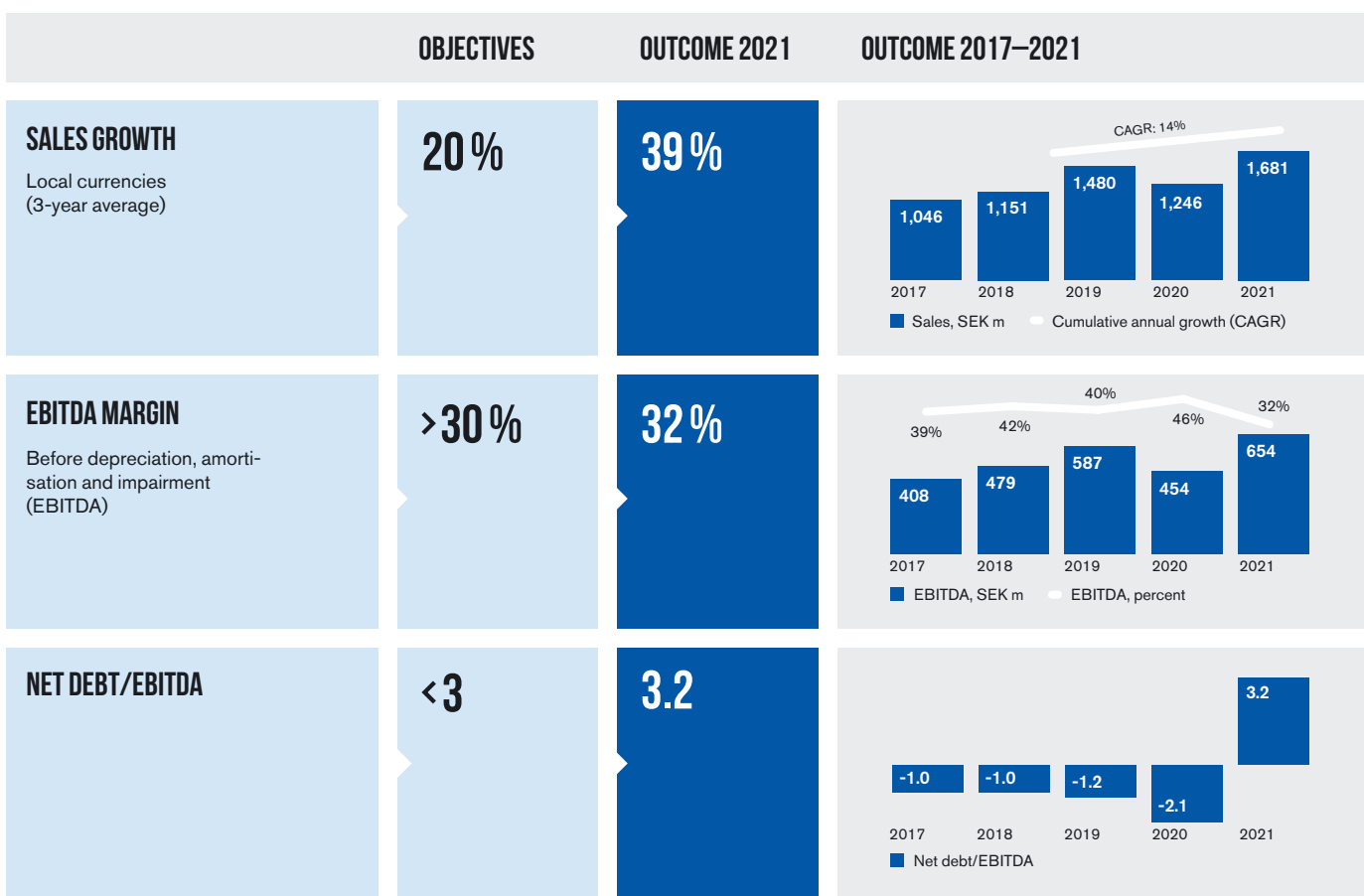
#### EBITDA margin

In 2021, the operating margin before depreciation, amortisation and impairment (EBITDA) was 32 percent. EBITDA adjusted for acquisition-related non-recurring costs came to 38 percent. Vitrolife's objective is to have EBITDA-margin higher than 30 percent. The Group, thereby, reported a operating margin for 2021 that exceeded the objective.

#### Net debt/EBITDA

Net debt in relation to EBITDA grew in 2021 to 3.2 times (-2.1). The net debt increased as a result of the acquisition of Igenomix. Net debt in relation to EBITDA adjusted for non-recurring acquisition-related costs is calculated as approx. 2.7 times. Vitrolife's strong financial position enable financing of future acquisitions.

## Financial objectives





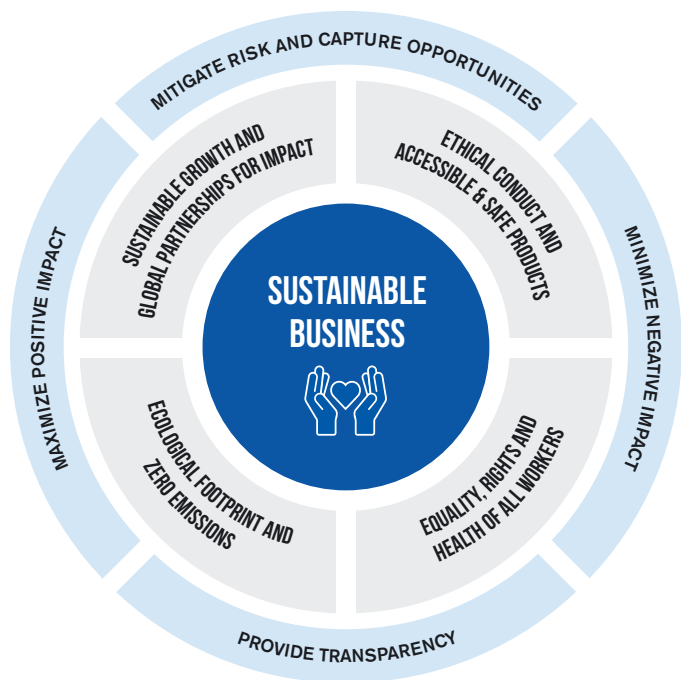
## Integrated sustainability approach that strengthens the business

By taking long-term and responsible action in line with the UN's global sustainability goals, Vitrolife's sustainability approach can strengthen the company's long-term competitiveness and profitability. In this way, the company takes responsibility for reducing its negative impact and enhancing the positive impact from a broader perspective.

Vitrolife's management and Board of Directors have resolved that sustainability must be integrated into everything the company does. Based on a thorough analysis of the value chain, four long-term sustainability themes have been identified on which the company will focus its efforts. These themes enable effective integration of sustainability into the core business through long-term strategic commitments and direct measures in line with the company's material sustainability issues.

### Monitoring

Measuring and reporting the company's development is an important part of monitoring progress and providing transparency for relevant stakeholders. To ensure consistent and transparent reporting related to sustainability issues Vitrolife complies with current legislation and relevant reporting frameworks to ensure quality and comparability. In 2022, Vitrolife will continue to develop and concretise its long-term focus areas, through objectives and additional metrics.



### Sustainability themes

In 2021, Vitrolife defined four key sustainability themes that describe the strategic sustainability direction up until 2030 and beyond. These four cornerstones govern what is required for Vitrolife to ensure sustainable business development across its entire value chain. This is done by managing risks, capturing opportunities, ensuring transparency and increasing the company's positive impact while minimising its negative impact.

### Strategic sustainability framework

THEME	LONG-TERM FOCUS AREAS	PRIORITISED ISSUES IN 2022
<b>SUSTAINABLE GROWTH AND GLOBAL PARTNERSHIPS</b>	Creating inclusive growth that strengthens Vitrolife's operations while simultaneously having a positive impact on society and the environment throughout the company's value chain	Innovation, development and product accessibility
<b>ETHICAL, SAFE AND ACCESSIBLE PRODUCTS</b>	Acting responsibly in all respects and ensuring consciously ethical decision-making	Product quality, performance and ethics
<b>ECOLOGICAL FOOTPRINT AND NET-ZERO EMISSIONS</b>	Minimising the company's ecological footprint, ensuring circular resource flows and taking measures to combat climate change	Climate impact and packaging materials
<b>GENDER EQUALITY, HEALTH AND RIGHTS OF ALL WORKERS</b>	Working continuously to ensure employees' rights and equality by striving for a company structure and culture in which everyone has equal rights and opportunities	Diversity and employee opportunities

# SUSTAINABLE ORGANISATION AND BUSINESS

## VITROLIFE'S SUSTAINABILITY APPROACH STRENGTHEN LONG-TERM COMPETITIVENESS AND VALUE CREATION

### Systematic value-creating sustainability approach

For Vitrolife, running a responsible business is about managing risks, reducing negative impacts and acting responsibly and ethically. At the same time, the company addresses social and environmental challenges in a way that favor the business. The sustainability approach is managed and followed up by Vitrolife's executive management team, through relevant goals and metrics for the business. The functionally responsible for Vitrolife's sustainability approach is a member of the executive management team, and reporting on the commitments is conducted regularly at executive management meetings. The sustainability report for 2021 excludes Igenomix, as the company was acquired at the end of the financial year.

### Enhanced sustainability commitments

In 2021, Vitrolife has worked actively to strengthen its approach to sustainability and further integrate it into the strategic management of the company's organisation and

business development. This means direct measures here and now, while the company is also working on long-term strategic commitments up to 2030 and beyond. The approach is to ensure that Vitrolife's business and operations develop in line with the UN's sustainable development goals and contribute to sustainable development. The company's strategic approach to this is based on its prioritised sustainability themes.

### The Sustainable Development Goals

Vitrolife is committed to making a real difference in creating a sustainable future. For this reason, the UN's Sustainable Development Goals (SDGs) have been an integral part of the analysis carried out in 2021, in defining how Vitrolife's operations affect and will be affected by the global agenda. This creates a basis for the company to capture opportunities, handle the risks and adapt the business to the adjustments that the SDGs entail. Vitrolife's in-depth materiality analysis has identified that 10 of the 17 SDGs are of high importance for the company's operations.

### The Sustainable Development Goals



The 2030 Agenda and 17 SDGs show the way to a better future for all. They also provide the private sector with a lens which it can use to translate global needs and ambitions into business solutions throughout the value chain.

## Step-by-step process

Vitrolife works on the basis of a systematic step-by-step process which provides a solid foundation and enables the entire organisation to contribute and jointly identify and prioritise the sustainability challenges that are most important to its stakeholders and operations. This enables Vitrolife to conduct proactive long-term strategic discussions together with specific, direct measures in the company's current material sustainability issues integrated into its core business.

## Value chain analysis

To ensure understanding of, and communication regarding, Vitrolife's current impact, be it positive or negative, as well as the company's contribution and opportunities, a comprehensive analysis of the value chain has been carried out. This is an effective way of analysing the company's business operations and helps to identify social and environmental issues that are outside the scope of the assets the company directly owns or controls. It also helps to highlight potential risks and business opportunities upstream and downstream in the value chain.

The approach is based on participation and through involvement from the organisation on an ongoing basis, diversity is strengthened and perspectives are broadened. At the same time, the efforts have contributed in producing a shared picture and greater understanding of how the business's actions and impact are connected. The results



Vitrolife is certified as a 'Nasdaq ESG Transparency Partner' – a certification awarded to Nasdaq-listed companies that actively work with sustainability issues and related reporting. This is a confirmation of Vitrolife's desire to be transparent with the market regarding the company's sustainability status, with respect to current and future investors, employees, customers and other stakeholders.

of the work carried out in 2021 generated 35 sustainability issues and 27 different stakeholder groups present throughout Vitrolife's value chain. In order to gain a consistent and shared understanding of Vitrolife's value chain, the method has been based on SDG Compass Guide and GRI Standards. As part of establishing the impact throughout the value chain, relevant legislation and frameworks such as the EU taxonomy, CSRD, GRI Standards and SASB have also been used to ensure transparency and comparability in sustainability issues. The value chain, the company's impact and stakeholders will all be evaluated annually.

## Significant sustainability issues and stakeholders

Of the 35 sustainability issues identified, the materiality analysis identifies which sustainability issues are most important in the value chain. It also assist to ensure that the

## Results of the materiality analysis

Overview of the 21 most significant sustainability issues for Vitrolife

<b>MODERATE IMPACT</b> Reported annually in our sustainability report	<b>SIGNIFICANT IMPACT</b> Reported annually with associated metrics	<b>MAJOR IMPACT</b> Reported annually with associated metrics and acts as a guide for the company's direct sustainability initiatives
<ul style="list-style-type: none"> <li>▪ Anti-corruption</li> <li>▪ Gender equality</li> <li>▪ Supplier management and traceability</li> <li>▪ Evidence-based methods</li> <li>▪ Waste from production and recycling</li> <li>▪ Use of material</li> <li>▪ Energy consumption</li> <li>▪ Health and safety</li> <li>▪ Transparent corporate communication</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transportation, travel and logistics</li> <li>▪ Legal compliance</li> <li>▪ Corporate governance</li> <li>▪ Collaborations, training and knowledge-sharing</li> <li>▪ Employee development</li> <li>▪ Sustainable growth</li> <li>▪ Diversity and equal opportunities</li> <li>▪ Packaging materials</li> </ul>	<ul style="list-style-type: none"> <li>▪ Product quality and performance</li> <li>▪ Innovation, research and development</li> <li>▪ Ethical and responsible business</li> <li>▪ Product accessibility</li> </ul>



## Vitrolife's sustainability themes



company meet current expectations from stakeholders. The issues that have the highest marks in both the impact on stakeholders and impact on society, the environment and the economy are the material issues that arise from the assessment.

Vitrolife's most important stakeholders are employees, IVF clinics, authorities and legislators, distributors, IVF and fertility networks, investors and the Board of Directors and owners. Furthermore, there are a number of other important stakeholders and continuous dialogues are conducted with all stakeholder groups.

### Sustainability themes

The material sustainability issues help Vitrolife to focus the efforts where it provides the greatest benefit in the near future. In order to capture the opportunities and handle the challenges sustainability will bring in the long-term, the company also needs to work with more long-term perspectives and processes. Vitrolife's resilience and long-term value creation are therefore also shaped by the company's ability to systematically identify, understand and manage long-term sustainability themes that are important to the global community and to the business.

Vitrolife's sustainability themes give the executive management and Board of Directors a direction to focus the long-term strategic development. In order to align the company's development with the SDGs. The analysis of the value chain, stakeholders and material issues help identify the landscape of challenges and opportunities surrounding Vitrolife. The landscape then forms the basis for the key challenges and opportunities that are prioritised to be developed into long-term sustainability programmes.

By linking sustainability programmes to the long-term themes and anchoring them in corporate management, the company ensures that sustainability is an integral part of business development. This way of working can also visualise important trade-offs in order to keep pace with the organisation, programme by programme.

### How Vitrolife integrates sustainability into its strategy

In order to incorporate material sustainability issues into the core business, the results are integrated into the Company's annual business strategy process. It adds an extra lens in the development of the functional initiatives identified in the strategic planning process. 'Functional initiative' is a high-level activity that can be divided into sub-activities and projects intended to contribute towards a defined strategic focus or a strategic priority. The process shapes the company's immediate priorities (1–3 years) and integrates sustainability into the core business and organisation. This interconnected approach gives management and the Board of Directors a systematic overview of the company's short term direction, in relation to the long term-themes. This enables the initiation of long-term investments in the form of sustainability programmes or strategic decisions to ensure that the company's long-term direction is in line with the SDGs.

To ensure the ability to work purposefully and monitor the company's improvement efforts, reporting and monitoring in accordance with international standards and regulations for the company's industry are crucial. It also enable comparisons and help executive management to ensure the necessary adjustments are made.

## Sustainable growth and global partnerships



Vitrolife strives for a long term sustainable growth that contributes to the achievement of the SDGs. This means inclusive growth that strengthens Vitrolife's operations while simultaneously having a positive impact on society and the environment throughout the company's value chain. Two crucial factors in being able to achieve the required pace of change are innovation and knowledge-sharing through strategic partnerships and collaborations.

### Financial sustainability

While Vitrolife aims to create long-term growth, the company must minimise its negative impact. Balancing financial consequences and strategic adjustments, since a good financial position is a prerequisite for the intended transition.

Vitrolife pays tax in each country in which operations are conducted in accordance with applicable laws and the OECD guidelines for the fair distribution of profits. Read more on page 61. The company also generates and distributes economic value through investments and innovation and research, as well as salaries and benefits, all of which contribute to the development of the local community in each country in which the company operates. The financial results can, thus, be seen as the overall indicator of Vitrolife's economic impact on society. Read more on page 49-52.

### Guiding principles

Vitrolife's Code of Conduct forms an important basis for the business's sustainability commitments and lays the foundation for how the company should work responsibly. It is based on the Global Compact's ten principles regarding human rights, labour law, the environment and anti-corruption. The Code of Conduct can be read in its entirety on Vitrolife's website, [www.vitrolife.com](http://www.vitrolife.com). Vitrolife requires all of its employees to sign and comply with the Code of Conduct. To ensure awareness over time along with sound business practices, there is a clear compliance programme in place. Training is provided annually, during which all serving employees must verify compliance with the company's Code of Conduct. This helps the organisation to better detect, prevent and counteract any unethical behaviour or other undesirable business practices. Vitrolife also has a separate policy that provides extra guidance to employees and business partners regarding collaboration with healthcare providers and healthcare staff.

To ensure healthy business relationships with customers, Vitrolife requires all distributors to sign and comply with Vitrolife's specific distributor Code of Conduct. The distributors, guarantee that they do not accept any form of forced labour, child labour or bribery. All distributors have signed Vitrolife's Code of Conduct. When selecting and qualifying suppliers for the purchase of materials for production, one of the selection criteria is that the suppliers comply and work in accordance with Vitrolife's Code of Conduct. Vitrolife works with established suppliers, mainly in the EU and US.

### Development, innovation and partnerships

As a medical device company at the forefront of the embryo evaluation process, the company is positioned to have a hugely positive impact on patients when developments and innovations lead to a reduction in the time it takes to help people fulfil their dreams of having children.

Thanks to the last four decades of research and improvements in the IVF process, it has become possible to focus on how a successful pregnancy and birth can be ensured as quickly as possible. To achieve this, the embryos that have the greatest potential to result in a healthy child must

### Vitrolife's Code of Conduct

Vitrolife's Code of Conduct describes the company's values, commitments and rights both in the workplace and in relation to business operations.

All employees must act in accordance with the rules laid down in the Code of Conduct and comply with laws, regulations and Vitrolife's supporting policies, both global and local.

Suppliers, distributors and business partners must also comply with relevant parts of the Code of Conduct.

#### The Code of Conduct is based on the following international principles:

- The UN's Universal Declaration of Human Rights
- The UN's Global Compact
- The ILO's Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises





## VITROLIFE'S OPERATIONS BRING JOY

Vitrolife's operations help people fulfil their dreams of becoming parents. Vitrolife's vision is "to fulfil the dream of having a baby".



be identified, sorted and transferred one at a time. Through automatic image recognition combined with artificial intelligence and preimplantation genetic testing, morphokinetic parameters can be analysed and provide support in decision-making processes that facilitate the selection of embryos for transfer. In 2021, the company invested 6.8 percent (7.4) of sales into research and development.

### Social responsibility

To reduce inequalities and injustices across the globe, Vitrolife has been providing support to the Läkarmissionen and Unicef for some ten years. Läkarmissionen is an aid organisation that has worked since 1958 to change the future of vulnerable people and carries out international development work and disaster relief in around forty countries. Vitrolife supports Läkarmissionen's efforts to ensure safe deliveries for women in rural Africa, which saves lives and reduces suffering. The Panzi Hospital in Bukavu, DR Congo, was founded by Denis Mukwege, recipient of the Nobel Peace Prize and receives thousands of patients from all over the region. Läkarmissionen is one of the hospital's main financiers and focuses on safe births, premature babies, a nutrition department that saves the lives of severely malnourished children and family planning. Thanks to Vitrolife's contribution to the Läkarmissionen, more than 1,700 women have been able to give birth to their babies in a safe environment in a hospital.



### Ethical, safe and accessible products



Vitrolife's operations shall act responsibly in all respects and ensure consciously ethical decision-making in order to minimise risks and maintain the trust of customers, partners and shareholders. By being a relevant driving force for positive change in areas where the company has an impact, Vitrolife can contribute to universal access to reproductive health.

### Responsible business

Conducting business in a responsible manner is in line with the company's purpose and vision. This is a crucial factor for success which must permeate all of the company's operations. This means everything from how the company works with distributors to the development of products and services or personnel and leadership. All of this is crucial for long-term reliability, reduces the risk of non compliance and creates competitive advantages in terms of recruitment and external collaborations.

Regulatory requirements are far-reaching in medical device operations, and Vitrolife has well-established processes and structures to ensure compliance with the law and compliance with ethical principles that apply in each country in which the company operates.

### Quality-assured products

Vitrolife's products are developed, manufactured, marketed, sold and maintained in line with quality-controlled processes. As a manufacturer of medical devices, Vitrolife must meet significant and strict legal requirements as well as product safety standards. In 2021, Vitrolife has focused its efforts on adapting to the new European regulations, Regulation (EU) 2017/745 on medical devices (MDR). Vitrolife's operations are quality-certified in accordance with ISO 13485 (Design and manufacture of medical devices). Quality management systems are reviewed by both internal and third-party auditors and are certified by external notified bodies reporting bodies and authorities that perform regular inspections. The goal is that each product distributed to the customer should meet the promised quality, which in turn enables effective treatments.

### Quality systems support manufacturing

High-quality products can be delivered thanks to quality systems that meet international requirements for medical devices, primarily ISO 13485. Through its quality policy and quality systems, Vitrolife is committed to complying

with the rules set by the authorities in each country in which the products are sold or distributed. This means, among other things, that each product is sold with clear labelling concerning the approved area of use, that instructions are provided for its correct use and that there are systems for assessing risks and registering any side effects.

Vitrolife performs tests throughout the production chain, from raw materials and semi-finished products to the final product to ensure that products of consistent and high quality are delivered to customers. Quality-assured products are a prerequisite for operating as a medical device supplier, and they entail significant competitive advantages. For more information on Vitrolife's quality systems, see page 14-15.

### Clinical studies

Vitrolife carries out clinical studies to safeguard the safety and effectiveness of the company's products. Vitrolife is committed to conducting clinical studies in an ethical manner and to complying with the principles set out in the Declaration of Helsinki. The company conducts clinical studies in accordance with relevant international guidelines for best practice, regulations and other codes or principles (e.g. Good Clinical Practice). Vitrolife also ensures that country-specific rules and guidelines are followed.

A risk assessment is always carried out before a clinical study is initiated to ensure there is a favourable benefit-risk ratio for the enrolled patients. All clinical studies are evaluated and approved by an independent ethics committee before commencing and are overseen by an independent data safety monitoring board. The informed consent process ensures that patients who are eligible for recruitment are aware of the details of the clinical examination and are free to decide whether they want to participate in the study.

To ensure transparency, Vitrolife registers its clinical studies, including the protocols and results, in publicly available clinical study registers (e.g. clinicaltrials.gov or equivalent). The results of clinical studies are also published in journals with expert review and raw data is made available to third parties upon request.

### Workshops support the best possible results

Vitrolife Academy is a training organisation consisting of IVF experts. Knowledge transfer workshops are conducted regularly by Vitrolife both at customers' and Vitrolife's premises and digitally to provide customers with training on how to use the products. Through collaborations with all of Vitrolife's business areas, effective methods are developed and training is arranged for clinics to achieve the best possible IVF results.

### Customer satisfaction measures perceived quality

Vitrolife's products are sold across the globe, and customer satisfaction is used as the main measurement of perceived quality. Customer viewpoints are regularly compiled and reported to the organisation and management teams. The method of measuring customer satisfaction involves the company's customers answering the question about their willingness to recommend Vitrolife as a partner to clinics in the field of IVF. In 2021, the company prepared a new survey to measure customer satisfaction, which was sent out to customers in markets that purchase directly and to Vitrolife's distributors. This improvement meant that the company was able to reach all geographical regions and, thus, gained a broader basis and more answers.

The survey was translated into five different languages and reached 8,500 contacts with a response rate of more than 5 percent.

### Customer satisfaction – willingness to recommend 2021

#### Directly purchasing customers



#### Distributors



■ Very satisfied ■ Satisfied ■ Less satisfied

### Whistleblower function

Vitrolife has a digital whistleblower function consisting of the Group's Head of HR & Sustainability and Vitrolife's Chairman of the Board, to which employees and external stakeholders can turn in order to report any deviations from Vitrolife's Code of Conduct. All reports can be submitted anonymously. Four cases were reported in 2021. If a case is received, there is a process in place for reviewing, investigating and following up on it using appropriate corrective measures.

## Ecological footprint and net-zero emissions



Vitrolife shall be a driving force in creating sustainable production and consumption patterns throughout the value chain. The company aims to minimise its ecological footprint, respect biodiversity, conserve water resources, take measures to combat climate change and work purposefully to achieve the UN's goal of 1.5 degrees.

### Minimal environmental and climate impact

Vitrolife works systematically to reduce the environmental impact of all operations. In line with this, the head office, including the production facility in Gothenburg, is certified in accordance with the environmental management system standard ISO 14001. Vitrolife also works actively at the product level and has carried out a life-cycle analysis on one of Vitrolife's most important products, EmbryoScope+. The GHG footprint was estimated to amount to 21.3 tonnes of CO<sub>2</sub> in 2020. Work to reduce emissions has continued in 2021, including through the coordination of travel and clinic visits during installation and maintenance. The company has also introduced longer service intervals for EmbryoScopes and trains and certifies local engineers in sales countries to perform more work on site.

By mapping emission sources in accordance with the GHG protocol, Vitrolife can work strategically on direct measures to identify and reduce negative impacts on the climate. Other examples of activities include coordinating the transportation of products more efficiently and limiting business travel. During the period where adjustments were made due to Covid-19, the business made a major change by replacing travel with digital conferences, meetings and training events, both for internal and external contacts. This benefits productivity, health and the climate. The ambition is for the company's operations to be conducted with as little environmental and climate impact as possible without sacrificing Vitrolife's competitiveness.

### MEA

Most medical devices used in IVF must, based on requirements from regulatory bodies, undergo an analysis using embryos from mice as part of the process for biological quality control. Vitrolife conducts more than 90 percent of these tests internally. Animal welfare is maintained to the highest standards by following the Guide to the Care and Use of Laboratory Animals provided by the National Research Council, and quarterly veterinary

audits are carried out. The mice are provided by companies specialised in the breeding of laboratory animals. There is a close collaboration with academic departments and third-party laboratories which must comply with equivalent requirements and standards. There is currently no accepted alternative to using mouse embryos, but Vitrolife is committed to the 3Rs: Replace, Refine and Reduce. For example, the company could reduce the number of mice required by increasing the batch size for a given product.

### Use of materials and waste management

Material	2021	Material	2021
Combustible waste	69.3 t	Biological waste	7.4 t
Cardboard	31 t	Hazardous waste	2.2t
Metal	4.9 t	High-risk waste	3.1 t
Glass	3.9 t	E-waste	1.3 t
Plastic	1.8 t	Water	11,276 m <sup>3</sup>

Water consumption is based on the production facilities in Gothenburg, Denver and Aarhus. Other waste statistics are based on Gothenburg and Denver. Work is underway to include larger parts of the organisation.

Vitrolife works continuously to create products with a low environmental impact and to reduce the proportion of waste. An example is EmbryoMap, where the reagents used for the sample preparation are provided ready-mixed and the indexes are delivered in a PCR plate to reduce both plastic and other associated waste. This format allows the test components to be delivered in a single box and to be sent and stored at the same temperature, thus, increasing shipping efficiency by reducing both transport and storage volume.

### Climate impact

Since 2019, Vitrolife has measured emissions in line with the GHG protocol. Scope 1 consists of direct emissions from the company's production facilities and Scope 2 concerns the consumption of electricity from production facilities. Scope 3 concerns emissions beyond purchased energy that occur outside the boundaries of the business. Vitrolife measures efficiency for all scopes as CO<sub>2</sub> emissions in tonnes in relation to the company's in SEK millions, referred to hereafter as the climate index. The pandemic has affected the company's emissions patterns and made comparisons more difficult over time. In 2021, actual emissions increased in all scopes compared with 2020, but not in relation to sales when seen through the perspective of the climate index. If we instead compare the figures with 2019, which was a more normal year, emissions are lower, even in actual terms, despite increased sales.





### SCOPE 1

#### DIRECT GREENHOUSE GAS EMISSIONS:

	2021	2020	2019
TON CO <sub>2</sub>	578	515	523
CLIMATE INDEX	0.34	0.41	0.35



### SCOPE 2

#### INDIRECT GREENHOUSE GAS EMISSIONS FROM ELECTRICITY AND HEATING:

	2021	2020	2019
TON CO <sub>2</sub>	740	702	808
CLIMATE INDEX	0.44	0.56	0.55



### SCOPE 3

#### OTHER INDIRECT GREENHOUSE GAS EMISSIONS:

	2021	2020	2019
TON CO <sub>2</sub>	1,499	1,199	1,867
CLIMATE INDEX	0.89	0.96	1.26

### Scope 1 – Direct greenhouse gas emissions

The climate impact in 2021 for Scope 1 amounted to 578 tonnes of CO<sub>2</sub> (515). The climate impact consists mainly of the combustion of natural gas in the distillation of production water in the USA. This process also contributes to the heating of the clean rooms and is, therefore, run continuously. This, in relation to increased sales, still resulted in a lower climate index for Scope 1 in 2021. The climate index relating to Scope 1 amounted to 0.34 (0.41).

### Scope 2 – Indirect greenhouse gas emissions from electricity and heating

The climate impact in 2021 for Scope 2 amounted to 740 tonnes of CO<sub>2</sub> (702). The climate impact mainly consists of the consumption of electricity for the company's production facilities. Electricity consumed in Sweden and Denmark comes from renewable energy sources, which means zero CO<sub>2</sub> emissions. The climate index relating to Scope 2 thus amounted to 0.44 (0.56).

### Scope 3 – Other indirect greenhouse gas emissions

Within Scope 3, Vitrolife has carried out a materiality analysis of the climate impact, which has resulted in business travel and the transportation of goods being included in Vitrolife's measurement of Scope 3. In 2021, the number of business trips remained low due to the pandemic and new ways of working. In contrast, the proportion of goods transportation once again increased. Scope 3 amounted to 1,499 tonnes of CO<sub>2</sub> (1,199) in 2021. The climate index relating to Scope 3 thus amounted to 0.89 (0.96).

IVF media are sensitive products that must be stored and transported in cold temperatures in order to maintain quality. Cooling of IVF media during transport is achieved by packing products in well-insulated Styrofoam boxes with freezer packs. These Styrofoam boxes have a limited

time outside the refrigerator before the contents risk exceeding the temperature limit. Short transport times are required, which is why air cargo is the only option for longer distances.

The climate impact can be reduced through efficient packing and fewer shipments. Vitrolife strives to reduce the proportion of cold chain transportation by informing customers about the transport's CO<sub>2</sub> emissions and, thus, encouraging them to buy larger quantities on fewer occasions. A calculation tool has been developed to fill the cooling boxes optimally. Non-cold-sensitive products such as instruments are transported by sea whenever possible.

Vitrolife uses professional freight forwarders with efficient transport systems that optimise transport in terms of packaging and the transport route, which also keeps CO<sub>2</sub> emissions and costs down.

To minimise the climate impact and costs, Vitrolife has a clear travel policy that encourages internal travel to be minimised through the use of digital tools such as video conferencing equipment, which are installed in all of the company's offices. Because of the adjustment to working methods due to the pandemic over the past two years, staff travel has decreased significantly both in service and to and from the workplace, as many employees have been able to perform their work from home. In 2021, Vitrolife invested in 16 charging stations for staff cars in Gothenburg, where the head office and the largest production facility are located. According to the adopted policy, the company cars may emit a maximum of 56g CO<sub>2</sub>/km.

## Gender equality, health and rights of all workers



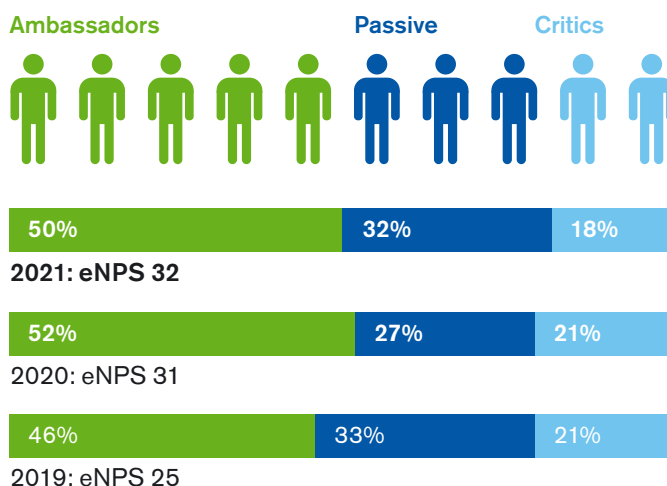
Vitrolife works continuously to ensure gender equality and workers' rights by striving for a corporate culture and structure whereby everyone has equal rights and opportunities, regardless of aspects such as gender, ethnicity, religion, age or other status. A fair distribution of influence and resources between women and men, as well as zero tolerance for discrimination, are important prerequisites for Vitrolife globally, while the company's operations can contribute to trends in the desired direction. These efforts strive to ensure that all employees in the company's value chain have their rights and health secured and that the company does not contribute to any form of forced or child labour.

### Attractive workplace

Vitrolife is a knowledge-intensive company in which employees constitute the single most important asset for its long-term competitiveness and profitability. For this reason, Vitrolife's targeted efforts to create an attractive and sustainable workplace for all employees is a key to the company's success. The staff turnover rate, calculated as the number who leave divided by the average number of employees during the year, was 13 (11) percent. Vitrolife offers an attractive workplace with the opportunity to work for a higher purpose, a purpose that makes a difference to people's lives all over the world. Together, Vitrolife's employees make a real difference to fertility clinics around the world and their patients.

Vitrolife's employees create the company's leading position in the market. Generally speaking, Vitrolife's employees can highly recommend the company as a good place to work. The eNPS continued to increase in 2021. eNPS stands for employee net promoter score and measures how willing employees are to recommend their workplace to friends and acquaintances. An eNPS value can range from -100 to +100. A value above 0 is good, above +20 is very good and above +50 is outstanding. Vitrolife's eNPS increased from +31 in 2020 to +32 in 2021. In 2021, a new methodology for engagement surveys has been implemented globally. Through the updated pulse format, working groups are given a better opportunity to discuss issues highly relevant to areas such as working methods, group dynamics and health and to measure their progress on a more continuous basis. Vitrolife's business is a source of joy and it is self-evident that the company's employees should also feel joy in their work.

## Employer net promoter score



A continued high eNPS score confirms that Vitrolife's managers and employees are highly adaptable in the turbulent times caused by the pandemic in 2021, as in 2020. The results show that employees at Vitrolife perceive their work environment as both physically and psychologically safe to a high degree and that they feel the company cares about its employees. These are important strengths that serve as a foundation for open dialogue in the teams about what can be improved, such as workload and cooperation. The results of the engagement surveys are analysed and discussed in each working group and form the basis for activity plans at both company and management levels. The engagement survey receives responses from almost 90 percent of the company's more than 400 employees worldwide.

As Vitrolife grows, a global HR system was implemented during the year which simplifies working methods and monitoring of data.

### Safe work environment and good health

Vitrolife supports flexible working methods for employees as far as possible, to create scope for recovery and a balance between work and family life. Our goal is diversity, equality and justice in a work environment where all employees feel valued and respected. Important viewpoints are collected from work environment surveys and engagement surveys in order to continuously improve the work environment, both physically and organisationally. Through systematic work environment initiatives, Vitrolife works actively to continuously improve the conditions for health and safety in the workplace and to prevent ill health and accidents. Vitrolife offers a work environment that meets or exceeds the requirements that apply in line with legislation and other standards regarding health and safety in each country in which the company operates.

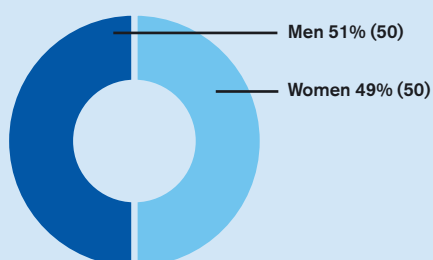
Vitrolife's overall goal is to create a good physical work environment and a healthy work climate in which everyone can feel safe, develop skills and feel well. Regular engagement surveys ensure employees' satisfaction with their workplace is followed up, while improvements are implemented by way of dialogues and co-creative discussions. Employees are trained to ensure their work is performed in a way that reduces the risk of occupational injuries and prevents ill health and accidents. The company works systematically and preventively on the health, well-being and safety of all employees. The results of the engagement surveys show a high degree of perceived physical and psychological safety in the organisation.

The local work environment work is run by managers with the support of HR and business partners, such as local employers' organisations and experts. For the Swedish and Danish operations, the systematic work environment initiatives are managed by a safety committee. This includes appointed safety representatives together with other staff representatives and management. Established plans are

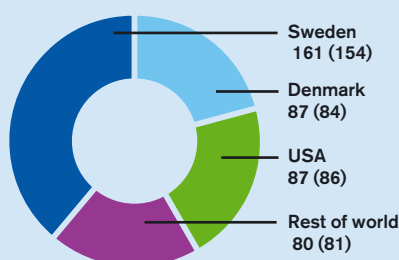
in place concerning responsibility and risk assessment, as well as procedures for detecting, remedying and following up on any shortcomings in the work environment at an early stage.

In 2021, the importance of a safe working environment has remained in the spotlight due to Covid-19. The safety of employees who work in production, distribution and warehouses, for example, has continued to be safeguarded through special precautionary measures. Vitrolife has been able to prevent the spread of the virus among staff in all locations where production is carried out. Employees whose work duties can be carried out remotely have been encouraged to work from home. Active measures to enable a good environment for long-term home-working have been adopted, with employees able to borrow furniture and equipment for their homes, for example. A continuous and close interpersonal dialogue has been ensured by the managers in order to maintain the positive corporate culture and cooperation in groups despite this protracted remote work.

#### Distribution by gender\*



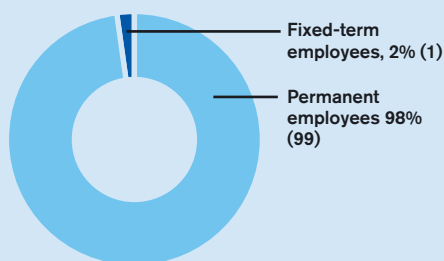
#### Average no. employees by country



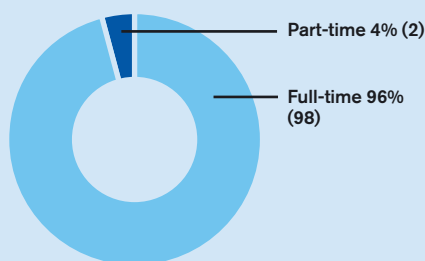
#### Key figures, employees

	2021	2020	2019
No. of employees at the end of the year	427	413	430
Average no. of employees	415	405	398
Distribution of men/women, all employees (%)*	51/49	50/50	49/51
Distribution of men/women in managerial positions (%)*	64/36	60/40	64/36
Distribution of men/women, senior executives (%)	75/25	75/25	86/14
Sick leave (%)**	4.4	3.8	5.2
Accidents***	1	4	9

#### Distribution by type of employment\*



#### Distribution by employment status\*



\*Due to regulatory reasons linked to GDPR, Germany's 15 employees have been excluded from the statistics  
 \*\*Sick leave figures cover the Swedish part of the business. The statistics include both short-term and long-term sick leave as well as work-related and non-work-related causes.  
 \*\*\*Statistics for rest of world are not included due to limitations in reporting systematics. All employee data is compiled based on FTE unless otherwise stated.



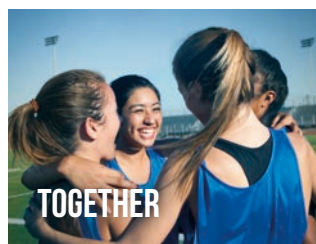
## Competence supply

Vitrolife is a knowledge-intensive company. Offering employees broad opportunities for continuous professional development is a basic principle for a sustainable supply of skills. The competence of employees is crucial in terms of Vitrolife's growth. In order to engage and develop competent and inspired employees, development needs are identified in regular discussions between employees and managers. The current guiding framework for goal and performance appraisals, known as VitroTalks, was reinforced in 2020 and has been implemented globally in the company over the course of 2021. This framework is in line with desired values. Through a digital portal, managers and employees can get support for ongoing appraisals, planning, follow-up and feedback.

Further improving opportunities among staff for development in their work is a prioritised area in 2022, and such improvements are measured through questions in the engagement surveys. In addition to individual development efforts, job-specific training is also carried out, comprising both qualification and re-qualification. Managers with personnel responsibilities regularly participate in managerial meetings on relevant aspects of leadership within Vitrolife, which creates good conditions for developing as competent, confident and inclusive leaders. To facilitate cooperation in a global organisation, language training is offered, among other initiatives.

## Vitrolife's core values

Vitrolife's vision is 'To fulfil the dream of having a baby', thus describing the most important aspect for the company – helping people realise their dream of becoming



Vitrolife's values and Code of Conduct guide the actions and decision-making of employees in different situations.

parents. Employees are guided by a clear set of values. The engagement survey confirms that Vitrolife is a value-driven company. Vitrolife strives to have a decentralised and flexible organisational structure, characterised by competence, entrepreneurial spirit, target management and fast decision-making paths. These values guide employees on how to act and make decisions in different situations. Each value has a description containing examples of what it could mean in everyday life. The goal is for all employees to use these as guidance in their day-to-day work together.

## Gender equality and inclusion

Equal treatment is important for all employees, regardless of identity, in order to develop their full potential and serve as a basis for good health and well-being. Vitrolife has zero tolerance for all forms of discrimination, bullying or harassment. Vitrolife is to be a workplace where diversity is encouraged regardless of gender, religion, ethnic background, sexual orientation or other aspects of identity. Diversity and an inclusive approach make Vitrolife more sustainable by enabling value creation from a wide range of perspectives that represent both the customer base and other stakeholder viewpoints.

It is important for Vitrolife to be an attractive employer that maximises and utilises the skills among employees within the company. Gender equality has been identified as a prioritised sustainability issue in order to be attractive as an employer to current and future employees. In 2021, the company signed the UN Women Empowerment Principles, which represents an important position and is clearly anchored in Vitrolife's higher purpose. In order to be able to detect and remedy any imbalances, Vitrolife has chosen to monitor gender distribution at different levels within the company. The ambition is to increase the proportion of female managers in order to create a balanced organisation. A pay equity analysis is conducted annually to detect any unjustifiable differences, which are then corrected within the framework of the company's gender equality ambition. The results of the salary survey show that there are no unreasonable salary differences based on gender within Vitrolife.

## Collective agreements and transparency

All of the company's employees have the right to join a trade union and to negotiate collectively in accordance with local laws and applicable agreements. Everyone working for Vitrolife is entitled to fair conditions under local rules and regulations, including contractual working hours, rest periods, overtime and holidays. Vitrolife Sweden AB is covered by collective agreements and is a member of the Innovation and Chemical Industries (IKEM) within the Confederation of Swedish Enterprise, meaning it is connected by their

agreements to unions such as IF Metall, Unionen and Akademikerförningarna. The collaboration with local trade unions works well and facilitates solutions that best take into account the interests of both employees and Vitrolife. A total of 39 (37) percent of Vitrolife's employees are covered by collective agreements.

All employees have access to clear and transparent information about the company's offering as an employer

and the rules that apply via the personnel handbook that have been produced. The personnel handbooks are guided by Vitrolife's values and are based on nationally and internationally established standards governing human rights and labour law. Managers in all functions are responsible for the handbooks' implementation and for ensuring that employees know and follow the current structure and culture, while the HR function is responsible for development, training and follow-up.

### The requirements for sustainability information based on the Annual Accounts Act, Chapter 6, Section 11 are reported below in this annual report.

Area	Information	Page reference
Business model	Vitrolife's business model, strategy and governance	8, 16–21
Sustainable growth and anti-corruption	Vitrolife's work on sustainable growth and measures to combat corruption	22–25
Environment and climate	Vitrolife's work to reduce its impact on the environment and climate	26–27
Social conditions and staff	Vitrolife's work to secure social conditions and work on staff-related issues such as gender equality and safe workplaces	28–31

The sustainability report for 2021 comprises the parent company Vitrolife AB (publ), corporate identity number 556354-3452, and all units that are consolidated into Vitrolife's consolidated financial statements, which are outlined in Note 27. The sustainability report has been prepared in accordance with the provisions of the Annual Accounts Act, chap. 6–7. When signing off the annual report and consolidated financial statements, the Board of Directors and the CEO have also approved the sustainability report. The sustainability report for 2021 excludes Igenomix, as the company was acquired at the end of the financial year.

### The auditor's opinion regarding the statutory sustainability report

To the annual general meeting of Vitrolife AB (publ), corporate identity number 556354-3452

#### Assignment and division of responsibilities

The Board of Directors is responsible for the 2021 sustainability report on pages 19-31 and for preparing it in accordance with the Annual Accounts Act.

#### Focus and scope of the audit

Our audit has been conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is different and substantially less in scope than an audit conducted

in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

#### Opinion

A sustainability report has been prepared.

Gothenburg, 25 March 2022

Deloitte AB

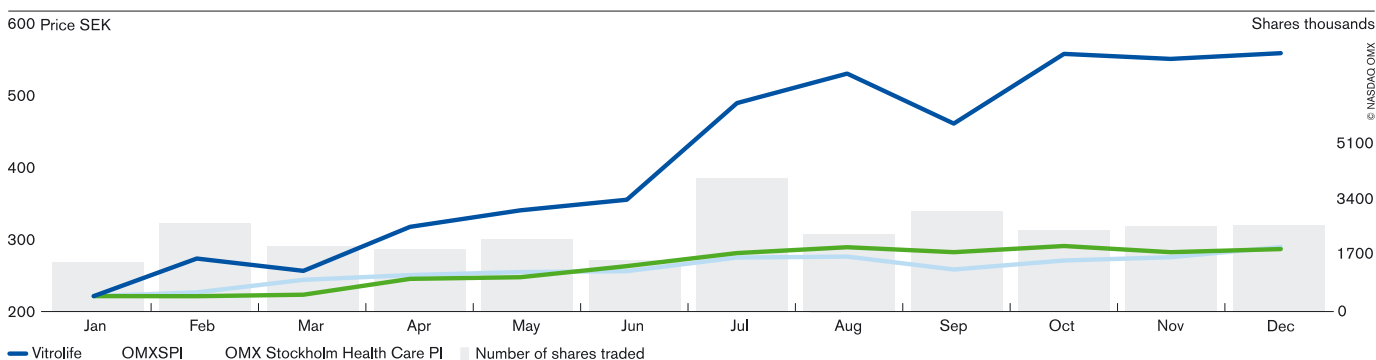
Harald Jagner

Authorised public accountant

# THE VITROLIFE SHARE

## CONTINUED INCREASE IN SHAREHOLDER VALUE

### Share price and turnover in 2021



Vitrolife's share was listed on NASDAQ Stockholm, Large Cap in 2021. The share has been listed since 26 June 2001 under the short name VITR.

**+159% SHARE PRICE IN 2021**

### Share structure

The share capital in Vitrolife AB (publ) amounted to SEK 27,631,227 (22,144,317) on 31 December 2021, divided into 135,447,190 (108,550,575) shares with a quota value of SEK 0.204. The number of shares increased by 26,896,615 during the year as a result of a directed new issue and non-cash issue to partially finance the acquisition of Igenomix. All shares have equal voting rights and an equal right to a share in Vitrolife's assets and profit. There were no outstanding warrants as of 31 December 2021.

### Share price and sales

On 31 December 2021, the share price was SEK 560.00 per share upon last payment (215.80), which was an increase of 159 percent since the previous year-end. NASDAQ Stockholm's index increased by 35 percent over the same period. At the end of 2021, Vitrolife's market capitalisation amounted to SEK 75,850 million (23,425) based on the latest price paid. The highest share price during the year was SEK 585.00 (252.00), which was recorded on October 29 (September 18). The lowest share price during the year was SEK 210.40 (112.30), which was recorded on 26 January (23 March).

The number of Vitrolife shares traded on NASDAQ Stockholm during the year amounted to 28,898,656 (37,988,124) at a value of SEK 11,726 million (7,083). The number of trades completed was 424,529 (277,462).

The number of shares traded corresponded to 21.3 percent (35.0) of the number of outstanding shares at the end of the year.

### Ownership structure

At the end of the year, the number of shareholders in Vitrolife was 16,578 (10,601). Of these, 91 percent owned 1,000 or fewer shares. The ten largest shareholders accounted for 73 percent (70) of the shares. The proportion of shareholders registered at addresses outside Sweden was 63 percent (62).

### Dividend policy and dividend

Vitrolife's Board of Directors and CEO intend to propose an annual dividend, or other equivalent form of distribution, which corresponds on average over time to 30 percent of net profit after tax paid. When deciding on a proposed dividend or equivalent, the Group's future profits, financial position, capital requirements and other positions will be taken into account. Vitrolife's net debt should not normally exceed a multiple of three times operating profit before amortisation, depreciation and impairment (EBITDA).

In 2021, a dividend of SEK 0.80 (–) per share was paid. In accordance with the dividend policy, it is the intention of the Board and CEO to propose to the Annual General Meeting 2022 a dividend of SEK 0.80 (0.80) per share.

### Share buybacks

The Board received authorisation from the 2021 annual general meeting to acquire its own shares in order to adjust Vitrolife's capital structure. During the year, repurchases of 52,568 own shares to a value of SEK 22.8 million were carried out to hedge the share savings incentive programme LTIP 2021 in accordance with the decision of



the annual general meeting. No other share buyback was done during 2021.

### Share savings incentive programme

In accordance with the Board's proposal, the 2021 annual general meeting resolved to introduce a long-term incentive program (LTIP 2021) for certain key employees to encourage personal long-term shareholding in Vitrolife, as well as to increase and strengthen opportunities to recruit, retain and motivate employees. The aim was also to use the LTIP 2021 to unite employees' and shareholders' interests. For more information about the programme, see the statutory administration report on page 41.

Vitrolife also has two outstanding share-related incentive programmes in line with decisions taken at the 2019 and 2020 AGMs. For more information about these programmes, see pages 40-41 and [www.vitrolife.com](http://www.vitrolife.com).

### Share price and updated information

Updated information about the share can be found at [www.vitrolife.com](http://www.vitrolife.com) along with press releases, quarterly reports and annual reports and the opportunity to subscribe to these by e-mail.

### Individuals in senior positions

Individuals in senior positions, as well as those related to them, must, in accordance with the EU Market Abuse Regulation, notify the issuer and Finansinspektionen of

any transaction carried out on their own behalf regarding shares and other financial instruments issued by that issuer. The Board members, the CEO and the CFO were considered to be individuals in senior positions at Vitrolife during 2021. In connection with the launch of a new organisation in 2022, other members of the executive management team were also included.

### Analysts

The following analysts publishing ongoing analyses of Vitrolife:

- ABG Sundal Collier
- Carnegie
- DNB Bank ASA
- Redeye
- Murgata

### Four reasons to invest in Vitrolife

- Market growth is primarily driven by the growing middle class, along with expectant parents who opt to try and have children later in life, increased social acceptance of IVF and increased use of technology in IVF treatments.
- Strong brand linked with quality.
- A long history of creating profitable growth.
- Aims to lead technological developments within IVF.

#### Data per share

	2021	2020	2019	2018	2017
Average no. shares outstanding*	114,625,057	108,550,575	108,550,575	108,550,575	108,550,575
No. shares at the end of the period*	135,447,190	108,550,575	108,550,575	108,550,575	108,550,575
Equity per share, SEK*	113.12	18.54	16.53	13.75	11.29
Earnings per share, SEK*	2.97	2.64	3.53	2.85	2.43

\*Recalculated taking into account the 5:1 split that was implemented in May 2018.

#### Vitrolife's ten largest shareholders

Shareholders	Number of shares	Shares and votes, %
William Demant Invest A/S	36,203,822	26.7
Bure Equity AB (publ)	21,510,257	15.9
State Street Bank and Trust Co, W9	15,359,502	11.3
BNY Mellon SA/NV (Former BNY), W8IMY	7,284,247	5.4
Fourth National Pension Fund	4,133,702	3.0
JP Morgan Bank Luxembourg S.A.	3,857,691	2.9
JP Morgan Chase Bank N.A.	3,223,219	2.4
Goldman Sachs & Co. LLC, W9	2,320,020	1.7
AMF – Insurance and Funds	2,240,000	1.6
BNY Mellon NA (Former Mellon), W9	2,020,043	1.5
Other shareholders	37,294,687	27.6
<b>Total</b>	<b>135,447,190</b>	<b>100.0</b>

Source: Euroclear Sweden's share register on 31 December 2021

#### Shareholder statistics

Class of shares	No. shares, thousands	No. shareholders	Shares and votes, %
1–500	993	14,388	0.7
501–1,000	615	751	0.5
1,001–5,000	2,478	984	1.8
5,001–10,000	1,225	162	0.9
10,001–15,000	834	66	0.6
15,001–20,000	561	31	0.4
20,001 –	128,735	194	95.0
<b>Total</b>	<b>135,447</b>	<b>16,578</b>	<b>100.0</b>

Source: Euroclear Sweden's share register on 31 December 2021