

**INTERIM REPORT Q2 / 2022**



# This is Vitrolife

Vitrolife contributes to successful reproductive treatment outcomes by providing valued solutions tailored to the needs of IVF clinics and testing labs.

Specialising in IVF since 1994, Vitrolife has grown and taken market shares globally through its well-executed product development programmes, groundbreaking research, consistent quality control and acquisitions of other innovative companies in the industry. We support customers worldwide - always with sustainability in mind. Based on science and advanced research capabilities, our aim is to deliver outstanding

products and services for the entire fertility 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.

The Vitrolife share is listed on NASDAQ Stockholm.

## Business areas



Media, cryo products, disposable devices and genomic kits.



Incubation, time-lapse evaluation, laser and QC systems.



Reproductive genetic testing services.

## Vitrolife in figures

EMPLOYEES  
~1,150

PUBLICATIONS  
~600

GLOBAL PRESENCE IN  
~110 MARKETS

## Second quarter

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# Together for successful growth

### Second quarter

- Sales of SEK 829 (382) million, corresponding to an increase of 117% in SEK, whereof currency effect 18%, acquired growth 80% and organic growth 18%.
- Consumables increased sales by 24% in SEK, Technologies by 37% in SEK, and Genetic Services contributed sales of SEK 341 million.
- Strong growth in all market regions. Americas 241%, EMEA 53%, Japan Pacific 85% and Asia 73% in local currencies.
- Operating income before depreciation and amortisation (EBITDA) was SEK 273 (134) million, corresponding to a margin of 32.9% (35.2%). EBITDA per share increased by 63%.
- Net income was SEK 130 (86) million, resulting in earnings per share of SEK 0.96 (0.79).

### Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 24% in SEK, and 14% in local currencies.
- EBITDA margin of 32.9% (32.8%).

### First half year

- Sales of SEK 1,581 (761) million, corresponding to an increase of 108% in SEK, whereof currency effect 16%, acquired growth 77% and organic growth 15%.
- Consumables increased sales by 25% in SEK, Technologies by 18% in SEK, and Genetic Services contributed sales of SEK 645 million.
- Strong growth in all market regions. Americas 247%, EMEA 68%, Japan Pacific 48% and Asia 45% in local currencies.
- Operating income before depreciation and amortisation (EBITDA) was SEK 501 (297) million, corresponding to a margin of 31.7% (39.1%). EBITDA per share increased 35%.
- Net income was SEK 213 (205) million, resulting in earnings per share of SEK 1.56 (1.88).

### Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 21% in SEK, and 12% in local currencies.
- EBITDA margin of 31.7% (33.6%).

### After the end of the period

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

# The Group's key figures

	April – June		January – June		Full year	Pro forma Apr – Jun <sup>3</sup>	Pro forma Jan– Jun <sup>3</sup>	Pro forma Full year <sup>3</sup>
SEK millions*	2022	2021	2022	2021	2021	2021	2021	2021
Net sales	829	382	1,581	761	1,681	696	1,380	2,817
Gross margin, %	56.8	62.1	56.2	63.6	62.2	55.2	56.1	55.7
Adjusted gross margin <sup>1</sup> , %	59.1	63.3	58.7	65.0	63.4	58.5	59.6	58.8
Operating income before depreciation and amortisation (EBITDA)	273	134	501	297	544	228	464	906
EBITDA margin, %	32.9	35.2	31.7	39.1	32.4	32.8	33.6	32.2
Net income	130	86	213	205	344	115	219	423
Net debt / EBITDA Rolling 12 month	2.4	-1.9	2.4	-1.9	3.2	N/A	N/A	N/A
Earnings per share <sup>2</sup> , SEK	0.96	0.79	1.56	1.88	2.97	0.85	1.62	3.11
Share price on closing date, SEK	235.20	355.60	235.20	355.60	560.0	N/A	N/A	N/A
Market cap at closing date	31,857	38,601	31,857	38,601	75,850	N/A	N/A	N/A
Changes in net sales								
Organic growth in local currency, %	18	94	15	49	30			
Acquired growth, %	80	-	77	-	9			
Currency effects, %	18	-11	16	-9	-4			
Total growth, %	117	83	108	40	35			

\*Unless otherwise indicated

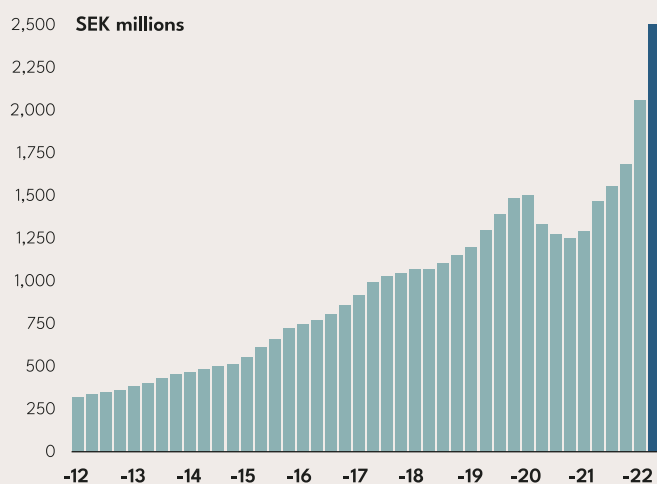
<sup>1</sup> Gross margin excluding amortisation of acquisition-related intangible assets.

<sup>2</sup> Before and after dilution.

<sup>3</sup> Quarterly reports during 2022 will show Pro forma for 2021. For Pro forma information, see pages 22-23.

For definitions, motivations and reconciliations, see pages 25-27.

## Net sales (rolling 12 months)



## Vitrolife financial objectives



## Together for successful growth

Our focus is on customers within Fertility/Reproduction. Development of products and services for all business areas will be around reproduction and particularly for IVF clinics. We are adapting our organisational structure within each market region to capture synergies and to care for our customers.

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# CEO's comment

Our growth momentum continues. Sales during the second quarter were SEK 829 million, an increase of 117% in SEK and 99% in local currencies. We grew strongly organically, and the acquisition of Igenomix contributed SEK 341 million. In local currencies, our growth was 14% (pro forma excluding Covid-19 testing). We increased our gross margin to 56.8 % (pro forma 55.2%), and EBITDA increased to SEK 273 (134) million equivalent to an EBITDA margin of 32.9 % (pro forma 32.8%). The EBITDA improvement of SEK 139 million relates to profitable growth in the Consumables and Technologies business areas and the acquisition of Igenomix (now Genetic Services business area).

Americas has become the largest market region with 36% of company sales. Americas grew 13%, Japan Pacific 32% and Asia 41% (all in local currencies pro forma excluding Covid-19 testing). Our sales in EMEA were flat, due to the phasing-out of a contract for genetic testing to a large IVF clinic chain and large sales of hardware within Technologies last year.

Sales in the Consumables business area increased by 15%. Growth was particularly good in Asia, due to our commitment to a high service level for our media customers. Our sales in Technologies increased by 29%, and I am pleased to say that we received MDR certification for these products during the period. Genetic Services (excluding

Covid-19) increased sales by 7%, driven by the growth in our largest area, pre-implantation testing.

It is all about our customers. We are setting up a structure for our laboratories and product offerings that fits each customer's individual preferences for local presence and support from a competence-based international network. In markets where Genetic services has a local presence, and where Consumables and Technologies are working through distributors, we are reviewing our sales channels, in order to achieve synergies from our combined offering. For the market region Japan Pacific and part of Asia we have already made one common structure. We merged our organisations to strengthen our ability to meet customer demand in a fast growing region, with major differences among countries, clinics, payment systems and regulatory environment. As a consequence of the above market conditions we are adjusting the laboratory setup in the region.

Our focus is Fertility/Reproduction! It is for the customers in those therapy segments that we can make a positive change and contribute to a better clinical outcome in an effective way by supporting them with our products and services. Development of products and services for all business areas will be around reproduction and particularly for IVF clinics. We have several exciting product

## “ESHRE 2022 - We are happy with the outcome and business opportunities ahead.”

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developments in progress for fertility. We will allocate more resources to those projects. In view of this focused strategy, we will not continue with the business lines GPDx and Oncology. We will keep part of GPDx product portfolio related to reproduction for selected markets and customers. All other resources, product development and activities in GPDx and Oncology will be downsized in the coming quarters.

At the end of this quarter we have reduced the staff in Genetic Services by approximately 7% compared with the first quarter this year. This has been done by adjusting the organisation for those working with Covid-19 testing and restructuring operations in a few markets: Argentina, China, Korea and Vietnam. The residual laboratory structure will be kept.

Our staff in Genetic services are working with a customer oriented approach and we know from our surveys that we have excellent customer satisfaction. Evidence of this was seen in Q2, when we secured a large new customer account for the coming years. Our core offering of services for embryo evaluation and diagnostic tools to identify the window of implantation is built from a research and know-how based company culture. From this solid competence base and additional know-how from the Technologies and Consumables business areas, we will develop our future Genetic Services.



Working together is not always easy. One of our core values in Vitrolife is Together. I am pleased to write that, for the first time, we have worked together at a large customer event, ESHRE - the world's largest congress and expo in reproduction biology and medicine. We are happy with the outcome and business opportunities ahead. Please visit us on Instagram [@Vitrolifeivf](#) and [@lgenomix\\_esp](#) for highlights from ESHRE 2022 to get a view of what we can achieve Together.

Thomas Axelsson, CEO



FIRST TIME WORKING TOGETHER  
at customer event ESHRE 2022

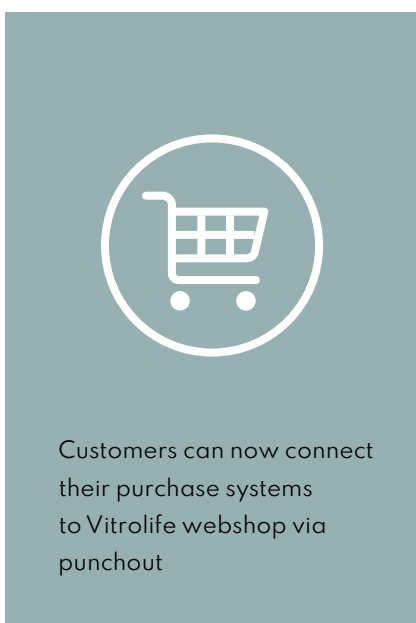
# Highlights in quarter 2



The patent covering iDAScore was granted  
in Australia in April.



Vitrolife A/S received  
EU QUALITY MANAGEMENT  
SYSTEM CERTIFICATE (MDR)



Customers can now connect  
their purchase systems  
to Vitrolife webshop via  
punchout



STRATEGIC PARTNERSHIP  
with IVF clinic chain

# Second quarter

## Net sales

Sales during Q2 2022 increased from SEK 382 million to SEK 829 million, corresponding to an increase of 117% in SEK and 99% in local currencies.

Consumables increased sales by 24% in SEK, and 15% in local currencies, driven by growth in all product lines. Sales in Asia increased by 39% in local currencies and Japan Pacific grew by 37% in local currencies, driven by the commitment to a high service level for our media customers and Genomics product range.

Technologies increased sales by 37% in SEK, and 29% in local currencies, driven by recurring revenue and strong interest in the equipment. The introduction of the AI software iDAscore contributes to the generally increased interest in Technologies and sales of software.

Genetic Services contributed SEK 341 million to sales.

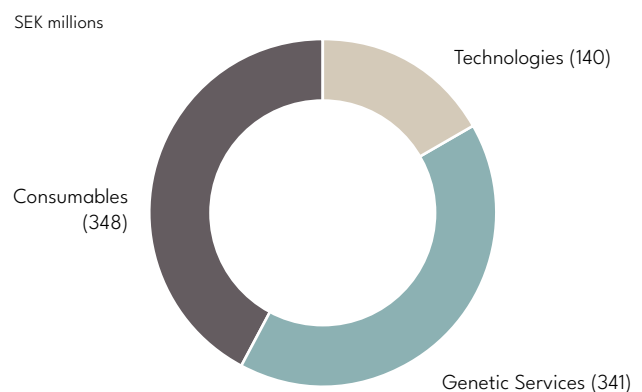
## Net sales Pro forma

Growth compared with the second quarter of 2021 (Pro forma SEK 696 million) amounted to SEK 133 million, corresponding to an increase of 19% in local currencies. The business related to Covid-19 tests declined by 28 million compared with the previous year. Adjusted for the business related to Covid-19 tests, Genetic Services increased by SEK 54 million, corresponding to an increase of 7% in local currencies. See additional information on page 23.

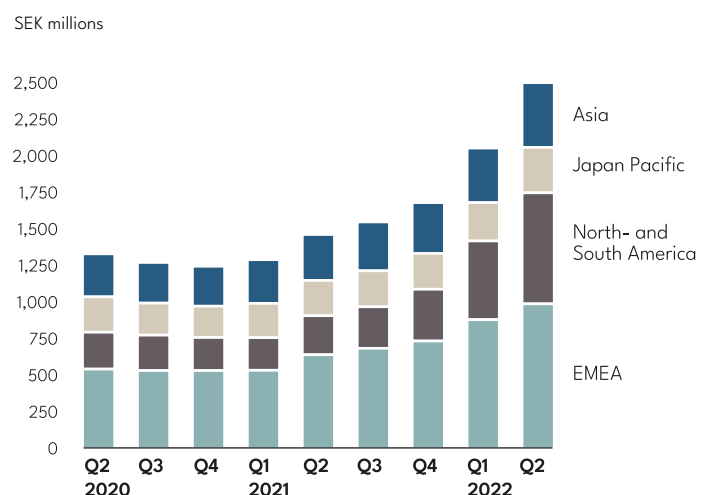
## Income

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 273 (134) million, corresponding to a margin of 32.9% (35.2%). The margin was posi-

## Net sales by business area Q2 2022



## Net sales by market region (rolling 12 months)





tively affected by increased sales, while both product mix and significantly increased OPEX from the acquisition of Igenomix had a negative impact on profitability. Currency fluctuations had a positive impact of SEK 28 million on EBITDA. Gross income amounted to SEK 470 (237) million, corresponding to a margin of 56.8% (62.1%). The reduction was mainly driven by the combined business with a lower margin in Genetic Services.

### Income Pro forma

Gross income increased to SEK 470 (384) million, corresponding to a margin of 56.8% (55.2%). Operating income before depreciation and amortisation (EBITDA) increased by SEK 45 million, positively impacted by increased sales and negatively impacted by OPEX, driven primarily by normalised business activities after Covid-19 restrictions and non-core operations. EBITDA in relation to Net sales increased from 32.8% to 32.9%.



### Income per segment

#### EMEA

EMEA increased sales to SEK 286 (178) million, corresponding to an increase of 53% in local currencies, with a negative impact from Technologies due to large sales last year. Genetic Services contributed SEK 102 million in sales to the region. The Gross income margin of 56.1% (60.2%) was diluted by the combined business of Genetic Services. The market contribution from EMEA amounted to SEK 103 (83) million, corresponding to a margin of 36.0% (46.5%).

#### EMEA Pro forma

Total sales in the region decreased from SEK 295 million to SEK 286 million, corresponding to a decrease of 8% in

local currencies. Our sales in EMEA excluding Covid-19 testing were flat, due to the phasing-out of a contract for genetic testing to a large IVF clinic chain and large sales of hardware within Technologies last year. Genetic Services sales in the region decreased by 18% in local currencies and were negatively impacted by a reduction in the number of Covid-19 tests performed and the phasing-out of a contract for genetic testing to a large IVF clinic chain.

#### Asia

Asia increased its sales to SEK 143 (74) million, corresponding to an increase of 73% in local currencies. Consumables sales increased significantly by 39% in local currencies, driven by the positive impact of Genomics business in the region. Technologies increased by 80% in local currencies compared with the previous year. Gross income increased from SEK 47 million to SEK 88 million, corresponding to a margin of 61.5% (63.9%), with the margin decline being mainly due to the product mix. The market contribution increased to SEK 69 (37) million, with a margin of 48.3% (50.3%).

#### Asia Pro forma

Genetic Services sales in the region increased by 16% in local currencies. Total sales amounted to SEK 143 (91) million, equivalent to an increase of 41%, both including and excluding revenue from Covid-19 tests, in local currencies.

#### Americas

Americas sales amounted to SEK 296 (75) million, corresponding to an increase of 241% in local currencies. Genetic Services contributes significantly to the region, with total sales of SEK 194 million. Technologies sales, related to both recurring revenue and one-time equipment sales, continue to grow from a low level. Consumables growth was modest with an increase of 2% in local currencies. Gross income amounted to SEK 156 (45) million, with a margin of 52.7% (59.5%). The market contribution increased to SEK 99 (35) million, corresponding to a margin of 33.3% (46.9%), diluted by the combined business.

#### Americas Pro forma

Total sales increased to SEK 296 (232) million, corresponding to an increase of 10% in local currencies. Excluding business related to Covid-19 tests, total sales increased by 13% in local currencies. Genetic Services increased sales by 10% in local currencies excluding revenue from Covid-19 tests.

## Japan Pacific

Japan Pacific sales amounted to SEK 104 (55) million, equivalent to an increase of 85% in local currencies. Consumables sales increased significantly by 37% in local currencies, mainly driven by the positive impact from Genomics products in the region. Technologies increased by 55% in local currencies compared with the previous year. Gross income increased to SEK 66 (38) million, corresponding to a margin of 63.6% (69.1%). The market contribution increased from SEK 28 million to SEK 48 million, with a corresponding margin of 46.1% (51.1%). The margin was diluted by the combined business.

## Japan Pacific Pro forma

*Genetic Services sales in the region decreased by 3% in local currencies negatively impacted by tests related to IVF in Japan. Total sales amounted to SEK 104 (78) million, equivalent to an increase of 31% in local currencies. The total sales increase excluding revenue related to Covid-19 tests was 32% in local currencies.*

## Financial net

In the second quarter, financial net amounted to SEK -6 million, whereof net interest expenses were SEK 7 million. Other financial items amounted to SEK +1 million, consisting of other financial expenses and currency revaluation.

## Taxes

In the second quarter, taxes amounted to SEK 39 (23) million, and the effective tax rate was 23.1% (20.9%).

## EBITDA per share

EBITDA per share amounted to SEK 2.01 (1.24).

## Net income and Earnings per share (EPS)

Net income for the second quarter amounted to SEK 130 (86) million. Earnings per share (EPS) amounted to SEK 0.96 (0.79).

## Cash flow

Operating cash flow for the second quarter contributed SEK 180 million. EBITDA impacted operating cash flow positively. Cash flow from investing activities was SEK -39 million, including net investments of SEK -20 million in non-current assets and an additional purchase consideration payment of 20 million for iDAScore. Financing activities were SEK -298 million, including borrowing repayments of SEK 219 million and dividend to shareholders of SEK 108 million.

## Financial position

As of 30 June, Net debt was 1.8 billion, and Cash and cash equivalents amounted to SEK 444 million. In the second quarter, total assets increased by SEK 372 million, mainly affected by currency revaluation of acquisition-related intangible assets, and amounted to SEK 19.9 billion. Equity amounted to SEK 16.0 billion at the end of June. The available undrawn Revolving Credit Facility amounted to EUR 90 million.

## Parent Company

Business activities focus on Group-wide management. Income included invoicing of management fee and other costs of SEK 11 (7) million. Net financial items amounted to SEK -33 (1) million, primarily impacted by currency effects. Income after financial items for the quarter was affected by dividends of SEK 159 (731) million from Group companies and amounted to SEK 124 (728) million. Cash and cash equivalents amounted to SEK 88 million.

## First half year 2022

January - June

## Net sales

Sales amounted to SEK 1,581 (761) million, corresponding to an increase of 108% in SEK. Sales increased by 92% in local currency. Consumables grew by 25% in SEK, and 16% in local currencies, driven by the introduction of Genomics products in Asia and Japan Pacific. Technologies increased sales by 18% in SEK, and 12% in local currencies, driven by growth in EMEA and Americas. Genetic Services contributed SEK 645 million to sales.



### Net sales Pro forma

Total sales increased by 15% in SEK from SEK 1,380 to 1,581 million, corresponding to an increase of 6% in local currencies. Genetic Services decreased sales by 5% in local currencies including business related to Covid-19 tests. The Genetic Services business excluding Covid-19 tests increased by 8% in local currencies.

### Income

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 501 (297) million, corresponding to a margin of 31.7% (39.1%). The margin was positively affected by increased sales, while both product mix and significantly increased OPEX from the acquisition of Igenomix had a negative impact on profitability. Currency fluctuations had a positive impact of SEK 48 million on EBITDA. Gross income amounted to SEK 889 (484) million, corresponding to a margin of 56.2% (63.6%). The margin decline was mainly driven by the combined business with a lower margin in Genetic Services.

### Income Pro forma

Gross income increased to SEK 889 (774) million, corresponding to a margin of 56.2% (56.1%). Operating income before depreciation and amortisation (EBITDA) increased by SEK 37 million, positively affected by increased sales and negatively affected by OPEX, driven primarily by build-up of the genetic disorder testing business. EBITDA in relation to Net sales decreased from 33.6% to 31.7%.

### Income per segment

During the period the market contribution for EMEA amounted to SEK 216 (158) million. The market contribution from Americas amounted to SEK 173 (66) million. The market contribution from Japan Pacific amounted to SEK 90 (71) million. The market contribution from Asia amounted to SEK 115 (85) million. The market contribution for all regions amounted to SEK 595 (380) million, corresponding to a margin of 37.6% (50.1%).

### Cash flow

Cash flow from operating activities amounted to SEK 270 million. EBITDA had a positive impact on operating cash flow. Changes in working capital had a negative effect of SEK -143 million on operating cash flow, largely due to an increase in trade receivables and a decline in accrued expenses. Cash flow from investing activities was SEK -100 (-6) million, including net investments in non-current



assets of SEK -49 (-23) million. Cash flow from financing activities was SEK -381 (-95) million and comprised a dividend to shareholders of SEK 108 (87) million, and repayment of borrowings of SEK 275 million. Cash and cash equivalents at the end of the period amounted to SEK 444 (1,155) million.

### Lawsuit regarding alleged patent infringement

In 2021, Vitrolife received information that a civil lawsuit had been filed against Vitrolife in Germany by Ares Trading S.A. regarding alleged infringement of three patents in the Time-lapse area. In 2021, Vitrolife disputed the lawsuit and will safeguard the company's interests in the ongoing legal process.

During Q2, another of the patents in the lawsuit was revoked by the European Patent Office and Ares Trading S.A. has therefore withdrawn its complaint in the lawsuit based on this patent. There are now two remaining patents in the lawsuit. Vitrolife has filed an appeal against one of these patent complaints with the EPO, and the oral proceedings in this patent dispute will most likely take place in mid-2023. Vitrolife has not included any provision for the lawsuit in the accounts as it is the continued belief of the company that there has been no patent infringement. Costs for legal representation are charged against income as incurred.

## Prospects

Increased vaccination rates are supporting the global recovery of the IVF market and enabling a return to more normal customer activities. However, differences in the various regions will continue to exist. The spread of Covid-19 is still strong in some regions and the recent macroeconomic development create uncertainty about the market recovery and development. The consequences of the uncertainty in the geopolitical and security environment are not possible to judge.

We are working actively with customer deliveries by securing our levels of stock and alternative subcontractors where necessary.

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

## The company in brief

### Business concept

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

### Goal

Vitrolife's goal is to 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.
- Taking advantage of external growth opportunities such as collaborations and acquisitions.



## Other information

### Organisation and personnel

During the period, the average number of employees was 1,147 (412), of whom 683 (202) were women and 464 (210) were men. Of these, 154 (159) persons were employed in Sweden, 244 (-) in Spain, 85 (-) in Brazil, 201 (88) in the US, 89 (85) in Denmark and 374 (80) in the rest of the world. The number of persons employed in the Group at the end of the period was 1,162 (424).

### Information on transactions with related parties

No transactions substantially affecting the results and financial position have been conducted with related parties during the period. For information on related parties, see the Annual Report for 2021, note 30.

### Dividend

It was decided at the Annual General Meeting on 27 April that the proposed dividend of SEK 0.80 per share would be paid out to the shareholders. Payment of the dividend took place in the beginning of May.

### Risk management

The most important strategic and operational risks regarding Vitrolife's business are described in the Management Report in the Annual Report for 2021. These are primarily macro-economic risks, operational risks and financial risks. The management of risks is also described in the Corporate Governance Report in the same Annual Report. The reported risks, as described in the 2021 annual report, are deemed to be essentially unchanged.

### Seasonal effects

Seasonal effects have a relatively marginal effect on Vitrolife's sales. Before and during holiday periods there is often a reduction in orders.

The reason for the decline in orders before holiday periods is that fertility clinics minimise their stores, in particular of media, which have a relatively short shelf life, in order to minimise the risk of spoilage. The third quarter, with the European summer holiday period, is most negatively affected. First quarter sales in China are negatively affected by the Chinese New Year in January or February. Fourth quarter sales are negatively affected in December by the Christmas and New Year holidays. In all, total sales are usually relatively even between the first and second halves of the year.

### Annual Report

Vitrolife's Annual Report for 2021 is available for download on Vitrolife's website and in a printed version at the head office in Gothenburg.

### Events after the end of the period

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

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### Certification

The Board and the CEO certify that the half-year report gives a true and fair view for the company's and the Group's business activities, financial position and results, and describes the essential risks and uncertainty factors faced by the company and the Group companies.

15 July 2022  
Gothenburg, Sweden

Thomas Axelsson  
CEO

Henrik Blomquist  
Board member

Lars Holmqvist  
Board member

Karen Lykke Sørensen  
Board member

Pia Marions  
Board member

Vesa Koskinen  
Board member

Jón Sigurdsson  
Chairman of the Board

## Consolidated income statements

SEK millions	Note	April – June		January – June		Full year
		2022	2021	2022	2021	2021
Net sales	4,5	829	382	1,581	761	1,681
Cost of sales		-358	-145	-692	-277	-635
<b>Gross income</b>		<b>470</b>	<b>237</b>	<b>889</b>	<b>484</b>	<b>1,046</b>
<b>Comprising</b>						
Adjusted gross income		489	242	927	495	1,065
Amortisation of acquisition-related intangible assets		-19	-5	-38	-11	-19
<b>Gross income</b>		<b>470</b>	<b>237</b>	<b>889</b>	<b>484</b>	<b>1,046</b>
Selling expenses		-152	-54	-294	-104	-244
Administrative expenses		-102	-46	-200	-82	-259
Research and development costs		-43	-25	-87	-50	-114
Other operating income		2	1	2	6	10
Other operating expenses		-1	-2	-1	0	-2
<b>Operating income</b>		<b>175</b>	<b>111</b>	<b>308</b>	<b>254</b>	<b>435</b>
<b>Comprising</b>						
Adjusted operating income		235	116	429	264	467
Amortisation of acquisition-related intangible assets		-61	-5	-121	-11	-32
<b>Operating income</b>		<b>175</b>	<b>111</b>	<b>308</b>	<b>254</b>	<b>435</b>
Financial income and expenses		-6	-1	-26	4	25
<b>Income after financial items</b>		<b>169</b>	<b>110</b>	<b>283</b>	<b>258</b>	<b>460</b>
Income taxes		-39	-23	-70	-53	-116
<b>Net income</b>		<b>130</b>	<b>86</b>	<b>213</b>	<b>205</b>	<b>344</b>
<b>Attributable to</b>						
Parent Company shareholders		130	86	212	204	341
Non-controlling interests		0	1	1	1	3
Earnings per share*, SEK		0.96	0.79	1.56	1.88	2.97
Average number of shares outstanding		135,394,622	108,550,575	135,394,622	108,550,575	114,625,057
Number of shares at closing date		135,447,190	108,550,575	135,447,190	108,550,575	135,447,190

\* Before and after dilution.

Depreciation and amortisation had a negative effect of SEK 98 (23) million on income for the second quarter, SEK 193 (44) million on income for the period and SEK 109 million on income for the full year 2021.

## Statements of comprehensive income

SEK millions	April – June		January – June		Full year
	2022	2021	2022	2021	2021
<b>Net income</b>	<b>130</b>	<b>86</b>	<b>213</b>	<b>205</b>	<b>344</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to the income statement</b>					
Exchange differences	425	-12	574	15	19
<b>Total other comprehensive income</b>	<b>425</b>	<b>-12</b>	<b>574</b>	<b>15</b>	<b>19</b>
<b>Comprehensive income</b>	<b>555</b>	<b>75</b>	<b>787</b>	<b>221</b>	<b>362</b>
<b>Attributable to</b>					
Parent Company shareholders	555	74	786	219	360
Non-controlling interests	0	1	1	1	3

## Consolidated statements of financial position

SEK millions	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Assets</b>				
<b>Non-current assets</b>	2			
Goodwill		13,461	410	12,995
Other intangible assets		4,609	282	4,553
Property, plant and equipment		359	160	333
Other financial assets		50	27	49
Deferred tax assets		100	11	92
<b>Total non-current assets</b>		<b>18,579</b>	<b>890</b>	<b>18,022</b>
<b>Current assets</b>				
Inventories		358	225	313
Trade receivables		459	215	391
Current tax assets		6	5	17
Other receivables		23	8	22
Prepaid expenses and accrued income		39	16	32
Cash and cash equivalents		444	1,155	630
<b>Total current assets</b>		<b>1,328</b>	<b>1,624</b>	<b>1,407</b>
<b>Total assets</b>		<b>19,907</b>	<b>2,514</b>	<b>19,429</b>
<b>Equity</b>				
Equity attributable to Parent Company shareholders		15,977	2,147	15,322
Non-controlling interests		13	4	19
<b>Total equity</b>		<b>15,991</b>	<b>2,151</b>	<b>15,341</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>	2			
Provisions		30	25	28
Deferred tax liabilities		1,081	16	1,069
Borrowings		1,961	-	1,944
Lease liabilities		77	56	82
Other liabilities		19	25	11
<b>Total non-current liabilities</b>		<b>3,168</b>	<b>122</b>	<b>3,134</b>
<b>Current liabilities</b>				
Borrowings		273	-	429
Lease liabilities		32	16	27
Trade payables		187	47	173
Current tax liabilities		41	22	25
Other liabilities		46	26	59
Accrued expenses and deferred income		169	130	241
<b>Total current liabilities</b>		<b>748</b>	<b>241</b>	<b>954</b>
<b>Total liabilities</b>		<b>3,917</b>	<b>363</b>	<b>4,088</b>
<b>Total equity and liabilities</b>		<b>19,907</b>	<b>2,514</b>	<b>19,429</b>

## Consolidated changes in equity

SEK millions	Attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings		
<b>Opening balance 1 January 2021</b>	<b>22</b>	<b>495</b>	<b>2</b>	<b>1,494</b>	<b>4</b>	<b>2,017</b>
Comprehensive income for the year	-	-	19	341	3	362
Equity compensation benefits	-	-	-	5	-	5
Dividend (SEK 0.80 per share)	-	-	-	-87	-	-87
Dividend to non-controlling interests	-	-	-	-	-1	-1
New share issue	2	3,556	-	-	-	3,558
Non-cash issue	4	9,519	-	-	-	9,523
Issue expenses, net of tax	-	-26	-	-	-	-26
Repurchase of own shares	-	-	-	-23	-	-23
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	13	13
<b>Closing balance 31 December 2021</b>	<b>28</b>	<b>13,544</b>	<b>21</b>	<b>1,730</b>	<b>19</b>	<b>15,341</b>
<b>Opening balance 1 January 2022</b>	<b>28</b>	<b>13,544</b>	<b>21</b>	<b>1,730</b>	<b>19</b>	<b>15,341</b>
Comprehensive income for the year	-	-	574	212	1	787
Equity compensation benefits	-	-	-	3	-	3
Dividend (SEK 0.80 per share)	-	-	-	-108	-	-108
Acquisition of non-controlling interest*	-	-	-	-26	-6	-32
<b>Closing balance 30 June 2022</b>	<b>28</b>	<b>13,544</b>	<b>595</b>	<b>1,811</b>	<b>13</b>	<b>15,991</b>

\* During the period Vitrolife AB acquired the remaining shares (30%) of A.T.S. Srl.

## Consolidated cash flow statements

SEK millions	April – June		January – June		Full year
	2022	2021	2022	2021	2021
Income after financial items	169	110	283	258	460
Adjustment for non-cash items	96	27	208	40	78
Tax paid	-47	-27	-78	-44	-144
Change in inventories	-9	-12	-30	-19	-47
Change in operating receivables	-27	18	-58	-3	-5
Change in operating payables	-2	17	-55	45	42
<b>Cash flow from operating activities</b>	<b>180</b>	<b>133</b>	<b>270</b>	<b>277</b>	<b>384</b>
Acquisition of business, after deduction for cash and cash equivalents	-	-	-	-	-6,447
Net investments in non-current assets	-20	-11	-49	-23	-62
Acquisition of non-controlling interests	-	-	-32	-	-19
Sale of financial assets	-	14	-	16	16
Additional purchase consideration	-20	-	-20	-	-6
<b>Cash flow from investing activities</b>	<b>-39</b>	<b>3</b>	<b>-100</b>	<b>-6</b>	<b>-6,518</b>
Borrowings	30	-	30	-	2,354
Other non-current liabilities	8	-	8	-	-
Set-up fee borrowings	-	-	-19	-	-
Repayment of borrowings	-219	-	-275	-	-1
Repayment of lease liabilities	-8	-4	-15	-8	-18
Dividends paid	-108	-87	-108	-87	-88
New share issue	-	-	-	-	3,558
Expenses for new share issue	-	-	-	-	33
Repurchase of own shares	-	-	-	-	-23
<b>Cash flow from financing activities</b>	<b>-298</b>	<b>-91</b>	<b>-381</b>	<b>-95</b>	<b>5,749</b>
<b>Cash flow for the period</b>	<b>-157</b>	<b>46</b>	<b>-211</b>	<b>175</b>	<b>-385</b>
Opening cash and cash equivalents	583	1,118	630	974	974
Exchange difference in cash and cash equivalents	19	-8	25	7	42
<b>Closing cash and cash equivalents</b>	<b>444</b>	<b>1,155</b>	<b>444</b>	<b>1,155</b>	<b>630</b>



## Key ratios, total Group

	April – June		January – June		Full year
	2022	2021	2022	2021	2021
Gross margin, %	56.8	62.1	56.2	63.6	62.2
Adjusted gross margin, %	59.1	63.3	58.7	65.0	63.4
Operating margin before depreciation and amortisation (EBITDA), %	32.9	35.2	31.7	39.1	32.4
Operating margin (EBIT), %	21.1	29.1	19.5	33.3	25.9
Net margin, %	15.7	22.6	13.5	27.0	20.4
Equity/assets ratio, %	80.3	85.6	80.3	85.6	79.0
Equity per share, SEK	117.96	19.78	117.96	19.78	113.12
Return on equity, %	2.7	19.3	2.7	19.3	5.4
Cash flow from operating activities per share, SEK	1.33	1.23	1.99	2.55	3.35
Net debt*, SEK million	1,789.7	-1,155.5	1,789.7	-1,155.5	1,743.0

\* Negative amount implies net claim.

For definitions, motivations and reconciliations, see pages 25-27.

## Income statements for the Parent Company

SEK millions	April – June		January – June		Full year
	2022	2021	2022	2021	2021
Net sales	11	7	24	11	25
Administrative expenses	-13	-12	-27	-19	-33
Other operating income	-	0	-	0	-
Other operating expenses	-	-	-	-	0
<b>Operating income</b>	<b>-2</b>	<b>-5</b>	<b>-3</b>	<b>-8</b>	<b>-8</b>
Dividends from Group companies	159	731	159	731	731
Impairment of shares in Group companies	-	-	-	-	-22
Financial income and expenses	-33	1	-51	3	22
<b>Income after financial items</b>	<b>124</b>	<b>728</b>	<b>106</b>	<b>727</b>	<b>723</b>
Group contribution received	-	-	-	-	50
Income taxes	7	1	11	1	-13
<b>Net income</b>	<b>132</b>	<b>729</b>	<b>117</b>	<b>728</b>	<b>760</b>

Depreciation and amortisation had a negative effect of SEK - (-) million on income for the second quarter, SEK - (-) million on income for the period and SEK - million on income for the full year 2021.

## Balance sheets for the Parent Company

SEK millions	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>			
Property, plant and equipment	0	0	0
Participations in Group companies	15,627	773	15,593
Other financial assets	10	8	8
Receivables from Group companies, non-current	1,376	-	1,344
Deferred tax assets	13	4	2
Receivables from Group companies, current	48	289	76
Current tax receivables	-	1	-
Other current receivables	0	0	2
Prepaid expenses and accrued income	2	9	0
Cash and cash equivalents	88	649	296
<b>Total assets</b>	<b>17,165</b>	<b>1,733</b>	<b>17,323</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	14,676	1,597	14,664
Provisions	13	10	11
Borrowings, non-current	1,958	-	1,924
Current tax liabilities	4	-	4
Trade payables	2	2	2
Borrowings, current	214	-	409
Liabilities to Group companies, current	285	108	275
Other current liabilities	1	0	0
Accrued expenses and deferred income	13	17	33
<b>Total equity and liabilities</b>	<b>17,165</b>	<b>1,733</b>	<b>17,323</b>

## Note 1. Accounting Principles

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

Unless otherwise stated below, the accounting principles applied to the Group and the Parent Company are consistent with the accounting principles used in the presentation of the most recent Annual Report. No standards, amendments or interpretations that have come into force in 2022 are expected to have any material impact on the Group.

## Note 2. Financial instruments - Fair value

Fair value has been calculated for all financial assets and liabilities in accordance with IFRS 13. The fair value of other financial assets, other receivables, trade and other current receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings is estimated to correspond with their carrying amounts

(amortised cost). As Vitrolife has loans with variable interest rates, the fair value is estimated to correspond with the carrying amount. Financial assets and liabilities measured at amortised cost amount to SEK 926 (1,381) million and SEK 2,568 (163) million.

## Note 3. Pledged assets and contingent liabilities

SEK millions	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Group</b>			
Pledged assets	39	38	37
Contingent liabilities	14	11	12
<b>Parent Company</b>			
Pledged assets	10	11	8
Contingent liabilities	2	7	1

Pledged assets pertain to floating charges for own commitments and collateral pledged for endowment insurance plans (cost). Contingent liabilities refer to guarantees to external parties, and the difference between market value and carrying amount of endowment insurance plans.

## Note 4. Revenue

Vitrolife's sales consist of products and services, which clearly represent separate performance obligations. Sales of products are recognised as revenue when they have been delivered to the customer. Vitrolife also sells services in the form of servicing of products, primarily in the Technologies business area, and also in the form of recharging of freight. Servicing is largely invoiced in advance and is recognised as revenue during the course of the servicing contract. Servicing revenues not recognised as revenue are reported as deferred income (contractual liabilities) in the balance sheet. Sales in the Genetic Services business area, which was established in December 2021, mainly refer to services for genetic testing. These services are recognised as revenue on delivery of the test results to the customer.

Vitrolife applies the following geographical segments: EMEA, Americas, Japan Pacific and Asia. From January 2022, Vitrolife categorises its products and services into the following business areas: Consumables (including previous business area Genomics), Technologies and Genetic Services (from December 2021). Revenue by business area and segment is presented in the tables below. For more information on the company's segments, see note 5.

## Net sales, products and services

SEK millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Products	459	359	881	717	1,472
Services	370	23	700	44	209
<b>Total</b>	<b>829</b>	<b>382</b>	<b>1,581</b>	<b>761</b>	<b>1,681</b>

## Net sales per geographical segment by business area

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021
Consumables	128	119	81	69	46	32	92	60	348	280
Technologies	56	59	21	7	35	22	28	14	140	102
Genetic Services	102	-	194	-	22	-	23	-	341	-
<b>Total</b>	<b>286</b>	<b>178</b>	<b>296</b>	<b>75</b>	<b>104</b>	<b>55</b>	<b>143</b>	<b>74</b>	<b>829</b>	<b>382</b>
Whereof Sweden	5	5							5	5

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Consumables	250	225	156	124	87	65	162	108	655	523
Technologies	133	111	38	13	62	64	47	51	281	238
Genetic Services	207	-	347	-	46	-	45	-	645	-
<b>Total</b>	<b>590</b>	<b>336</b>	<b>542</b>	<b>137</b>	<b>195</b>	<b>128</b>	<b>254</b>	<b>160</b>	<b>1,581</b>	<b>761</b>
Whereof Sweden	12	13							12	13

#### Note 4. Continued

	EMEA		Americas		Japan Pacific		Asia		Total	
SEK millions	Full year 2021		Full year 2021		Full year 2021		Full year 2021		Full year 2021	
Consumables	466		260		134		232		1,091	
Technologies	227		36		103		108		474	
Genetic Services	42		58		8		8		116	
<b>Total</b>	<b>735</b>		<b>354</b>		<b>245</b>		<b>347</b>		<b>1,681</b>	
Whereof Sweden	25									

#### Note 5. Segments

Vitrolife consists of three business areas whose products and services are sold by four geographical market organisations. The business area Genetic Services was included from December 2021. Vitrolife reports net sales and market contribution per geographical segment. Market contribution is defined as gross income less selling expenses for each market. Administrative expenses, research and development expenses, other operating income and expenses and

net financial items are not distributed by segment. The balance sheet is not monitored by segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the CEO.

	EMEA		Americas		Japan Pacific		Asia		Total	
SEK millions	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021
<b>Net sales</b>	<b>286</b>	<b>178</b>	<b>296</b>	<b>75</b>	<b>104</b>	<b>55</b>	<b>143</b>	<b>74</b>	<b>829</b>	<b>382</b>
<b>Gross income</b>	<b>161</b>	<b>107</b>	<b>156</b>	<b>45</b>	<b>66</b>	<b>38</b>	<b>88</b>	<b>47</b>	<b>470</b>	<b>237</b>
Selling expenses	-58	-25	-57	-9	-18	-10	-19	-10	-152	-54
<b>Market contribution</b>	<b>103</b>	<b>83</b>	<b>99</b>	<b>35</b>	<b>48</b>	<b>28</b>	<b>69</b>	<b>37</b>	<b>319</b>	<b>183</b>
Administrative expenses									-102	-46
Research and development expenses									-43	-25
Other operating income and expenses									1	-1
<b>Operating income</b>									<b>175</b>	<b>111</b>
Net financial items									-6	-1
<b>Income after financial items</b>									<b>169</b>	<b>110</b>

Note 5. Continued

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Net sales</b>	590	336	542	137	195	129	254	159	<b>1,581</b>	<b>761</b>
<b>Gross income</b>	<b>332</b>	<b>206</b>	<b>283</b>	<b>83</b>	<b>123</b>	<b>90</b>	<b>151</b>	<b>105</b>	<b>889</b>	<b>484</b>
Selling expenses	-116	-48	-110	-17	-33	-20	-36	-20	-294	-104
<b>Market contribution</b>	<b>216</b>	<b>158</b>	<b>173</b>	<b>66</b>	<b>90</b>	<b>71</b>	<b>115</b>	<b>85</b>	<b>595</b>	<b>380</b>
Administrative expenses									-200	-82
Research and development expenses									-87	-50
Other operating income and expenses									1	5
<b>Operating income</b>									<b>308</b>	<b>254</b>
Net financial items									-26	4
<b>Income after financial items</b>									<b>283</b>	<b>258</b>

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Full year 2021		Full year 2021		Full year 2021		Full year 2021		Full year 2021	
<b>Net sales</b>	735		354		245		347		<b>1,681</b>	
<b>Gross income</b>	<b>446</b>		<b>203</b>		<b>169</b>		<b>227</b>		<b>1,046</b>	
Selling expenses	-110		-48		-38		-47		-244	
<b>Market contribution</b>	<b>336</b>		<b>155</b>		<b>131</b>		<b>180</b>		<b>802</b>	
Administrative expenses									-259	
Research and development expenses									-114	
Other operating income and expenses									7	
<b>Operating income</b>									<b>435</b>	
Net financial items									25	
<b>Income after financial items</b>									<b>460</b>	

## Pro forma consolidated income statements

SEK millions	April – June		January – June		Full year
	2022	Pro forma 2021	2022	Pro forma 2021	Pro forma 2021
Net sales	829	696	1,581	1,380	2,817
Cost of sales	-358	-312	-692	-606	-1,247
<b>Gross income</b>	<b>470</b>	<b>384</b>	<b>889</b>	<b>774</b>	<b>1,569</b>
<b>Comprising</b>					
Adjusted gross income	489	407	927	822	1,656
Amortisation of acquisition-related intangible assets	-19	-23	-38	-48	-87
<b>Gross income</b>	<b>470</b>	<b>384</b>	<b>889</b>	<b>774</b>	<b>1,569</b>
Selling expenses	-152	-133	-294	-257	-529
Administrative expenses	-102	-77	-200	-150	-323
Research and development costs	-43	-38	-87	-93	-182
Other operating income	2	0	2	6	9
Other operating expenses	-1	0	-1	0	-2
<b>Operating income</b>	<b>175</b>	<b>136</b>	<b>308</b>	<b>281</b>	<b>542</b>
<b>Comprising</b>					
Adjusted operating income	235	199	429	409	789
Amortisation of acquisition-related intangible assets	-61	-63	-121	-128	-247
<b>Operating income</b>	<b>175</b>	<b>136</b>	<b>308</b>	<b>281</b>	<b>542</b>
Financial income and expenses	-6	3	-26	-10	-45
<b>Income after financial items</b>	<b>169</b>	<b>139</b>	<b>283</b>	<b>270</b>	<b>497</b>
Income taxes	-39	-24	-70	-51	-74
<b>Net income</b>	<b>130</b>	<b>115</b>	<b>213</b>	<b>219</b>	<b>423</b>
<b>Attributable to</b>					
Parent Company shareholders	130	115	212	219	421
Non-controlling interests	0	1	1	0	3
Earnings per share*, SEK	0.96	0.85	1.56	1.62	3.11
Average number of shares outstanding	135,394,622	135,394,622	135,394,622	135,394,622	135,394,622
Number of shares at closing date	135,447,190	135,447,190	135,447,190	135,447,190	135,447,190

\* Before and after dilution.

Depreciation and amortisation had a negative effect of SEK 98 (93) million on income for the second quarter, SEK 193 (183) million on income for the period and SEK 364 million on income for the full year Pro forma 2021.

### Pro forma values

The Pro forma consolidated income statements above show the consolidated income statements as if the acquisition had taken place on 1 January 2021. These amounts have been calculated using the companies' earnings adjusted for:

- the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2021, together with the associated tax effects.
- interest and set-up costs relating to loans attributable to Igenomix that were terminated in connection with the acquisition have been reversed in the pro forma profit.
- the additional interest and set-up costs attributable to newly raised loans in connection with the acquisition have been charged to pro forma profit.
- non-recurring costs related to the transaction have been reversed in the pro forma profit.

## Pro forma net sales

Net sales SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021
Consumables	128	119	81	69	46	32	92	60	348	280
Technologies	56	59	21	7	35	22	28	14	140	102
Genetic Services	102	117	194	157	22	23	23	17	341	314
<b>Total</b>	<b>286</b>	<b>295</b>	<b>296</b>	<b>232</b>	<b>104</b>	<b>78</b>	<b>143</b>	<b>91</b>	<b>829</b>	<b>696</b>

## Pro forma net sales

Net sales	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
SEK millions										
Consumables	250	225	156	124	87	65	162	108	655	523
Technologies	133	111	38	13	62	64	47	51	281	238
Genetic Services	207	246	347	299	46	43	45	32	645	619
<b>Total</b>	<b>590</b>	<b>581</b>	<b>542</b>	<b>436</b>	<b>195</b>	<b>171</b>	<b>254</b>	<b>191</b>	<b>1,581</b>	<b>1,380</b>

## Pro forma net sales growth in local currency

Genetic Services including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	-21	-49	11	6	-1	3	3	8	-8	-32
Organic growth in local currency, %	-18	-20	6	2	-3	7	16	24	-3	-5
Currency effects, SEK millions	7	11	26	42	0	0	3	5	35	58
Currency effects, %	6	4	17	14	-2	0	18	16	11	9
<b>Total growth, SEK millions</b>	<b>-14</b>	<b>-39</b>	<b>36</b>	<b>49</b>	<b>-1</b>	<b>3</b>	<b>6</b>	<b>13</b>	<b>27</b>	<b>26</b>
<b>Total growth, %</b>	<b>-12</b>	<b>-16</b>	<b>23</b>	<b>16</b>	<b>-4</b>	<b>7</b>	<b>34</b>	<b>40</b>	<b>9</b>	<b>4</b>

Vitrolife Group including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	-23	-18	24	40	24	19	37	39	62	80
Organic growth in local currency, %	-8	-3	10	9	31	11	41	20	9	6
Currency effects, SEK millions	15	27	39	65	2	4	14	24	70	120
Currency effects, %	5	5	17	15	3	3	15	12	10	9
<b>Total growth, SEK millions</b>	<b>-8</b>	<b>9</b>	<b>63</b>	<b>106</b>	<b>26</b>	<b>23</b>	<b>51</b>	<b>63</b>	<b>133</b>	<b>200</b>
<b>Total growth, %</b>	<b>-3</b>	<b>2</b>	<b>27</b>	<b>24</b>	<b>33</b>	<b>14</b>	<b>56</b>	<b>33</b>	<b>19</b>	<b>15</b>

Genetic Services excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	2	9	15	24	0	4	3	8	21	45
Organic growth in local currency, %	2	5	10	9	2	9	16	24	7	8
Currency effects, SEK millions	7	11	24	40	0	0	3	5	33	56
Currency effects, %	7	6	16	14	-2	0	18	14	12	11
<b>Total growth, SEK millions</b>	<b>9</b>	<b>20</b>	<b>39</b>	<b>64</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>12</b>	<b>54</b>	<b>100</b>
<b>Total growth, %</b>	<b>10</b>	<b>11</b>	<b>26</b>	<b>23</b>	<b>0</b>	<b>9</b>	<b>34</b>	<b>39</b>	<b>19</b>	<b>19</b>

Vitrolife Group excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	1	40	29	58	25	20	37	39	91	157
Organic growth in local currency, %	0	8	13	14	32	12	41	20	14	12
Currency effects, SEK millions	15	27	38	63	2	4	14	23	69	118
Currency effects, %	5	5	16	15	3	3	16	12	10	9
<b>Total growth, SEK millions</b>	<b>15</b>	<b>67</b>	<b>66</b>	<b>121</b>	<b>27</b>	<b>24</b>	<b>51</b>	<b>62</b>	<b>160</b>	<b>275</b>
<b>Total growth, %</b>	<b>6</b>	<b>13</b>	<b>29</b>	<b>29</b>	<b>35</b>	<b>14</b>	<b>56</b>	<b>33</b>	<b>24</b>	<b>21</b>

## Consolidated income statements per quarter

	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
SEK millions	2022	2022	2021	2021	2021	2021	2020	2020
Net sales	829	752	514	405	382	379	382	320
Cost of sales	-358	-333	-215	-143	-145	-132	-130	-121
<b>Gross income</b>	<b>470</b>	<b>418</b>	<b>299</b>	<b>262</b>	<b>237</b>	<b>247</b>	<b>252</b>	<b>199</b>
Selling expenses	-152	-142	-90	-50	-54	-50	-48	-41
Administrative expenses	-102	-98	-136	-42	-46	-36	-27	-31
Research and development costs	-43	-44	-37	-28	-25	-24	-26	-18
Other operating income and expenses	2	-1	3	0	-1	6	-3	3
<b>Operating income</b>	<b>175</b>	<b>133</b>	<b>39</b>	<b>142</b>	<b>111</b>	<b>142</b>	<b>147</b>	<b>112</b>
Financial income and expenses	-6	-20	22	-1	-1	5	-10	1
<b>Income after financial items</b>	<b>169</b>	<b>113</b>	<b>61</b>	<b>141</b>	<b>110</b>	<b>148</b>	<b>138</b>	<b>113</b>
Income taxes	-39	-31	-28	-36	-23	-29	-30	-24
<b>Net income</b>	<b>130</b>	<b>82</b>	<b>33</b>	<b>105</b>	<b>86</b>	<b>119</b>	<b>107</b>	<b>89</b>
<b>Attributable to</b>								
Parent Company shareholders	130	82	33	104	86	118	107	88
Non-controlling interests	0	1	1	0	0	1	0	0
Depreciation and amortisation	-98	-95	-45	-20	-23	-21	-17	-21

## Key ratios per quarter, total Group

	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
	2022	2022	2021	2021	2021	2021	2020	2020
Equity attributable to Parent Company shareholders, SEK million	15,977	15,529	15,322	5,772	2,147	2,159	2,013	1,956
Equity per share, SEK	117.96	114.65	113.12	48.83	19.78	19.89	18.54	18.02
Return on equity, %	2.7	3.1	5.4	13.7	19.3	16.2	14.8	14.6
Cash flow from operating activities per share, SEK	1.33	0.66	0.00	0.91	1.23	1.32	1.58	0.89



## Alternative performance measures

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

The following definitions describe the performance measures that are used, referred to and presented in the financial reports. Measures that can be found directly in the financial reports and can be calculated on the basis of the definitions below have not been included in the tables on the following pages.

### Profit and return measurements

#### Gross income

**Definition:** Net sales minus the cost of sales.

**Purpose:** This measure shows the Group's result before the effects of costs such as selling and administrative expenses.

#### Gross margin, %

**Definition:** Gross income in relation to net sales for the period.

#### Operating income (EBIT)

**Definition:** Net sales minus all costs attributable to operations including depreciation and amortisation of property, plant and equipment and intangible assets but excluding net financial items and tax.

**Purpose:** This is used to measure operational profitability and the Group's target achievement.

#### Operating margin (EBIT), %

**Definition:** Operating income (EBIT) in relation to net sales for the period.

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

**Definition:** Operating income before depreciation and amortisation of property, plant and equipment and intangible assets.

**Purpose:** This is used to measure result from operating activities independent of depreciation and amortisation. The company aims to achieve growth while maintaining profitability, where profitability is followed up through operating income before depreciation and amortisation (EBITDA).

#### Operating margin before depreciation and amortisation (EBITDA), %

**Definition:** Operating income before depreciation and amortisation of property, plant and equipment and intangible assets in relation to net sales for the period.

#### Adjusted gross and operating income

**Definition:** Gross and operating income before amortisation of surplus values related to acquisitions.

**Purpose:** As Vitrolife's gross and operating income is significantly impacted by the amortisation of surplus values related to the acquisitions that the company has carried out, it is management's assessment that it is appropriate to illustrate the Group's profitability and earning capacity by presenting gross and operating income adjusted for amortisation of these surplus values.

#### Adjusted gross and operating margin, %

**Definition:** Adjusted gross and operating income in relation to net sales for the period.

#### Return on equity

**Definition:** Net income, rolling 12 months, in relation to average equity for the period. (Average is calculated based on the last four reported quarters).

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

SEK millions	30 Jun 2022	30 Jun 2021	31 Dec 2021
Average equity	13,150	2,069	6,350
Net income, rolling 12 month	349	399	341
Return on equity, %	2.7	19.3	5.4

### Capital measures

#### Net debt

**Definition:** Current and non-current interest-bearing liabilities, adjusted for IFRS 16 effect, minus interest-bearing receivables minus cash and cash equivalents.

**Purpose:** One of Vitrolife's financial objectives is to have a strong financial capital base to enable continued high growth, both organic and through acquisitions. The definition of this measure has been reworded to reflect the introduction of IFRS 16 on 1 January 2019, as financial liabilities related to leases are not included in the net debt calculation.

#### Net debt/EBITDA rolling 12 months

**Definition:** Net debt in relation to EBITDA over a rolling-12 month period.

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

SEK millions	30 Jun 2022	30 Jun 2021	31 Dec 2021
Borrowings, non-current	1,961	-	1,945
Lease liabilities, non-current	77	56	82
Borrowings, current	273	-	429
Lease liabilities, current	32	16	27
Adjustment of lease liabilities	-110	-72	-110
Cash and cash equivalents	-444	-1,155	-630
<b>Net debt</b>	<b>1,790</b>	<b>-1,155</b>	<b>1,743</b>
Operating income, rolling 12 month	490	513	435
Depreciation and amortisation, rolling 12 month	258	82	109
<b>Rolling 12 month EBITDA</b>	<b>748</b>	<b>596</b>	<b>544</b>
<b>Net debt/EBITDA rolling 12 month</b>	<b>2.4</b>	<b>-1.9</b>	<b>3.2</b>

#### Equity/assets ratio, %

**Definition:** Equity and minority interest in relation to total assets.

**Purpose:** The ratio shows the proportion of the Company's total assets financed by equity. A high equity/assets ratio is a measure of financial strength and is used to measure target achievement.

#### Working capital

**Definition:** Current assets excluding cash and cash equivalents minus current non-interest-bearing liabilities.

**Purpose:** This measure is used to show how much capital is needed to finance current business operations.

## Share-related measures

#### Cash flow from operating activities per share

**Definition:** Cash flow for the period from current business operations divided by the average number of shares outstanding for the period.

**Purpose:** This measure is used to show the cash flow generated by the company's current business operations per share.

#### Equity per share

**Definition:** Equity divided by the number of shares outstanding on the closing date.

**Purpose:** This measure shows the company's net value per share and determines whether a company increases shareholders' net worth over time.

#### Earnings per share (Defined by IFRS)

**Definition:** Income for the period attributable to Vitrolife's shareholders divided by the average number of shares outstanding for the period.

#### EBITDA per share

**Definition:** EBITDA divided by the average number of shares outstanding for the period.

**Purpose:** Measures operating earnings per share generated by the business.

## Other measures

#### Rolling 12 months

**Definition:** Key ratios calculated from rolling 12-month values are based on the four most recent interim reports and sets of accounts.

**Purpose:** Rolling 12 months gives a clearer picture of sales or profitability and a fairer picture of a key ratio's development.

#### Organic growth

**Definition:** Organic growth is sales growth from existing business operations adjusted for acquisitions and divestments. An acquisition or a sale is only included in the calculation of organic growth when it is included for an equal number of months in the current period and the corresponding period the previous year. Otherwise it is included in the calculation of acquired growth.

**Purpose:** Organic growth excludes the effects of changes in the Group's structure, thus enabling a comparison of net sales over time.

#### Net sales growth in local currency

**Definition:** Growth in local currencies is sales growth adjusted for currency effects. This is calculated as sales for the period in local currencies, translated using a predetermined exchange rate, in relation to sales for the corresponding period the previous year in local currencies, translated using the same exchange rate.

**Purpose:** As Vitrolife has a large proportion of sales in currencies other than its reporting currency, SEK, sales are not only impacted by actual growth, but also by currency effects. This measure is used to analyse sales adjusted for currency effects. The percentage effects in the following tables are calculated as each amount in SEK millions in relation to net sales in the same period previous year (as shown in Note 4).

## Net sales growth in local currency

Consumables	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	4	14	2	13	12	19	23	38	41	84
<i>Organic growth in local currency, %</i>	3	6	2	11	37	29	39	35	15	16
Currency effects, SEK millions	6	11	11	18	2	3	9	15	28	48
<i>Currency effects, %</i>	5	5	16	15	6	5	15	14	10	9
<b>Total growth, SEK millions</b>	<b>10</b>	<b>25</b>	<b>12</b>	<b>32</b>	<b>14</b>	<b>22</b>	<b>32</b>	<b>54</b>	<b>68</b>	<b>132</b>
<b>Total growth, %</b>	<b>8</b>	<b>11</b>	<b>18</b>	<b>26</b>	<b>43</b>	<b>33</b>	<b>54</b>	<b>50</b>	<b>24</b>	<b>25</b>

Technologies	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	-5	17	11	21	12	-3	12	-7	30	28
<i>Organic growth in local currency, %</i>	-9	15	174	162	55	-4	80	-14	29	12
Currency effects, SEK millions	2	5	3	5	1	1	2	3	8	15
<i>Currency effects, %</i>	4	5	47	36	3	2	13	6	8	6
<b>Total growth, SEK millions</b>	<b>-3</b>	<b>23</b>	<b>14</b>	<b>25</b>	<b>13</b>	<b>-1</b>	<b>13</b>	<b>-4</b>	<b>38</b>	<b>43</b>
<b>Total growth, %</b>	<b>-5</b>	<b>20</b>	<b>221</b>	<b>197</b>	<b>58</b>	<b>-2</b>	<b>93</b>	<b>-8</b>	<b>37</b>	<b>18</b>

Genetic Services	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Acquired growth, SEK millions	95	197	168	305	22	46	20	40	306	587
<i>Acquired growth, %</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Currency effects, SEK millions	7	11	25	42	0	0	3	5	35	58
<i>Currency effects, %</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<b>Total growth, SEK millions</b>	<b>102</b>	<b>207</b>	<b>194</b>	<b>347</b>	<b>22</b>	<b>46</b>	<b>23</b>	<b>45</b>	<b>341</b>	<b>645</b>
<b>Total growth, %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Total	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Organic growth in local currency, SEK millions	-2	31	13	34	24	16	35	31	70	112
<i>Organic growth in local currency, %</i>	-1	9	17	25	44	12	47	20	18	15
Acquired growth, SEK millions	95	197	168	305	22	46	20	40	306	587
<i>Acquired growth, %</i>	54	59	223	222	41	36	27	25	80	77
Currency effects, SEK millions	15	27	39	65	2	4	14	24	70	120
<i>Currency effects, %</i>	8	8	52	48	4	3	19	15	18	16
<b>Total growth, SEK millions</b>	<b>109</b>	<b>255</b>	<b>221</b>	<b>404</b>	<b>49</b>	<b>66</b>	<b>68</b>	<b>94</b>	<b>447</b>	<b>820</b>
<b>Total growth, %</b>	<b>61</b>	<b>76</b>	<b>292</b>	<b>295</b>	<b>89</b>	<b>52</b>	<b>92</b>	<b>59</b>	<b>117</b>	<b>108</b>

# Glossary

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

## **Biological quality tests**

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

## **Biopsy**

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

## **Biotechnology**

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

## **Blastocyst**

An embryo at days 5-7 after fertilisation. Cell division has progressed to the point where the cells have started to differentiate and the embryo now has two distinct cell types.

## **Cell therapy**

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

## **Clinical study/trial**

An investigation in healthy or sick people aimed at studying the effect of a pharmaceutical or treatment method.

## **Embryo**

A fertilised egg that has become multicellular.

## **In vitro (Latin "in glass")**

A biological process that is performed outside of a living organism and in an artificial environment, for example, in a test tube.

## **In vivo (Latin "in the living")**

Biological processes occurring in cells and tissues within a living organism.

## **Incubator**

Equipment for culture of embryos in a controlled environment.

## **IUI**

Intra-Uterine Insemination, "artificial insemination". A high concentration of active sperm are placed in the uterus to increase the chance of fertilisation.

## **IVF, In Vitro Fertilisation**

The combination of the male and female sex cells and subsequent cultivation of the embryos, outside of the body.

## **Medical devices**

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

## **PGT-A**

Preimplantation genetic testing for aneuploidy (PGT-A), also called preimplantation genetic screening (PGS), is a test for chromosome copy number that can be used during IVF to help predict the chromosomal status of an embryo from a biopsy of one or more cells. The results of PGT-A aid in selecting embryos more likely to have a normal number of chromosomes (euploid) over those with an abnormal number (aneuploid), which may result in implantation failure or miscarriage.

## **PGT-M**

Preimplantation genetic testing for monogenic defects (PGT-M), also called preimplantation genetic diagnosis (PGD), is a test to find specific hereditary genetic diseases that are caused by a single defective gene. This test can be used to determine which embryo lacks the genetic disease to ensure that the child will not be impacted.

## **Preclinical study**

Research conducted before a pharmaceutical or a treatment method is sufficiently documented to be studied in humans, for example, testing of substances on tissue samples and subsequent testing on experimental animals.

## **Time-lapse**

Technology for embryo monitoring. Images of the developing embryo are taken at frequent time intervals, then played as a film and analysed.

## **Vitrification**

Process for converting a material to a glass-like solid state, in this case the rapid cooling of eggs and embryos to cryopreserve them for future IVF cycles.

# Financial reports

Vitrolife's interim reports are published on the company's website, vitrolife.com, and are sent to shareholders who have registered their interest in receiving this information.

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27/10/2022

Interim report Q3, 2022

02/02/2023

Year-end report, 2022

21/04/2023

Interim report Q1, 2023

27/04/2023

Annual General Meeting 2023

14/07/2023

Interim report Q2, 2023

27/10/2023

Interim report Q3, 2023

02/02/2024

Year-end report, 2023

This report has not been reviewed by the company's auditor.

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

## Forward Looking Statements

This report may contain forward-looking statements, which reflect the Board of Directors and the management's current views with respect to the market, certain future events and financial performance. Although the statements are based upon estimates, the management believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, and no assurance can be given that the expectations will prove to be correct. Forward-looking statements are based on the circumstances at the date of publication and actual outcome could be materially different. Vitrolife disclaims any intention or obligation to update these forward-looking statements. The most important strategic and operative risks regarding Vitrolife's business and field are described in the Management report, in the Annual Report. These are primarily constituted by macro-economic risks, operational risks and financial risks.

## Queries should be addressed to

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This information is such that Vitrolife AB (publ) is obliged to publish according to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8.00 am CEST on 15 July 2022.

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