

**FOURTH QUARTER  
AND FULL YEAR REPORT**  
2022



**VITROLIFE GROUP™**

EXCELLENCE IN REPRODUCTIVE HEALTH

WELCOME TO

欢迎来到

VÄLKOMMEN TILL

# This is the Vitrolife Group

We contribute to successful treatment outcomes by providing reproduction solutions.

Specialising in IVF since 1994, we have grown and increased our market share through our 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 products and services for the entire fertility

journey, providing consistent performance and guaranteed quality. Our vision is to fulfil the dream of having a healthy baby. We achieve this by supporting our customers to improve their clinical practice and the outcome of the patient's fertility treatment.

The Vitrolife Group refers to Vitrolife AB (publ) and all its subsidiaries and the share is listed on NASDAQ Stockholm.

## Business areas



Media, cryo products, disposable devices and genomic kits.



Incubation, time-lapse evaluation and laser.



Reproductive genetic testing services.

## The Vitrolife Group in figures

EMPLOYEES  
~1,100

SALES IN 2022  
3,234 MSEK

GLOBAL PRESENCE IN  
~110 MARKETS

## Fourth quarter

# Strong profitable growth

### Fourth quarter

- Sales of SEK 855 (514) million, corresponding to an increase of 66% in SEK, whereof organic growth 11%, acquired growth 37% and currency effect 18%.
- Consumables increased sales by 23% in SEK, Technologies increased by 36% in SEK, and Genetic Services contributed acquired sales of SEK 192 million.
- Including the acquisition we have strong growth in all market regions, Americas 81%, EMEA 31%, Japan Pacific 56% and Asia 32% in local currencies.
- Operating income before depreciation and amortisation (EBITDA) was SEK 273 (85) million, corresponding to a margin of 31.9% (16.5%). EBITDA per share increased by 196% to SEK 2.02.
- Net income was SEK 73 (34) million, resulting in earnings per share of SEK 0.55 (0.26).

### Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 21% in SEK and 7% in local currencies. Sales, excluding divestment of GPDx business in China and Covid-19 tests, increased by 9% in local currencies.
- EBITDA margin of 31.9% (27.8%).

### Full Year 2022

- Sales of SEK 3,234 (1,681) million, corresponding to an increase of 92% in SEK, whereof organic growth 10%, acquired growth 65% and currency effect 18%.
- Consumables increased sales by 23% in SEK Technologies by 16% in SEK, and Genetic Services contributed acquired sales of SEK 1,085 million.
- Including the acquisition we have strong growth in all market regions, Americas 177%, EMEA 48%, Japan Pacific 59% and Asia 38% in local currencies.

- Operating income before depreciation and amortisation (EBITDA) was SEK 1,050 (544) million, corresponding to a margin of 32.5% (32.4%). EBITDA per share increased 63% to SEK 7.75.
- Net income was SEK 394 (344) million, resulting in earnings per share of SEK 2.91 (2.97).
- Net debt/EBITDA 1.5 (3.2) rolling 12 months.

### Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 20% in SEK and 9% in local currencies. Sales, excluding divestment of GPDx business in China and Covid-19 tests, increased by 10% in local currencies.
- EBITDA margin of 32.5% (32.2%).

### After the end of the period

- Bronwyn Brophy is appointed as new CEO of Vitrolife AB (publ). She will join the company at the latest of 1 August 2023.
- The Chairman of the Board, Jón Sigurdsson will assume the position as interim CEO from 1 April 2023.
- Board member, Henrik Blomquist, will be the Chairman of the board from 1 April 2023 until the annual general meeting on 27 April 2023.
- Current CEO, Thomas Axelsson, will leave his position as CEO, from 31 March 2023.
- The Board proposes a dividend of SEK 0.85 (0.80) per share, corresponding to SEK 115 (108) million.

# The Group's key figures

SEK millions*	October - December		January - December		Pro forma Oct-Dec <sup>3</sup>	Pro forma Jan- Dec <sup>3</sup>
	2022	2021	2022	2021	2021	2021
Net sales	855	514	3,234	1,681	723	2,817
Gross margin, %	54.2	58.2	55.0	62.2	54.3	55.7
Adjusted gross margin <sup>1</sup> , %	56.5	59.6	57.4	63.4	56.9	58.8
Operating income before depreciation and amortisation (EBITDA)	273	85	1,050	544	201	906
EBITDA margin, %	31.9	16.5	32.5	32.4	27.8	32.2
Net income	73	34	394	344	89	423
Net debt/EBITDA Rolling 12 month	1.5	3.2	1.5	3.2	N/A	N/A
Earnings per share <sup>2</sup> , SEK	0.55	0.26	2.91	2.97	0.65	3.11
Share price on closing date, SEK	186.20	560.0	186.20	560.0	N/A	N/A
Market cap at closing date	25,220	75,850	25,220	75,850	N/A	N/A
Changes in net sales						
Organic growth in local currency, %	11	4	10	30		
Acquired growth, %	37	30	65	9		
Currency effects, %	18	1	18	-4		
Total growth, %	66	35	92	35		

\*Unless otherwise indicated.

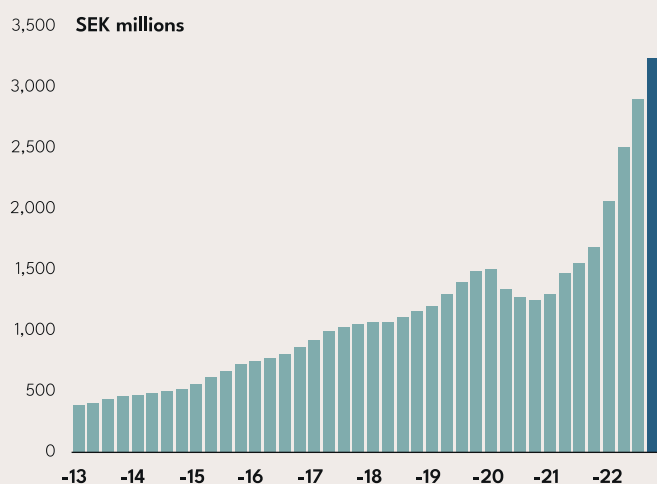
<sup>1</sup> Gross margin excluding amortisation of acquisition-related intangible assets.

<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 21-22.

For definitions, motivations and reconciliations, see pages 24-26.

## Net sales (rolling 12 months)



## Financial objectives

SALES GROWTH  
**20%**

Local currencies  
(3-year average)

EBITDA MARGIN  
**>30%**

NET DEBT/EBITDA  
**<3**

## Strong profitable growth

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# CEO comment

Our sales during the fourth quarter were SEK 855 million and the acquisition of Igenomix contributed SEK 349 million. Sales increased 66% in SEK, with an organic growth in local currencies of 11%, acquired growth 37% and currency effect 18%. Our pro forma EBITDA margin improved by 4.1% to 31.9% (27,8%). Our full year sales were SEK 3,234 million, corresponding to a growth of 92%.

Including the acquisition, we had strong growth in all market regions: Americas 81%, EMEA 31%, Japan Pacific 56% and Asia 32% in local currencies. On a pro-forma basis, the growth in Japan Pacific was 24%, Asia 15%, EMEA 6%, and Americas 1% in local currencies.

Aside from the IVF market's well-known underlying growth drivers there are some other factors which currently impact the market and our business:

- Introducing a reimbursement structure in a country positively affects the market conditions since the clients/patients of an IVF clinic receive financial support for their treatment. Our growth in the Japan Pacific region is partly driven by the continued acceptance of time-lapse technology and product mix for the newly introduced reimbursement program in Japan. Reimbursement programs are an important factor for stonger growth of IVF cycles.
- The Asia market region grew impressively by 32%, despite a major headwind in China related to the zero-Covid policy. It shows strength to have such a high growth when our largest market in the region for Consumables and Technologies is going through a challenging time. Our customers in China expect a pent-up demand when the current situation is over. We saw a similar pattern in Western Europe and the Americas when restrictions from Covid-19 were removed. In regions where the market is now in a more normal situation, we are experiencing a buying pattern with more predictable growth in IVF cycles.
- It is difficult to predict how the macro-economic and geo-political uncertainty will impact IVF and the number of IVF cycles over the coming quarters. Public IVF clinics see continued stable demand for their services, while some of our privately-owned customers in Australia, Europe and in the US see a minor impact.
- The global situation impacted our cost of goods sold and expenses during 2022. We experienced salary increase pressure (particularly in the US), logistics bottlenecks and material shortages. We have managed the situation succesfully and we expect that some of these factors will continue over the coming quarters but not to the same extent.
- The pace of consolidation of IVF clinics in Western Europe and the US is a major driver for industry change. The consolidation increases the focus on workflow and IVF clinics efficiency, and this is one of the main drivers of our sales growth in Technologies. Embryologists, as well as lab managers, see the benefits of using our AI-software and, by doing so, improving workflow and working conditions within the laboratory when performing embryo culturing and for embryo selection. Our sales of software in Technologies are steadily improving, which will gradually change our business model.

All our business areas report increasing sales. Technologies increased sales by 36% in SEK and 27% in local currencies. We continue to see a strong interest in the time-lapse technology. The fluctuation in sales between quarters is primarily dependent on larger orders to specific IVF-clinic chains and customers' ability to go ahead with installations.

Sales in Consumables increased by 23% in SEK and 10% in local currencies, driven by strong growth in Asia and Japan Pacific. The product mix with increased sales of genomic kits and disposable device products during the quarter had a negative impact on gross margin for the Group. Our investments in production capacity for disposable devices has still not achieved full scalability due to ramp-up costs.

Genetic Services increased 14% in SEK (pro forma excluding Covid-19) and -2% in local currencies, where EMEA 2%, Americas -1%, Japan Pacific 0% and -32% in Asia, which was impacted by divestment of GPDx business in China. In the US, which is our largest market for Genetic Services we see continued high demand for our product portfolio. Last year's price pressure on PGT-A tests has impacted the market conditions. Our focus is to provide value-adding services to our customers, who are IVF clinics and patients. Those services include genetic counselling, research and development, efficient customer interactions and support in communicating diagnostic results. We are performing more tests than ever, but the lower average selling price impacted growth in monetary terms. We have done several activities to improve profitability, such as laboratory efficiencies, and have taken a more selective approach towards customer contracts. We benefit from the trend that more countries are adopting PGT-A, although from low levels.

The adjusted gross margin was 56.5% (pro forma 56.9%), negatively impacted by currencies and product mix, but positively impacted by cost reductions within Genetic Services. EBITDA increased to SEK 273 million (85), equivalent to an EBITDA margin of 31.9 % (pro forma 27.8%).

The Vitrolife Group's values and vision have guided us through another turbulent year, keeping us focused on our continued transformation and helping us to better serve



the needs of our customers and their patients. The acquisition of Igenomix a year ago, now Genetic Services, has improved our ability to have a discussion with our customers about how they can improve clinical outcomes in a cost-effective way by using our services or performing genetic testing in their own IVF clinics with our genomic kits.

Our strategy with focus on fertility, its portfolio optimisation and new organisation from 1 October, was implemented to create a business with sustainable profitable growth. We have made significant changes, and I am pleased to see the result of it! One example is how Genetic Services now have a clear focus on applied product development. Synergies in our global Sales and Marketing and Global Operations for our laboratories looks promising. The increase in EBITDA from first quarter up until today's 31.9 % for the Vitrolife Group, is achieved by a good collaboration between all functions and colleagues. We generated SEK 166 million in operating cash flow during the fourth quarter and SEK 636 million for the full year.

This will be my last quarterly report for the Vitrolife Group. I am honoured and humbled to have been part of this team that over the years has delivered value for our shareholders, developed, and produced excellent products and on top of that, given outstanding support and service to our customers. Thank you all!

Thomas Axelsson, CEO

**STRONG PROFITABLE GROWTH**  
sales of 3,234 MSEK

# Highlights in quarter 4

**CONTINUED GROWTH OF TIME-LAPSE**  
becoming standard of care in several markets

**ONE COMPANY - VITROLIFE GROUP**  
significant changes done

# 2022

## January - December

# Fourth quarter

### Net sales

Sales increased from SEK 514 million to SEK 855 million, corresponding to an increase of 66% in SEK and 48% in local currencies.

Consumables increased sales by 23% in SEK and 10% in local currencies. Sales in Asia increased by 32% in local currencies, and Japan Pacific grew by 27% in local currencies. The reimbursement system in Japan and the introduction of the Genomics product range in Asia and Japan Pacific contributed to this growth.

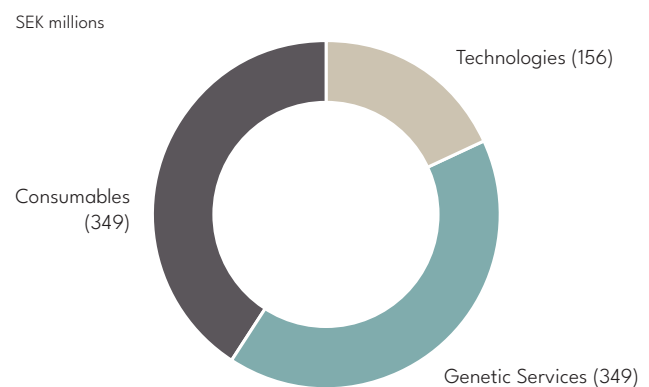
Technologies increased sales by 36% in SEK and 27% in local currencies, affected by the timing of orders of equipment. Sales in all four market regions show double-digit growth in local currencies driven by the customers ambition to improve working conditions and workflow related to embryo culture and embryo selection.

Genetic Services sales amounted to SEK 349 million, whereof acquired sales SEK 192 million.

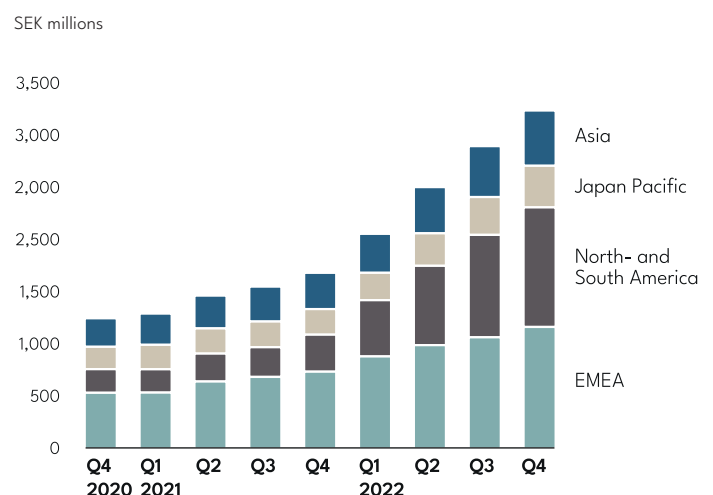
### Net sales pro forma

Growth compared with the fourth quarter of 2021 (pro forma SEK 723 million) amounted to SEK 132 million, corresponding to 18% in SEK. Income related to Covid-19 tests declined by 17 million compared to the previous year. Income from Genetic Services increased by SEK 42 million, adjusted for business related to Covid-19 tests, which corresponded to a decrease of 2% in local currencies. Total sales for the Vitrolife Group, excluding Covid-19 tests, increased by 7% in local currencies. See additional information on page 22.

### Net sales by business area Q4 2022



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





## Income

Gross income amounted to SEK 463 (299) million, corresponding to a margin of 54.2% (58.2%). The reduction in margin was mainly driven by the combined business and product mix. Investments in production capacity, to increase output and the ramp up effects, are currently negatively impacting our scalability effects. Operating income before depreciation and amortisation (EBITDA) amounted to SEK 273 (85) million, corresponding to a margin of 31.9% (16.5%). The margin was positively affected by increased sales while the combined business impacted profitability negatively. Currency fluctuations had a positive impact of SEK 32 million on EBITDA.

## Income pro forma

Gross income increased to SEK 463 (392) million, corresponding to a margin of 54.2% (54.3%) and the lower margin is primarily related to the combined business and product mix. Operating income before depreciation and amortisation (EBITDA) increased by SEK 72 million, positively impacted by increased sales. OPEX increased driven by higher activity level, general salary increases and negative currency fluctuations. EBITDA in relation to net sales increased from 27.8% to 31.9%.



## Income per segment

### EMEA

Our sales in EMEA increased to SEK 316 (218) million, corresponding to an increase of 31% in local currencies. Genetic Services contributed with acquired revenue of SEK 64 million. Gross income amounted to SEK 175 (126) million, with a margin of 55.2% (58.1%), which was diluted by the combined business of Genetic Services. The market contribution from EMEA amounted to SEK 108 (86) million, corresponding to a margin of 34.0% (39.6%).

### EMEA pro forma

Total sales in the region increased from SEK 286 million to SEK 316 million, corresponding to an increase of 17% in local currencies. Genetic Services, excluding revenue from Covid-19 tests, increased sales by 2% in local currencies. Total sales in the region, excluding Covid-19 tests, increased by 6% in local currencies.

### Asia

Our sales in Asia increased to SEK 138 (95) million, corresponding to an increase of 32% in local currencies. Consumables increased its sales by 32% in local currencies. Gross income increased from SEK 59 million to SEK 79 million, corresponding to a margin of 57.5% (62.2%), with the margin decline being mainly due to the product mix. The market contribution increased to SEK 64 (43) million, with a margin of 46.6% (45.7%).

### Asia pro forma

Total sales amounted to SEK 138 (109) million, equivalent to an increase of 15% in local currencies, excluding revenue from Covid-19 tests. Genetic Services sales in the region decreased by 32% in local currencies due to divestment of GPDx business in China.

### Americas

Our sales in Americas amounted to SEK 303 (139) million, corresponding to a increase of 81% in local currencies. Technologies sales increased by 25% in local currencies, driven by the continued interest in Time-lapse equipment. Genetic Services contributed with acquired revenue of SEK 102 million. Gross income amounted to SEK 149 (74) million, with a margin of 49.3% (52.9%). The market contribution increased to SEK 88 (51) million, corresponding to a margin of 29.0% (36.9%), diluted by the combined business.

### Americas pro forma

Total sales increased to SEK 303 (251) million, corresponding to an increase of 1% in local currencies, both including and excluding Covid-19 tests. Genetic Services decreased sales by 1% in local currencies excluding revenue from Covid-19 tests. Our main market US, is performing well in volume while the last years price pressure on PGT-A have had a negative impact on sales and growth in monetary terms. Several initiatives to meet the new market conditions and improve profitability have been started, including laboratory efficiency and a more selective approach on customer contracts.

### Japan Pacific

Our sales in Japan Pacific amounted to SEK 98 (62) million, equivalent to an increase of 56% in local currencies. Both Consumables and Technologies reported double-digit growth in the period, partly due to the introduction of a reimbursement system in Japan. Gross income increased to SEK 61 (40) million, corresponding to a margin of 61.8% (64.6%). The market contribution increased from SEK 28 million to SEK 42 million, with a corresponding margin of 42.4% (45.9%). The margin was diluted by the combined business.

### Japan Pacific pro forma

*Genetic Services sales in the region decreased by 1% in local currencies. Total sales amounted to SEK 98 (78) million, equivalent to an increase of 24% in local currencies. Total sales, excluding revenue related to Covid-19 tests, increased by 24% in local currencies.*

### Financial net

In the fourth quarter, financial net amounted to SEK -63 million, mostly affected by a currency revaluation of SEK -40 million due to stronger EUR and weaker USD rate. Net interest expenses were SEK -12 million.

### Taxes

In the fourth quarter, taxes amounted to SEK 32 (28) million, and the effective tax rate was 30.7% (45.2%). The effective tax rate was mainly affected by adjustments of tax from previous quarters.

### EBITDA per share

EBITDA per share amounted to SEK 2.02 (0.68).

### Net income and earnings per share (EPS)

Net income for the fourth quarter amounted to SEK 73 (33) million. Earnings per share (EPS), before and after dilution, amounted to SEK 0.55 (0.26).

### Cash flow

Operating cash flow for the fourth quarter contributed SEK 166 million. Cash flow from investing activities was SEK -18 million, including net investments of SEK -18 million in non-current assets. Financing activities were SEK -27 million.

### Financial position

As of 31 December, net debt was SEK 1.6 billion, and cash and cash equivalents amounted to SEK 578 million. In the

fourth quarter, total assets increased by SEK 345 million, mainly affected by currency revaluation of acquisition-related intangible assets, and amounted to SEK 20.6 billion. Equity amounted to SEK 16.7 billion at the end of December. The available undrawn revolving credit facility amounted to EUR 100 million.

### Parent Company

Business activities focus on Group-wide management. Income included invoicing of management fees and other costs of SEK 11 (8) million. Net financial items amounted to SEK -21 (21) million, primarily impacted by currency effects, interest expenses amounted to SEK 13 million. Cash and cash equivalents amounted to SEK 133 million.

## Full Year 2022

January - December

### Net sales

Sales amounted to SEK 3,234 (1,681) million, corresponding to an increase of 92% in SEK. Sales increased by 75% in local currencies. Consumables grew by 23% in SEK and 12% in local currencies. Technologies increased sales by 16% in SEK and 10% in local currencies. Genetic Services contributed SEK 1,227 million to sales.

### Net sales pro forma

*Total sales increased by 15% in SEK from SEK 2,817 to 3,234 million, corresponding to an increase of 4% in local currencies. Genetic Services decreased sales by 4% in local currencies, including business related to Covid-19 tests. The Genetic Services business, excluding Covid-19 tests, increased by 6% in local currencies.*



## Income

Gross income amounted to SEK 1,780 (1,046) million, corresponding to a margin of 55.0% (62.2%). The margin decline was mainly driven by the combined business with a lower margin in Genetic Services.

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 1,050 (544) million, corresponding to a margin of 32.5% (32.4%). The margin was positively affected by increased sales, while both product mix and combined business impacted profitability negatively. Currency fluctuations had a positive impact of SEK 108 million on EBITDA.

## Income pro forma

Gross income increased to SEK 1,780 (1,569) million, corresponding to a margin of 55.0% (55.7%). Operating income before depreciation and amortisation (EBITDA) increased by SEK 144 million, positively affected by increased sales and negatively affected by OPEX, driven primarily by normalised business activities after Covid-19 restrictions, restructuring costs within Genetic Services and negative currency fluctuations. EBITDA in relation to net sales increased from 32.2% to 32.5%.

## Income per segment

During the period, the market contribution for EMEA amounted to SEK 403 (336) million. The market contribution from Americas amounted to SEK 356 (155) million. The market contribution from Japan Pacific amounted to SEK 177 (131) million. The market contribution from Asia amounted to SEK 241 (180) million. The market contribution for all regions amounted to SEK 1,178 (802) million, corresponding to a margin of 36.4% (47.7%).

## Financial net

Financial net amounted to SEK -117 million, mostly affected by a currency revaluation of SEK -37 million due to a stronger EUR rate, net interest expenses of SEK -34 million and SEK -22 million from the divestment of GPDx business in China.

## Taxes

During the year, taxes amounted to SEK 143 (116) million, and the effective tax rate was 26.6% (25.3%). The effective tax rate was affected by high non-deductible expenses, mainly from the divestment of GPDx business in China.



## Cash flow

Operating cash flow for the full year contributed SEK 636 million (384). EBITDA had a positive impact on operating cash flow. Cash flow from investing activities was SEK -144 (-6,518) million, including net investments in non-current assets of SEK -83 (-62) million, acquisition of non-controlling interest of SEK 32 (19) million, an additional purchase consideration payment of SEK 20 million for iDAScore and SEK -10 million in cash flows from the divestment of GPDx business in China. Cash flow from financing activities was SEK -582 (5,749) million and comprised a dividend to shareholders of SEK 110 (88) million, and repayment of borrowings of SEK 448 million. Cash and cash equivalents at the end of the period amounted to SEK 578 (630) 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.

There are now two remaining patents in the lawsuit. Vitrolife has filed an appeal against one of these patents with the EPO, and the oral proceedings in the lawsuit 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

In the long term, the underlying drivers of the IVF market remain strong. The continuous increase in maternal age driving infertility, higher patient affordability, better social acceptance, better clinical outcomes and increasingly favourable legislation should sustain the market's growth over the coming years. Thus, we estimate that the long-term global market growth of genetic services and medical devices for IVF will be in high single digits for the foreseeable future.

However, the recent rise of Covid-19 cases in some regions, particularly China, persisting geopolitical conflicts and recent negative macroeconomic trends such as higher interest and inflation rates, are creating uncertainty about economic activity and affecting all industries, including IVF. The higher probability of an economic recession and higher cost of living might impact family planning decisions and, thus, slightly slowdown growth in assisted reproduction treatments in the short-term future. The situation in China is expected to result in a surge in demand for IVF treatments when the Covid situation is normalised.

We are working on supporting our customers in navigating this environment by better serving their needs with excellent value-added services and continuous innovation. At the same time, we will continue to focus on increasing sales by expanding and improving the product range, sales and distribution channels and service offer.

## The company in brief

### Business concept

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

### Strategy

We have identified four strategic focus areas to achieve our goal:

- Superior customer experience: help our customers to improve their workflow efficiency and reduce the time needed for patients to achieve conception, by being their preferred partner with a complete portfolio, including value-added services and strong support channels.
- Sustainable structure: an scalable global organisation with an attractive culture to attract and engage the best people along with a focus on sustainable



- capabilities to ensure sustainability in everything we do.
- Organisational excellence: achieved with innovative scientific research and development and world-class operations and support.
- Extended capabilities: take advantage of external growth opportunities such as collaborations and acquisitions that increase our portfolio and reinforce our capabilities to be the leading valued solution provider in reproductive health.

## Other information

### Organisation and personnel

During the period, the average number of employees was 1,117 (478), of whom 665 (244) were women and 452 (233) were men. Of these, 162 (161) persons were employed in Sweden, 223 (21) in Spain, 79 (-) in Brazil, 202 (97) in the US, 90 (87) in Denmark and 361 (111) in the rest of the world. The number of persons employed in the Group at the end of the period was 1,073 (413).

### 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

In accordance with the dividend policy of Vitrolife AB (publ), a dividend, or another equivalent form of distribution, shall be proposed annually which on average over time corresponds to 30 percent of net profits for the year after tax has been paid. It is therefore the intention of the Board to propose to the Annual General Meeting a dividend of SEK 115 (108) million, corresponding to SEK 0.85 (0.80) per share.

### Risk management

The most important strategic and operational risks regarding the Vitrolife Group'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 an impact on Vitrolife Group's sales. Before and during holiday periods there is often a reduction in orders for some of Consumables short shelf life products. Technologies sales is dependent on installations and also impacted by holidays. The sales in Genetic Services are also impacted by holidays.

For Vitrolife Group, sales in the first quarter are negatively impacted by Christmas and New Year holidays, with the largest impact on Genetic Services. Sales in China for Consumables and Technologies, are negatively affected by the Chinese New Year. The third quarter, with the European summer holiday period, is impacting all business areas. The fourth quarter is normally the strongest quarter for Vitrolife Group.

In all, total sales are relatively even between the first and second halves of the year, with second half somewhat higher due to impact from high sales in fourth quarter.

### Election committee

The following people have been appointed as members of Vitrolife AB (publ) election committee for the 2023 Annual General Meeting:

Niels Jacobsen, appointed by William Demant Invest A/S  
Patrik Tigerschiöld, appointed by Bure Equity AB  
Erika Henriksson, appointed by EQT VIII  
Jón Sigurdsson, Chairman of the Board

The appointments have been made in accordance with the instructions regarding principles for the appointment of the company election committee which were determined at the Annual General Meeting of Vitrolife AB (publ) on 27 April 2022.

Shareholders who wish to have an item considered at a general meeting can submit a request to the Board to this effect. Such a request for an item to be considered

is to be sent to Vitrolife AB (publ), Att: Chairman of the Board, Box 9080, SE-400 92 Gothenburg, Sweden, and must have been received by the Board no later than seven weeks before the general meeting, or otherwise in such good time that the matter, where necessary, can be included in the notice to attend the general meeting.

### Annual General Meeting and Annual Report

The Annual General Meeting will be held on 27 April 2023 in Gothenburg, Sweden. Shareholders will be invited to attend through an announcement in the Swedish Official Gazette and through information in Dagens Industri no earlier than six weeks and no later than four weeks before the meeting.

It is estimated that the Vitrolife Group's Annual Report for 2022 will be available to be downloaded from Vitrolife Group's website on 30 March 2023.

### Events after the end of the period

- Bronwyn Brophy is appointed as new CEO of Vitrolife AB (publ). She will join the company at the latest of 1 August 2023.
- The Chairman of the Board, Jón Sigurdsson will assume the position as interim CEO from 1 April 2023.
- Board member, Henrik Blomquist, will be the Chairman of the board from 1 April 2023 until the annual general meeting on 27 April 2023.
- Current CEO, Thomas Axelsson, will leave his position as CEO, from 31 March 2023.
- The Board proposes a dividend of SEK 0.85 (0.80) per share, corresponding to SEK 115 (108) million.

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2 February 2023  
Gothenburg, Sweden

Thomas Axelsson  
CEO

## Consolidated income statements

SEK millions	Note	October - December		January - December	
		2022	2021	2022	2021
Net sales	4,5	855	514	3,234	1,681
Cost of sales		-392	-215	-1,454	-635
<b>Gross income</b>		<b>463</b>	<b>299</b>	<b>1,780</b>	<b>1,046</b>
<b>Comprising</b>					
Adjusted gross income		483	306	1,857	1,065
Amortisation of acquisition-related intangible assets		-20	-7	-78	-19
<b>Gross income</b>		<b>463</b>	<b>299</b>	<b>1,780</b>	<b>1,046</b>
Selling expenses		-162	-90	-602	-244
Administrative expenses		-103	-136	-400	-259
Research and development costs		-23	-37	-143	-114
Other operating income		0	3	21	10
Other operating expenses		-6	0	-2	-2
<b>Operating income</b>		<b>168</b>	<b>40</b>	<b>654</b>	<b>435</b>
<b>Comprising</b>					
Adjusted operating income		231	60	899	467
Amortisation of acquisition-related intangible assets		-63	-20	-246	-32
<b>Operating income</b>		<b>168</b>	<b>40</b>	<b>654</b>	<b>435</b>
Financial income and expenses		-63	22	-117	25
<b>Income after financial items</b>		<b>106</b>	<b>61</b>	<b>537</b>	<b>460</b>
Income taxes		-32	-28	-143	-116
<b>Net income</b>		<b>73</b>	<b>34</b>	<b>394</b>	<b>344</b>
<b>Attributable to</b>					
Parent Company shareholders		74	33	394	341
Non-controlling interests		-1	1	0	3
Earnings per share*, SEK		0.55	0.26	2.91	2.97
Average number of shares outstanding		135,394,622	124,085,429	135,394,622	114,625,046
Number of shares at closing date		135,447,190	118,195,878	135,447,190	135,447,190

\* Before and after dilution.

Depreciation and amortisation had a negative effect of SEK 105 (45) million on income for the fourth quarter and SEK 396 (109) million on income for the period.

## Statements of comprehensive income

SEK millions	October - December		January - December	
	2022	2021	2022	2021
<b>Net income</b>	<b>73</b>	<b>34</b>	<b>394</b>	<b>344</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to the income statement</b>				
Exchange differences	270	-5	1,144	19
<b>Total other comprehensive income</b>	<b>270</b>	<b>-5</b>	<b>1,144</b>	<b>19</b>
<b>Comprehensive income</b>	<b>343</b>	<b>29</b>	<b>1,538</b>	<b>363</b>
<b>Attributable to</b>				
Parent Company shareholders	346	28	1,537	360
Non-controlling interests	-3	1	1	3

## Consolidated statements of financial position

SEK millions	Note	31 Dec 2022	31 Dec 2021
<b>Assets</b>			
<b>Non-current assets</b>	2		
Goodwill		13,874	12,995
Other intangible assets		4,648	4,553
Property, plant and equipment		318	333
Other financial assets		36	49
Deferred tax assets		102	92
<b>Total non-current assets</b>		<b>18,978</b>	<b>18,022</b>
<b>Current assets</b>			
Inventories		405	313
Trade receivables		454	391
Current tax assets		48	17
Other receivables		40	22
Prepaid expenses and accrued income		47	32
Cash and cash equivalents		578	630
<b>Total current assets</b>		<b>1,572</b>	<b>1,407</b>
<b>Total assets</b>		<b>20,551</b>	<b>19,429</b>
<b>Equity</b>			
Equity attributable to Parent Company shareholders		16,736	15,322
Non-controlling interests		4	19
<b>Total equity</b>		<b>16,740</b>	<b>15,341</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>	2		
Provisions		33	28
Deferred tax liabilities		1,102	1,069
Borrowings		1,988	1,944
Lease liabilities		55	82
Other liabilities		12	11
<b>Total non-current liabilities</b>		<b>3,190</b>	<b>3,134</b>
<b>Current liabilities</b>			
Borrowings		153	429
Lease liabilities		29	27
Trade payables		181	173
Current tax liabilities		27	25
Other liabilities		51	59
Accrued expenses and deferred income		180	241
<b>Total current liabilities</b>		<b>621</b>	<b>954</b>
<b>Total liabilities</b>		<b>3,811</b>	<b>4,088</b>
<b>Total equity and liabilities</b>		<b>20,551</b>	<b>19,429</b>

## Consolidated changes in equity

	Attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings		
<b>SEK millions</b>						
<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	-1	-88
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	-	-	1,143	394	0	1,538
Equity compensation benefits	-	-	-	10	-	10
Dividend (SEK 0.80 per share)	-	-	-	-108	-1	-109
Adjustment of non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-8	-8
Acquisition of non-controlling interest*	-	-	-	-26	-6	-32
<b>Closing balance 31 December 2022</b>	<b>28</b>	<b>13,544</b>	<b>1,164</b>	<b>2,000</b>	<b>4</b>	<b>16,740</b>

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



## Consolidated cash flow statements

SEK millions	October - December		January - December	
	2022	2021	2022	2021
Income after financial items	106	61	537	460
Adjustment for non-cash items	159	18	476	78
Tax paid	-87	-81	-202	-144
Change in inventories	-7	-19	-71	-47
Change in operating receivables	-6	10	-56	-5
Change in operating payables	1	11	-48	42
<b>Cash flow from operating activities</b>	<b>166</b>	<b>0</b>	<b>636</b>	<b>384</b>
Acquisition of business, after deduction for cash and cash equivalents	-	-6,447	-	-6,447
Net investments in non-current assets	-18	-38	-83	-62
Acquisition of non-controlling interests	-	-19	-32	-19
Sale of financial assets	-	0	-	16
Additional purchase consideration	-	-6	-20	-6
Cash flows from losing control of subsidiaries	-	-	-10	-
<b>Cash flow from investing activities</b>	<b>-18</b>	<b>-6,510</b>	<b>-144</b>	<b>-6,518</b>
Borrowings	-	2,354	-	2,354
Other non-current liabilities	-	0	8	-
Set-up fee borrowings	-	0	-19	0
Repayment of borrowings	-16	-2	-448	-1
Change in overdraft facility/credit line	-3	-	18	-
Repayment of lease liabilities	-7	-6	-30	-18
Dividends paid	-1	0	-110	-88
New share issue	-	0	-	3,558
Expenses for new share issue	-	-1	-	33
Repurchase of own shares	-	0	-	-23
<b>Cash flow from financing activities</b>	<b>-27</b>	<b>2,345</b>	<b>-582</b>	<b>5,749</b>
<b>Cash flow for the period</b>	<b>120</b>	<b>-4,164</b>	<b>-91</b>	<b>-385</b>
Opening cash and cash equivalents	461	4,763	630	974
Exchange difference in cash and cash equivalents	-4	31	39	42
<b>Closing cash and cash equivalents</b>	<b>578</b>	<b>630</b>	<b>578</b>	<b>630</b>

## Key ratios

	October - December		January - December	
	2022	2021	2022	2021
Gross margin, %	54.2	55.0	54.9	62.2
Adjusted gross margin, %	56.5	57.4	57.3	63.4
Operating margin before depreciation and amortisation (EBITDA), %	31.9	32.5	32.5	32.4
Operating margin (EBIT), %	19.7	20.2	20.1	25.9
Net margin, %	8.6	12.2	12.0	20.4
Equity/assets ratio, %	81.5	81.5	81.4	79.0
Equity per share, SEK	123.56	123.56	123.52	113.12
Return on equity, %	2.4	2.4	2.4	5.4
Cash flow from operating activities per share, SEK	1.22	4.69	4.69	3.35
Net debt*, SEK million	1,562.7	1,562.7	1,562.7	1,743.0

\* Negative amount implies net claim.  
For definitions, motivations and reconciliations, see pages 24-26.

## Income statements for the Parent Company

SEK millions	October - December		January - December	
	2022	2021	2022	2021
Net sales	11	8	42	25
Administrative expenses	-16	-7	-55	-33
Other operating expenses	0	0	0	0
<b>Operating income</b>	<b>-5</b>	<b>1</b>	<b>-13</b>	<b>-8</b>
Dividends from Group companies	-	-	159	731
Impairment of shares in Group companies	-	-22	-	-22
Financial income and expenses	-21	21	-92	22
<b>Income after financial items</b>	<b>-26</b>	<b>0</b>	<b>54</b>	<b>723</b>
Group contribution received	160	50	160	50
Income taxes	-28	-15	-11	-13
<b>Net income</b>	<b>106</b>	<b>35</b>	<b>202</b>	<b>760</b>

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

## Balance sheets for the Parent Company

SEK millions	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
Property, plant and equipment	0	0
Participations in Group companies	15,629	15,593
Other financial assets	11	8
Receivables from Group companies, non-current	1,367	1,344
Deferred tax assets	3	2
Receivables from Group companies, current	90	76
Other current receivables	0	2
Prepaid expenses and accrued income	1	0
Cash and cash equivalents	133	296
<b>Total assets</b>	<b>17,235</b>	<b>17,323</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	14,768	14,664
Provisions	14	11
Borrowings, non-current	1,988	1,924
Current tax liabilities	16	4
Trade payables	1	2
Borrowings, current	111	409
Liabilities to Group companies, current	318	275
Other current liabilities	1	0
Accrued expenses and deferred income	18	33
<b>Total equity and liabilities</b>	<b>17,235</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 the Vitrolife Group 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 1,049 (1,046) million and SEK 2,404 (2,719) million.

**Note 3. Pledged assets and contingent liabilities**

SEK millions	31 Dec 2022	31 Dec 2021
<b>Group</b>		
Pledged assets	41	37
Contingent liabilities	16	12
<b>Parent Company</b>		
Pledged assets	11	8
Contingent liabilities	3	2

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**

The Vitrolife Group'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. The Vitrolife Group 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.

The Vitrolife Group applies the following geographical segments: EMEA, Americas, Japan Pacific and Asia. From January 2022, the Vitrolife Group categorises its products and services into the following business areas: Consumables (including the 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	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Products	473	374	1,774	1,472
Services	381	140	1,460	209
<b>Total</b>	<b>855</b>	<b>514</b>	<b>3,234</b>	<b>1,681</b>

**Net sales per geographical segment by business area**

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
Consumables	133	122	85	70	44	33	87	60	349	284
Technologies	73	54	17	12	31	21	34	27	156	114
Genetic Services	110	42	201	58	23	8	16	8	349	116
<b>Total</b>	<b>316</b>	<b>218</b>	<b>303</b>	<b>139</b>	<b>98</b>	<b>62</b>	<b>138</b>	<b>95</b>	<b>855</b>	<b>514</b>
Whereof Sweden	7	6							7	6

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Consumables	497	466	324	260	177	134	341	232	1,339	1,091
Technologies	253	227	65	36	129	103	106	108	553	474
Genetic Services	413	42	755	58	92	8	83	8	1,343	116
<b>Total</b>	<b>1,163</b>	<b>735</b>	<b>1,144</b>	<b>354</b>	<b>398</b>	<b>245</b>	<b>529</b>	<b>347</b>	<b>3,234</b>	<b>1,681</b>
Whereof Sweden	22	25							22	25

**Note 5. Segments**

The Vitrolife Group consists of three business areas whose products and services are sold by four geographical market organisations. The Genetic Services business area was included from December 2021. The Vitrolife Group 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.

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
<b>Net sales</b>	316	218	303	139	98	62	138	95	<b>855</b>	<b>514</b>
<b>Gross income</b>	<b>175</b>	<b>126</b>	<b>149</b>	<b>74</b>	<b>61</b>	<b>40</b>	<b>79</b>	<b>59</b>	<b>463</b>	<b>299</b>
Selling expenses	-67	-40	-61	-22	-19	-12	-15	-16	-162	-90
<b>Market contribution</b>	<b>108</b>	<b>86</b>	<b>88</b>	<b>51</b>	<b>42</b>	<b>28</b>	<b>64</b>	<b>43</b>	<b>301</b>	<b>209</b>
Administrative expenses									-103	-136
Research and development expenses									-23	-37
Other operating income and expenses									-6	3
<b>Operating income</b>									<b>164</b>	<b>40</b>
Net financial items									-63	22
<b>Income after financial items</b>									<b>106</b>	<b>61</b>

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Net sales</b>	1,163	735	1,144	354	398	245	529	347	<b>3,234</b>	<b>1,681</b>
<b>Gross income</b>	<b>639</b>	<b>446</b>	<b>585</b>	<b>203</b>	<b>248</b>	<b>169</b>	<b>308</b>	<b>227</b>	<b>1,780</b>	<b>1,046</b>
Selling expenses	-236	-110	-229	-48	-70	-38	-67	-47	-602	-244
<b>Market contribution</b>	<b>403</b>	<b>336</b>	<b>356</b>	<b>155</b>	<b>177</b>	<b>131</b>	<b>241</b>	<b>180</b>	<b>1,178</b>	<b>802</b>
Administrative expenses									-400	-259
Research and development expenses									-143	-114
Other operating income and expenses									19	7
<b>Operating income</b>									<b>650</b>	<b>435</b>
Net financial items									-117	25
<b>Income after financial items</b>									<b>537</b>	<b>460</b>

## Pro forma consolidated income statements

SEK millions	October-December		January – December	
	2022	Pro forma 2021	2022	Pro forma 2021
Net sales	855	723	3,234	2,817
Cost of sales	-392	-331	-1,454	-1,247
<b>Gross income</b>	<b>463</b>	<b>392</b>	<b>1,780</b>	<b>1,569</b>
<b>Comprising</b>				
Adjusted gross income	483	412	1,857	1,656
Amortisation of acquisition-related intangible assets	-20	-19	-78	-87
<b>Gross income</b>	<b>463</b>	<b>392</b>	<b>1,780</b>	<b>1,569</b>
Selling expenses	-162	-142	-602	-529
Administrative expenses	-103	-96	-400	-323
Research and development costs	-23	-46	-143	-182
Other operating income	0	1	21	9
Other operating expenses	-6	0	-2	-2
<b>Operating income</b>	<b>168</b>	<b>111</b>	<b>654</b>	<b>542</b>
<b>Comprising</b>				
Adjusted operating income	231	170	899	789
Amortisation of acquisition-related intangible assets	-63	-59	-246	-247
<b>Operating income</b>	<b>168</b>	<b>111</b>	<b>654</b>	<b>542</b>
Financial income and expenses	-63	-28	-117	-45
<b>Income after financial items</b>	<b>106</b>	<b>83</b>	<b>537</b>	<b>497</b>
Income taxes	-32	6	-143	-74
<b>Net income</b>	<b>73</b>	<b>89</b>	<b>394</b>	<b>423</b>
<b>Attributable to</b>				
Parent Company shareholders	74	88	394	421
Non-controlling interests	-1	1	0	2
Earnings per share*, SEK	0.55	0.65	2.91	3.11
Average number of shares outstanding	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

\* Before and after dilution.

Depreciation and amortisation had a negative effect of SEK 105 (90) million on income for the fourth quarter and SEK 396 (364) million on income for the period.

**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	
	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
Consumables	133	122	85	70	44	33	87	59	349	284
Technologies	73	55	17	12	31	21	34	27	156	115
Genetic Services	110	109	201	170	23	24	16	22	349	325
<b>Total</b>	<b>316</b>	<b>286</b>	<b>303</b>	<b>251</b>	<b>98</b>	<b>78</b>	<b>138</b>	<b>109</b>	<b>855</b>	<b>723</b>

## Pro forma net sales

Net sales	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
SEK millions										
Consumables	497	464	324	260	177	134	341	232	1,339	1,090
Technologies	253	229	65	37	129	103	106	107	553	475
Genetic Services	413	459	755	628	92	90	83	74	1,343	1,252
<b>Total</b>	<b>1,163</b>	<b>1,152</b>	<b>1,144</b>	<b>924</b>	<b>398</b>	<b>328</b>	<b>529</b>	<b>413</b>	<b>3,234</b>	<b>2,817</b>

## Pro forma net sales growth in local currency

Genetic Services including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	-13	-78	0	20	0	2	-7	0	-21	-55
Organic growth in local currency, %	-12	-17	0	3	-1	3	-33	0	-6	-4
Currency effects, SEK millions	14	32	31	106	-1	-1	1	9	45	146
Currency effects, %	12	7	18	17	-2	-1	4	12	14	12
<b>Total growth, SEK millions</b>	<b>1</b>	<b>-46</b>	<b>31</b>	<b>127</b>	<b>-1</b>	<b>1</b>	<b>-6</b>	<b>8</b>	<b>25</b>	<b>91</b>
<b>Total growth, %</b>	<b>1</b>	<b>-10</b>	<b>18</b>	<b>20</b>	<b>-3</b>	<b>1</b>	<b>-28</b>	<b>11</b>	<b>8</b>	<b>7</b>

Vitrolife Group including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	2	-62	2	56	18	61	16	66	38	121
Organic growth in local currency, %	1	-5	1	6	24	19	14	16	5	4
Currency effects, SEK millions	29	72	50	164	2	9	13	51	94	296
Currency effects, %	10	6	20	18	2	3	12	12	13	11
<b>Total growth, SEK millions</b>	<b>31</b>	<b>11</b>	<b>52</b>	<b>220</b>	<b>20</b>	<b>70</b>	<b>29</b>	<b>116</b>	<b>132</b>	<b>417</b>
<b>Total growth, %</b>	<b>11</b>	<b>1</b>	<b>21</b>	<b>24</b>	<b>26</b>	<b>22</b>	<b>27</b>	<b>28</b>	<b>18</b>	<b>15</b>

Genetic Services excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	2	20	-1	41	0	4	-7	0	-6	65
Organic growth in local currency, %	2	6	-1	7	0	4	-32	0	-2	6
Currency effects, SEK millions	13	32	34	106	-1	-1	1	9	48	145
Currency effects, %	14	9	20	17	-2	-1	5	12	16	13
<b>Total growth, SEK millions</b>	<b>15</b>	<b>52</b>	<b>33</b>	<b>147</b>	<b>-1</b>	<b>3</b>	<b>-6</b>	<b>9</b>	<b>42</b>	<b>211</b>
<b>Total growth, %</b>	<b>16</b>	<b>15</b>	<b>20</b>	<b>24</b>	<b>-3</b>	<b>3</b>	<b>-27</b>	<b>12</b>	<b>14</b>	<b>19</b>

Vitrolife Group excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	17	36	1	77	19	63	16	66	53	241
Organic growth in local currency, %	6	3	1	8	24	19	15	16	7	9
Currency effects, SEK millions	29	73	52	163	2	9	13	51	96	296
Currency effects, %	11	7	21	18	2	3	12	12	14	11
<b>Total growth, SEK millions</b>	<b>45</b>	<b>109</b>	<b>54</b>	<b>240</b>	<b>20</b>	<b>72</b>	<b>29</b>	<b>116</b>	<b>149</b>	<b>537</b>
<b>Total growth, %</b>	<b>17</b>	<b>10</b>	<b>22</b>	<b>27</b>	<b>26</b>	<b>22</b>	<b>27</b>	<b>28</b>	<b>21</b>	<b>20</b>

## Consolidated income statements per quarter

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
SEK millions	2022	2022	2022	2022	2021	2021	2021	2021
Net sales	855	798	829	752	514	406	382	379
Cost of sales	-392	-371	-358	-333	-215	-143	-145	-132
<b>Gross income</b>	<b>463</b>	<b>428</b>	<b>470</b>	<b>418</b>	<b>299</b>	<b>263</b>	<b>237</b>	<b>247</b>
Selling expenses	-162	-145	-152	-142	-90	-50	-54	-50
Administrative expenses	-103	-96	-102	-98	-136	-42	-46	-36
Research and development costs	-23	-33	-43	-44	-37	-28	-25	-24
Other operating income and expenses	-6	24	2	-1	3	0	-1	6
<b>Operating income</b>	<b>168</b>	<b>177</b>	<b>175</b>	<b>133</b>	<b>39</b>	<b>142</b>	<b>111</b>	<b>142</b>
Financial income and expenses	-63	-29	-6	-20	22	-1	-1	5
<b>Income after financial items</b>	<b>106</b>	<b>149</b>	<b>169</b>	<b>113</b>	<b>61</b>	<b>141</b>	<b>110</b>	<b>148</b>
Income taxes	-32	-41	-39	-31	-28	-36	-23	-29
<b>Net income</b>	<b>73</b>	<b>108</b>	<b>130</b>	<b>82</b>	<b>33</b>	<b>105</b>	<b>86</b>	<b>119</b>
<b>Attributable to</b>								
Parent Company shareholders	74	108	130	82	33	104	86	118
Non-controlling interests	-1	0	0	1	1	0	0	1
Depreciation and amortisation	-105	-98	-98	-95	-45	-20	-23	-21

## Key ratios per quarter

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2022	2022	2022	2022	2021	2021	2021	2021
Equity attributable to Parent Company shareholders, SEK million	16,736	16,386	15,977	15,529	15,322	5,772	2,147	2,159
Equity per share, SEK	123.56	120.98	117.96	114.65	113.12	48.83	19.78	19.89
Return on equity, %	2.4	2.2	2.7	3.1	5.4	13.7	19.3	16.2
Cash flow from operating activities per share, SEK	1.22	1.48	1.33	0.66	0.00	0.91	1.23	1.32

## 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 the IFRS. Please note that the Vitrolife Group'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 the Vitrolife Group'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 the 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 the Vitrolife Group's assessment that return on equity is an appropriate measure to illustrate to stakeholders how effectively the Group invests its equity.

SEK millions	31 Dec 2022	31 Dec 2021
Average equity	16,157	6,350
Net income, rolling 12 month	394.0	341
<b>Return on equity, %</b>	<b>2.4</b>	<b>5.4</b>

### 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 the Vitrolife Group'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 the Vitrolife Group'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, the Group management monitors the ratio of net debt to rolling 12-month operating income before depreciation and amortisation (EBITDA). According to the Vitrolife Group'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	31 Dec 2022	31 Dec 2021
Borrowings, non-current	1,988	1,944
Lease liabilities, non-current	55	82
Borrowings, current	153	429
Lease liabilities, current	29	27
Adjustment of lease liabilities	-84	-109
Cash and cash equivalents	-578	-630
<b>Net debt</b>	<b>1,563</b>	<b>1,743</b>
Operating income, rolling 12 month	654	435
Depreciation and amortisation, rolling 12 month	396	109
<b>Rolling 12 month EBITDA</b>	<b>1,050</b>	<b>544</b>
<b>Net debt/EBITDA rolling 12 month</b>	<b>1.5</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 the Vitrolife Group'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 the Vitrolife Group 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	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	1	5	-1	16	9	34	19	75	28	129
Organic growth in local currency, %	1	1	-1	6	27	25	32	32	10	12
Currency effects, SEK millions	10	28	16	49	2	9	9	34	37	120
Currency effects, %	8	6	23	19	7	6	16	15	13	11
<b>Total growth, SEK millions</b>	<b>11</b>	<b>33</b>	<b>15</b>	<b>65</b>	<b>11</b>	<b>43</b>	<b>28</b>	<b>109</b>	<b>66</b>	<b>249</b>
<b>Total growth, %</b>	<b>9</b>	<b>7</b>	<b>22</b>	<b>25</b>	<b>34</b>	<b>32</b>	<b>47</b>	<b>47</b>	<b>23</b>	<b>23</b>

Technologies	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	13	11	3	20	10	25	4	-9	30	47
Organic growth in local currency, %	25	5	25	54	46	24	16	-8	27	10
Currency effects, SEK millions	5	12	3	8	0	2	3	8	11	30
Currency effects, %	10	5	22	23	0	2	11	7	10	6
<b>Total growth, SEK millions</b>	<b>19</b>	<b>24</b>	<b>5</b>	<b>28</b>	<b>10</b>	<b>26</b>	<b>7</b>	<b>-1</b>	<b>41</b>	<b>77</b>
<b>Total growth, %</b>	<b>35</b>	<b>10</b>	<b>47</b>	<b>77</b>	<b>46</b>	<b>26</b>	<b>26</b>	<b>-1</b>	<b>36</b>	<b>16</b>

Genetic Services	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	-10	-10	10	10	-1	-1	-3	-3	-4	-4
Organic growth in local currency, %	-24	-24	16	16	-9	-9	-36	-36	-3	-3
Acquired growth, SEK millions	64	349	102	581	16	86	10	69	192	1,085
Acquired growth, %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Currency effects, SEK millions	14	32	31	106	-1	-1	1	9	45	146
Currency effects, %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total growth, SEK millions</b>	<b>68</b>	<b>371</b>	<b>143</b>	<b>696</b>	<b>15</b>	<b>84</b>	<b>8</b>	<b>75</b>	<b>234</b>	<b>1,227</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	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Organic growth in local currency, SEK millions	5	6	12	45	18	58	20	63	55	172
Organic growth in local currency, %	2	1	8	13	29	24	21	18	11	10
Acquired growth, SEK millions	64	349	102	581	16	86	10	69	192	1,085
Acquired growth, %	29	48	73	164	27	35	11	20	37	65
Currency effects, SEK millions	29	72	50	164	2	9	13	51	94	296
Currency effects, %	13	10	36	46	3	4	14	15	18	18
<b>Total growth, SEK millions</b>	<b>98</b>	<b>428</b>	<b>163</b>	<b>789</b>	<b>36</b>	<b>153</b>	<b>43</b>	<b>183</b>	<b>341</b>	<b>1,553</b>
<b>Total growth, %</b>	<b>45</b>	<b>58</b>	<b>117</b>	<b>223</b>	<b>59</b>	<b>63</b>	<b>46</b>	<b>53</b>	<b>66</b>	<b>92</b>

# Glossary

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

The Vitrolife Group'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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**30/03/2023**

Annual and sustainability 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**

Fourth quarter and full year report 2023

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

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

The Vitrolife Group refers to Vitrolife AB (publ) and all its subsidiaries.

## **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**

Thomas Axelsson, CEO, phone +46 31 721 80 01

Patrik Tolf, CFO, phone +46 31 766 90 21

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 CET on 2 February 2023.

# VITROLIFE GROUP™

EXCELLENCE IN REPRODUCTIVE HEALTH

**Vitrolife AB (publ)**

Box 9080

SE-400 92 Göteborg

Sweden

Phone +46 31 721 80 00

Fax +46 31 721 80 99

[investors@vitrolife.com](mailto:investors@vitrolife.com)

Vitrolife 

Igenomix®