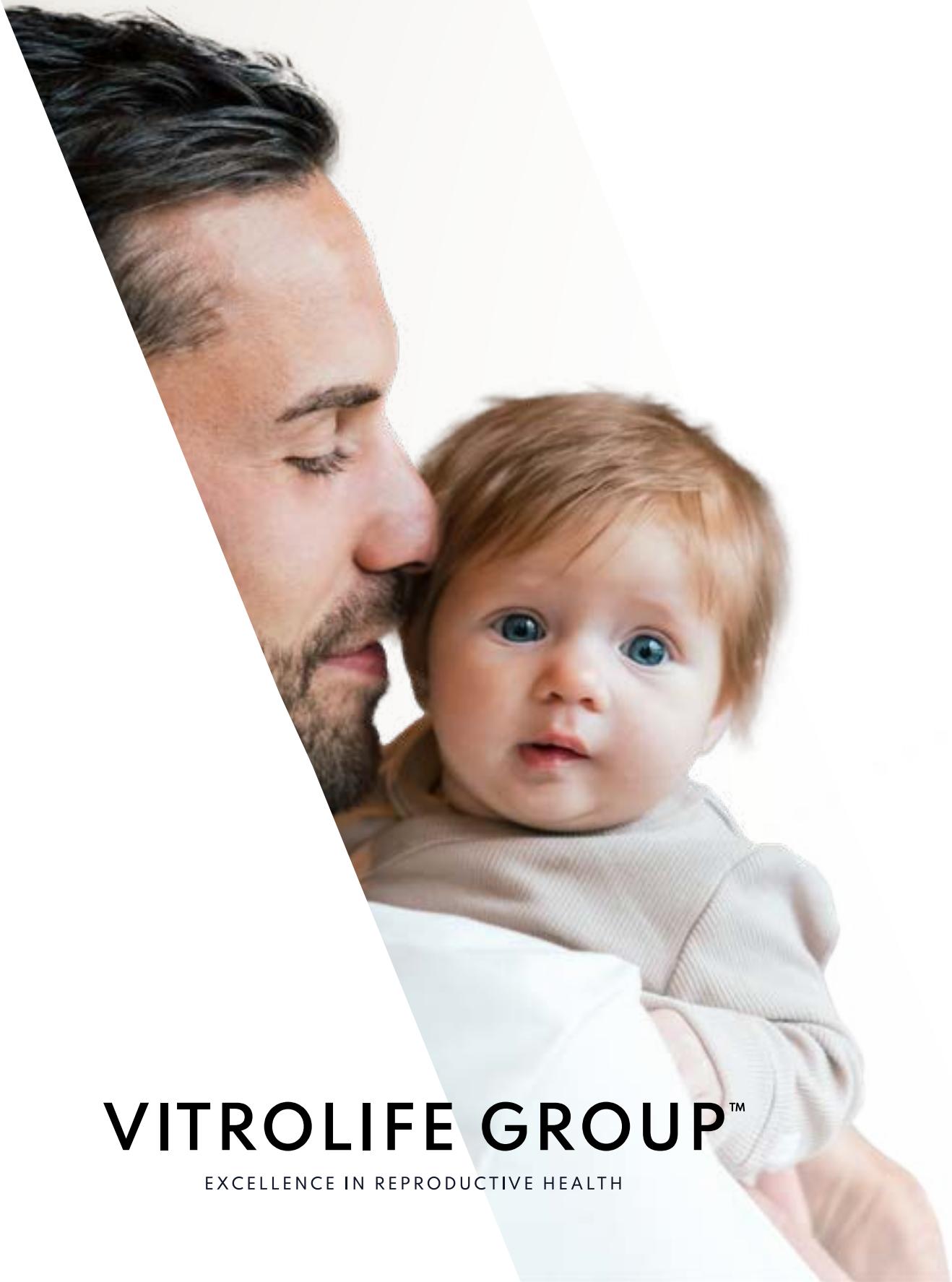


INTERIM REPORT Q3 / 2022



VITROLIFE GROUP™

EXCELLENCE IN REPRODUCTIVE HEALTH

WELCOME TO

欢迎来到

VÄLKOMMEN TILL

This is Vitrolife Group

Vitrolife Group contributes to successful treatment outcomes by providing reproduction solutions, primarily to IVF clinics.



Specialising in IVF since 1994, we have grown and taken market shares 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 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 by improving their clinical practice and the outcome of the patient's fertility treatment.

The Vitrolife AB (publ) 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 Group in figures

EMPLOYEES
~1,100

SALES PER YEAR
~SEK 3 BN

GLOBAL PRESENCE IN
~110 MARKETS

Third quarter

Actions done and synergies ahead

Third quarter

- Sales of SEK 798 (406) million, corresponding to an increase of 97% in SEK, whereof currency effect 20%, acquired growth 75% and organic growth 1%.
- Consumables increased sales by 18% in SEK, Technologies decreased by 5% in SEK, and Genetic Services contributed sales of SEK 348 million.
- Including the acquisition we have strong growth in all market regions. Americas 222%, EMEA 33%, Japan Pacific 88% and Asia 33% in local currencies.
- Operating income before depreciation and amortisation (EBITDA) was SEK 276 (162) million, corresponding to a margin of 34.5% (40.0%). EBITDA per share increased by 47%.
- Net income was SEK 108 (105) million, resulting in earnings per share of SEK 0.80 (0.89).
- Restructuring costs for Genetic Services of SEK 29 million, whereof SEK 7 million impacted EBITDA and SEK 22 million impacted the financial net.
- Thomas Axelsson, CEO of Vitrolife AB (publ), has informed the Board of Directors of his desire and intention to retire. The process to find a new CEO to replace Thomas is led by Jon Sigurdsson, Chairman of the Board. Thomas will remain as the CEO until the recruitment process is finalised.

Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 17% in SEK, and 5% in local currencies.
- EBITDA margin of 34.5% (33.9%).

First nine months

- Sales of SEK 2,379 (1,167) million, corresponding to an increase of 104% in SEK, whereof currency effect 17%, acquired growth 76% and organic growth 10%.
- Consumables increased sales by 23% in SEK Technologies by 10% in SEK, and Genetic Services contributed sales of SEK 993 million.
- Including the acquisition we have strong growth in all market regions. Americas 238%, EMEA 55%, Japan Pacific 60% and Asia 40% in local currencies.
- Operating income before depreciation and amortisation (EBITDA) was SEK 777 (460) million, corresponding to a margin of 32.6% (39.4%). EBITDA per share increased 39%.
- Net income was SEK 321 (310) million, resulting in earnings per share of SEK 2.36 (2.77).
- Restructuring costs for Genetic Services of SEK 31 million, whereof SEK 9 million impacted EBITDA and SEK 22 million impacted the financial net.

Pro forma

- Sales, adjusted for business related to Covid-19 tests, increased by 20% in SEK, and 10% in local currencies.
- EBITDA margin of 32.6% (33.7%).

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

SEK millions*	July – September		January – September		Full year	Pro forma Jul – Sep ³	Pro forma Jan- Sep ³	Pro forma Full year ³
	2022	2021	2022	2021				
Net sales	798	406	2,379	1,167	1,681	713	2 093	2,817
Gross margin, %	53.6	64.7	55.3	64.0	62.2	56.4	56.2	55.7
Adjusted gross margin ¹ , %	56.0	65.0	57.8	65.0	63.4	59.2	59.4	58.8
Operating income before depreciation and amortisation (EBITDA)	276	162	777	460	544	242	705	906
EBITDA margin, %	34.5	40.0	32.6	39.4	32.4	33.9	33.7	32.2
Net income	108	105	321	310	344	115	334	423
Net debt / EBITDA								
Rolling 12 month	1.9	-7.6	1.9	-7.6	3.2	N/A	N/A	N/A
Earnings per share ² , SEK	0.80	0.89	2.36	2.77	2.97	0.84	2.46	3.11
Share price on closing date, SEK	159.00	461.80	159.00	461.80	560.0	N/A	N/A	N/A
Market cap at closing date	21,536	54,583	21,536	54,583	75,850	N/A	N/A	N/A
Changes in net sales								
Organic growth in local currency, %	1	30	10	41	30			
Acquired growth, %	75	-	76	-	9			
Currency effects, %	20	-3	17	-6	-4			
Total growth, %	97	27	104	35	35			

*Unless otherwise indicated

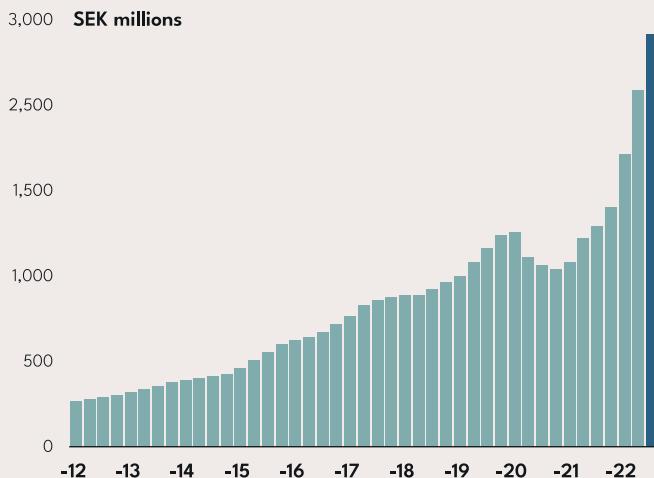
¹ Gross margin excluding amortisation of acquisition-related intangible assets.

² Before and after dilution.

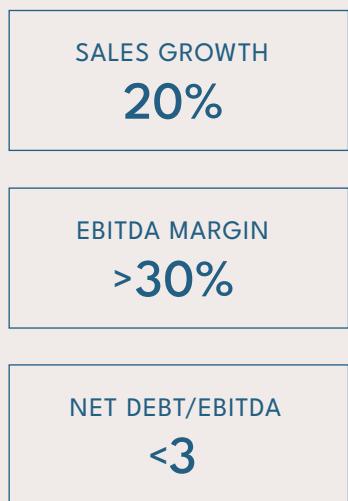
³ Quarterly reports during 2022 will show Pro forma for 2021. For Pro forma information, see pages 22-23.

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

Net sales (rolling 12 months)



Financial objectives



Actions done and synergies ahead

During the third quarter, the team in Genetic Services has successfully implemented the previously announced changes to focus on fertility/reproduction.

CEO's comment

Our sales during the third quarter were SEK 798 million, an increase of 97% in SEK, and the acquisition of Igenomix contributed with sales of SEK 348 million. The organic growth* in Vitrolife Group was 5%. The gross margin was 53.6% (pro forma 56.4%), and the lower margin is primarily related to product mix. EBITDA increased to SEK 276 million (162, pro forma 242), equivalent to an EBITDA margin of 34.5 % (40.0 %, pro forma 33.9%). During the quarter, restructuring costs for the Genetic Services business area totalled SEK 29 million, whereof SEK 7 million impacted EBITDA and SEK 22 million impacted the financial net.

The growth* in Japan Pacific was 32%, driven by continuous acceptance of time-lapse technology and the product mix in the reimbursement program in Japan. Asia grew 10%, despite a major decrease in China related to the zero-Covid policy. EMEA declined 8% and is related to macro and geopolitical uncertainty, normalisation of inventory levels and lower sales of Time-lapse. The Americas market region grew 7%, driven by continuous growth in the US.

Sales in the Consumables business area increased by 6%, driven by strong growth in Asia and Japan Pacific. Our sales in the Technologies business area declined by 9%, partly due to normal fluctuation between quarters as a result of installation and larger orders to specific IVF-clinic chains. The Genetic Services business area increased sales by 9%, driven by continuous growth in Americas and EMEA.

During the third quarter, the team in Genetic Services has successfully implemented the previously announced changes to focus on fertility/reproduction. We have closed the Oncology business line, adjusted the GPDx organisation, divested the GPDx business in China and closed non-profitable operations. The number of employees is now approximately 20% lower when compared to the beginning of the year. The full financial impact of our actions is expected to be seen in coming quarters.

From the 1st of October, we are operating in a new organisational structure with one global Sales & Marketing organisation for all business areas and the business area

* Organic growth is expressed as percentage growth in local currencies, pro forma excluding Covid-19 testing.

“The new way of working will make us more competitive and deliver on our financial objective, profitable growth.”

Genetic Services has been restructured into a global laboratory operation with applied product development. The purpose of these changes is to offer additional value-adding products and services to our clients by harnessing the synergies between business areas and markets to continue to deliver the highest quality standards as cost effectively as possible. The new way of working will make us more competitive and deliver on our financial objective, profitable growth.

I am proud to report that we have signed the UN Global compact agreement, which further strengthens our commitment to our sustainability promise.

After 11 years in the company I have announced that I will retire. It has been a fantastic journey together with all my colleagues, and I want to thank everyone that has supported our growth during those years. I will remain as the CEO until the recruitment process is finalised.

Thomas Axelsson, CEO



ACTIONS DONE AND SYNERGIES AHEAD

One global Sales & Marketing Organisation
and restructuring of Genetic Services.

Highlights in quarter 3

GROWTH OF TIME-LAPSE
supported by reimbursement systems.

**INCREASED GLOBAL
ACCEPTANCE**
of our embryo selection tools.

2022

January - September

Third quarter

Net sales

Sales increased from SEK 406 million to SEK 798 million, corresponding to an increase of 97% in SEK and 77% in local currencies.

Consumables increased sales by 18% in SEK and 6% in local currencies. Sales in Asia increased by 27% in local currencies, and Japan Pacific grew by 18% in local currencies, driven by the reimbursement system in Japan and Genomics product range in both regions.

Technologies decreased sales by 5% in SEK and 9% in local currencies, affected by the timing of orders of sales of equipment. Sales in Japan Pacific increased by 99% due to the continuous strong interest in Time-lapse.

Genetic Services contributed SEK 348 million to sales.

Net sales Pro forma

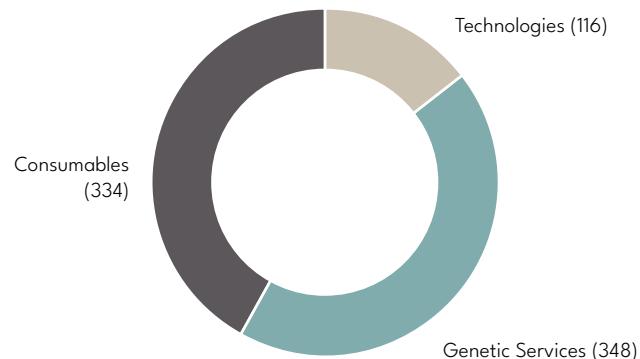
Growth compared with the third quarter of 2021 (pro forma SEK 713 million) amounted to SEK 85 million, corresponding to 12% in SEK. Income related to Covid-19 tests declined by 28 million compared to the previous year. Income from the Genetic Services area increased by SEK 69 million, adjusted for business related to Covid-19 tests, which corresponded to an increase of 9% in local currencies. Total sales for Vitrolife Group excluding Covid-19 tests increased by 5% in local currencies. See additional information on page 23.

Income

Gross income amounted to SEK 428 (263) million, corresponding to a margin of 53.6% (64.7%). The reduction in margin was mainly driven by the combined business. Operating income before depreciation and amortisation

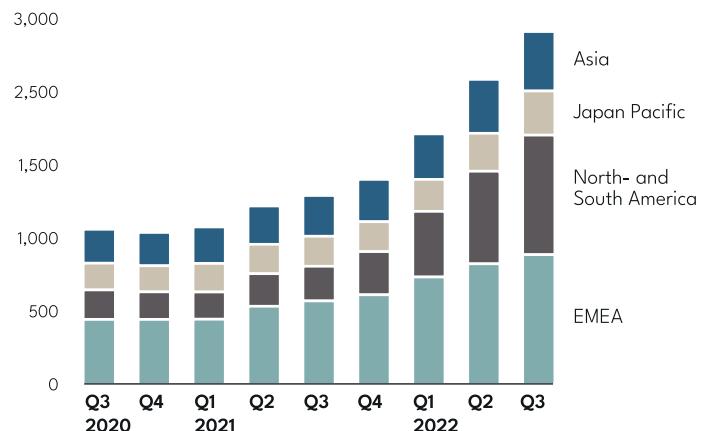
Net sales by business area Q3 2022

SEK millions



Net sales by market region (rolling 12 months)

SEK millions



(EBITDA) amounted to SEK 276 (162) million, corresponding to a margin of 34.5% (40.0%). 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 28 million on EBITDA.

Income Pro forma

Gross income increased to SEK 428 (403) million, corresponding to a margin of 53.6% (56.4%) and the lower margin is primarily related to product mix. Operating income before depreciation and amortisation (EBITDA) increased by SEK 34 million, positively impacted by increased sales and negatively impacted by OPEX, driven primarily by normalised business activities after Covid-19 restrictions and restructuring costs within Genetic Services. During the quarter, other operating income increased to SEK 24 million, primarily related to VAT claims and insurance. EBITDA in relation to Net sales increased from 33.9% to 34.5%.



Income per segment

EMEA

EMEA increased sales to SEK 256 (181) million, corresponding to an increase of 33% in local currencies, with a negative impact from Technologies due to large sales compared to same period last year. Genetic Services contributed SEK 97 million in sales to the region. Gross income amounted to SEK 133 (114) million, with a margin of 51.7% (62.9%), which was diluted by the combined business of Genetic Services. The market contribution from EMEA amounted to SEK 79 (92) million, corresponding to a margin of 30.9% (50.8%).

EMEA Pro forma

Total sales in the region decreased from SEK 285 million to SEK 256 million, corresponding to a decrease of 16% in local currencies. Genetic Services, excluding revenue from Covid-19 tests, increased sales by 12% in local currencies while the total sales in the region excluding Covid-19 decreased by 8% in local currencies.

Asia

Asia increased its sales to SEK 137 (93) million, corresponding to an increase of 33% in local currencies. Technologies decreased by 21% in local currencies due to strong sales in the same period last year. Gross income increased from SEK 64 million to SEK 78 million, corresponding to a margin of 56.7% (68.7%), with the margin decline being mainly due to the product mix. The market contribution increased to SEK 62 (52) million, with a margin of 45.0% (55.7%).

Asia Pro forma

Genetic Services sales in the region decreased by 3% in local currencies. Total sales amounted to SEK 137 (113) million, equivalent to an increase of 10% in local currencies, excluding revenue from Covid-19 tests.

Americas

Americas sales amounted to SEK 300 (78) million, corresponding to a increase of 222% in local currencies. Genetic Services contributed significantly to the region, with total sales of SEK 206 million. Consumables sales increased by 4% in local currencies driven by the growing cycle numbers in USA. Gross income amounted to SEK 153 (46) million, with a margin of 51.1% (59.3%). The market contribution increased to SEK 95 (37) million, corresponding to a margin of 31.8% (47.8%), diluted by the combined business.

Americas Pro forma

Total sales increased to SEK 300 (237) million, corresponding to an increase of 6% in local currencies. Excluding business related to Covid-19 tests, total sales increased by 7% in local currencies. Genetic Services increased sales by 11% in local currencies excluding revenue from Covid-19 tests.

Japan Pacific

Japan Pacific sales amounted to SEK 105 (54) million, equivalent to an increase of 88% in local currencies. Consumables sales increased significantly by 18% in local

currencies, mainly driven by the positive impact from Genomics products in the region and the new reimbursement system in Japan. Technologies increased by 99% in local currencies compared with the previous year, driven by the continuous strong interest in Time-lapse. Gross income increased to SEK 64 (39) million, corresponding to a margin of 60.9% (72.1%). The market contribution increased from SEK 32 million to SEK 46 million, with a corresponding margin of 43.7% (58.8%). The margin was diluted by the combined business.

Japan Pacific Pro forma

Genetic Services sales in the region decreased by 2% in local currencies negatively impacted from PGT-A tests which are not included in the reimbursement system in Japan. Total sales amounted to SEK 105 (78) million, equivalent to an increase of 30% in local currencies. The total sales increase excluding revenue related to Covid-19 tests was 32% in local currencies.

Financial net

In the third quarter, financial net amounted to SEK -29 million, whereof divestment of GPDx business in China resulted in loss of 22 MSEK, and net interest expenses were SEK 7 million.

Taxes

In the third quarter, taxes amounted to SEK 41 (36) million, and the effective tax rate was 25.6% (22.2%). Effective tax rate was higher due to higher non deductible expenses, mainly from the divestment of GPDx business in China.

EBITDA per share

EBITDA per share amounted to SEK 2.04 (1.38).

Net income and Earnings per share (EPS)

Net income for the third quarter amounted to SEK 108 (105) million. Earnings per share (EPS), before and after dilution, amounted to SEK 0.80 (0.89).

Cash flow

Operating cash flow for the third quarter contributed SEK 200 million. Cash flow from investing activities was SEK -26 million, including net investments of SEK -16 million in non-current assets and -10 million in cash flows from the divestment of GPDx business in China. Financing activities were SEK -174 million, including borrowing repayments of SEK 180.

Financial position

As of 30 September, net debt was SEK 1.7 billion, and cash and cash equivalents amounted to SEK 461 million. In the third quarter, total assets increased by SEK 299 million, mainly affected by currency revaluation of acquisition-related intangible assets, and amounted to SEK 20.2 billion. Equity amounted to SEK 16.4 billion at the end of September. 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 7 (6) million. Net financial items amounted to SEK -21 (-3) million, primarily impacted by currency effects, net interest expenses amounted to SEK 7 million. Cash and cash equivalents amounted to SEK 76 million.

First nine months 2022

January - September

Net sales

Sales amounted to SEK 2,379 (1,167) million, corresponding to an increase of 104% in SEK. Sales increased by 86% in local currency. Consumables grew by 23% in SEK, and 13% in local currencies, driven by the introduction of Genomics products in Asia and Japan Pacific while negative affected by EMEA. Technologies increased sales by 10% in SEK, and 5% in local currencies. Genetic Services contributed SEK 993 million to sales.



Net sales Pro forma

Total sales increased by 14% in SEK from SEK 2,093 to 2,379 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 9% in local currencies.

Income

Gross income amounted to SEK 1,317 (747) million, corresponding to a margin of 55.3% (64.0%). 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 777 (460) million, corresponding to a margin of 32.6% (39.4%). 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 76 million on EBITDA.

Income Pro forma

Gross income increased to SEK 1,317 (1,177) million, corresponding to a margin of 55.3% (56.2%). Operating income before depreciation and amortisation (EBITDA) increased by SEK 72 million, positively affected by increased sales and negatively affected by OPEX, driven primarily by normalised business activities after Covid-19 restrictions and restructuring costs within Genetic Services. EBITDA in relation to net sales decreased from 33.7% to 32.6%.

Income per segment

During the period, the market contribution for EMEA amounted to SEK 295 (250) million. The market contribution from Americas amounted to SEK 269 (103) million. The market contribution from Japan Pacific amounted to SEK 136 (102) million. The market contribution from Asia amounted to SEK 177 (136) million. The market contribution for all regions amounted to SEK 877 (592) million, corresponding to a margin of 36.9% (50.8%).

Cash flow

Cash flow from operating activities amounted to SEK 470 million. EBITDA had a positive impact on operating cash flow. Changes in working capital had a negative effect of SEK -163 million on operating cash flow, largely due to an increase in inventories and a decline in accrued expenses.



Cash flow from investing activities was SEK -126 (-8) million, including net investments in non-current assets of SEK -65 (-24) million. Cash flow from financing activities was SEK -555 (3,403) million and comprised a dividend to shareholders of SEK 108 (88) million, and repayment of borrowings of SEK 455 million. Cash and cash equivalents at the end of the period amounted to SEK 461 (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

Increased vaccination rates are supporting the global recovery of the IVF market and enabling a return to more normal customer activities supported by various kinds of reimbursement systems in some markets. However, differences in the various regions will continue to exist and the recent macroeconomic development creates uncertainty about market recovery and development. The consequences of the uncertainty in the geopolitical and security environment are not possible to judge.

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

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

Goal

Vitrolife Group'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 Group 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 1,103 (414), of whom 655 (203) were women and 448 (211) were men. Of these, 162 (161) persons were employed in Sweden, 229 (-) in Spain, 82 (-) in Brazil, 201 (87) in the US, 89 (86) in Denmark and 340 (80) in the rest of the world. The number of persons employed in the Group at the end of the period was 1,074 (423).

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 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 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 from 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.

27 October 2022
Gothenburg, Sweden

Thomas Axelsson
CEO

Review Report

We have reviewed the interim report for Vitrolife AB (publ), corporate identity number 556354-3452, for the period January 1 - September 30, 2022. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant

matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Gothenburg, October 27, 2022

Deloitte AB
Harald Jagner
Authorised Public Accountant

Consolidated income statements

SEK millions	Note	July – September		January – September		Full year 2021
		2022	2021	2022	2021	
Net sales	4,5	798	406	2,379	1,167	1,681
Cost of sales		-371	-143	-1,062	-420	-635
Gross income		428	263	1,317	747	1,046
Comprising						
Adjusted gross income		447	264	1,374	759	1,065
Amortisation of acquisition-related intangible assets		-19	-1	-58	-12	-19
Gross income		428	263	1,317	747	1,046
Selling expenses		-145	-50	-439	-154	-244
Administrative expenses		-96	-42	-297	-124	-259
Research and development costs		-33	-28	-120	-77	-114
Other operating income		24	2	25	7	10
Other operating expenses		0	-2	0	-2	-2
Operating income		177	142	486	396	435
Comprising						
Adjusted operating income		239	143	668	408	467
Amortisation of acquisition-related intangible assets		-61	-1	-182	-12	-32
Operating income		177	142	486	396	435
Financial income and expenses		-29	-1	-54	3	25
Income after financial items		149	141	431	399	460
Income taxes		-41	-36	-110	-89	-116
Net income		108	105	321	310	344
Attributable to						
Parent Company shareholders		108	104	320	308	341
Non-controlling interests		0	0	1	2	3
Earnings per share*, SEK		0.80	0.89	2.36	2.77	2.97
Average number of shares outstanding		135,394,622	117,313,607	135,394,622	111,471,586	114,625,057
Number of shares at closing date		135,447,190	118,195,878	135,447,190	118,195,878	135,447,190

* Before and after dilution.

Depreciation and amortisation had a negative effect of SEK 98 (20) million on income for the third quarter, SEK 291 (64) million on income for the period and SEK 109 million on income for the full year 2021.

Statements of comprehensive income

SEK millions	July – September		January – September		Full year 2021
	2022	2021	2022	2021	
Net income	108	105	321	310	344
Other comprehensive income					
Items that may be reclassified to the income statement					
Exchange differences	300	8	874	24	19
Total other comprehensive income	300	8	874	24	19
Comprehensive income	408	113	1,195	334	362
Attributable to					
Parent Company shareholders	406	113	1,192	332	360
Non-controlling interests	2	0	3	2	3

Consolidated statements of financial position

SEK millions	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets				
Non-current assets	2			
Goodwill		13,696	411	12,995
Other intangible assets		4,635	269	4,553
Property, plant and equipment		342	159	333
Other financial assets		36	31	49
Deferred tax assets		89	17	92
Total non-current assets		18,798	888	18,022
Current assets				
Inventories		401	236	313
Trade receivables		433	229	391
Current tax assets		3	3	17
Other receivables		56	7	22
Prepaid expenses and accrued income		53	15	32
Cash and cash equivalents		461	4,763	630
Total current assets		1,408	5,253	1,407
Total assets		20,206	6,141	19,429
Equity				
Equity attributable to Parent Company shareholders		16,386	5,771	15,322
Non-controlling interests		16	5	19
Total equity		16,402	5,776	15,341
Liabilities				
Non-current liabilities	2			
Provisions		31	26	28
Deferred tax liabilities		1,081	14	1,069
Borrowings		1,949	0	1,944
Lease liabilities		60	53	82
Other liabilities		13	26	11
Total non-current liabilities		3,134	119	3,134
Current liabilities				
Borrowings		169	–	429
Lease liabilities		30	16	27
Trade payables		201	45	173
Current tax liabilities		54	39	25
Other liabilities		47	21	59
Accrued expenses and deferred income		168	126	241
Total current liabilities		670	245	954
Total liabilities		3,804	365	4,088
Total equity and liabilities		20,206	6,141	19,429

Consolidated changes in equity

	Attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings			
SEK millions							
Opening balance 1 January 2021	22	495	2	1,494	4	2,017	
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	
Closing balance 31 December 2021	28	13,544	21	1,730	19	15,341	
Opening balance 1 January 2022	28	13,544	21	1,730	19	15,341	
Comprehensive income for the year	–	–	871	320	3	1,195	
Equity compensation benefits	–	–	–	6	–	6	
Dividend (SEK 0.80 per share)	–	–	–	-108	–	-108	
Acquisition of non-controlling interest*	–	–	–	-26	-6	-32	
Closing balance 30 September 2022	28	13,544	892	1,923	16	16,402	

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

Consolidated cash flow statements

	July – September		January – September		Full year
	2022	2021	2022	2021	2021
SEK millions					
Income after financial items	149	141	431	399	460
Adjustment for non-cash items	108	20	316	60	78
Tax paid	-36	-19	-114	-63	-144
Change in inventories	-34	-9	-64	-28	-47
Change in operating receivables	8	-12	-50	-16	-5
Change in operating payables	6	-13	-49	32	42
Cash flow from operating activities	200	107	470	384	384
Acquisition of business, after deduction for cash and cash equivalents	–	–	–	–	-6,447
Net investments in non-current assets	-16	-2	-65	-24	-62
Acquisition of non-controlling interests	–	–	-32	–	-19
Sale of financial assets	–	–	–	16	16
Additional purchase consideration	–	–	-20	–	-6
Cash flows from losing control of subsidiaries	-10	–	-10	–	-6
Cash flow from investing activities	-26	-2	-126	-8	-6,518
Borrowings	14	–	44	–	2,354
Other non-current liabilities	–	–	8	–	–
Set-up fee borrowings	–	–	-19	–	–
Repayment of borrowings	-180	–	-455	–	-1
Repayment of lease liabilities	-7	-4	-23	-12	-18
Dividends paid	–	-1	-108	-88	-88
New share issue	–	3,558	–	3,558	3,558
Expenses for new share issue	–	-32	–	-32	33
Repurchase of own shares	–	-23	–	-23	-23
Cash flow from financing activities	-174	3,498	-555	3,403	5,749
Cash flow for the period	0	3,604	-211	3,779	-385
Opening cash and cash equivalents	444	1,155	630	974	974
Exchange difference in cash and cash equivalents	17	4	43	11	42
Closing cash and cash equivalents	461	4,763	461	4,763	630

Key ratios

	July– September		January – September		Full year
	2022	2021	2022	2021	2021
Gross margin, %	53.6	64.7	55.3	64.0	62.2
Adjusted gross margin, %	56.0	65.0	57.8	65.0	63.4
Operating margin before depreciation and amortisation (EBITDA), %	34.5	40.0	32.6	39.4	32.4
Operating margin (EBIT), %	22.2	35.1	20.4	33.9	25.9
Net margin, %	13.5	25.8	13.5	26.6	20.4
Equity/assets ratio, %	81.2	94.1	81.2	94.1	79.0
Equity per share, SEK	120.98	48.83	120.98	48.83	113.12
Return on equity, %	2.2	13.7	2.2	13.7	5.4
Cash flow from operating activities per share, SEK	1.48	0.91	3.47	3.44	3.35
Net debt*, SEK million	1,656.9	-4,763.3	1,656.9	-4,763.3	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	July – September		January – September		Full year
	2022	2021	2022	2021	2021
Net sales	7	6	31	17	25
Administrative expenses	-12	-7	-39	-26	-33
Other operating income	0	0	0	0	-
Other operating expenses	-	-	-	-	0
Operating income	-5	-1	-8	-9	-8
Dividends from Group companies	-	-	159	731	731
Impairment of shares in Group companies	-	-	-	-	-22
Financial income and expenses	-21	-3	-72	1	22
Income after financial items	-26	-4	80	723	723
Group contribution received	-	-	-	-	50
Income taxes	5	1	16	2	-13
Net income	-21	-3	96	725	760

Depreciation and amortisation had a negative effect of SEK - (-) million on income for the third 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 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Property, plant and equipment	0	0	0
Participations in Group companies	15,628	775	15,593
Other financial assets	10	8	8
Receivables from Group companies, non-current	1,357	–	1,344
Deferred tax assets	19	11	2
Receivables from Group companies, current	81	225	76
Current tax receivables	–	1	–
Other current receivables	–	–	2
Prepaid expenses and accrued income	1	18	0
Cash and cash equivalents	76	4,246	296
Total assets	17,173	5,284	17,323
EQUITY AND LIABILITIES			
Equity	14,657	5,106	14,664
Provisions	14	10	11
Borrowings, non-current	1,949	–	1,924
Current tax liabilities	4	–	4
Trade payables	1	2	2
Borrowings, current	109	–	409
Liabilities to Group companies, current	423	146	275
Other current liabilities	1	0	0
Accrued expenses and deferred income	16	20	33
Total equity and liabilities	17,173	5,284	17,323

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 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 912 (5,007) million and SEK 2,435 (162) million.

Note 3. Pledged assets and contingent liabilities

SEK millions	30 Sep 2022	30 Sep 2021	31 Dec 2021
Group			
Pledged assets	40	39	37
Contingent liabilities	13	11	12
Parent Company			
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 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. 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.

Vitrolife Group applies the following geographical segments: EMEA, Americas, Japan Pacific and Asia. From January 2022, Vitrolife Group 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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Products	420	382	1,301	1,099	1,472
Services	378	24	1,078	68	209
Total	798	406	2,379	1,167	1,681

Net sales per geographical segment by business area

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Consumables	114	118	83	66	46	37	91	64	334	284
Technologies	46	63	10	12	36	18	25	29	116	122
Genetic Services	97	–	206	–	23	–	22	–	348	–
Total	256	181	300	78	105	54	137	93	798	406
Whereof Sweden	4	7							4	7

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Consumables	363	342	239	190	133	102	253	172	989	806
Technologies	179	174	48	25	98	81	72	80	397	361
Genetic Services	304	–	554	–	69	–	67	–	993	–
Total	846	517	841	215	300	183	392	252	2,379	1,167
Whereof Sweden	16	19							16	19

Note 4. Continued

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

Note 5. Segments

Vitrolife Group 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 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	
	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021
Net sales	256	181	300	78	105	54	137	93	798	406
Gross income	133	114	153	46	64	39	78	64	428	263
Selling expenses	-53	-22	-58	-9	-18	-7	-16	-12	-145	-50
Market contribution	79	92	95	37	46	32	62	52	282	213
Administrative expenses									-96	-42
Research and development expenses									-33	-28
Other operating income and expenses									24	0
Operating income									177	142
Net financial items									-29	-1
Income after financial items									149	141

Note 5. Continued

SEK millions	EMEA		Americas		Japan Pacific		Asia		Total	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Net sales	846	517	841	215	300	183	392	252	2,379	1,167
Gross income	465	320	436	129	187	129	229	168	1,317	747
Selling expenses	-169	-70	-167	-26	-51	-27	-52	-32	-439	-154
Market contribution	295	250	269	103	136	102	177	136	877	592
Administrative expenses									-297	-124
Research and development expenses									-120	-77
Other operating income and expenses									25	5
Operating income									486	396
Net financial items									-54	3
Income after financial items									431	399

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

Pro forma consolidated income statements

SEK millions	July – September		January – September		Full year
	2022	Pro forma 2021	2022	Pro forma 2021	Pro forma 2021
Net sales	798	713	2,379	2,093	2,817
Cost of sales	-371	-311	-1,062	-917	-1,247
Gross income	428	403	1,317	1,177	1,569
Comprising					
Adjusted gross income	447	422	1,374	1,244	1,656
Amortisation of acquisition-related intangible assets	-19	-20	-58	-67	-87
Gross income	428	403	1,317	1,177	1,569
Selling expenses	-145	-130	-439	-387	-529
Administrative expenses	-96	-78	-297	-228	-323
Research and development costs	-33	-44	-120	-137	-182
Other operating income	24	2	25	8	9
Other operating expenses	0	-2	0	-3	-2
Operating income	177	150	486	431	542
Comprising					
Adjusted operating income	239	210	668	619	789
Amortisation of acquisition-related intangible assets	-61	-60	-182	-188	-247
Operating income	177	150	486	431	542
Financial income and expenses	-29	-7	-54	-17	-45
Income after financial items	149	143	431	414	497
Income taxes	-41	-29	-110	-80	-74
Net income	108	115	321	334	423
Attributable to					
Parent Company shareholders	108	114	320	333	421
Non-controlling interests	0	0	1	1	3
Earnings per share*, SEK	0.80	0.84	2.36	2.46	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 (91) million on income for the third quarter, SEK 291 (274) 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	EMEA		Americas		Japan Pacific		Asia		Total	
	SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jul-Sep 2022
Consumables	114	117	83	66	46	37	91	64	334	283
Technologies	46	63	10	12	36	18	25	29	116	122
Genetic Services	97	104	206	159	23	24	22	20	348	308
Total	256	285	300	237	105	78	137	113	798	713

Pro forma net sales

Net sales	EMEA		Americas		Japan Pacific		Asia		Total			
	SEK millions	Jan-Sep 2022	Jan-Sep 2021	SEK millions	Jan-Sep 2022	Jan-Sep 2021	SEK millions	Jan-Sep 2022	Jan-Sep 2021	SEK millions	Jan-Sep 2022	Jan-Sep 2021
Consumables	363	342	239	190	133	102	253	172	989	806		
Technologies	179	174	48	25	98	81	72	80	397	361		
Genetic Services	304	350	554	458	69	67	67	52	993	927		
Total	846	866	841	673	300	250	392	304	2,379	2,093		

Pro forma net sales growth in local currency

Genetic Services including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-16	-65	14	20	0	3	-1	7	-2	-35
Organic growth in local currency, %	-15	-18	9	4	-2	4	-3	14	-1	-4
Currency effects, SEK millions	8	18	33	75	0	-1	3	8	43	101
Currency effects, %	8	5	21	16	-2	-1	13	15	14	11
Total growth, SEK millions	-8	-46	47	96	-1	2	2	15	40	66
Total growth, %	-7	-13	29	21	-4	3	10	28	13	7

Vitrolife Group including sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-45	-63	13	54	24	43	11	50	3	83
Organic growth in local currency, %	-16	-7	6	8	30	17	9	16	0	4
Currency effects, SEK millions	17	44	49	114	3	7	14	37	82	202
Currency effects, %	6	5	21	17	4	3	12	12	12	10
Total growth, SEK millions	-28	-20	62	168	27	50	25	87	85	286
Total growth, %	-10	-2	26	25	34	20	22	29	12	14

Genetic Services excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	9	18	18	42	0	4	-1	7	26	71
Organic growth in local currency, %	12	7	11	10	1	6	-3	14	9	9
Currency effects, SEK millions	8	19	32	72	0	-1	3	7	42	98
Currency effects, %	11	8	20	16	-2	-1	14	14	15	12
Total growth, SEK millions	17	37	49	114	0	3	2	14	69	169
Total growth, %	22	15	31	26	-1	5	11	28	25	21

Vitrolife Group excluding sales Covid-19	2022									
	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-20	19	17	75	24	44	11	50	32	189
Organic growth in local currency, %	-8	3	7	12	32	18	10	16	5	10
Currency effects, SEK millions	17	44	48	111	3	7	14	37	81	199
Currency effects, %	7	6	20	17	4	3	12	12	12	10
Total growth, SEK millions	-4	64	65	186	27	51	25	87	113	388
Total growth, %	-1	8	27	28	35	21	22	29	17	20

Consolidated income statements per quarter

	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020
SEK millions	2022	2022	2022	2021	2021	2021	2021	2020
Net sales	798	829	752	514	406	382	379	382
Cost of sales	-371	-358	-333	-215	-143	-145	-132	-130
Gross income	428	470	418	299	263	237	247	252
Selling expenses	-145	-152	-142	-90	-50	-54	-50	-48
Administrative expenses	-96	-102	-98	-136	-42	-46	-36	-27
Research and development costs	-33	-43	-44	-37	-28	-25	-24	-26
Other operating income and expenses	24	2	-1	3	0	-1	6	-3
Operating income	177	175	133	39	142	111	142	147
Financial income and expenses	-29	-6	-20	22	-1	-1	5	-10
Income after financial items	149	169	113	61	141	110	148	138
Income taxes	-41	-39	-31	-28	-36	-23	-29	-30
Net income	108	130	82	33	105	86	119	107
Attributable to								
Parent Company shareholders	108	130	82	33	104	86	118	107
Non-controlling interests	0	0	1	1	0	0	1	0
Depreciation and amortisation	-98	-98	-95	-45	-20	-23	-21	-17

Key ratios per quarter

	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020
	2022	2022	2022	2021	2021	2021	2021	2020
Equity attributable to Parent Company shareholders, SEK million	16,386	15,977	15,529	15,322	5,772	2,147	2,159	2,013
Equity per share, SEK	120.98	117.96	114.65	113.12	48.83	19.78	19.89	18.54
Return on equity, %	2.2	2.7	3.1	5.4	13.7	19.3	16.2	14.8
Cash flow from operating activities per share, SEK	1.48	1.33	0.66	0.00	0.91	1.23	1.32	1.58

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

SEK millions	30 Sep 2022	30 Sep 2021	31 Dec 2021
Average equity	15,804	3,022	6,350
Net income, rolling 12 month	352,7	416	341
Return on equity, %	2.2	13.7	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 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 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, Group management monitors the ratio of net debt to rolling 12-month operating income before depreciation and amortisation (EBITDA). According to 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	30 Sep 2022	30 Sep 2021	31 Dec 2021
Borrowings, non-current	1,949	–	1,945
Lease liabilities, non-current	60	52	82
Borrowings, current	169	–	429
Lease liabilities, current	30	16	27
Adjustment of lease liabilities	-90	-68	-110
Cash and cash equivalents	-461	-4,763	-630
Net debt	1,657	-4,763	1,743
Operating income, rolling 12 month	525	543	435
Depreciation and amortisation, rolling 12 month	336	81	109
Rolling 12 month EBITDA	861	624	544
Net debt/EBITDA rolling 12 month	1.9	-7.6	3.2

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 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 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

2022										
Consumables	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-10	3	3	16	7	25	17	56	17	101
Organic growth in local currency, %	-9	1	4	9	18	25	27	32	6	13
Currency effects, SEK millions	7	18	15	33	3	6	10	25	35	82
Currency effects, %	6	5	22	17	8	6	15	15	12	10
Total growth, SEK millions	-3	21	18	49	10	32	27	81	51	183
Total growth, %	-3	6	27	26	27	31	42	47	18	23
2022										
Technologies	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-19	-2	-4	17	18	15	-6	-13	-11	17
Organic growth in local currency, %	-30	-1	-31	68	99	18	-21	-16	-9	5
Currency effects, SEK millions	2	7	1	6	0	2	2	5	5	19
Currency effects, %	3	4	10	23	2	2	6	6	4	5
Total growth, SEK millions	-17	5	-2	23	18	17	-4	-8	-7	36
Total growth, %	-28	3	-20	91	101	20	-15	-10	-5	10
2022										
Genetic Services	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Acquired growth, SEK millions	89	285	174	478	23	69	20	59	305	892
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	8	18	33	75	0	-1	3	8	43	101
Currency effects, %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total growth, SEK millions	97	304	206	554	23	69	22	67	348	993
Total growth, %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2022										
Total	EMEA		Americas		Japan Pacific		Asia		Total	
	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep
Organic growth in local currency, SEK millions	-29	1	-1	33	24	40	11	43	5	118
Organic growth in local currency, %	-16	0	-1	16	45	22	12	17	1	10
Acquired growth, SEK millions	89	285	174	478	23	69	20	59	305	892
Acquired growth, %	49	55	223	222	43	38	21	23	75	76
Currency effects, SEK millions	17	44	49	114	3	7	14	37	82	202
Currency effects, %	9	8	63	53	5	4	15	15	20	17
Total growth, SEK millions	76	330	222	626	51	117	45	139	393	1 212
Total growth, %	42	64	284	291	93	64	48	55	97	104

Glossary

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

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.

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

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

Vitrolife Group and Vitrolife 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.

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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 27 October 2022.

VITROLIFE GROUP™

EXCELLENCE IN REPRODUCTIVE HEALTH

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