



REPORT ON OPERATIONS 2018

Vitrolife AB (publ)

Vitrolife is an international medical device Group. Vitrolife develops, produces and markets products for assisted reproduction.

Vitrolife has approximately 390 employees and the company's products are sold in approximately 110 markets. The company is headquartered in Gothenburg, Sweden, and there are also offices in Australia, Belgium, China, Denmark, France, Germany, Italy, Japan, United Kingdom and USA. The Vitrolife share is listed on NASDAQ Stockholm.

Vitrolife 

High profitability and good organic growth

Fourth quarter

- Sales amounted to SEK 320 (271) million, corresponding to an increase of 18 percent in SEK. Sales increased by 12 percent in local currency and consisted of organic growth.
- Operating income before depreciation and amortisation (EBITDA) amounted to SEK 135 (103) million, corresponding to a margin of 42 (38) percent. Fluctuations in exchange rates positively impacted EBITDA by SEK 11 million.

- Net income amounted to SEK 84 (69) million, which gave earnings per share of SEK 0.77 (0.63).
- Licensing and commercialisation agreement with Illumina Inc., regarding preimplantation genetic testing. Under the agreement, Vitrolife has made a one-time payment to Illumina of USD 13 million.
- Impairment of licensing rights for technology for embryo transfer to the tune of SEK 17 million as a result of changed launch plan.

Whole year 2018

- Sales amounted to SEK 1 151 (1 046) million, corresponding to an increase of 10 percent in SEK. Sales growth was 5 percent in local currency and consisted of organic growth.
- Operating income before depreciation and amortisation (EBITDA) amounted to SEK 479 (408) million, corresponding to a margin of 42 (39) percent. Fluctuations in exchange rates positively impacted EBITDA by SEK 33 million.
- Net income amounted to SEK 311 (265) million, which gave earnings per share of SEK 2.85 (2.43).
- Licensing and commercialisation agreement with Illumina Inc., regarding preimplantation genetic testing.
- Market approval for EmbryoScope in China.

- Market approval for EmbryoScope+ in the US.
- Collaboration agreement with GE Healthcare regarding joint educational activities for IVF clinics.
- Share split 5:1 carried out in line with the resolution adopted at the Annual General Meeting.
- Acquisition of licensing rights to technology for embryo transfer during the first quarter. Write-down of the rights to the tune of SEK 17 million as a result of changed launch plan during the fourth quarter.

After the end of the period

- The Board proposes a dividend of SEK 92 (80) million, corresponding to SEK 0.85 (0.74) per share, where the figure for the previous year has been recalculated due to the 5:1 split that was carried out in 2018.

The Group's Key Figures

SEK millions	October – December 2018	January - December 2018	2017	2017
Net sales	320	271	1 151	1 046
Net sales growth, local currency, %	12	11	5	22
Gross margin, %	67	64	66	65
Adjusted gross margin*, %	70	68	70	69
Operating income before depreciation and amortisation (EBITDA)	135	103	479	408
EBITDA margin, %	42	38	42	39
Net income	84	69	311	265
Net debt / Rolling 12 month EBITDA	-1.0	-1.0	-1.0	-1.0
Earnings per share**, SEK	0.77	0.63	2.85	2.43
Share price on closing day***, SEK	147.00	124.60	147.00	124.60
Market cap at closing day	15 957	13 525	15 957	13 525
<i>Changes in net sales</i>				
Organic growth in local currency, %	12	11	5	19
Acquired growth, %	-	-	-	3
Currency effects, %	6	-3	5	0
Total growth, %	18	8	10	22

* Gross margin excluding amortisation of acquisition-related intangible assets

** Before and after dilution, recalculated with regard to the 5:1 share split carried out in May 2018.

*** Recalculated with regard to the 5:1 share split carried out in May 2018.

For definitions, see page 16

CEO's comments

Sales in the fourth quarter amounted to SEK 320 million, corresponding to growth of 12 percent in local currency. The operating margin before depreciation and amortisation (EBITDA) amounted to 42 percent and was positively impacted by increased sales, currency effects and good cost control.



During the quarter Vitrolife entered into a licensing and commercialisation agreement with Illumina Inc. which gives Vitrolife exclusive distribution, development and commercialisation rights for Illumina's IVF business for preimplantation genetic testing in EMEA and North and South America. Integration work has been ongoing during the quarter, which has involved, amongst other things, investments in a new distribution solution and recruitment of personnel for the new Genomics business unit. At the beginning of 2019 the first customer deliveries of products were made and it will be exciting to follow the performance of the business unit in the time ahead. The transaction is expected to make a positive contribution of approximately 10 percent to Group revenues and of 3-5 percent to EBITDA during 2019.

During the fourth quarter Vitrolife's business goal was reformulated as "leading provider of solutions that reduce the time to achieve a healthy baby and improve workflow efficiency and control for IVF clinics." The purpose of the changed goal is to clarify Vitrolife's aim of supporting clinics' and patients' overarching objective and the company's intention to concentrate development work on products that meet the goal.

At the beginning of the year, Vitrolife acquired licensing rights to technology for embryo transfer. The company

intends to commercialise the technology by marketing a unique embryo transfer catheter. During the year, clinical tests of the technology were carried out, which resulted in opportunities to further improve the technology before commercialisation. The expanded product development work has resulted in a changed launch plan and as a result, the company has made a write-down of the rights of SEK 17 million during the fourth quarter.

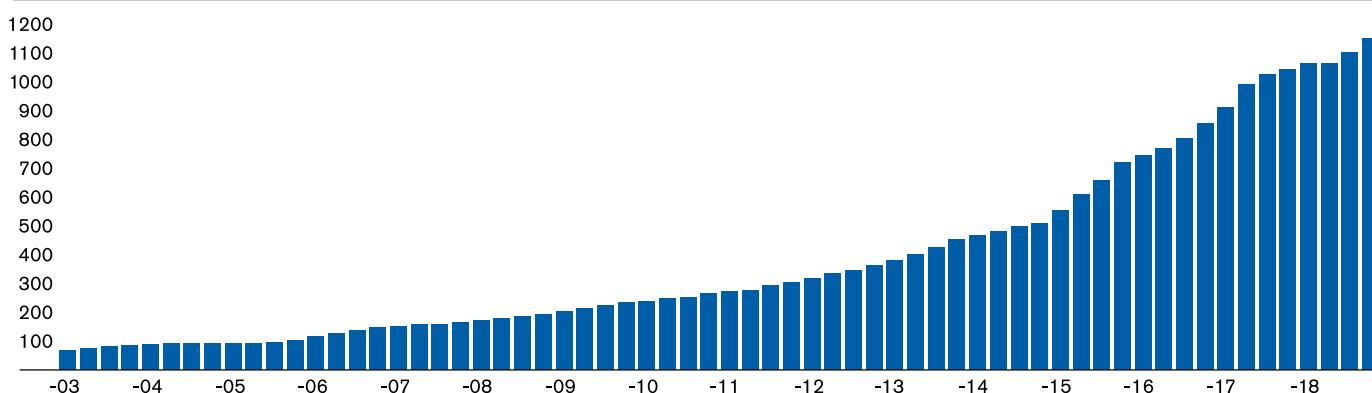
When taking stock of the whole year, it is clear that it was an eventful year for the company. Sales growth in local currency amounted to 5 percent and varied between the business units and market regions. Vitrolife's largest business unit, Media, increased by 6 percent, which indicates a stable high market share. The Disposable Devices business unit increased by 8 percent despite a number of limitations to capacity during the year. The Time-lapse business unit reported yet another strong year and increased sales by 13 percent. We were particularly pleased that we made a breakthrough in the US market during the year. The ART Equipment business unit decreased during the year by 31 percent and the company has initiated a number of measures to increase sales in the time ahead. During the year Vitrolife also made investments in the product offering and entered into strategic collaborations. Finally, we are pleased that profitability continued to be very good.

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

Thomas Axelsson

CEO

Net sales (rolling 12 months), SEK millions



Vitrolife's financial objectives

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

Fourth quarter 2018 (October - December)

Net sales

Sales amounted to SEK 320 (271) million, corresponding to an increase of 18 percent in SEK. Sales increased by 12 percent in local currency and consisted of organic growth.

Sales in the EMEA region (Europe, the Middle East and Africa) increased by 7 percent in local currency and amounted to SEK 144 (128) million. Sales in the North and South American region amounted to SEK 52 (37) million. Sales increased by 29 percent in local currency and were positively impacted by increased Time-lapse sales. Sales in the Japan and Pacific region amounted to SEK 43 (47) million. Sales decreased by 13 percent in local currency and were negatively impacted by decreased Time-lapse sales. Sales in the Asian region increased by 33 percent in local currency and amounted to SEK 82 (59) million.

Sales in the Media business unit increased by 10 percent in local currency during the quarter and amounted to SEK 156 (135) million. All regions reported good growth in the Media business unit. Sales in the Disposable Devices business unit increased by 32 percent in local currency during the quarter and amounted to SEK 49 (35) million. All product categories in the business unit – needles, pipettes and labware – reported good growth. Sales in the Time-lapse business unit increased by 14 percent in local currency during the quarter and amounted to SEK 94 (79) million and were positively impacted by high demand in the North and South American region, amongst other things as a result of market approval of EmbryoScope+ in the US. Sales for the ART Equipment business unit decreased by 19 percent in local currency during the quarter and amounted to SEK 15 (17) million and were negatively impacted by reduced sales in the EMEA region. Freight revenues amounted to SEK 6 (5) million.

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

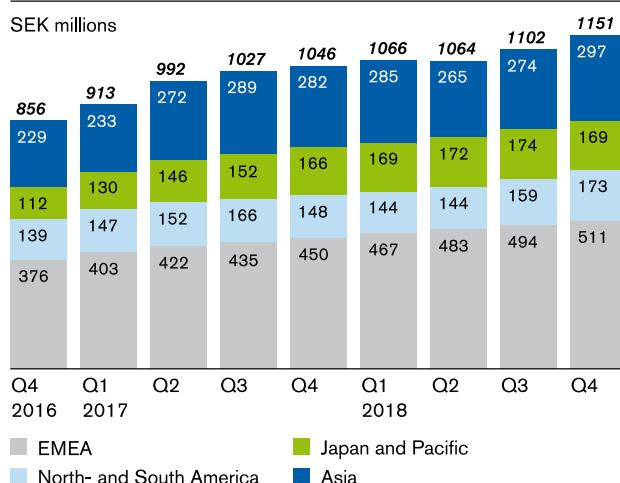


Fig 2. Sales development (per quarter)

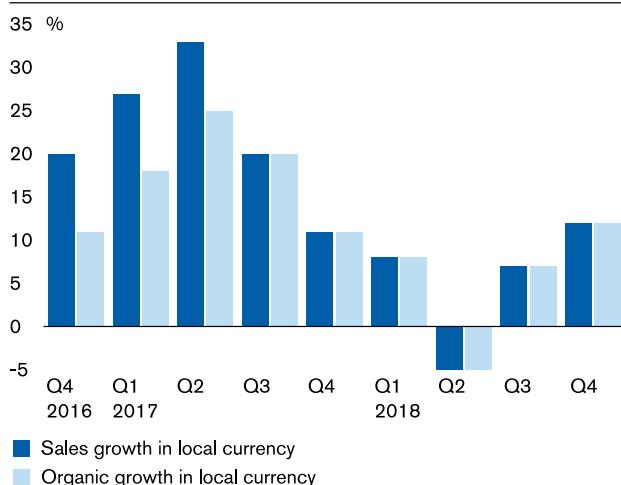
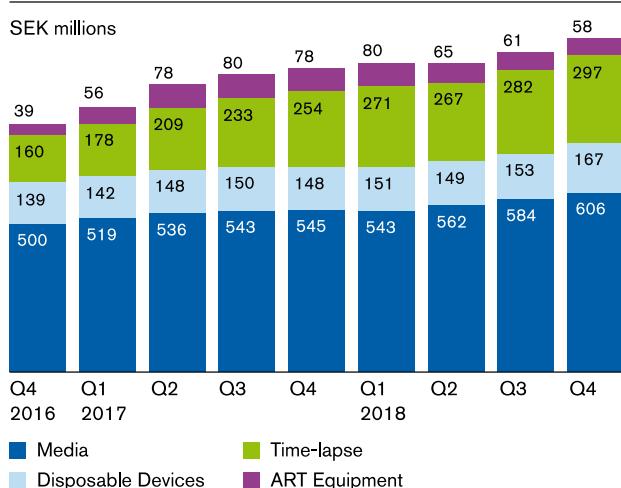


Fig 3. Net sales per business unit (rolling 12 months)

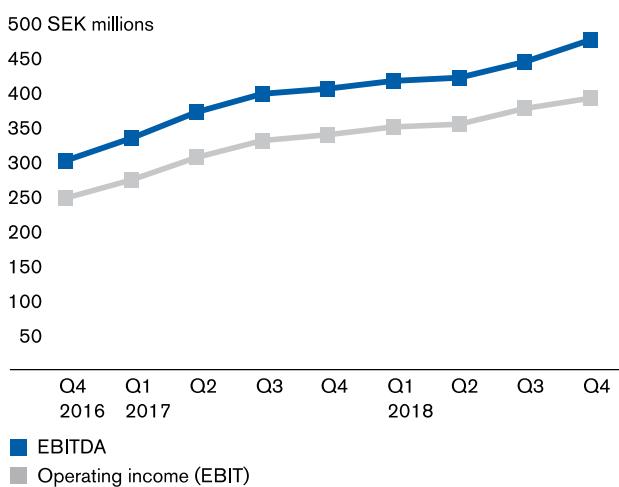


Licensing agreement in genetics with Illumina Inc.

During the quarter, Vitrolife entered into a License and Commercialisation Agreement with Illumina Inc., which provides Vitrolife with exclusive distribution, development and commercialisation rights to Illumina's preimplantation genetic testing (PGT) business for IVF in EMEA and North and South America. Beginning in early 2019, Vitrolife became the exclusive distributor of Illumina's preimplantation genetic testing kit for aneuploidy and preimplantation genetic testing kit for monogenic and single gene defects in EMEA and North and South America. In addition, Vitrolife will develop and commercialise new fully kitted products for the IVF market using Illumina sequencing. Under the agreement, Vitrolife has made a one-time payment to Illumina of USD 13 million during the quarter. As Vitrolife develops new kitted sequencing solutions for IVF, Vitrolife will have the opportunity to obtain exclusive right to commercialise these new products worldwide excluding mainland China for an additional payment of USD 3 million, subject to certain conditions. No asset or obligation is reported for this additional purchase price.

Vitrolife has agreed to minimum purchase commitments from Illumina through 2023. Illumina will provide transition and support services to Vitrolife. The initial one-time payment was financed by available cash balances. The investment impacted EBITDA marginally negatively during 2018. During 2019, it is expected that the transaction will be accretive to revenue by approximately 10 percent and EBITDA by 3-5 percent.

Fig 4. Income (rolling 12 months)



Income

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 135 (103) million, corresponding to a margin of 42 (38) percent. Fluctuations in exchange rates positively impacted EBITDA by SEK 11 million. Gross income amounted to SEK 214 (174) million. The gross margin amounted to 67 (64) percent and was positively impacted by increased sales and by currency effects. The gross margin adjusted for amortisation of acquisition-related intangible assets amounted to 70 (68) percent for the quarter.

Selling expenses amounted to 16 (16) percent of sales. Administrative expenses amounted to 8 (10) percent of sales. R&D costs amounted to 11 (6) percent of sales and included write-down of licensing rights for technology for embryo transfer to the tune of SEK 17 million. The write-down stemmed from a changed launch plan as a result of increased product development needs in order to commercialise the technology. Adjusted for this item, R&D costs amounted to 6 percent of sales. The abovementioned changed circumstances regarding the licensing rights for the technology for embryo transfer have also meant that it is assessed as unlikely that some of the previously reported additional purchase price will be paid. The liability for the additional purchase price and the asset's carrying amount have therefore been reduced by SEK 20 million each, which are reported as other operating income and other operating expenses, respectively. Depreciation, amortisation and write-downs of SEK 33 (16) million were charged against

income. Net financial items amounted to SEK 6 (3) million and consisted primarily of currency effects. Income before tax amounted to SEK 107 (90) million. Net income amounted to SEK 84 (69) million. Other comprehensive income amounted to SEK 1 million and consisted of positive translation effects related to net assets in foreign subsidiaries and acquisition-related intangible assets in foreign currency.

Income per segment

During the quarter, the organisation consisted of four business units whose products are sold by four geographic market organisations. From 2019, the new business unit Genomics will be added. Vitrolife reports the market contribution from each geographic segment. The market contribution is defined as gross income minus selling expenses per market. For more information, see note 5. The market contribution during the quarter for the EMEA region amounted to SEK 77 (60) million and was positively impacted by increased sales, product mix and currency effects. The contribution from the North and South American region amounted to SEK 21 (16) million and was positively impacted by increased sales and currency effects. The contribution from the Japan and Pacific region amounted to SEK 22 (24) million and was negatively impacted by decreased sales and positively impacted by currency effects. The market contribution from the Asian region amounted to SEK 44 (30) million and was positively impacted by increased sales and currency effects.

Cash flow

The cash flow from operating activities amounted to SEK 116 (110) million. The change in working capital amounted to SEK 3 (21) million and consisted amongst others of increased current liabilities. Gross investments in tangible assets amounted to SEK -6 (-2) million and consisted primarily of equipment and a new cold room in San Diego. Gross investments in intangible assets amounted to SEK -118 (-1) million, where of SEK -117 million was related to Vitrolife Sweden AB's one-time payment for the licensing and commercialisation agreement with Illumina Inc. The cash flow from financing activities was SEK - (0) million. Cash and cash equivalents at the end of the period amounted to SEK 491 (396) million. The company aims to invest its cash balances in value-adding acquisitions.

Financing

Vitrolife's total credit facilities amounted to SEK - (50) million, of which SEK - (0) million was utilized. During the quarter, the credit facilities were terminated as a result of the company's financial position. The equity/assets ratio was 88 (86) percent. Net debt in relation to income for a rolling 12 months before depreciation and amortisation (EBITDA) amounted to -1.0 (-1.0) times.

Parent Company

Business activities focus on Group-wide management. Income included invoicing of management fee of SEK 4 (1) million. Income after financial items for the quarter amounted to SEK 137 (1) million and included dividend of SEK 138 (2) million from subsidiaries. Cash and cash equivalents amounted to SEK 262 (5) million. A cash pool was established during the quarter. This is owned by the Parent Company.

Whole year 2018

Net sales

Sales amounted to SEK 1 151 (1 046) million, corresponding to an increase of 10 percent in SEK. Sales growth was 5 percent in local currency and consisted of organic growth.

Sales in the EMEA region (Europe, the Middle East and Africa) increased by 8 percent in local currency and amounted to SEK 511 (450) million. Sales in the North and South American region amounted to SEK 173 (148) million. Sales increased by 15 percent in local currency. Sales in the Japan and Pacific region increased by 1 percent in local currency and amounted to SEK 169 (166) million. Sales in the Asian region was unchanged in local currency and amounted to SEK 297 (283) million.

Sales for the Media business unit increased during the period by 6 percent in local currency and amounted to SEK 606 (545) million. Sales for the Disposable Devices business unit increased by 8 percent in local currency and amounted to SEK 167 (149) million. Sales for the Time-lapse business unit increased by 13 percent in local currency and amounted to SEK 297 (252) million. Sales for the ART Equipment business unit decreased during the period by 31 percent in local currency and amounted to SEK 58 (79) million. Sales were negatively impacted by decreased sales in China. Freight revenues amounted to SEK 24 (20) million.

Collaboration agreement with GE Healthcare

During the period, Vitrolife and GE Healthcare began collaboration to improve patients' medical outcome in the field of assisted fertilisation. The partnership includes amongst others joint educational activities for IVF clinics around key procedures such as the oocyte retrieval process where Vitrolife's oocyte retrieval needles can be used together with GE Healthcare's ultrasound systems.

Income

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 479 (408) million, corresponding to a margin of 42 (39) percent. Fluctuations

in exchange rates positively impacted EBITDA by SEK 33 million.

Gross income amounted to SEK 761 (682) million. The gross margin amounted to 66 (65) percent and was positively impacted by product mix and currency effects. The gross margin adjusted for amortisation of acquisition-related intangible assets amounted to 70 (69) percent.

Selling expenses amounted to 16 (16) percent of sales. Administrative expenses amounted to 9 (9) percent of sales. R&D costs amounted to 8 (7) percent of sales and included write-down of licensing rights for technology for embryo transfer to the tune of SEK 17 million. Depreciation, amortisation and write-downs of SEK 85 (67) million were charged against income. Net financial items amounted to SEK 5 (0) million and consisted primarily of currency effects. Income before tax amounted to SEK 399 (341) million. Net income amounted to SEK 311 (265) million. Other comprehensive income amounted to SEK 38 million and consisted of positive translation effects related to net assets in foreign subsidiaries and acquisition-related intangible assets in foreign currency.

Income per segment

The market contribution during the period for the EMEA region amounted to SEK 252 (210) million and was positively impacted by increased sales and currency effects. The contribution from the North and South American region amounted to SEK 81 (69) million and was positively impacted by increased sales and currency effects. The contribution from the Japan and Pacific region amounted to SEK 86 (84) million and was positively impacted by increased sales, lower selling expenses and currency effects. The market contribution from the Asian region amounted to SEK 158 (149) million and was impacted positively by currency effects.

Cash flow

The cash flow from operating activities amounted to SEK 349 (312) million. Gross investments in tangible assets amounted to SEK -18 (-10) million and consisted primarily of equipment. Gross investments in intangible assets amounted to SEK -162 (-1) million, of which SEK -41 million was related to Vitrolife Sweden AB's acquisition of licensing rights to technology for embryo transfer from CrossBay Medical Inc. and SEK -117 million was related to the one-time payment for the licensing and commercialisation agreement with Illumina Inc. Gross investments in financial assets amounted to SEK -2 (0) million. The cash flow from financing activities was SEK -81 (-93) million and consisted the repayment of borrowings of SEK -1 million and of dividend to the shareholders of SEK -81 million. Cash and cash equivalents at the end of the period amounted to SEK 491 (396) million.

Parent Company

Business activities focus on Group-wide management. Income included invoicing of management fee of SEK 16 (3) million. Income after financial items for the period amounted to SEK 362 (54) million and included dividend of SEK 363 (70) million from subsidiaries. Cash and cash equivalents amounted to SEK 262 (5) million.

Prospects

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

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

The company in brief

Business concept

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

Goal

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

Strategies

- Sustainable scalable global organisation focusing on common values.
- Strengthen sales and support channels that can offer customised solutions.
- Competitive and complete portfolio with integrated and modular solutions.
- Innovative research and development and efficient supply chain and manufacturing.
- Take advantage of external growth opportunities such as collaborations and acquisitions.

Other information

Organisation and personnel

During the period the average number of employees was 363 (355), of whom 177 (162) were women and 186 (193)

were men. Of these, 141 (140) people were employed in Sweden, 77 (73) in Denmark, 77 (73) in the US and 68 (69) in the rest of the world. The number of people employed in the Group at the end of the period was 392 (372).

During the third quarter, the Board member Fredrik Mattsson was appointed as head of the newly established function New Business and Strategic Development with a view to strengthen the company's business development. In conjunction with his new operative role, Fredrik Mattsson stepped down from his position as a Board member of Vitrolife AB and Henrik Blomquist, CEO of Bure Equity AB, assumed the role of co-opted Board member up until the next Annual General Meeting. The Board appointed Jón Sigurdsson as new Chairman of the Remuneration Committee and Barbro Fridén and Carsten Browall as the other members of the Committee.

Information on transactions with related parties

No transactions that have substantially affected the company's results and financial position have been carried out with related parties during the period. Fees were paid to two of the members of the Board for consultancy services over and above their work on the Board. For information on related parties, see the Annual Report for 2017, note 31.

Proposed appropriation of earnings

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 92 (80) million, corresponding to SEK 0.85 (0.74) per share, where the figure for the previous year has been recalculated due to the 5:1 split that was carried out in 2018.

Risk management

Vitrolife works constantly and systematically to identify, evaluate and manage overall risks and different systems and processes. Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside Vitrolife's regular quality system. In this way the company can have a high rate of development and at the same time be aware of both the opportunities and risks. The most important strategic and operative risks regarding Vitrolife's business and field are described in detail in the Management report, in the Annual Report for 2017. These are primarily constituted by macro-economic risks, operational risks and financial risks. The company's management of risks is also described in the Corporate Governance Report in the same Annual Report. The same applies to the Group's management of financial risks, which are described in the Annual Report for 2017, note 3. The reported risks, as they are described

in the 2017 Annual Report, are assessed to be essentially unchanged.

Seasonal effects

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

Election committee

The following people have been appointed as members of Vitrolife's election committee for the 2019 Annual General Meeting:

Niels Jacobsen, representing William Demant Invest A/S
Patrik Tigerschiöld, representing Bure Equity AB
Johan Ståhl, representing Lannebo Fonder
Carsten Browall, Chairman of the Board

The appointments have been made in accordance with the instructions regarding principles for the appointment of the company's election committee, which were adopted at the Annual General Meeting of Vitrolife on April 26, 2018. Shareholders who wish to have a matter considered at the meeting can make a written request to this effect to the Board. Such a request for consideration of a matter is to be sent to Vitrolife AB (publ), Att: Chairman of the Board, Box 9080, 400 92 Göteborg, Sweden, and must have

been received by the Board at least seven weeks before the Annual General Meeting, or in any case in such good time that the matter, if so necessary, can be included in the invitation to the meeting.

Annual General Meeting and Annual Report

The Annual General Meeting will be held on May 2, 2019, at 5 pm at Vitrolife's premises in Gothenburg, visitors' address Gustaf Werners gata 2. Shareholders will be invited to attend through an announcement in the Swedish Official Gazette and through information in Dagens Industri that shareholders have been invited to attend, no earlier than six weeks and no later than four weeks before the meeting. It is estimated that Vitrolife's Annual Report for 2018 will be available to be downloaded from Vitrolife's website during week 14 and in a printed version at the company's head office in Gothenburg during week 15. The Annual Report is sent out to those shareholders who have notified the company that they wish to have the printed version.

Events after the end of the period

The Board proposes a dividend of SEK 92 (80) million, corresponding to SEK 0.85 (0.74) per share, where the figure for the previous year has been recalculated due to the 5:1 split that was carried out in 2018.

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

February 8, 2019
Gothenburg, Sweden

Thomas Axelsson
CEO

Financial reports

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

Financial calendar

2019-04-23: Interim report January - March 2019
2019-05-02: Annual General Meeting 2019
2019-07-12: Interim report January - June 2019
2019-11-06: Interim report January - September 2019
2020-02-06: Report on operations 2019

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

Queries should be addressed to

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

This information is information that Vitrolife AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 am CET on February 8, 2019.

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

Consolidated income statements

SEK thousands	Note	January – December		October – December	
		2018	2017	2018	2017
Net sales	4,5	1 151 348	1 046 217	320 113	270 847
Cost of goods sold		-390 224	-364 508	-105 690	-96 885
Gross income		761 124	681 709	214 423	173 962
<i>Comprising</i>					
Adjusted gross income		803 645	722 125	225 011	184 151
Amortisation of acquisition-related intangible assets		-42 521	-40 416	-10 588	-10 189
Gross income		761 124	681 709	214 423	173 962
Selling expenses		-184 537	-170 279	-51 460	-44 650
Administrative expenses		-99 270	-99 334	-27 069	-28 062
Research and development costs		-88 457	-69 116	-35 812	-16 950
Other operating revenues		25 136	1 092	21 682	2 535
Other operating expenses		-20 081	-3 216	-20 031	-
Operating income		393 915	340 856	101 733	86 835
<i>Comprising</i>					
Adjusted operating income		436 486	382 258	112 334	97 039
Amortisation of acquisition-related intangible assets		-42 571	-41 402	-10 601	-10 204
Operating income		393 915	340 856	101 733	86 835
Financial income and expenses		4 668	59	5 763	2 988
Income after financial items		398 583	340 915	107 496	89 823
Income taxes		-87 886	-76 313	-23 347	-21 308
Net Income		310 697	264 602	84 149	68 515
Attributable to					
Parent Company's shareholders		309 697	263 640	83 997	68 379
Non-controlling interests		1 000	962	152	136
Earnings per share***, SEK		2.85	2.43	0.77	0.63
Average number of outstanding shares**		108 550 575	108 550 575	108 550 575	108 550 575
Number of shares at closing day**		108 550 575	108 550 575	108 550 575	108 550 575

* Before and after dilution.

** Recalculated with regard to the 5:1 share split carried out in May 2018.

Depreciation, amortisation and write-downs were charged against income for the period by SEK 84,692 thousand (66,949), of which SEK 33,434 thousand (16,426) for the fourth quarter.

Statements of comprehensive income

SEK thousands	January – December		October – December	
	2018	2017	2018	2017
Net income	310 697	264 602	84 149	68 515
Other comprehensive income				
<i>Items that may be reclassified to the income statement</i>				
Exchange rate differences	37 824	686	1 129	19 424
Total other comprehensive income	37 824	686	1 129	19 424
Total comprehensive income	348 521	265 288	85 278	87 939
Attributable to				
Parent Company's shareholders	347 384	264 248	85 134	87 728
Non-controlling interests	1 137	1 040	144	211

Key ratios, total Group

	January – December 2018	2017	October – December 2018	2017
Gross margin, %	66.1	65.2	67.0	64.2
Adjusted gross margin, %	69.8	69.0	70.3	68.0
Operating margin before depreciation and amortisation (EBITDA), %	41.6	39.0	42.2	38.1
Operating margin (EBIT), %	34.2	32.6	31.8	32.1
Net margin, %	27.0	25.3	26.3	25.3
Equity/assets ratio, %	88.1	86.4	88.1	86.4
Shareholders' equity per share*, SEK	13.75	11.29	13.75	11.29
Return on equity, %	22.2	23.3	22.2	23.3
Cash flow from operating activities per share*, SEK	3.22	2.88	1.07	1.01
Net debt**, SEK millions	-490.8	-395.5	-490.8	-395.5

* Recalculated with regard to the 5:1 share split carried out in May 2018.

** Negative amount implies net claim.

Consolidated income statements per quarter

SEK thousands	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Net sales	320 113	284 010	283 231	263 994	270 847	245 904	285 385	244 081
Cost of goods sold	-105 690	-96 153	-95 895	-92 486	-96 885	-82 564	-98 774	-86 285
Gross income	214 423	187 857	187 336	171 508	173 962	163 340	186 611	157 796
Selling expenses	-51 460	-44 289	-46 628	-42 160	-44 650	-41 110	-45 902	-38 617
Administrative expenses	-27 069	-21 654	-25 118	-25 429	-28 062	-23 263	-25 515	-22 494
Research and development costs	-35 812	-15 341	-18 842	-18 462	-16 950	-16 101	-17 573	-18 492
Other operating revenues and expenses	1 651	-2 534	1 732	4 206	2 535	-1 759	-3 017	117
Operating income	101 733	104 039	98 480	89 663	86 835	81 107	94 604	78 310
Financial income and expenses	5 763	-7 808	1 859	4 854	2 988	-1 914	-634	-381
Income after financial items	107 496	96 231	100 339	94 517	89 823	79 193	93 970	77 929
Income taxes	-23 347	-21 083	-20 768	-22 688	-21 308	-14 241	-22 490	-18 274
Net income	84 149	75 148	79 571	71 829	68 515	64 952	71 480	59 655
Attributable to								
Parent Company's shareholders	83 997	75 067	79 272	71 361	68 379	64 760	71 297	59 204
Non-controlling interests	152	81	299	468	136	192	183	451
Depreciation, amortisation and write-downs	-33 434	-16 947	-17 703	-16 607	-16 426	-16 916	-16 982	-16 625

Key ratios per quarter, total Group

	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
Shareholders' equity, attributable to the Parent Company's shareholders, SEK millions	1 492.9	1 407.8	1 342.0	1 328.0	1 225.9	1 138.1	1 087.0	1 074.1
Shareholders' equity per share*, SEK	13.75	12.97	12.36	12.23	11.29	10.48	10.01	9.89
Return on equity, %	22.2	22.2	22.5	23.1	23.3	23.6	22.7	21.4
Cash flow from operating activities per share*, SEK	1.07	0.79	0.97	0.39	1.01	0.78	0.77	0.31

* Recalculated with regard to the 5:1 share split carried out in May 2018.

Consolidated statements of financial position

SEK thousands	Note	Dec 31. 2018	Dec 31. 2017
ASSETS	2		
Goodwill	5	421 611	408 937
Other intangible fixed assets	5	306 386	198 801
Tangible fixed assets	5	94 126	84 432
Shares and participations		5 746	3 746
Other financial fixed assets		17 856	5 422
Deferred tax assets		1 166	11 181
Inventories		161 186	150 556
Accounts receivable		181 002	148 236
Current tax assets		3 946	362
Other current receivables		4 283	5 016
Prepaid expenses and accrued income		9 349	9 772
Cash and cash equivalents		490 810	395 963
Total assets		1 697 467	1 422 424
SHAREHOLDERS' EQUITY AND LIABILITIES	2		
Shareholders' equity, attributable to the Parent Company's shareholders		1 492 914	1 225 857
Non-controlling interests		3 298	2 792
Provisions		11 527	7 311
Deferred tax liabilities		29 329	51 170
Long-term interest-bearing liabilities		–	399
Long-term non-interest-bearing liabilities		8 124	–
Short-term interest-bearing liabilities		–	81
Current tax liabilities		27 187	17 899
Accounts payable		32 085	30 598
Other short-term non-interest-bearing liabilities		11 007	12 761
Accrued expenses and deferred income		81 996	73 556
Total shareholders' equity and liabilities		1 697 467	1 422 424

Consolidated changes in shareholders' equity

SEK thousands	Attributable to the Parent Company's shareholders				Non-controlling interests	Total shareholders' equity
	Share capital	Other capital contributed	Reserves	Retained earnings		
Opening balance January 1, 2017	22 144	494 610	11 959	489 342	2 329	1 020 384
Total comprehensive income	–	–	608	263 640	1 040	265 288
Dividend (SEK 0.52 per share*)	–	–	–	-56 446	–	-56 446
Dividend to non-controlling interests	–	–	–	–	-577	-577
Closing balance December 31, 2017	22 144	494 610	12 567	696 536	2 792	1 228 649
Opening balance January 1, 2018	22 144	494 610	12 567	696 536	2 792	1 228 649
Total comprehensive income	–	–	37 687	309 697	1 137	348 521
Dividend (SEK 0.74 per share*)	–	–	–	-80 327	–	-80 327
Dividend to non-controlling interests	–	–	–	–	-631	-631
Closing balance December 31, 2018	22 144	494 610	50 254	925 906	3 298	1 496 212

* Recalculated with regard to the 5:1 share split carried out in May 2018.

Condensed consolidated cash flow statements

SEK thousands	January – December 2018	January – December 2017	October – December 2018	October – December 2017
Income after financial items	398 583	340 915	107 496	89 823
Adjustment for non-cash items	80 578	65 107	27 443	14 265
Tax paid	-94 985	-83 744	-21 338	-14 673
Change in inventories	-4 464	-8 515	-3 380	-2 759
Change in trade receivables	-33 996	-24 433	-5 484	11 569
Change in trade payables	3 719	22 859	11 462	11 794
Cash flow from operating activities	349 435	312 189	116 199	110 019
Cash flow from investing activities	-181 265	-9 980	-124 698	-2 644
Cash flow from financing activities	-81 462	-93 496	–	-28
Cash flow for the period	86 708	208 713	-8 499	107 347
Opening cash and cash equivalents	395 963	189 245	496 225	285 055
Exchange-rate difference in cash and cash equivalents	8 139	-1 995	3 084	3 561
Closing cash and cash equivalents	490 810	395 963	490 810	395 963

Income statements for the Parent Company

SEK thousands	January – December 2018	January – December 2017	October – December 2018	October – December 2017
Net sales	16 104	2 695	3 777	855
Administrative expenses	-18 144	-11 105	-4 466	-1 226
Other operating revenues	–	48	1	–
Other operating expenses	-46	–	-18	-6
Operating income	-2 086	-8 362	-706	-377
Write-down participations in Group companies	–	-7 280	–	–
Dividends from Group companies	362 692	70 256	137 905	1 789
Financial income and expenses	1 336	-175	295	31
Income after financial items	361 942	54 439	137 494	1 443
Year-end adjustments (received Group contribution)	–	8 351	–	8 351
Income taxes	69	-10	68	-1 800
Net income	362 011	62 780	137 562	7 994

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

Balance sheets for the Parent Company

SEK thousands	Dec 31. 2018	Dec 31. 2017
ASSETS		
Tangible fixed assets	12	12
Participations in Group companies	771 346	770 629
Shares and participations	5 746	3 746
Other financial fixed assets	3 937	–
Deferred tax assets	1 014	–
Receivables from Group companies	48 990	262
Other current receivables	–	146
Prepaid expenses and accrued income	158	–
Cash and cash equivalents	261 749	5 377
Total assets	1 092 952	780 172
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	1 046 539	764 855
Provisions	4 921	–
Current tax liabilities	234	10
Accounts payable	242	619
Liabilities to Group companies	35 426	12 112
Other short-term non-interest-bearing liabilities	506	–
Accrued expenses and deferred income	5 084	2 576
Total shareholders' equity and liabilities	1 092 952	780 172

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.

The new accounting standards IFRS 9 and 15 came into force as of January 1, 2018. In line with what the company has previously stated, these standards do not have any significant impact on the Group's financial statements. For information on IFRS 15, see note 4. No other standards, amendments or interpretations that have come into force in 2018 are assessed to have had a significant impact on the Group's financial statements.

IFRS 16

The company will apply IFRS 16 'Leasing agreements' as from January 1, 2019. Reporting pursuant to IFRS 16 will mean that in principle all leasing agreements will be reported in the balance sheet as assets and liabilities. This reporting is based on the view that the lessee has the right to use an asset for a specific period of time and at the same time a liability to pay for this right. The project regarding transition to IFRS 16 has included review of the company's all leasing agreement and interpretation of these agreements with respect to the IFRS 16 principles. Vitrolife has chosen to apply the simplified transition approach, meaning that the leasing liability is recorded at the net present value of future leasing fees for the leasing agreements in place as of January 1, 2019. The right-of-use asset is recorded at the same value as the leasing liability as of January 1, 2019. The company has also chosen to apply practical expedients, where leasing agreements with a term shorter than 12 months and/or with an underlying asset meeting the standards definition of being low-value will not be included in right-of-use asset or leasing liability.

Reporting pursuant to IFRS 16 mean that the company, as from January 1 2019, records a right-of-use asset and a leasing liability to the tune of SEK 79 million each, meaning that the company's equity/assets-ratio will decrease by approx. 4 percentage points as of the same date. Since Vitrolife applies the simplified transition approach, where the initial right-of-use asset is of equal value as the leasing liability, no transition effect will affect equity as of January 1, 2019. Going forward, accounting according to IFRS 16 will have a positive impact on the Group's EBITDA, which is attributable to that leasing fees will be recorded as depreciation and interest expenses instead. Vitrolife's assessment is that the positive effect on EBITDA will amount to approx. 1 percentage point.

Note 2. Financial instruments - Fair value

Fair value has been measured for all financial assets and liabilities pursuant to IFRS 13. Other financial fixed assets, accounts receivable, other current receivables, cash and cash equivalents, accounts payable, other liabilities and interest bearing liabilities are recorded at amortised cost. Financial assets and liabilities measured at amortised cost amount to SEK 689,727 thousand (549,749) and SEK 41,717 thousand (43,598).

Classified in level 3 are financial assets, which relate to unlisted shares, and have been valued based on latest material transactions. Hence, fair value is estimated to be equal to book value. Classified in level 3 are also liabilities which relate to additional purchase prices, for which fair value have been estimated by future expected payments being discounted by current market rates for the duration of the liability. The measurement of fair value for financial liabilities in level 3 has during the period generated an effect on the income statement of SEK 283 thousand (-), of which SEK 637 thousand (-) during the fourth quarter. This effect is reported among financial items.

Fair value hierarchy

SEK thousands	Fair value levels	Dec 31.2018	Dec 31.2017
Financial assets			
Financial assets to fair value through income statement	3	5 746	3 746
Total Financial assets		5 746	3 746
Financial liabilities			
Financial liabilities to fair value through income statement	3	8 124	–
Total Financial liabilities		8 124	–

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

Note 3. Pledged assets and contingent liabilities

SEK thousands	Dec 31.2018	Dec 31.2017
Group		
Pledged assets	27 058	23 157
Contingent liabilities	769	575
Parent company		
Pledged assets	7 037	3 100
Contingent liabilities	123	–

Pledged assets pertain to floating charges for own commitments and collateral pledged for endowment insurance plans (cost). Contingent liabilities refer to guarantee to Swedish Customs and the difference between market value and book value for endowment insurance plans.

Note 4. Revenue

The great majority of Vitrolife's sales are of products that clearly represent separate performance obligations. Sales of products are recorded as revenue when they have been delivered to the customer. Vitrolife also sells services in the form of the servicing of products, primarily in the Time-lapse business unit, and also in the form of the recharging of freight. Servicing is largely invoiced in advance and is recorded 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. In Vitrolife's assessment these services are also clearly separate performance obligations. The table below presents the division of products and services in net sales.

Vitrolife categorises its products and services into the following business units: Media, Time-lapse, Disposable Devices and ART Equipment. From 2019 the business unit Genomics is added. Those sales that are not categorised into any of these business units are essentially freight. As regards segment reporting, Vitrolife applies the following geographic segments: EMEA, North- and South America, Japan and Pacific and Asia. The division of revenue per business unit and segment is presented in the tables below. For more information on the company's segments, see note 5.

Net sales per geographic segment

SEK millions	Jan-Dec 2018	Jan-Dec 2017	Oct-Dec 2018	Oct-Dec 2017
EMEA	511	450	144	128
of which Sweden	22	21	6	9
North- and South America	173	148	52	37
Japan and Pacific	169	166	43	47
Asia	297	283	82	59
Total	1 151	1 046	320	271

Net sales per business unit

SEK millions	Jan-Dec 2018	Jan-Dec 2017	Oct-Dec 2018	Oct-Dec 2017
Media	606	545	156	135
Disposable Devices	167	149	49	35
Time-lapse	297	252	94	79
ART Equipment	58	79	15	17
Other	24	20	6	5
Total	1 151	1 046	320	271

Net sales per products and services

SEK millions	Jan-Dec 2018	Jan-Dec 2017	Oct-Dec 2018	Oct-Dec 2017
Products	1 081	990	300	255
Services	70	56	20	16
Total	1 151	1 046	320	271

Note 5. Segments

Vitrolife consists of four business units whose products are sold by four geographic market organisations. From 2019 the business unit Genomics is added. As a result of the internal organisation, Vitrolife reports net sales and market contribution per geographic segment. Market contribution is defined as gross income reduced with the selling expenses per market. The balance sheet is not followed up per segment.

SEK thousands	EMEA		North- and South America		Japan and Pacific		Asia		Total	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	511 211	449 934	173 482	147 940	169 304	165 523	297 351	282 820	1 151 348	1 046 217
Gross income	334 754	282 887	114 686	100 568	119 838	119 064	191 846	179 190	761 124	681 709
Selling expenses	-82 785	-73 262	-34 094	-31 585	-33 421	-35 256	-34 237	-30 176	-184 537	-170 279
Market contribution	251 969	209 625	80 592	68 983	86 417	83 808	157 609	149 014	576 587	511 430
Fixed assets*	725 054	607 375	95 750	84 156	1 314	639	5	—	822 123	692 170

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

Reconciliation of alternative key figures

This report includes certain key ratios not defined in IFRS, but they are included in the report as company management considers that this information makes it easier for investors to analyze the Group's financial performance and position. Investors should regard these alternative key ratios as complementing rather than replacing financial information in accordance with IFRS. Please note that Vitrolife's definitions of these key ratios may differ from other companies' definitions of the same terms. Basis for calculation of financial information for rolling 12 month is found in sections consolidated income statements per quarter and key ratios per quarter, total Group.

Adjusted gross and operating income

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

Operating income before depreciation and amortisation (EBITDA)

As amortisation of surplus values related to the acquisitions that Vitrolife has carried out is charged against operating income, it is management's

assessment that operating income before depreciation and amortisation (EBITDA) is a fairer measure of the Group's earning capacity compared to operating income (EBIT). Vitrolife's Board aims to achieve growth while maintaining profitability, where profitability is followed up through operating income before depreciation and amortisation (EBITDA).

SEK millions	January-December		October-December	
	2018	2017	2018	2017
Operating income	393.9	340.9	101.7	86.8
Depreciation and amortisation	84.7	66.9	33.4	16.4
Operating income before depreciation and amortisation (EBITDA)	478.6	407.8	135.2	103.3

Return on equity

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

SEK millions	Dec 31.	Dec 31.
	2018	2017
Average shareholders' equity, rolling 12 month	1 392.7	1 131.3
Net income, rolling 12 month	309.7	263.6
Return on equity, %	22.2	23.3

Net debt / Rolling 12 month EBITDA

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

	Dec 31. 2018	Dec 31. 2017
SEK millions		
Interest-bearing liabilities	—	0.5
Cash and cash equivalents	-490.8	-396.0
Net debt	-490.8	-395.5
SEK millions		
Net debt	-490.8	-395.5
Operating profit, rolling 12 month	393.9	340.9
Depreciation and amortisation, rolling 12 month	84.7	66.9
Rolling 12 month EBITDA	478.6	407.8
Net debt / Rolling 12 month EBITDA	-1.0	-1.0

Net sales growth in local currency

As a large part of Vitrolife's sales are in other currencies than the reporting currency of SEK, sales are not only impacted by actual growth, but also by currency effects. To analyse sales adjusted for currency effects, the key ratio of sales growth in local currency is used. The percentage effects in the following tables are calculated by each amount in SEK millions in relation to net sales in the same period previous year (which is presented in note 4).

Net sales per geographic segment

	EMEA		North and South America		Japan and Pacific		Asia	
	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018
Growth in local currency, SEK M	35	9	23	11	1	-6	-1	19
<i>Growth in local currency, %</i>	8	7	15	29	1	-13	0	33
Currency effects, SEK M	26	7	3	4	3	2	16	4
<i>Currency effects, %</i>	6	5	2	11	1	4	5	6
Total growth, SEK M	61	16	26	15	4	-4	15	23
Total growth, %	14	13	17	40	2	-9	5	39

Net sales per business unit

	Media		Disposable Devices		Time-lapse		ART Equipment	
	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018	Jan-Dec 2018	Oct-Dec 2018
Growth in local currency, SEK M	36	13	12	12	33	11	-26	-3
<i>Growth in local currency, %</i>	6	10	8	32	13	14	-31	-79
Currency effects, SEK M	24	8	6	2	11	5	5	0
<i>Currency effects, %</i>	5	6	4	7	5	6	4	4
Total growth, SEK M	60	21	18	14	44	16	-21	-3
Total growth, %	11	16	12	40	18	20	-27	-15

Group total

	Jan-Dec 2018	Jan-Dec 2017	Oct-Dec 2018	Oct-Dec 2017
Organic growth in local currency, SEK M	58	158	34	28
<i>Organic growth in local currency, %</i>	5	19	12	11
Acquired growth, SEK M	—	33	—	—
<i>Acquired growth, %</i>	—	3	—	—
Currency effects, SEK M	47	-1	15	-8
<i>Currency effects, %</i>	5	0	6	-3
Total growth, SEK M	105	190	49	20
Total growth, %	10	22	18	8

Definitions

Adjusted gross income

Gross income before amortisation of acquisition-related intangible assets.

Adjusted operating income

Operating income before amortisation of acquisition-related intangible assets.

Cash flow from operating activities per share

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

Earnings per share

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

Equity/assets ratio

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

Gross margin

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

Market contribution

Gross income reduced with the selling expenses per market.

Net debt

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

Net debt / Rolling 12 month EBITDA

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

Operating margin before depreciation and amortisation (EBITDA)

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

Operating margin

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

Profit margin

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

Return on equity

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

Shareholders' equity per share

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

Glossary

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

Biological quality tests

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

Biopsy

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

Biotechnology

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

Blastocyst

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

Cell therapy

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

Clinical study/trial

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

Embryo

A fertilized and cell divided egg.

In vitro (Latin "in glass")

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

In vivo

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

Incubator

Equipment for culture of embryos in a controlled environment.

IUI

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

IVF, In Vitro Fertilization

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

Medical devices

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

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 determine the chromosomal status of an embryo from a biopsy of one or more cells. The results of PGT-A aid in the selection of an embryo likely to have a normal number of chromosomes (euploid) for transfer to the woman and help avoid those with abnormal copy number (aneuploid) that may result in IVF failure or miscarriage.

PGT-M

Preimplantation genetic testing for monogenic and single gene 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 is used for couples who have a genetic mutation that can cause a genetic disease where the couple want to be sure that their child will not carry this disease.

Preclinical study

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

Stem cells

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

Time-lapse

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

Vitrification

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

TOGETHER. ALL THE WAY™

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