

Vitrolife Group makes an impairment charge of SEK 4.3 billion relating to Igenomix and provides preliminary financials for the fourth quarter 2023

- Non-cash impairment of SEK 4.3 billion in the fourth quarter 2023, relating to the impairment of goodwill attributed to the acquisition of Igenomix in 2021.
- Igenomix, now known as the business area Genetic Services, remains a core part of the new corporate strategy for the Vitrolife Group, however we have challenges to navigate in the short term.
- Vitrolife Group also announces preliminary figures for Q4, with sales of SEK 904 million, corresponding to 6% growth in SEK, gross margin of 56.9% and EBITDA margin of 32.5%.

Non-cash impairment charge

Vitrolife Group (NASDAQ: VITR) has today decided that, in accordance with IFRS accounting standards, it will record a non-cash impairment charge of SEK 4.3 billion in the fourth quarter of 2023. The impairment represents 31% of the total amount of the accounted goodwill and other intangible assets attributed to the acquisition of Igenomix. The impairment will be reported as Other operating expenses outside the ordinary segment reporting.

The impairment is partially caused by inflated goodwill, through appreciation of the share price between signing and the issuance of new shares during the deal transaction of Igenomix in 2021. This was in accordance with IFRS. The growth required to balance the book value is increasingly challenged in the short term, however the Vitrolife Group remains confident in the longer-term growth prospects of Genetic Services. We have also increased the discount factor (WACC).

Business area Genetic Services is a key component of the new corporate strategy for the Vitrolife Group. We continue to take actions to improve the top and bottom-line performance of the business and execute towards achieving our long- term financial objectives for the company.

Update on Q4 2023

Preliminary non-audited earnings

SEK (millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales	904	855	3,512	3,234
Of Americas	290	303	1,160	1,144
Of EMEA	343	316	1,286	1,163
Of APAC	271	236	1,066	927
<i>Gross Margin (%)</i>	<i>56,9%</i>	<i>54,2%</i>	<i>56,3%</i>	<i>55,0%</i>
Impairment charge	4,300		4,300	
EBITDA	294	273	1,136	1,050
<i>EBITDA Margin (%)</i>	<i>32,5%</i>	<i>31,9%</i>	<i>32,3%</i>	<i>32,5%</i>
Operating Cash Flow	171	166	757	636

Sales growth for the fourth quarter was 6% in SEK and 5% in local currencies. Market region Americas declined by 8%, EMEA and APAC grew 6% and 5% respectively in local currencies.

The full year growth in SEK was 9% and 10% excluding discontinued business. In local currencies the growth was 4% and excluding discontinued business, 5%. In local currencies and excluding discontinued business, market region Americas declined by 3%, EMEA and APAC grew 6% and 16% respectively.

Vitrolife Group will, as previously communicated, announce our full report for the fourth quarter 2023 on the 2nd of February.

Contact person:

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

This disclosure contains information that Vitrolife AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 23 January 2024 at 20.00 CET.

Gothenburg, January 23, 2024
VITROLIFE AB (publ)
Bronwyn Brophy O'Connor, CEO

Vitrolife Group is a global provider of medical devices and genetic services. Based on science and advanced research capabilities, we develop services and products for personalized genetic information and medical device products. We are supporting our customers by improving their clinical practice and the outcome of the patient's fertility treatment. Currently, we are approximately 1,100 people worldwide, headquartered in Gothenburg, Sweden.

Vitrolife Group's products and services are available in more than 125 countries, through our own presence in more than 25 countries and a network of distributors. We are a sustainable market leader and aim to be the preferred partner to the IVF-clinics by providing superior products and services with the vision to enable people to fulfil the dream of having a healthy baby. The Vitrolife AB (publ) share is listed on NASDAQ Stockholm.

Vitrolife AB (publ), Box 9080, SE-400 92 Gothenburg. Corporate ID number 556354-3452. Tel: +46 31 721 80 00. Fax: +46 31 721 80 99. E-mail: info@vitrolife.com.
Website: www.vitrolifegroup.com

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