Annual and Sustainability Report 2023

VITROLIFE GROUP™

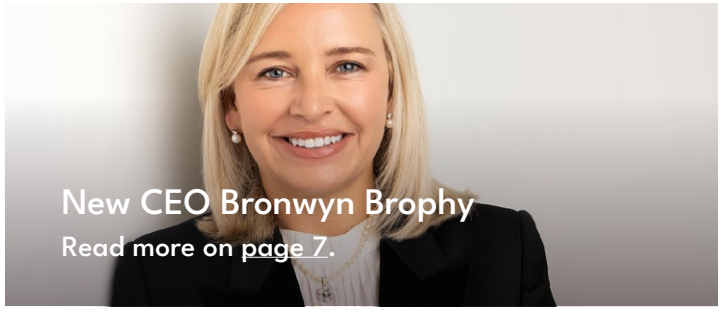

Our mission is to be the leading global partner in reproductive health, striving for better treatment outcomes for patients

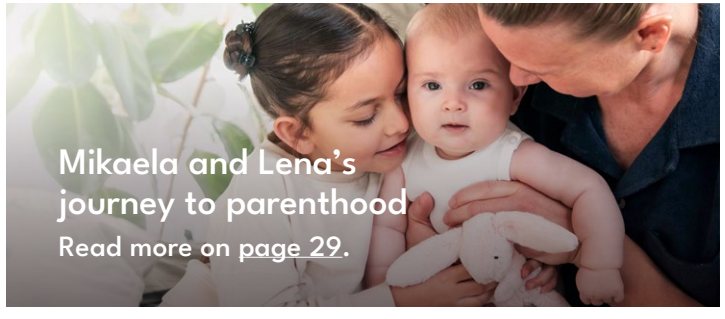
Contents

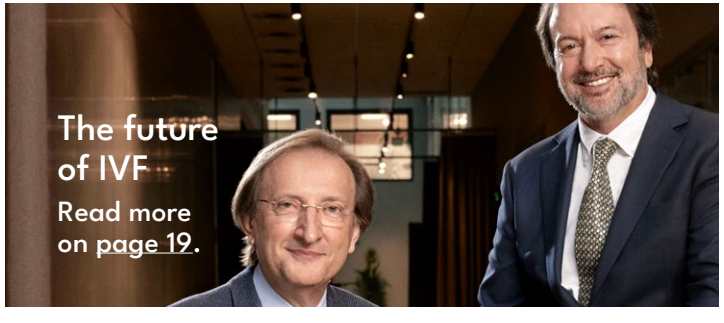
The Statutory Annual Report, which contains the Management Report and Financial reports, is found on pages 68-119. The Sustainability Report is found on pages 129-154. The Sustainability Report also constitutes the statutory sustainability report for Vitrolife AB under the Swedish Annual Accounts Act. The cross-references to the various sustainability reporting frameworks that Vitrolife AB applies are on page 154. This document is the original; a corresponding version of the Annual and Sustainability Report exists in Swedish. In all matters of interpretation of information, views or opinions, the Swedish version takes precedence. The Vitrolife Group refers to Vitrolife AB (publ) and all its subsidiaries.

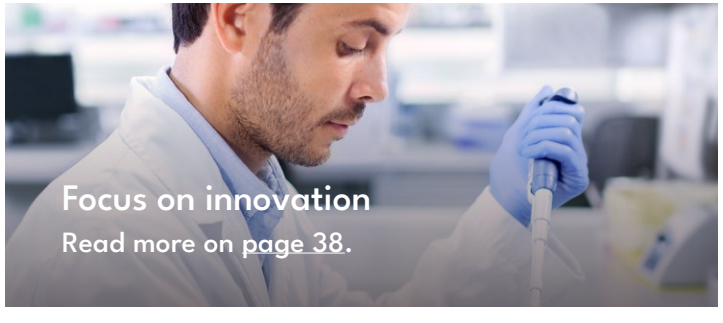
Highlights

Positioned for success









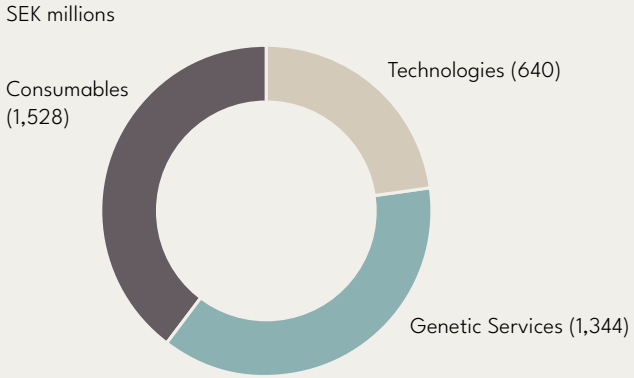
2023 financial results

Net sales
3,512 MSEK

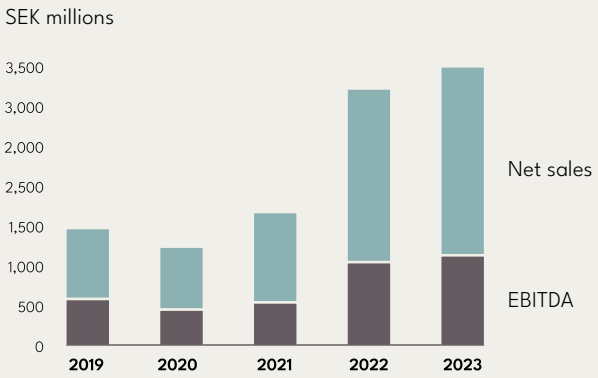
EBITDA
1,136 MSEK

EBITDA margin
32.3 %

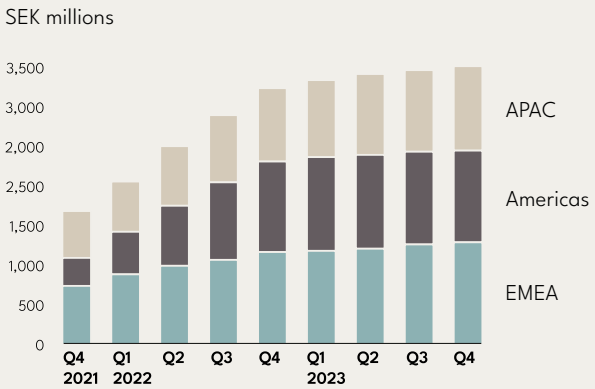
Net sales by business area



Net sales and EBITDA



Net sales by market region



Key ratios

SEK millions*	2023	2022
Net sales	3,512	3,234
Gross margin, %	56.3	55.0
Adjusted gross margin[1], %	58.6	57.4
Operating income before depreciation and amortisation EBITDA	1,136	1,050
Operating margin before depreciation and amortisation EBITDA %	32.3	32.5
Net income	-3,851	394
Net debt / Rolling 12 month EBITDA (excl IFRS 16)	1.0	1.5
Earnings per share[2], SEK	-28.44	2.91
Share price on closing date, SEK	194.70	186.20
Market cap at closing date	26,372	25,220
Sales growth		
Organic growth in local currency, %	4	10
Acquired growth, %	-	65
Currency effects, %	4	18
Total growth, %	9	92

Throughout the annual report, the corresponding value for the previous year is stated in parentheses, unless otherwise stated.

* Unless otherwise indicated.

1. Gross margin excluding amortisation of acquisition-related intangible assets.
2. Before and after dilution.

Message from the Chairman

Dear Shareholders,

As we reflect on the past year, we find ourselves at the dawn of an exciting new chapter for the Vitrolife Group. By combining the knowledge, product portfolios and market reach of our prominent brands in the fields of IVF medical devices and reproductive genetic testing, we have successfully laid the groundwork for the implementation of our new corporate strategy.

In addition to our continuous efforts to integrate and strengthen our capabilities in the reproductive-health sector, this year marked a significant change in leadership. The Board of Directors has diligently overseen this transition, ensuring a smooth and effective handover of responsibilities.

I am delighted to extend my warmest welcome to Bronwyn Brophy, who has joined us with decades of experience in the medtech industry. Her arrival has brought fresh perspectives and renewed energy to our journey towards success. Bronwyn has already demonstrated her expertise by articulating a revitalised corporate strategy, mission and vision, which have garnered unanimous support within the Group. I want to extend my best wishes and look forward to seeing all that we will achieve under her capable leadership.

I would also like to extend my heartfelt gratitude to all colleagues whose work and dedication is enabling us to continue making an impact on fertility clinics and their patients, worldwide. The newly revised corporate values of the Vitrolife Group stand as a testament to the dedication and alignment of our global teams into one Group.

Alongside our new values, a refocused mission and vision statement will further energise and inspire our efforts towards a common goal. This commitment is deeply rooted in our determination to make a positive difference in the lives of our customers and patients. We extend this resolve to all our stakeholders through our comprehensive sustainability strategy, which the Board oversees.

As we look ahead, the Group is exceptionally well-positioned to capitalise on the structural tailwinds inherent in the reproductive-health industry, further solidifying our role as the leading partner to IVF clinics. I have full confidence that our new corporate strategy

will not only strengthen our current standing but also enable us to seize new opportunities and expand our market horizons, ensuring sustainable and profitable growth in the long term. We look forward to continuing this successful journey together.

Jón Sigurdsson,
Chairman of the Board

Positioned for success

In 2023, the Vitrolife Group focussed on defining a new corporate strategy to strengthen our market position, capitalise on growth opportunities in the reproductive-health market and to drive long term, sustainable, profitable growth.

CEO comment

I joined the company as CEO in August and during my initial months at the Vitrolife Group, I travelled extensively, meeting colleagues, customers, investors, and other important stakeholders around the world. What immediately struck me was the dedication and passion of the people working in reproductive health and their commitment to support so many people to fulfil their dream of having a healthy baby.

However, with rising infertility prevalence, combined with relatively low success rates following IVF treatment and restrictions to care in many countries around the world we still have a long way to go. The opportunity to make a positive impact is immense and in the complex ecosystem that is reproductive health it is important that all stakeholders, including physicians, clinics, payors, governments, patient advocacy groups and the companies'

supplying products and services work together to improve both outcomes and access for patients.

We have identified several significant market trends which pose both opportunities and challenges for the Vitrolife Group in the coming years. However, the breadth of our portfolio and extensive geographic presence means that we are uniquely positioned to navigate both the challenges and opportunities ahead. We also have a robust R & D pipeline which will help to bring greater automation to the clinic workflow, this will be critical to support the growing number of clinic chains to scale and expand capacity.

During the first six months of my tenure, we focussed on defining our corporate strategy and building a high-performance culture. More recently we have been working on optimising our organisational structure to better serve our customers and patients. In parallel we are identifying key talents that will support us on our transformational journey to become the global leading partner in reproductive health. Driving our operational excellence program will be core to funding our increased investments in innovation and expansion in key markets like the U.S. and China.

2023: continued growth with margin expansions

We increased revenues to SEK 3,512 (3,234) million for the full year, an increase of 10% in SEK and 5% in local currencies.

Sales in EMEA increased 6% in local currencies. We continue to grow our share in media and despite the relatively higher penetration of Embryoscope across the region we delivered robust growth on both capital equipment and the consumables and services revenue on time lapse. Genetic Services growth was overall in line with the market.

Sales in Americas decreased by 3%, local currencies and excluding discontinued business* due to headwinds in our Genetic Services business. This as a result of a significant decline in sales of our Endometrium Receptivity Analysis (ERA) test combined with a loss of sales due to a large customer insourcing their basic PGT-A testing at the start of the year. Adjusting for these two factors the other tests in the portfolio continued to grow above the market rate. Our teams have been working intensively to ensure that the ERA test protocol is understood and adhered to by both clinicians and patients. We have also grown our PGT-A business with other clinics thus mitigating the impact of the large customer loss earlier in the year.

We had strong growth in APAC of 16% largely driven by China where we continue to perform very strongly, developing the market and taking share from competitors. Our penetration of Embryoscope is in fact accelerating and we have taken share on media. Our Genetic Services business continues to grow well above industry norms within our key markets in APAC.

Finally, we increased our gross margin to 56.9% (54.2), driven by product and market mix and progress in our operational excellence efforts. We also delivered a strong EBITDA margin of 32.3%. We are committed to our long-term financial objectives, returning the company to double digit growth in the coming years and expanding EBITDA.

“Driving our operational excellence program will be core to funding our increased investments in innovation and expansion in key market.”

* Discontinued business refers to Covid testing and GPDx China.

Our dedication to continually improving customer support was reflected in a five-point increase in our Net Promoter Score (NPS). It is great to get this positive feedback from our customers as a result of the various investments we have made in ensuring efficient delivery of products and services, developing digital solutions to enhance customer interactions, and collaborating on best-in-class training programmes. I would like to sincerely thank all of customers for their support in 2023 and we commit to doing even better in 2024.

The customer and quality focus are also part of our sustainability strategy, which we continued to implement. Notably, in 2023, under my leadership, we have committed to set near-term company-wide emissions reduction targets in line with climate science with the Science-Based Targets Initiative.

Building the right team and values

The foundation of our success lies in our people, and I am tremendously grateful to work alongside so many talented individuals possessing deep clinical and industry knowledge who inspire me every day.

We continue to identify and develop key talent across the company and provide them with opportunities to grow and develop their careers while at the same time recruiting best industry talent to compliment in areas where we require more specialist expertise.

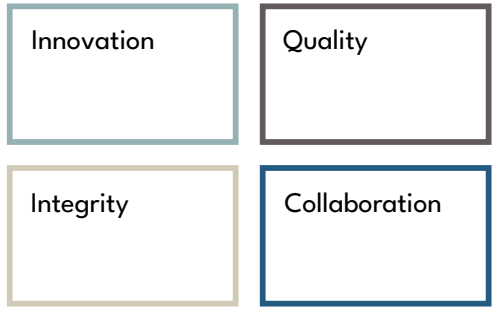
Talent is important but equally important is a healthy corporate culture based on a set of values that define the essence of the Vitrolife Group and the values that will be required to be successful in the future. Our company is synonymous with quality and integrity however we also need to be the leading innovators in the industry if we are to fulfil our mission of becoming the leading global partner in reproductive health. Teamwork and collaboration need to be at the heart of everything we do, the whole is always greater than the sum of the parts! Therefore, following extensive consultation and dialogue with our colleagues, customers, and our board we defined four core Vitrolife Group values: integrity, quality, innovation, and collaboration. These values signify our dedication to excellence, pursuit of perpetual innovation, commitment to teamwork and adherence to ethical practices.

I am honoured and humbled to lead the Vitrolife Group team on the journey ahead and I am confident that by staying focussed on executing on the five key pillars of our strategy: Own the platform connecting products and services, innovate to expand leadership, accelerate growth in key markets, optimise our go to market model and drive operational excellence we can and will become the global leader in reproductive health. Our ambition is to become a more global company and truly leverage one of the core and unique strengths of the Vitrolife Group which is to serve different standards of care across the world through a combination of genetic testing and Embryoscope® time lapse technology, with high quality consumable products in every clinic around the world.

Bronwyn Brophy O´Connor
CEO

“Talent is important but equally important is a healthy corporate culture based on a set of values that define the essence of the Vitrolife Group.”

Our values



This is the Vitrolife Group

Excellence in reproductive health

Global provider of medical devices and genetic services for reproductive health

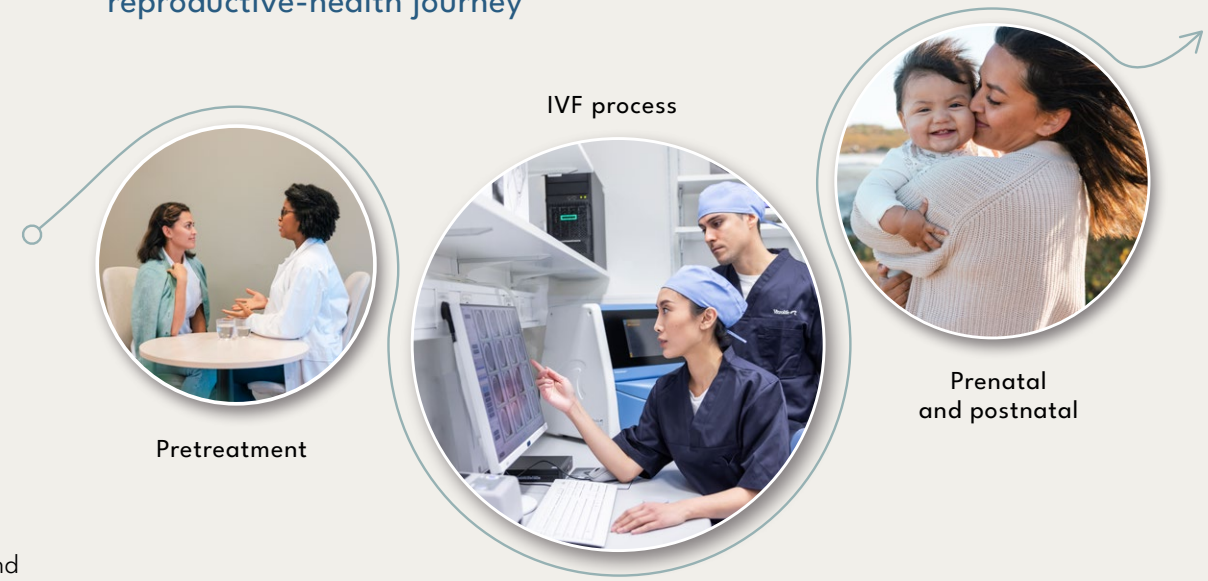
Dedicated to the reproductive-health market since 1994, we have grown by focusing on product development, groundbreaking research, consistent quality control and acquisitions of innovative companies in the industry. Based on science and advanced research capabilities, our aim is to deliver products and services for the entire reproductive-health journey, providing consistent performance and guaranteed quality.

Our solutions enable optimised procedures and workflow efficiency, helping clinics to deliver outstanding results. The Vitrolife Group represents a competitive and profitable business with the best trained staff and optimal solutions for patient needs.

We take a holistic approach to reproductive health where we provide training, support and a wide range of services for clinics and laboratories worldwide. We are recognised as a leading knowledge provider in the industry as we work with both universities, research institutes, networks and communities to secure and improve successful treatment outcomes.

We are very proud to deliver cutting edge solutions to clinics enabling people around the world to fulfil their dream of having a healthy baby.

Products and services for the entire reproductive-health journey



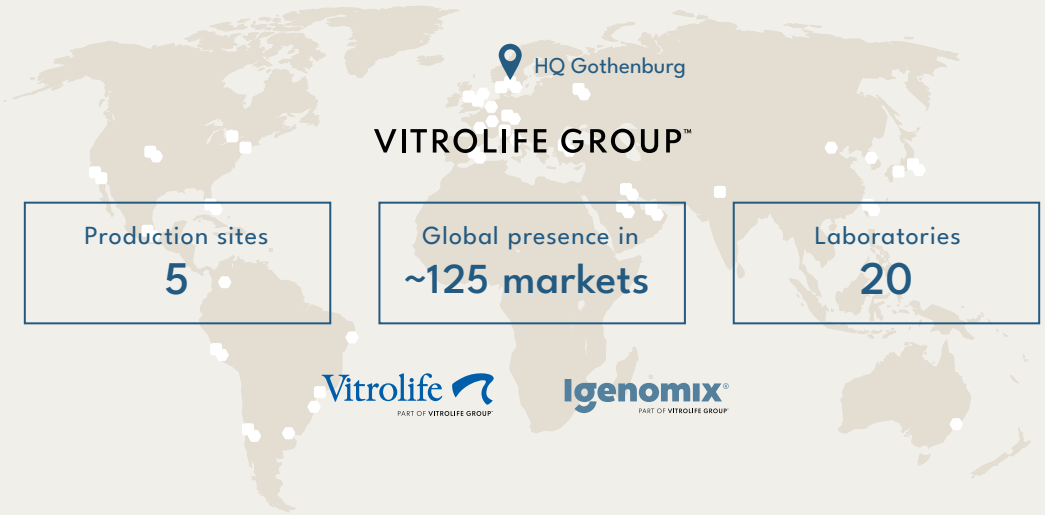
Mission

to be the leading global partner in reproductive health, striving for better treatment outcomes for patients

Vision

to enable people to fulfil the dream of having a healthy baby

Global presence



Business areas

Media, cryo products, disposable devices and genomic kits

Incubation, time-lapse evaluation and laser

Reproductive genetic testing services

The Vitrolife Group's global presence
Headquartered in Gothenburg, Sweden, we are a team of approximately 1,100 colleagues passionate about reproductive health serving more than 75% of all fertility clinics worldwide. The Group's solutions are available in more than 125 markets, either through direct sales or via a broad network of distributors.
We provide genetic testing services from a network of 20 laboratories and manufacture our products at five production sites.

Our strategy for long-term, sustainable and profitable growth
Our strategy was built to address the long-term trends underpinning the reproductive-health market: growth in demand, labour and skills shortage, consolidation of clinics, regionalisation of standards of care and patient empowerment. New players and business models are emerging, and formerly independent customers are consolidating into larger groups.

Our future growth depends on accelerating growth in key markets, optimising our go-to-market model and continuing to develop innovative solutions that meet customers' needs.

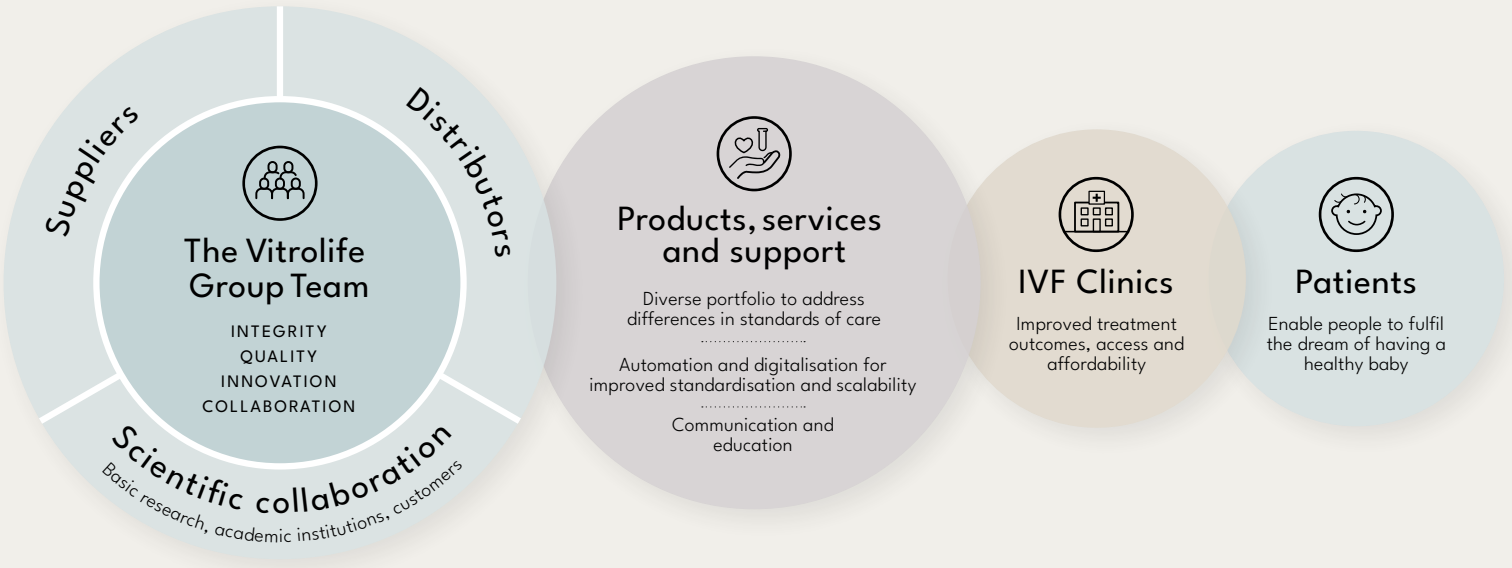
The Vitrolife Group – home to all brands
The Vitrolife Group's corporate brand positioning reflects our identity and character, and the purpose that unites everyone who works for us. Our brand, the Vitrolife Group, unites the global and powerful product brands of Vitrolife and Igenomix. These brands stand for science, innovation, trust, collaboration and quality with a long experience in the industry. Together as a group we create excellence in reproductive health.

Organisation
The Vitrolife Group operates across three business areas and one global sales and marketing function. This structure enables us to deliver an optimised service level to our customers across all business segments. Additionally, we have three group functions to support our global operations.

Together as a group we create excellence in reproductive health.

How we create value

Collaborating to create value and deliver on our mission and vision



Our team and values at the heart of value creation

At the heart of everything we do, our colleagues all over the world are committed to our mission and vision. Read more about us on page 14 and the updated corporate values as a catalyst for success on page 9.

Creating long-standing partnerships for excellence in reproductive health

We could not deliver on our mission without the long-standing partnerships we nurture with our suppliers, distributors and scientific research partners, which include a wide range of actors from academic institutions to the IVF clinics themselves. Learn more about our scientific collaborations on page 38, and how we ensure strong value alignment with our suppliers on page 53.

Empowering IVF clinics to improve treatment outcomes and access

As we aim to enable people to fulfil the dream of having a healthy baby, we are dedicated to making a difference while ensuring the success of our customers and their patients by:

- Providing a diverse portfolio of high-quality products and services for every step of the IVF journey that maximise the chances of a successful treatment outcome – learn more on pages 15-17.
- Supporting IVF clinics with increased automation and digitalisation, allowing them to standardise processes and scale to meet patients needs – learn more on page 36.
- As the leading partner in reproductive health, empowering IVF professionals and patients alike with transparent and qualitative information on products and services – learn more on page 45.

To learn more about how we stay ahead and look forward to proactively meet our clients needs in an ever changing environment, see page 26.

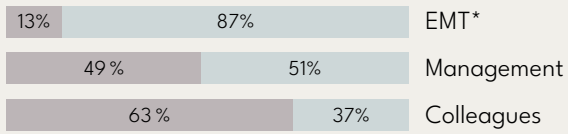
The Vitrolife Group team

Collaboration makes a difference

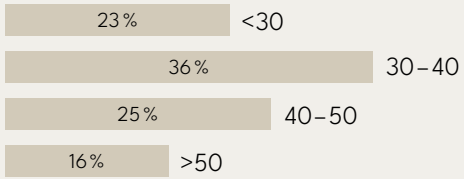
Our colleagues are the engine of our purpose and growth. We focus on enabling an inclusive and engaging workplace, where everyone can bring their whole self to work for the benefit of all. Together, it is the colleagues of the Vitrolife Group who make a real difference to fertility clinics and labs around the world and their patients.

Learn more about our approach to employee engagement, diversity and inclusion in our sustainability section on page 54.

Gender balance



Age distribution



Colleagues	Countries	Nationalities
~1,100	32	39

2023 Group D&I index	2023 People engagement
77%	74%

* Executive Management Team. As of January 8, 2024 the EMT will count with 25% women.

Our offer

Covering every step of the IVF journey combined with best-in-class quality and service

The Vitrolife Group contributes to successful treatment outcomes by providing assisted reproductive technologies and tests, primarily to IVF clinics. Based on science and advanced research and development capabilities, our aim is to deliver a premium quality portfolio of products and services covering the entire reproductive-health journey, providing consistent performance, workflow efficiency and guaranteed quality. We are committed to offering world-class training and support. We focus on innovation and leading product development related to AI technology, genetic tests and the continuous improvement of media and oil portfolios as well as disposable device products. Read more about the IVF process on page 25.

Our offer

Contributing to successful treatment outcomes

High-quality medical devices

The portfolio of medical devices includes most of what a clinic needs to secure improved results throughout the IVF journey. Careful handling of gametes and embryos outside the human body is an enormous challenge. An unbroken chain of innovative high-quality products ensures optimal care at every step of the way. Media and disposable device products are used throughout the IVF journey, from gamete (sperm and oocytes) retrieval, fertilisation, subsequent embryo culture, transfer and cryopreservation. Time-lapse technology is used by IVF clinics around the world to monitor embryo development, make accurate assessments and select embryos for transfer, an area in which we are a market leader.
We also offer a micro-laser system that is mainly used for embryo biopsy, which allows the removal of cells from the embryo for subsequent genetic analysis.

Since 2019, the Vitrolife Group has offered products for labs assessing pre-implantation embryo biopsy samples through a global partnership with Illumina.

The majority of our products are classified as medical devices. The requirements for documentation for medical devices are different from the requirements for medicinal products. Product approval is required in regulated markets in which the products will be sold. The requirements for approvals for medical devices are increasing in the majority of markets. Several of our product groups have already received EU Medical Device Regulation (MDR) certificates ensuring continued supply. Read more on page 41.

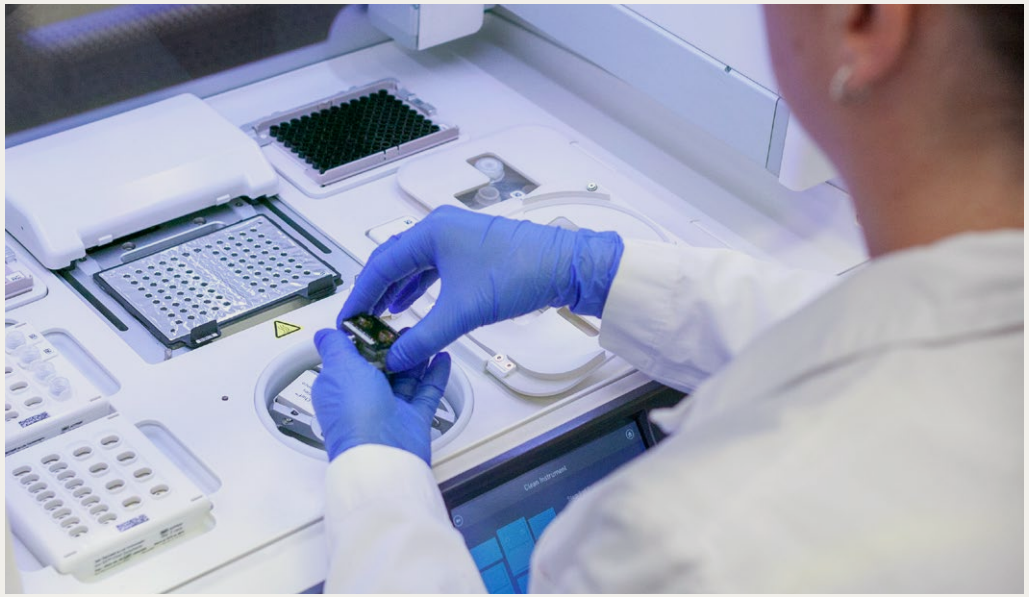
In Vitro Fertilisation (IVF)
IVF is an assisted reproductive technology wherein sperm and eggs are combined in a laboratory to create an embryo that can then be transferred into a uterus, where it may implant in the uterine lining.

Quality and environmental management system
ISO 14001:2015
ISO 13485:2016 MDSAP
US Quality System Regulation
Canadian Medical Device Regulations
EU Good Distribution Practice, etc.

Notified bodies
DNV, BSI, TÜV Rheinland and TÜV SÜD.

We aim to provide consistent performance, workflow efficiency and guaranteed quality.

Our offer



With our comprehensive portfolio we are uniquely positioned to serve fertility clinics' needs

Lab accreditations examples
ISO15189
CAP
CLIA
New York State Certificate
Brazilian National Accreditation Organization (ONA)

Pioneering genetic tests
The product portfolio also includes pioneering genetic tests to help reproductive-health professionals to diagnose and treat their patients at the preconception, pre-implantation and pre/postnatal phases of their reproductive journey. Preconception tests detect abnormalities before treatment. Pre-implantation tests help to decrease implantation failures as well as to assess optimal endometrial health. The use of pre/postnatal tests contributes to an informed pregnancy. We have 20 laboratories across the world with a well-run logistics network so that samples can be diagnosed and results communicated to clinics and patients on time. In order to do so, we use world-class competence to ensure accuracy and speed in results delivery. Quality accreditations help us to ensure that our laboratories are run as per the highest standards in the industry. To further support our clients and patients, we rely on highly trained and accredited genetic counsellors around the world that support customers in interpreting the tests results.

A comprehensive portfolio to serve clinics' needs
With our comprehensive portfolio of high quality medical devices and pioneering genetic tests, we are uniquely positioned to serve clinics' needs for automation, standardisation and digitalisation. Read more about our Strategic Priority 1 and Strategic Priority 2 on page 36 and 38 on how clinics can gain further benefits by combining our full portfolio.

As innovation leaders we continue to bring new products and tests to market and during 2023 we launched eight products and services. Read more about new launches on page 69.

Please visit our websites for more information about our products and services: www.vitrolife.com and www.igenomix.eu

Sales and market outlook

A well-balanced global presence

Net sales 2023

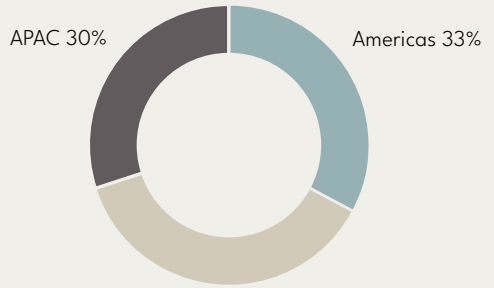
Sales increased to SEK 3,512 (3,234) million, corresponding to an increase of 9% in SEK and 10% excluding discontinued business. In local currencies sales increased by 4% and 5% respectively. Consumables grew by 14% in SEK, and 9% in local currencies with about equal increase in all regions but strongest in APAC. Technologies increased sales by 16% in SEK, but 11% in local currencies, with the strongest growth in APAC followed by EMEA, both with double digit growth, and in Americas just below. Genetic Services showed flat growth in SEK, while sales in local currencies decreased by 3%. Excluding discontinued business there was a decrease of 1% in local currencies.

Market outlook

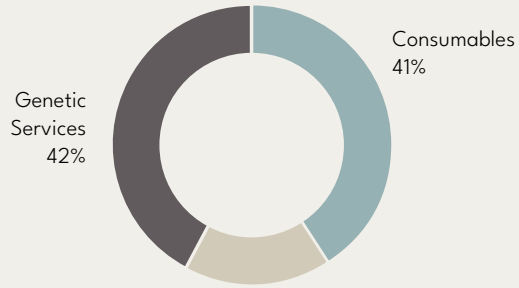
In the long term, the number of IVF cycles is expected to continue to grow 5-7%, driven by increased maternal age, expanding public and private insurance coverage, and supportive legislation. For clinic partners like the Vitrolife Group, there is an additional opportunity to increase the adoption of genetic testing and EmbryoScope®, as well as market share opportunities for consumable products. An uncertain macroeconomic environment may pose challenges as fertility treatment costs are comparatively high in parts of the world, most notably the U.S. However as coverage and reimbursement continues to increase this will lessen the out-of-pocket expenses over time, making the industry less exposed to macroeconomic fluctuations.

In the shorter term perspective, the market conditions for the Vitrolife Group may be impacted by general market conditions such as regulations, trade barriers, sanctions, customer perception, etcetera that may impact parts of our product and services portfolio.

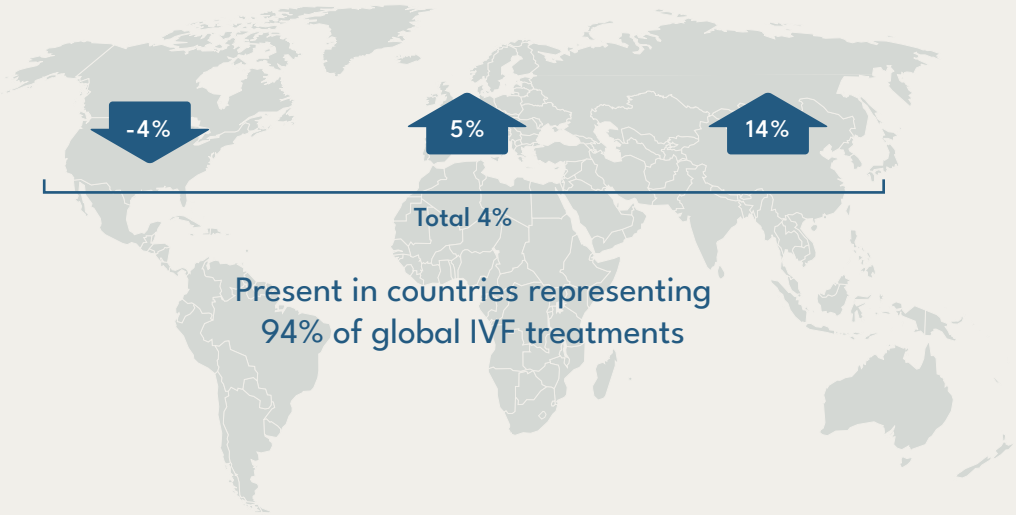
Revenue by geography



Revenue by business area



Growth by region in local currency



The future of IVF

Interview with Carlos Simón and David Gardner

Dr. Carlos Simón and Prof. David Gardner have made and continue making history in IVF

As key opinion leaders with whom we collaborate to advance our common goals for our patients, we have asked them to share some reflections on the state of reproductive health from the perspective of their respective fields of expertise.

Dr. Carlos Simón and Prof. David Gardner: you both had an incredible career in assisted reproductive technologies (ART) making a difference in the lives of millions of people. What inspired your passion for this field? What are you looking forward to in the coming years?

Dr. Simón: I always wanted to be a doctor, as being able to cure and take care of other human beings is the best thing that a person can achieve with their life. What really drives me and inspires me is to constantly work to towards improving the care for my patients – they are the reason for me to do science, striving to make the impossible possible when it comes to patient care.

Today there is a need for reproductive health to be increasingly grounded in science – which requires going beyond clinical knowledge and deeper into basic research. An important contribution of my lifetime has been being able to bridge basic and clinical research.

Prof. Gardner: Fertility science is a truly remarkable area, as scientific research can be translated directly into clinical care to help the 1 in 6 couples worldwide who need medical assistance to establish a family. Having witnessed the impacts of my own research, estimated to have helped over four million children come into the world, I know that excellence in research is an essential method to continually improve the chances of couples and individuals having a healthy baby in the shortest time possible.

Continued research on culture and transfer media, based on ever emerging data, will ensure more effective and safer environments are created to achieve fertilisation and to nurture the human embryo during the first week of life. Further, work on biomarkers of embryonic health will greatly assist in embryo selection at the time of transfer.

Prof. Gardner, given the potential of the industry you mention, what is your take on the future of innovation in ART?

Prof. Gardner: As the demand for IVF increases dramatically worldwide, we need to ensure we can optimise, streamline and automate laboratory processes. Examples of such innovations include recent breakthroughs in microfluidics and microfabrication, which make it possible to better process and select gametes, and in the future will transform embryo culture. Such innovation needs to be driven by companies such as Vitrolife Group who understand the needs of the embryologist in the laboratory.

“As the demand for IVF increases dramatically worldwide, we need to ensure we can optimise, streamline and automate laboratory processes.”

You have been a pioneer when it comes to the use of AI in reproductive health. What are your predictions for the future?

Prof. Gardner: Having been involved with AI for several years for embryo selection, it is evident that we are only using a small amount of its potential in the laboratory. Artificial Intelligence to assist in the analysis of complex genetic screening, combined with its capacity to analyse huge amounts of visual data on each embryo (made possible through

The future of IVF

time-lapse incubation) will greatly assist the embryologist in identifying the healthiest embryo for transfer, and conversely identify those embryos with limited developmental potential. This information is key to having truly informed discussions with patients about their chances of success. AI will also facilitate the introduction of personalised medicine, whereby we can look at the genetics of the would-be parents in order to tailor their treatment cycles. This is something we are currently developing within Virtus Health in Australia.

The use of AI in IVF clinics is still relatively new, and there are ethical implications when it comes to embryo evaluation or the use of sensitive data. What are your thoughts on the matter?

Prof. Gardner: AI was never meant to replace the decisions of embryologists or physicians. Rather, AI is being developed to assist specialists in making more informed decisions. AI will not replace IVF specialists and scientists. However, specialists and scientists using AI will.

> "It is evident that we are only using a small amount of AI's potential in the laboratory."

Dr. Simon, David mentioned personalised medicine. Together with an increased use of AI in the clinic, how can genetic testing bridge the gap in terms of successful treatment outcomes?

Dr. Simón: Today we need to move from generalised medicine to precision medicine and thus personalisation of treatment to ensure successful treatment outcomes in the least number of cycles possible. Every patient has a specific, unique genetic background for every organ – this is why it is important to consider the specific genetic make-up of the endometrium or the embryo in reproductive health, which requires deep scientific knowledge which often we lack today as we focus on clinical research more than scientific research.
I believe that today the reproductive-health field is not harnessing enough the potential of precision medicine, and genetic testing is clearly one of the keys to bridge this gap. However, we can witness some geographical variances today, as in the US there is a higher awareness of the need for precision medicine and genetic testing in reproductive health than in Europe.

As of today, genetic disorders are responsible for a significant part of paedriatic hospitalisations and infant mortality. How can ART and genetic testing contribute to bringing this number down in the future?

Dr. Simón: This is really the starting point for precision medicine and for any parenting journey – the objective of any IVF journey is not only to deliver a baby, but also an individual who will not develop any life-threatening conditions or that will need hospitalisation. In this context, carrier screening testing is key, and once again in the US there is higher awarness on this importance. It is only by democratising these tools and the understanding of their potential that we will be able to reduce the numbers of paediatric hospitalisations and infant mortality.

Given the potential you describe, it may be reasonable to expect all couples to undergo genetic testing in the future?

Dr. Simón: Carrier Genetic Testing should be the logical avenue for any couple planning on having kids, as it is counterintuitive to go through a reproductive roulette when science is offering much needed information on the potential for a genetic disease. If no risk is detected, couples will be able to go through a natural process, and if the risk is high they

> "we need to move from generalised medicine to precision medicine to ensure successful treatment outcomes in the least number of cycles"

The future of IVF

have the option to go through IVF and control for genetic mutations in embryos. I think this approach will increasingly gain ground in our society in the future.

What you are describing can have ethical implications. How would you address those?

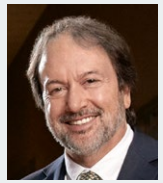
Dr. Simón: The debate is emotional rather than rational. We need to separate the baby who is born with a genetic disorder, where we need to simply focus on the cure, from the couple who is having a fresh start and can focus on prevention while planning parenthood. Every patient I worked with has always wished for a healthy baby, as there are no arguments against prevention: genetic disorders can cause emotional suffering for both parents and children, and depending on the country can also imply unbearable healthcare costs throughout a lifetime.

Overall, what do you believe is the outlook for ART given the incredible progress so far and the tools available today?

Dr. Simón: Every couple undergoing IVF should be studied and diagnosed right in the first month. Today, depending on the country, the patient may need to fail treatment three times before being offered a genetic or molecular test. Waiting for failure to perform a test does not make sense as testing costs represent less than 10% of the overall cost of an IVF cycle but could result in a reduction in the number of cycles – one of the biggest cost drivers of a treatment.

It is essential today to utilise the full range of scientific knowledge and tools to understand both the patient and the embryo in terms of what can influence the reproductive and health outcomes from the very beginning. I am deeply convinced that this approach will become prevalent in the future.

Dr. Carlos Simón, a preeminent Reproductive Endocrinologist and Physician-Scientist, has devoted 35 years of his career to becoming an unparalleled leader in reproductive biology, particularly human implantation. He has pioneered the clinical translation of the human embryonic implantation process, considering as key elements the embryo, the endometrium, and the cross-communication between them. His groundbreaking research brought life-changing medical advancements. Notable examples include the discovery of a transcriptomic signature of human endometrial receptivity, developing molecular tests for the endometrial microbiome, discoveries impacting the treatment of Asherman's Syndrome up to delivering predictive models for aneuploidy embryo development and insights into embryo cell-free DNA. Holding prestigious positions at the Universities of Valencia and Harvard, Dr. Simon in an inspiration to the next generation of scientists while shaping reproductive health research: he counts over 530 publications in high-impact journals and a Google Scholar index of 129. He recently created the Carlos Simón Foundation, underscoring his commitment to enhancing women's reproductive health, cementing his legacy in the field.



Prof. David Gardner has worked in embryology and IVF for 40 years, and is considered a pioneer in the field of human IVF, where his research on embryo physiology and culture led to the development of blastocyst transfer culminating in a significant increase in implantation and pregnancy rates. The increased clinical success associated with blastocyst transfer, combined with the grading system he developed to select human embryos for transfer, facilitated the move to single embryo transfer, thereby making assisted human reproduction both more effective and safer for the mother and child. The "Gardner Grading System" developed in 1999 has been adopted worldwide as the definitive selection method for embryo transfer. His work has contributed significantly not only to assisted human reproduction, but has had major influence on domestic animal reproduction and the field of human embryonic stem cells. He is one of the highest cited scientists in the world today, and has received numerous awards and honours which reflect the high esteem in which his contributions are held. In 2017 he was elected to the Australian Academy of Science, and in 2022 he was on Queen Elizabeth II's birthday honours list and received the Order of Australia.

The reproductive-health market

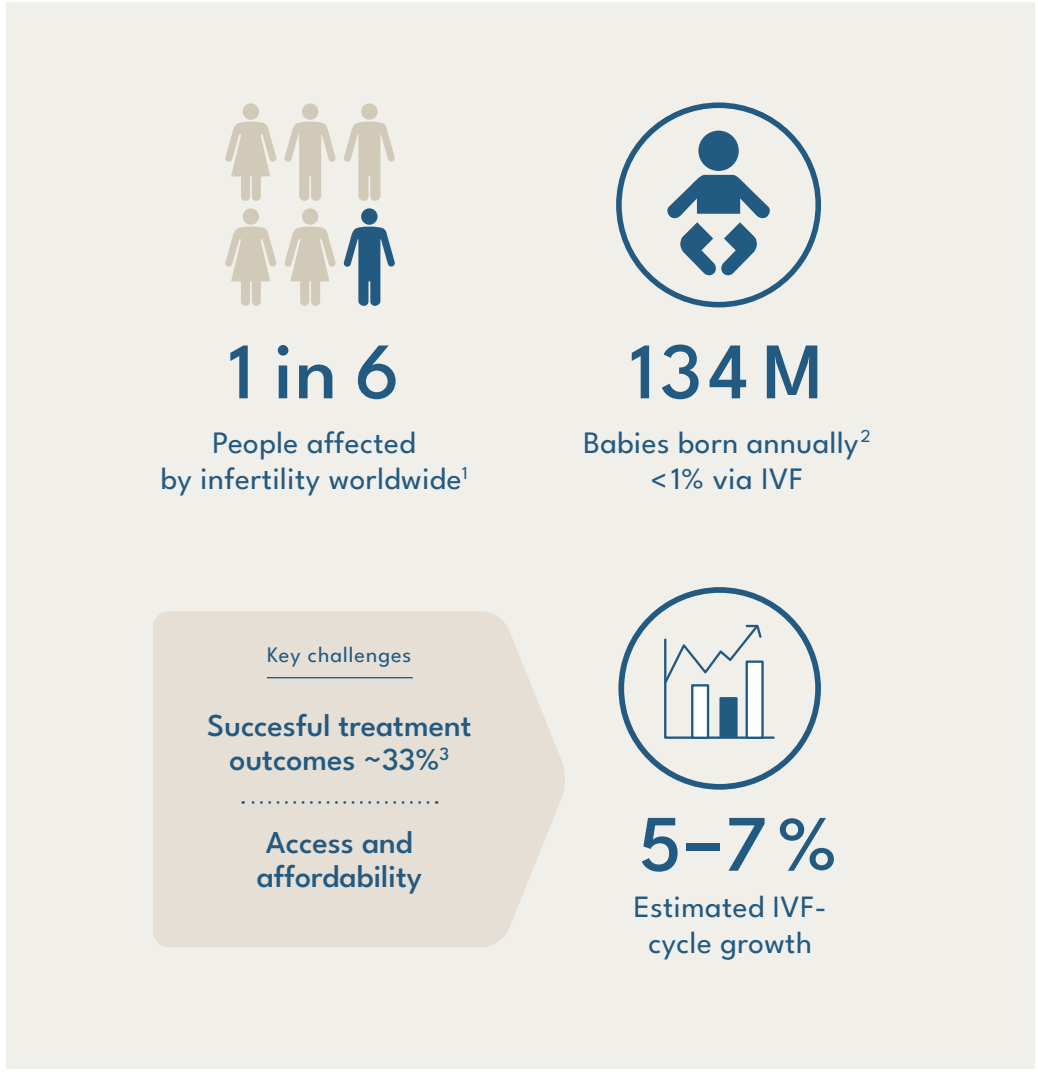
The opportunity to make a difference

A significant number of people are not receiving the care they need.

Unlocking the potential of the reproductive-health market

The market opportunity in reproductive health is also a great opportunity to make a difference. While one in six people globally is affected by infertility[1], only less than one per cent of babies are born through IVF all over the world: this means a significant number of people are not receiving the care they need.

Two key challenges are restricting the number of babies born globally through IVF: succesful treatment outcomes as well as access and affordability, leading to an estimated IVF-cycle growth rate of five to seven per cent a year – encouraging but not enough to cover global needs.



Sources: 1. WHO. 2. UN. 3. ESHRE European mean pregnancy rate in 2019 - refers to a single attempt.

Treatment outcomes

At the heart of the IVF journey lies a promising story of progress. Clinical outcomes have steadily improved over the years. In the 1980s, only around 15 per cent of IVF treatments resulted in a successful pregnancy. By the late 1990s, that number had risen to 25–35 percent. Today, selected clinics can even boast success rates of 50 percent or higher. This encouraging trend reflects advancements in techniques and the availability of specialised products designed through years of research and clinical experience.

However, while there's reason for optimism, the path to parenthood through IVF remains challenging. As of today, on average, only one in three individuals embarking on this journey will have a successful pregnancy. The true test comes at the embryo transfer stage, where a significant gap persists. Genetic testing emerges as a potential bridge across this divide. But it's important to recognise that these averages obscure the stark disparities in treatment outcomes between clinics and countries. As our journey unfolds, our commitment is to adapt to and support a diverse range of standards of care and bridge the gap in successful treatment outcomes.

In this context, the challenges in fulfilling the dream of having a healthy baby do not stop at pregnancy: three to four percent of all babies are born with some type of genetic disorder - inherited disorders represent 20 percent of the causes of infant mortality in developed countries. In most cases, genetic disorders cannot be cured, but genetic testing can provide information that may turn key in preventing them.

Infertility

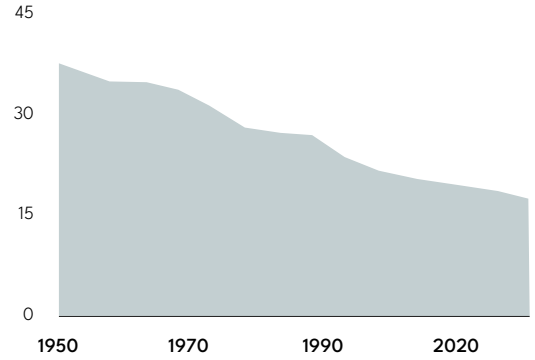
Definitions of infertility generally refer to clinical infertility. The WHO defines infertility as a disease of the male or female reproductive system defined by the failure to achieve a pregnancy after 12 months or more of regular unprotected sexual intercourse. This definition includes both primary infertility, when a pregnancy has never been achieved by a person, and secondary infertility, when at least one prior pregnancy has been achieved. Based on WHO's estimates, secondary infertility impacts more women globally than does primary infertility.

To note that this definition does not include social infertility, defined as the inability to reproduce via sexual intercourse due to social factors such as a person's lack of a partner or sexual orientation.

Access

IVF treatments grapple with accessibility challenges, marked by their prohibitive costs: the average US IVF cycle cost exceeds USD 12,000 not including accompanying procedures and required fertility medications (source: ASRM). This financial hurdle primarily restricts access to individuals of lower socioeconomic status, exacerbating healthcare disparities. Clinics, hindered by infrastructure costs and a shortage of skilled professionals, struggle to scale operations to meet the increasing demand for IVF services. Globally, the WHO underscores the need for interventions to enhance affordability and scalability, ensuring broader access to reproductive healthcare. Against this backdrop, government, employers and insurance providers are expanding full or partial IVF coverage to increase access to IVF. This is a long-term trend as population growth becomes an increasing concern considered the decreasing birth rates around the world.

World birth rate (1960-2021), measured in births per 1,000 people



Source: United Nations (UN)

Our commitment is to bridge the gap in successful treatment outcomes by supporting a diverse range of standards of care.

Current megatrends and our capabilities

Uniquely positioned to serve market needs and help improve treatment outcomes and access

The market megatrends	Our capabilities	Contributing towards
Growth in demand	Increase IVF capacity and successful outcomes	Successful treatment outcomes
Clinic labour and skills shortage	Automation and digitalisation	
Consolidation of clinics	Standardisation and scalability	
Regionalisation of standards of care	Diverse portfolio to address differences in standards of care	Increased access
Patient empowerment	Communication and education	

Uniquely positioned to serve fertility clinics' needs and help improve treatment outcomes and access

Growth in demand

Rising infertility, driven among others factors by delay in maternal age, and increased affordability, thanks to increased reimbursement and insurance coverage, are key drivers behind the growing demand for IVF, influenced by social acceptance and technical improvements. Besides, regulatory changes have promoted access to IVF not only to clinically infertile individuals, but also other categories such as same-sex couples or single mothers.

Increase IVF capacity and successful outcomes

We aim to play a crucial role by providing solutions that elevate treatment outcomes and facilitate the expansion of clinic's capacity, empowering them to effectively serve a broader patient base, ultimately resulting in more individuals successfully bringing home a healthy baby.

Clinic labour and skills shortage

IVF clinics face a labour and skills shortage, struggling to attract and retain staff, resulting in understaffed facilities. The difficulty in accessing required competence and talent is further compounded by the impending retirement of senior staff, such as 40% of IVF lab directors in the US within the next five years.

Automation and digitalisation

We have intensified our focus on solutions that enhance workflow efficiency, emphasising standardisation and scalability. We aim to empower our clients by expanding the application of AI beyond embryo evaluation, providing support for clinical decision-making by doctors and other clinicians to reduce workload.

Consolidation

Consolidation within the IVF industry is propelled by financial investors that seek to capitalise on synergies through the acquisition of independent clinics or small IVF chains. This trend introduces price pressure necessitating standardisation while altering clinics' purchasing behaviour.

Standardisation and scalability

Positioning ourselves as a comprehensive solutions provider, we are adding value to our offer by combining state-of-the-art products and services with genetic counselling, training, education and clinical support. We are adopting a revised go-to-market model with Key Account Management capabilities for effective engagement with clinic chains – our commitment to innovation and providing cost-effective solutions makes us an essential partner for standardisation and scalability.

Positioning ourselves as a comprehensive solutions provider, we are adding value to our offer by combining state-of-the-art products and services with genetic counselling, training, education and clinical support.

Uniquely positioned to serve fertility clinics' needs and help improve treatment outcomes and access

Regionalisation

Regionalisation leads to diverse standards of care and regulatory frameworks influencing clinical outcomes, with marked disparity in regulatory requirements across markets coupled with the presence of local competitors.

Diverse portfolio to address differences in standards of care

We have a diverse portfolio capable of addressing nuanced variations in standards of care across regions, while we add value to clinics by sharing global best practices on process standardisation. Regionalisation also requires investing in regulatory affairs to secure market access and timely commercialisation approval, where being a global player with extensive experience and resources is a competitive advantage. Ultimately, we tailor go-to-market strategies to local requirements with local product launches.

Patient empowerment

Increased education and awareness are driving patients to take a more active role in their reproductive-health journeys. Consequently, clinics are investing efforts in providing more patient-friendly treatments, increasing communication and consider patient as decision maker.

Communication and education

We are continuously investing in effective communication and education strategies to address the informed expectations of empowered patients, as well as exploring co-creation opportunities for new products and services by actively involving patients in the process, embracing open innovation practices.

Increased education and awareness are driving patients to take a more active role in their reproductive-health journey.

It was a rollercoaster ride that took them from hope to excitement to disappointment and ultimately, pure joy. Meet Mikaela and Lena and discover how their IVF journey led to the miracle of parenthood.

Mikaela and Lena hoped for a miracle – they got two

Mikaela and Lena's journey to parenthood

Like many other Nordic couples in their situation, Mikaela and Lena's story started in Copenhagen, Denmark.

After undergoing several failed inseminations attempts in Denmark, the only option left was IVF treatment at a Swedish clinic. Before starting their journey, the couple agreed that Lena should carry future children, preferably using the same donor. To their immense happiness, the first attempt was successful and only a few months later they watched their daughter Ellen's heartbeat tick on the ultrasound monitor screen.

After Ellen was born, a year passed before Mikaela and Lena decided that their family would feel complete if they had a sibling. After the experience they had with Ellen, the decision to start a new IVF journey seemed easy. Lena continues the story –

"Maybe the fact that the process worked so well the first time made us a bit naïve. Neither of us could have imagined that four years and nine rounds of IVF would be needed this time."

For the additional sibling trial, Ellen's donor (inactive) was used, however Lena's age became an issue. After two IVF attempts, the doctor announced that it was unethical to continue, as Lena's oocytes were so poor. But at this point, fate intervened on their side, as a recently introduced a law in Sweden made it possible for Mikaela to donate her eggs to Lena.

This meant they had to give up their dream of having the same donor and switch oocytes. While all these events put pressure on the couple, after some psychosocial counselling they agreed to try again. Mikaela was now on the other side of the IVF process. This was a positive experience for both, with one providing the oocytes and the other carrying the embryo. However, the wait was long, and after several failed attempts they felt that the time had come to make a tough decision. Mikaela continues –

"We were at the point of giving up and agreed that this would be our last round of treatment as a couple. By this point, our family had lived in the cycle of IVF treatment for too long."

However, their patience was rewarded when this final attempt exceeded their expectations. After the treatment they had two embryos in the freezer, their most promising result in several years – and a few months later, they received the news they had waited so long to hear. Lena was pregnant with their second daughter Sally.

Today, Mikaela, Lena, Ellen and Sally celebrate life and embrace the joy of being a loving family of four.

"We're so grateful that we got the help and support we needed - especially the expertise and technology behind fertility treatment. From the bottom of our hearts, our family thanks the Vitrolife Group for everything they did for us. Maybe the story of how two become four and the pictures of our loving family can spread happiness and provide hope to others."

Today, Mikaela, Lena, Ellen and Sally celebrate life and embrace the joy of being a loving family of four.

Updated corporate strategy

Together for sustainable and profitable growth

Corporate strategy

Market megatrends

- Growth in demand
- Labour and skills shortage
- Consolidation
- Regionalisation
- Patient empowerment

Vision with a purpose

"Enable people to fulfil the dream of having a healthy baby"

Mission

"Be the leading global partner in reproductive health, striving for better treatment outcomes for patients"

Long-term growth and profit-targets – 5 years

Annual organic revenue growth in local currencies	EBITDA margin	Net debt/ EBITDA
>10 %	>33 %	<3

Strategic priorities

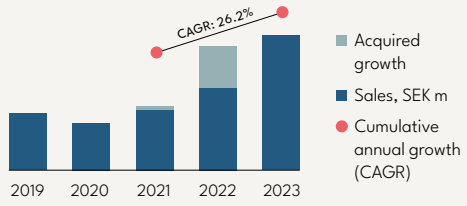
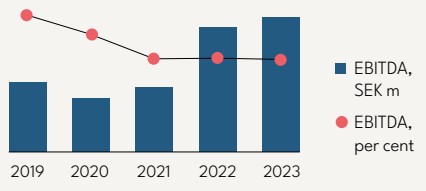
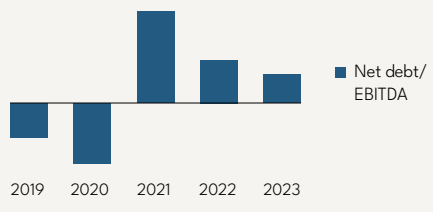
1. Own the platform connecting products and services
2. Innovate to expand leadership
3. Accelerate growth in key markets
4. Optimise go-to-market model
5. Drive operational excellence

Ensure sustainability in everything we do

Our values

- Integrity
- Quality
- Innovation
- Collaboration

Our sustainable profitable growth targets

Financial metrics	Long-term objectives	2023	2019-2023
Annual organic revenue growth In local currencies	>10%	5%* (2023)	
EBITDA margin Before depreciation, amortisation and impairment (EBITDA)	>33%	32.3%	
Net debt/ EBITDA	<3	1.0	

Sustainability themes	2030 objectives	2023
Purpose-driven growth	Customer NPS > 60	NPS = 55 (50)
Ethical profitability	Principles for Responsible Business Conduct: 100% partner alignment	100% employees and distributors 67% category A suppliers
Planet accountability	Scope 1-3 GHG emissions reduction target in line with a science-based 1.5˚C reduction pathway	SBTi commitment.
Inclusive engagement	People engagement >75/100 Diversity & Inclusion index > 80/100	People engagement = 74/100 (75/100) Diversity & Inclusion index = 77/100 (80/100)

* Excluding discontinued buiness.

Financial objectives and achievement

Our objectives are supported by the robust underlying growth in the reproductive-health market.

Patrik Tolf, CFO

Long-term financial objectives
During the capital markets day, at the end of the year, Vitrolife Group set new long-term financial objectives. Our core is to deliver sustainable profitable growth. Our revenue growth objective is organic growth in local currencies more than 10 per cent annually. We will continue to evaluate acquisition opportunities to strengthen our portfolio and market position.

Additionally, we have raised our EBITDA margin target in the coming years from above 30% to above 33%, reflecting our dedication to profitable growth and operational excellence. The net debt/EBITDA ratio, set at less than 3, in normal circumstances, remains a key financial metric for us. The dividend policy is continuously 30 per cent of net profit. When deciding on a proposed dividend or equivalent, the Group's future profits, financial position, capital requirements and other positions will be taken into account.

Our objectives are supported by the robust underlying growth in the reproductive-health market, supported by solid macro factors and trends, as IVF cycles are expected to grow by 5-7% in the coming years, and fertility clinics seek partners for their automation and scalability needs. To further drive growth, we aim to double our R&D investments in absolute numbers over the coming five years. These investments will primarily be funded by the efficiencies we expect to achieve in our operation excellence work. Moreover, we are dedicated to strengthening our position in key markets, notably the USA and China, with more local presence. Digitalisation plays a key role in our growth strategy, both internally as we enhance our infrastructure and externally, to offer integrated digital solutions to our customers.

The clear and focused strategy presented in 2023 and detailed in the following pages will pave the way for us to achieve our financial and sustainability objectives.

Achievement of financial and sustainability objectives
Our organic growth in local currencies* was 5% and the EBITDA-margin for 2023 was 32.3%. Net debt in relation to EBITDA was 1.0 (1.5) well below the objective <3. The Vitrolife Group's strong financial position enables future acquisitions.

Sustainability ambitions
In our pursuit of long-term sustainable and profitable growth, we remain committed to the sustainability ambitions set in 2022. We are actively working on science-based targets, as our sustainability and finance teams work hand in hand to ensure accurate carbon accounting for the Group. As we continue to expand, the establishment of a bioethics advisory committee will provide us with insightful perspectives in product development and acquisitions to ensure sustainability in everything we do.

* Excluding discontinued business.

Our strategic priorities

Strategic priority 1

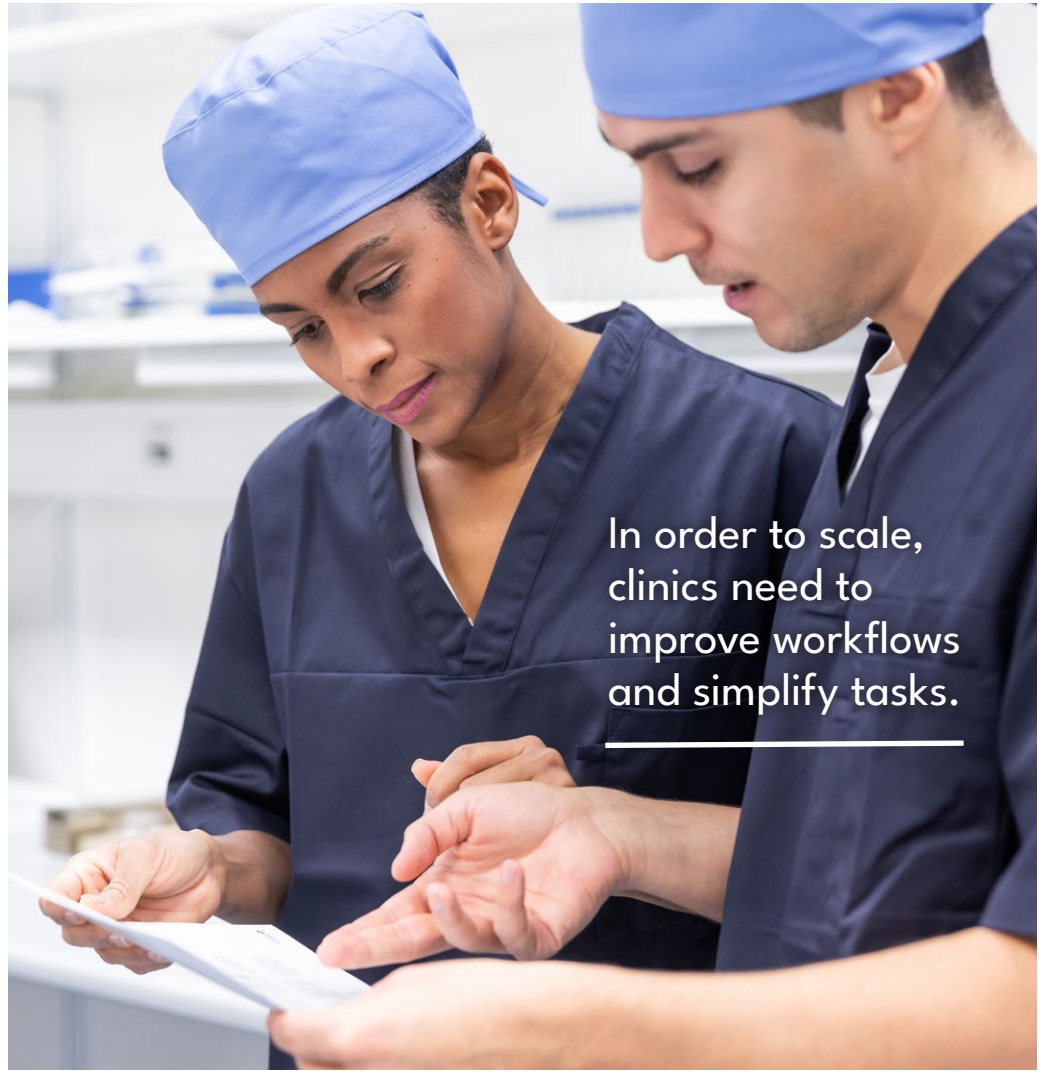
Own the platform connecting products and services

The Vitrolife Group is uniquely positioned to serve clinics' needs for automation, standardisation and digitalisation

IVF is currently a very segmented and manual process, and a very high degree of expertise is needed in order to perform each manual procedure, in the context of a skills and personnel shortage. Our vision as industry partner is to enable clinics to scale this process.

As the Vitrolife Group, we are already supporting clinics globally towards these goals thanks to the EmbryoScope®: currently it performs 25 percent of all cycles worldwide. The EmbryoScope® is the starting point in the clinics' journey towards automation and scalability: as an example, as of today it allows for 16 embryos to be evaluated at the same time, something impossible to perform with the microscope.

Our vision is to create a platform that connects and integrates independent systems to unlock full potential for automation with equipment in the clinic.



Innovation to increase clinics' automation and scalability

IVF is currently a very segmented and manual process

Egg retrieval ····· Transfer / Cryopreservation

Today, EmbryoScope® reduces manual processes during embryo evaluation

Integrated processes

- Consumables tracking
- Equipment quality control
- Sample and procedure tracking
- Data

Platform innovation

Our vision is to create a platform that connects and integrates independent systems to unlock full potential for automation with equipment in the clinic.

Strategic priority 2

Innovate to expand leadership

The R&D in a snapshot

Locations	Publications 2023*
5	>25
Patents	**2023 R&D investment**
~15	127 MSEK

Innovation as a core value

The Vitrolife Group's Research and Development (R&D) team is dedicated to assessing new product opportunities, with a strong emphasis on meeting medical needs and economic considerations. Our development process includes comprehensive testing and collaborations with external experts to ensure functionality and safety, expediting product acceptance. We pride ourselves on innovative, science-backed products protected by patents and trademarks like EmbryoGlue®, EmbryoScope® and OVOIL®. Our commitment extends to rigorous pre-clinical and clinical studies, often presented at scientific forums.

The integration of the Genetic Services business area has expanded our collective R&D capabilities significantly. With a rich tradition of applied research, we have formed a global R&D organisation dedicated to reproductive health, underpinned by scientific rigor.

Innovation is one of our core values and strategic priorities: we commit to ongoing R&D investment, entering new market segments, fostering collaborations, cultivating a culture of innovation and prioritising customer-centric product development. This dedication drives our commitment to reproductive health innovation, while ensuring sustainability in everything we do: sustainability considerations

Key R&D locations and resources

* Includes scientific publications and articles

Innovation is one of our core values and strategic priorities.

Use of sensitive data

It is important to note that the algorithms behind software like iDAScore are trained using anonymised and structured data samples shared by our partner clinics. We do not receive real-time data from machines in active use.

are embedded into our R&D phase, addressing impact on patients, eco-design and ethical concerns.

We currently have several partnerships with academic institutions, as well as a partnership for basic research with the Carlos Simon Foundation for Research in Women's Health.

Expanding horizons with the power of Artificial Intelligence

In terms of innovation within the Vitrolife Group, a significant advancement is the evolution of our AI-based embryo evaluation algorithm, iDAScore, which was initially launched in 2021. Through a substantial increase in training data (57%), we have not only enhanced its performance but also introduced new functionalities in the latest release.

Furthermore, our commitment to ongoing innovation includes the development of AI-based tools for our product portfolio and process development.

Advancing our genetic testing portfolio to improve treatment outcomes

Genetic testing has allowed us to reach new heights when it comes to successful treatment outcomes, and we are on a journey that will allow us to fully tap into its potential. Today, we can identify three main drivers of innovation in reproductive genetics, further described on next page.

We innovate to provide a holistic view of patient and embryo care by leveraging genetic testing and imaging technologies.

Advancing our genetic testing portfolio to improve treatment outcomes

From chromosomes to whole genome sequencing

One of the primary drivers of innovation in genetic testing is the shift from analysing individual chromosomes to performing whole genome sequencing. Technology have made it increasingly cost-effective and practical to sequence an individual's entire genome.

From invasive to non-invasive genetic testing

Traditional genetic testing often required invasive procedures, which carried some risk to the embryo or the patient. Non-invasive genetic testing is emerging as a safer alternative. It involves analysing genetic material released in the culture media from embryos or bloodstream for individuals in prenatal testing, making it more accessible and less risky. This non-invasive approach increases accessibility and affordability for genetic testing to more patients and is aligned with our mission and our priority of ensuring patient safety and wellbeing.

Holistic view of the patient and the embryo

We are uniquely positioned to provide a comprehensive perspective on patient and embryo care by leveraging our genetic testing and imaging technologies.

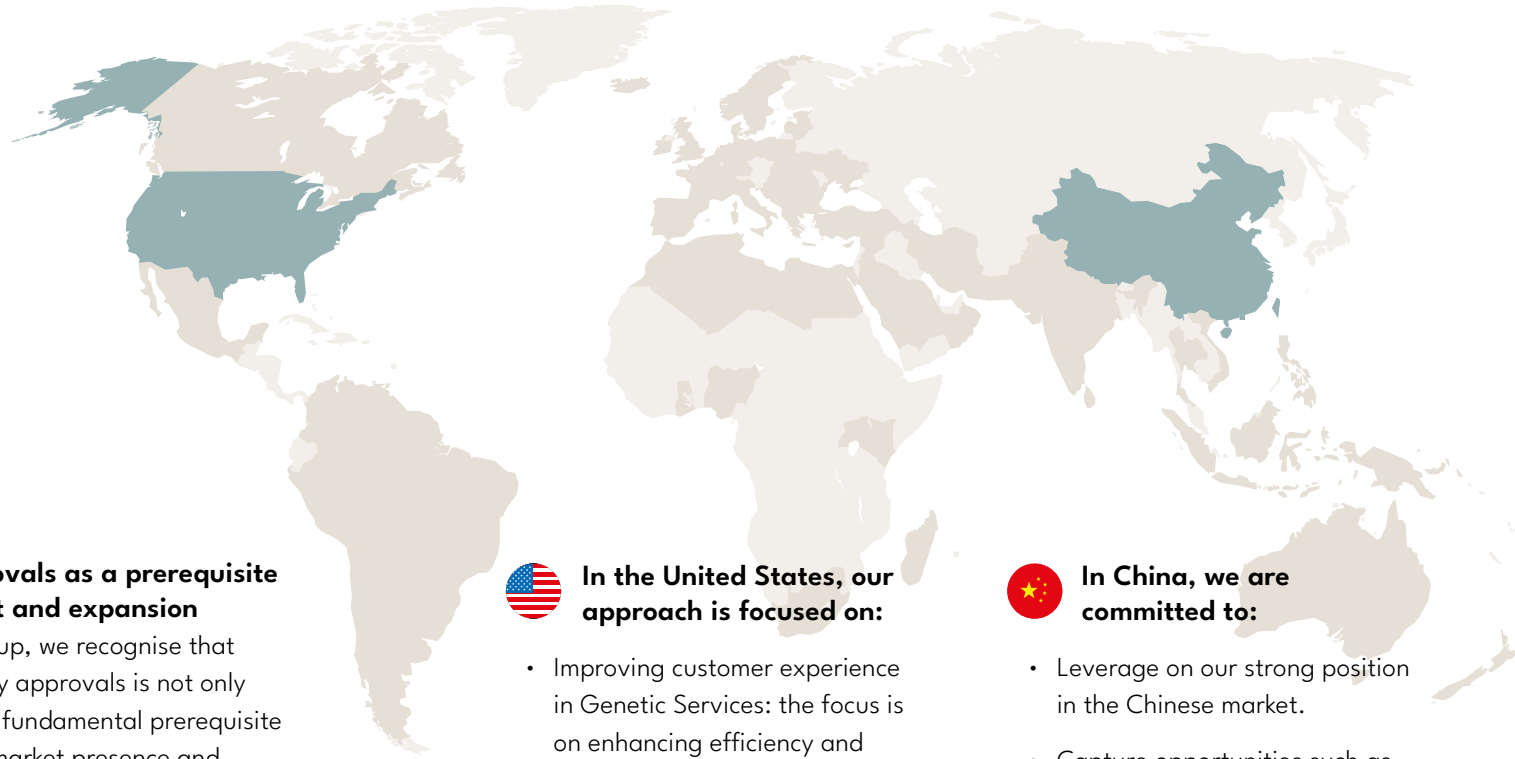
As the relevance of precision medicine for reproductive health becomes increasingly clear, we are at the forefront, developing innovative solutions that combined, can provide a 360 degree view of the embryo and the patient, aiding clinics in delivering effective treatments.

In October 2023 we launched the Infertility Panel, a streamlined blood or saliva test, designed to identify common genetic mutations associated with infertility, applicable to all genders. This text can be used to make a directed and accurate differential diagnosis of the infertility cause, leading to a better and personalised treatment to achieve the goal of having a healthy baby at home, in the most cost-efficient way.

On the embryo side, in an ongoing clinical study we are cultivating embryos in EmbryoScope® and applying non-invasive genetic testing, EMBRACE, within the culture medium. This study highlights the collaborative potential of genetic testing and medical technology at the Vitrolife Group, enabling us to provide clinics with the best data and insights for their clinical decision-making.

Strategic priority 3

Accelerate growth in key markets



Accelerating growth in pivotal markets, with a particular emphasis on the United States and China, stands as a cornerstone of our corporate strategy.

Our goal is to fuel global sales growth with a holistic and long-term view by enhancing the customer experience, strengthening sales and marketing structures and capitalising on third-party payment opportunities. Beyond the US and China this focus extends to other key markets.

Regulatory approvals as a prerequisite for establishment and expansion

As the Vitrolife Group, we recognise that obtaining regulatory approvals is not only essential but also a fundamental prerequisite for expanding our market presence and establishing ourselves worldwide. As part of our ongoing efforts to broaden market access, we have achieved significant milestones by securing key regulatory approvals throughout the year. These approvals have played a key role in facilitating the availability of our products in numerous global markets.

In the United States, our approach is focused on:

- Improving customer experience in Genetic Services: the focus is on enhancing efficiency and service levels.
- Increase the utilisation of digital solutions and platforms.
- Increase sales contribution with increased profitability.

In China, we are committed to:

- Leverage on our strong position in the Chinese market.
- Capture opportunities such as new reimbursement system and long-term growth perspectives.

As an example, the EmbryoScope+ instrument is now available in nearly all relevant global markets. The EmbryoScope 8 and EmbryoScope Flex have gained approval in markets representing over 70% of global IVF treatments, while iDAScore has reached markets representing more than 50% of treatments. Noteworthy approvals this year include EmbryoScope 8 in China and iDAScore in Thailand, Malaysia and Singapore.

In 2023, important milestones have been reached in Consumables, such as obtaining the first medical device class III CE approvals under the Regulation (EU) 2017/745 (MDR) for Gx Media and the subsequent launch of Gx Media series in CE countries.

Also, all class IIa labware products obtained CE approvals under the MDR during 2023, facilitating the transfer of labware from HertArt ApS to Vitrolife Sweden AB.

The important work and implementation of MDR continued in 2023 and the last devices, legacy media, are expected to obtain MDR CE approvals in Q1 2024 which will be the conclusion of transfer of all Vitrolife products from the old MDD to the new MDR.

This year regulatory approvals have been key to making available our products in numerous global markets to meet the needs of patients and clinics.

EmbryoScope 8, as well as EmbryoScope Flex, have gained approval in markets representing over 70% of global IVF treatments.

Strategic priority 4

Optimise go-to-market model

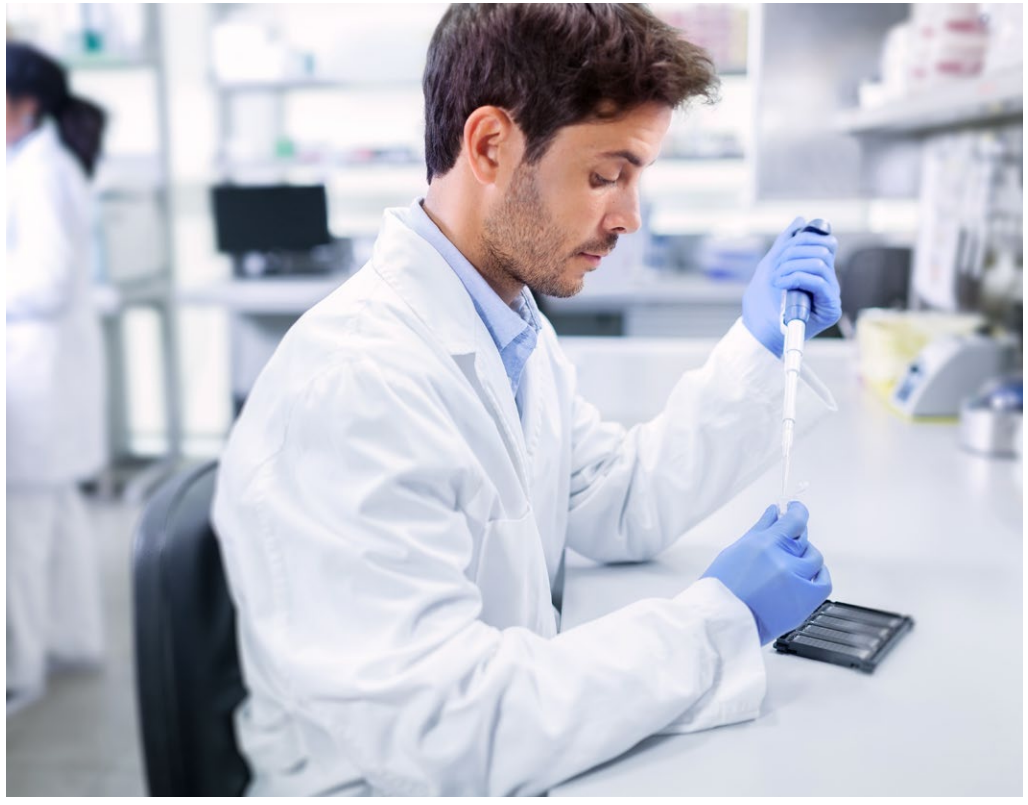
We have embarked on a strategic journey to optimise the route to market of our products and services, focusing on enhancing ways of working and systems to fully leverage the portfolio and expand its global presence.

A robust foundation has been provided by the successful unification of our commercial structure, which has been further strengthened by the establishment of a global Commercial Excellence function. The new joint sales and marketing organisation model has allowed us to emerge as the partner of choice for clinics and increase the leverage and resources we have to dedicate to commercial excellence and digitalisation.

The recent joint sales and marketing organisation model has allowed us to emerge as the partner of choice.

Key programmes and initiatives are: leverage the breadth of Vitrolife Group portfolio and reach, differentiate with value-adding services, as well as improve the customer and patient experience through digital solutions.

By leveraging the breadth of the Vitrolife Group portfolio, we are paving the way for future innovations.



Leverage the breadth and reach of the Vitrolife Group portfolio

The Vitrolife Group's unique product and services mix
Our focus is on filling product gaps and enhancing our portfolio through development, collaborations or acquisitions, ensuring comprehensive support throughout the IVF journey. By combining our medical devices offer with advanced genetic testing and testing kits, we have already been paving the way for future innovations.

In this context, we are aligning the approach to market between Genetic Services and Genomics kits to mitigate the impact of insourcing and maximise the market share for Preimplantation Genetic Testing (PGT), ensuring a cohesive and synergistic approach to the market.

Increase direct presence by leveraging sales synergies
We aim to increase direct market presence by leveraging the combination of legacy Igenomix and Vitrolife's direct sales channels. An exemplary step in this direction is the internalisation of distribution channels in key markets, including Spain and Portugal, with potential further expansion into other markets such as Brazil and India. This move is expected to bring greater control over the sales process and closer engagement with market needs. Internalisation will be selective and careful.

Meeting diverse needs by addressing every stakeholder in the clinic
Thanks to a wide portfolio, we are naturally positioned to engage with every decision-maker in the clinic, equipping us with a deep understanding of their needs and preferences so that our offerings resonate widely with each customer.

Differentiate with value-added services

Realising synergies in scientific support
Along with the development of more advanced products, the need for qualified clinical and scientific support is also increasing. The support is critical to ensure that the products are used properly, so that clinics can access the improved results that the products provide. We are continuously strengthening our capabilities in this domain, leveraging synergies in the know-how of our different business areas.

Uniquely positioned to provide a 360 degree service and support

Important factors for successful treatment are quality, settings and the correct handling of technical equipment. All materials that the egg, sperm cells and embryos encounter during the procedure can affect the results negatively: we have a team of experienced embryologists who help customers set up their processes and flow in an optimal way.

A testimony to our excellence in servicing and supporting our customers is the NPS, which includes a specific indicator on level of service. In 2023, the NPS was 55.

The Vitrolife Group Academy

The Vitrolife Group Academy is committed to offering world class education and training to our customers across the world. This is fundamental to enable succesful treatment outcomes and increase access to excellence in reproductive health. Our hybrid courses draw on the latest clinical, scientific and practice management insights. By leveraging both the Vitrolife Academy and the Igenomix Academy, we are offering our customers one of the biggest platforms for practitioners' education in reproductive health.

Improve the customer and patient experience through digital solutions

The Vitrolife Group value proposition is becoming increasingly digital. As in the future an increasing number of products we offer will be digital, the same is already happening for our communication and sales channels.

We are offering our customers one of the biggest platforms for practitioners' education in reproductive health.

Strategic priority 5

Drive operational excellence

The Vitrolife Group has a long history of driving Operational Excellence and we are now ready for the next phase with a comprehensive programme. This initiative grounds the corporate strategy, ensuring sustainable and profitable growth, funding innovation and enhancing R&D capabilities.

Production efficiency and scalability as well as digitalisation are key for this strategic priority.

The emphasis lies in driving efficiencies, streamlining processes, upgrading technology and ensuring timely product delivery.

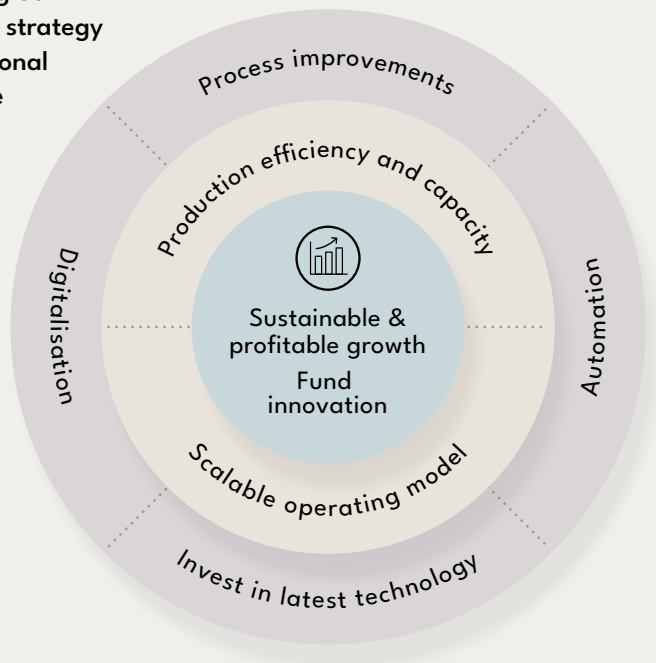
Consumables: Automation with no compromise on quality

Exploring new automation opportunities is crucial when upgrading our production. We initiated this journey with our needle production and successfully doubled our output while upholding our high-quality standards.

Our focus on automation is geared not only towards elevating efficiency but also towards supporting our commitment to delivering high-quality products and services while remaining responsive to new market demands.

The emphasis lies in driving efficiencies, streamlining processes, upgrading technology and ensuring timely product delivery.

Grounding our corporate strategy in operational excellence



Genetic Services: Invest and harmonise to increase scalability

In 2023 the Genetic Services business area continued to invest in improving the effectiveness of its tests and as a consequence of increased demand from customers we continue to expand the capacity in our key labs with a clear focus on our entire genetic testing portfolio. The focus of our ongoing Operational Excellence programme is on continuously upgrading technology while we harmonise lab processes to increase scalability and protocol optimisation for the different tests. To drive operational leverage, will allow us to reduce cost per sample over time.

Technologies: Optimising aftersales service

We maintain a steadfast commitment to refining and advancing our product offerings, ensuring a leading market position through technological innovation. Our objective is to deliver platforms that optimise workflow efficiency, enhance the utilisation of clinical resources and empower clinics to maximise the likelihood of favourable patient outcomes. Our commitment to quality improvement is reflected in the reduced frequency of onsite support required for EmbryoScope instruments.

Similarly, our dedication to operational excellence extends to our supply chain and manufacturing processes, resulting in increased output with the same resources and shorter delivery times. For instance, the average lead time for Octax lasers has been significantly reduced from 21 days to below seven days in the year 2023. This exemplifies our commitment to efficiency and customer satisfaction across all facets of our operations.

An ongoing journey

Efforts are ongoing to optimise processes, embrace automation, invest in latest technology and advance digitalisation initiatives. These efforts combined with our new corporate values steer our operational excellence programme, enabling us to pave the way for sustained profitable growth and innovation. Operational excellence at the Vitrolife Group is viewed as a journey rather than a destination. This perspective fosters a culture of continuous improvement where processes and systems are regularly evaluated and refined. Additionally, the scalability of the business is a focus area, ensuring that as the Vitrolife Group grows, our operations can efficiently expand to meet increasing demands.

Ensure sustainability in everything we do

Ensure sustainability in everything we do

Our approach to sustainability: creating shared value through sustainable, profitable growth

Sustainability underpins all of our five strategic priorities, and by anchoring it in our strategy through our long-term sustainability themes and ambitions, we ensure that it is an integral part of everything we do. Based on a thorough double materiality assessment of our impacts across the value chain, we have grouped our most material sustainability matters around four themes, and built precise objectives, targets and actions to ensure we address all of the sustainability matters that are important for the Group and our stakeholders.

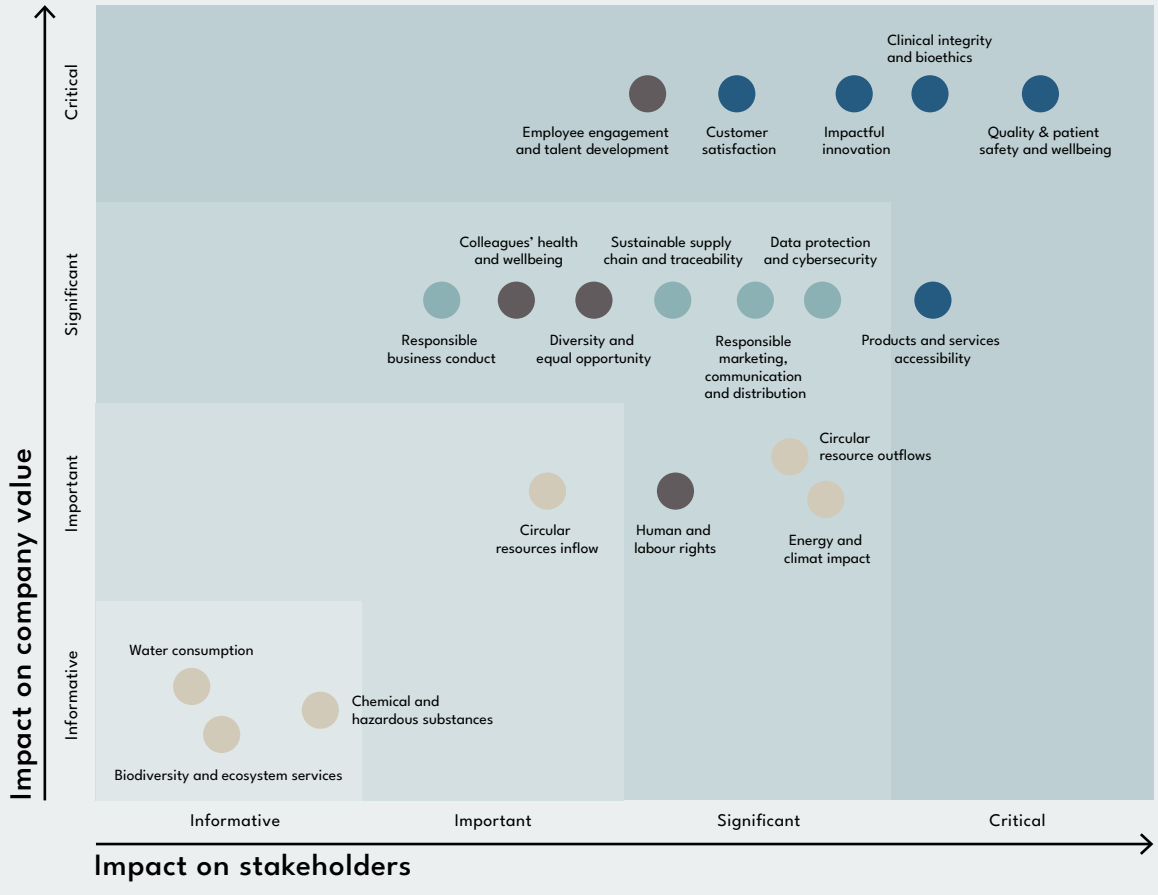
Materiality assessment

A comprehensive materiality assessment was performed in 2021 based on the SDG Compass Guide and GRI Standards. Relevant legislation and frameworks such as the CSRD, GRI Standards and SASB have been employed to guarantee transparency and comparability in addressing sustainability issues. With the materiality assessment 2021 as a basis, a subsequent update was undertaken in 2022 to account for the evolving context within which the company operates - the acquisition of

Igenomix by Vitrolife and EFRAG guidelines. The revised materiality assessment for 2023 also incorporates considerations in line with the EFRAG double materiality guidelines and the newly published ESRS (European Sustainability Reporting Standards). A selected group of stakeholders' representatives actively contributed with input to this update.

In the new assessment, the material issues underwent a slight redefinition and reduction from 33 to 19, in an effort to enhance focus, while adhering to the forthcoming CSRD guidelines. The material sustainability issues have been systematically classified and prioritised based on their financial and impact materiality.

Our strategic approach involves an annual review of the materiality assessment, given the dynamic nature of our business context. Additionally, we plan to request comprehensive stakeholder feedback every two years, allowing stakeholders adequate time to consolidate their perspectives and ensuring a robust and inclusive evaluation of our material issues.



Result of the double materiality assessment

The new assessment has resulted in a list of 19 material sustainability issues that have been classified and prioritised according to their financial and impact materiality.

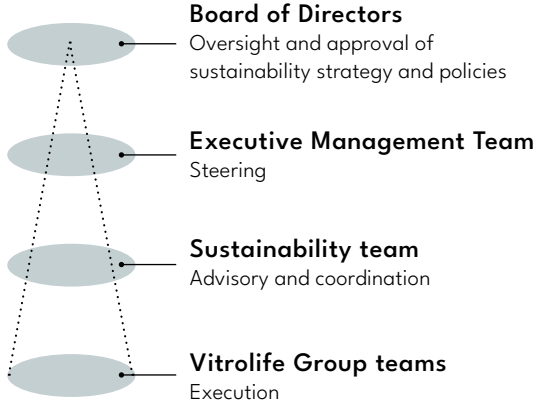
Sustainability themes

- Purpose-driven growth
- Inclusive engagement
- Ethical profitability
- Planet accountability

Stakeholder engagement
Given the high value of the diverse perspectives of our stakeholders, we actively participate in constructive and transparent dialogue with various stakeholders. These inputs serve as valuable sources of insights and play a crucial role in shaping our sustainability strategy and guiding its implementation. We perform periodic materiality assessments and participate in regular interactions to guarantee ongoing alignment with stakeholders' interests.

Sustainability governance
Against the backdrop of an evolving regulatory landscape our focus on sustainability governance has been intensified. We are focused on ensuring the preservation and development of a strong organisational foundation that will allow us to tackle evolving requirements and expectations in the years to come. Our sustainability management approach is based on clear governance, a well-defined division of responsibilities, ongoing monitoring of material sustainability matters and the establishment of goals and key performance indicators (KPIs) for continuous measurement and improvement.

We have positioned the sustainability agenda at the top level of in our organisation to foster progress globally.



Our commitments to external organisations: as we seek to strengthen accountability, transparency and cooperation in sustainability, we are signatories of the UN Global Compact and the Women Empowerment Principles.

A strong organisational foundation will allow us to tackle evolving requirements and expectations in the years to come.

The Vitrolife Group Principles for Responsible Business Conduct (PRBC)

In 2023 we have updated and merged the Vitrolife and Igenomix legacy codes into one: the Principles for Responsible Business Conduct. They are divided into four themes that mirror our sustainability themes, and have been reinforced with a stronger commitment to patients, human rights and environmental protection. Aligned with our values, commitments and rights and directly approved by the Board of Directors, they describe what the Vitrolife Group expects of its employees and business partners and what our stakeholders can expect of the Vitrolife Group. They have their foundation in international standards such the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights, as well as the ILO labour standards.

These principles represent the kind of conduct we expect from whomever we do business with, from suppliers to distributors and customers, as well as applying to all full- and part-time Vitrolife Group colleagues.

Our sustainability themes and ambitions

Our mission of "being the leading global partner in reproductive health striving for better treatment outcomes for patients" is grounded in the ambition to make a positive difference in the context where we operate.

In order to execute and monitor sustainability initiatives effectively and systematically, the Vitrolife Group has developed a sustainability strategy that focuses the company's efforts into four themes. The themes and their underlying targets are integrated into the Vitrolife Group's annual strategy process and adapted according to what is relevant for each business area and function. As the process shapes the Group's immediate strategic priorities (1–3 years), this modus operandi ensures that we integrate sustainability in every business decision.

We have defined ambitions, targets and key performance indicators for each sustainability theme, with the UN´s Sustainable Development Goals (SDGs) and the materiality assessment explained above as a basis. By aligning our efforts with the principles outlines in our sustainability strategy, we aim to actively contribute to the realisation of long-term positive impact for various stakeholders, including patients, clients, employees and shareholders.

Theme	Addressed SDGs	2030 ambition	Prioritised targets	Performance 2023 (2022)
Purpose-driven growth		Maintain excellence in customer satisfaction, product quality and outcomes	Customer NPS >60	NPS = 55 (50)
Ethical profitability		Alignment of all suppliers, partners and distributors with the Vitrolife Group Principles for Responsible Business Conduct	Principles for Responsible Business Conduct: 100% partner alignment	100% employees and distributors 67% category A suppliers
Planet accountability		Align the Group carbon emissions with a science-based 1.5˚C reduction pathway	Scope 1-3 GHG emissions reduction target in line with a science-based 1.5˚C reduction pathway	SBTi commitment
Inclusive engagement		Ensure a diverse, inclusive and engaging workplace	People engagement > 75/100 Diversity & Inclusion index >80/100	People engagement = 74/100 (75/100) Diversity & Inclusion index = 77/100 (80/100)

Our sustainability themes and ambitions explained

Purpose-driven growth

We aim to develop world-class products that improve the treatment quality and outcomes for the clinics and the final patient, including improved access to products, services and information. This can only be achieved by maintaining a sharp focus on innovating for and with our customers and never losing sight of our final purpose and goal: to unlock the full potential of reproductive science and technology to reduce the barriers to building a family, and thus enable people to fulfil the dream of having a healthy baby. To monitor our progress, we have decided to focus on customer satisfaction and product quality, as it is through our customers and products that we can deliver on our mission and vision. To measure customer satisfaction, we rely on the cNPS, the Customer Net Promoter Score. The cNPS relies on a survey that is sent to customers annually and includes questions on the quality of our services and products.

This year cNPS increased to 55, which highlights our commitment to our customers and patients.

Ethical profitability

The Vitrolife Group is committed to upholding a high standard of business ethics across our entire spectrum of stakeholders, ranging from suppliers to patients. Our steadfast belief lies in the necessity of ensuring ethical decision-making and responsible business conduct throughout the value chain to sustain operational profitability. In alignment with this commitment, our objective is to guarantee that 100 per cent of our partners, suppliers and distributors adhere to the same rigorous standards we set for ourselves in terms of ethics, quality and sustainability. In pursuit of this goal, we have introduced an updated Principle for Responsible Business Conduct (PRBC), and we anticipate full compliance from all our colleagues and partners.

Given our unwavering commitment to integrity as a core value, we have established the Vitrolife Group Bioethics Advisory Committee. This committee comprises both external and internal experts who provide guidance on bioethics issues in the development of our business.

More detailed information and KPIs can be found in the sustainability statements on pages 129-154.

Our sustainability themes and ambitions explained

Planet accountability

We aim to accelerate the transition to a low carbon economy and avoid the worst effects of climate change by minimising our ecological footprint, respecting biodiversity and reducing resources used. We are committed to doing our part and ensuring our operations are in line with the expectations set on companies by the Paris agreement.

With this goal in mind, this year we officially committed to the Science Based Targets initiative (SBTi). We are now working on the development of our emissions reduction targets in line with the SBTi criteria and plan to develop a decarbonisation roadmap in the coming year.

Inclusive engagement

We strive to create an inclusive culture, where everyone has equal opportunities regardless of aspects such as gender, nationality, ethnicity, religion, age, sexual orientation or other status. A fair distribution of opportunities between gender, as well as zero tolerance for discrimination, are important prerequisites for the Vitrolife Group globally. To make sure we don't fall behind this goal, we measure our internal diversity and inclusion (D&I) index, helping us control and keep track of our progress in the years to come. Together with inclusion, ensuring that we foster an organisation with high engagement and where everyone is empowered to be at their best is a top priority. Quarterly engagement pulse surveys allow us to monitor this goal and adapt our efforts as required.

This year we collected D&I survey results as a group for the first time, enabling us to start drafting localised strategies to address D&I issues.

More detailed information and KPIs can be found in the sustainability statements on pages 129-154.

The Vitrolife Group's sustainability agenda in a global context

Our sustainability ambitions are aligned with the UN´s Sustainable Development Goals (SDGs). Although we aim to contribute to all SDGs, we have identified five goals where we see the greatest potential for the Vitrolife Group to have a significant net positive impact, as seen in the table below.

SDGs					
Subtarget	**3.2** By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births **3.4** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	**5.1** End all forms of discrimination against all women and girls everywhere **5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	**10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	**8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead **8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value **8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms Indicators **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
How the Vitrolife Group contributes	Developing world-class products that improve the treatment quality and outcomes for the clinics and the final patient, including through improved access to products, services and information.	Working continuously to ensure employees' rights and equality by striving for a company structure and culture in which everyone has equal rights and opportunities		Operating profitably while ensuring ethical decision-making and responsible business conduct throughout the value chain.	Minimising the Group's ecological footprint, ensuring circular resource flows and taking measures to combat climate change
Sustainability theme	Purpose-driven growth	Inclusive engagement		Ethical profitability	Planet accountability

Corporate governance

Board of Directors

Jón Sigurdsson
Chairman of the Board

Henrik Blomquist

Lars Holmqvist

Pia Marions

Karen Lykke Sørensen

Jón Sigurdsson
Chairman of the Board

Born 1956. B.Sc. Industrial Engineering and MBA. Board member since 2015. Member of Remuneration Committee. Independent in relation to the company and company management but not independent in relation to the company's major shareholders.

Previous appointments: CEO of Össur. Board chairman for Icelandic American Chamber of Commerce. Commercial Counselor for Icelandic Trade Council in New York, CFO for Álafoss, head of Eimskip's international division and engineer at Bang and Olufsen Denmark.

Vitrolife AB shareholding*: 30,400 shares.

Henrik Blomquist

Born 1971. University studies in Business Administration. Board member since 2019. Member of Remuneration Committee and Audit Committee. Independent in relation to the company and company management but not independent in relation to the company's major shareholders.

Other appointments: CEO for Bure Equity AB and CEO of ACQ Bure AB. Chairman of the Board of Mercuri International Group AB, Bure Growth AB and Atle Investment Management AB.

Previous appointments: Experience in investment operations and corporate development. Investment manager at Skanditek Industriförvaltning, analyst at ACR Venture Management.

Vitrolife AB shareholding*: 0 shares.

Lars Holmqvist

Born 1959. M.Sc. in Business Administration. Board member since 2018. Member of Audit Committee. Independent in relation to the company, company management and major shareholders.

Other appointments: Board chairman of Biovica International AB. Board member of the Lundbeck Foundation, H Lundbeck A/S, ALK-Abelló A/S and Life Healthcare Holdings Limited.

Previous appointments: Senior advisor in healthcare for Bain Capital. Senior management positions in pharma and medtech companies including Agilent, Dako, Applied Biosystems Inc., Medtronic Europe Sarl, Boston Scientific Europe and Pharmacia.

Vitrolife AB shareholding*: 0 shares.

Pia Marions

Born 1963. M.Sc. in Business and Economics. Board member since 2013. Chairman of the Audit Committee. Independent in relation to the company, company management and major shareholders.

Other appointments: Senior Advisor at Skandia Group. Board member of Duni (publ), Carnegie Group, Unilabs Group Holding APS, Skandiabanken Aktiebolag (publ), och Sophiahemmet Rehab Center AB.

Previous appointments: CFO for Skandia Group, Folksam, and Carnegie Group, senior positions at RBS (Royal Bank of Scotland), Skandia Liv, Länsförsäkringar Liv and Finansinspektionen and worked as an authorised public accountant.

Vitrolife AB shareholding*: 5,000 shares.

Karen Lykke Sørensen

Born 1962. Master of Science, Danish Technical University and MBA, INSEAD. Board member since 2020. Chairman of Remuneration Committee. Independent in relation to the company, company management and major shareholders.

Other appointments: Board member of Orion and Biotage.

Previous appointments: Senior management positions at Philips, Sanofi and Biogen. Board member of MEDA, Orifarm, Danish Technical University/SCION and EKF: Danish Export Credit Fund (Ministry of Foreign Affairs).

Vitrolife AB shareholding*: 0 shares.

Vesa Koskinen was part of the board 1 January - 1 August 2023.
* Shareholding includes holdings of spouse, under age and associated companies.

Good corporate governance is about ensuring that Vitrolife AB (publ) is governed in a long-term, sustainable, and efficient manner in the interest of all stakeholders.

Corporate governance report

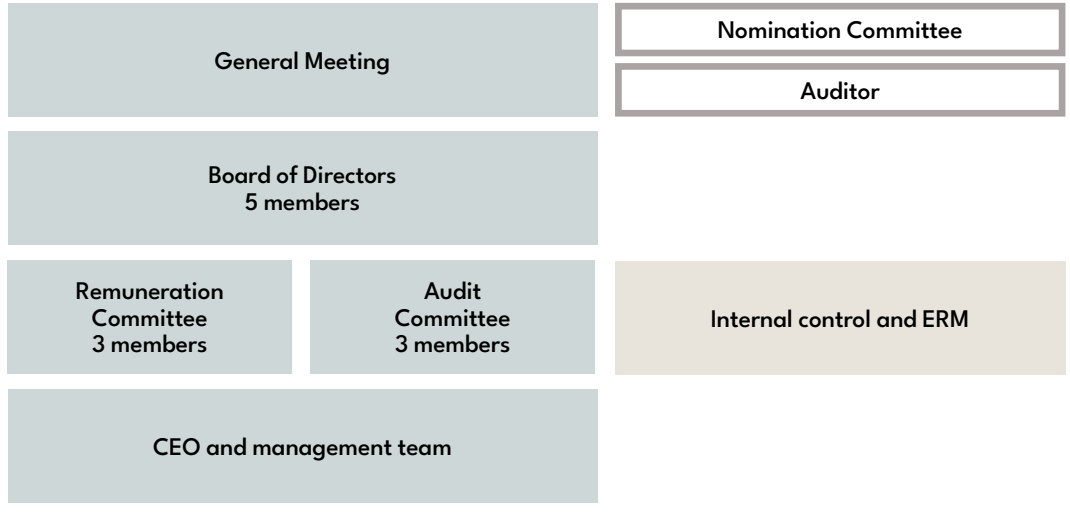
Introduction

During the year, together with management, the Board established the Vitrolife Group's strategic direction for the coming years. Another part of the Board's responsibility is monitoring internal control and compliance. Through the Audit Committee's work, the Board evaluated the Vitrolife Group's internal control during the year and reviewed reports from the external auditor. The Board also evaluated the company's sustainability initiatives, which is an area that is attracting more and more interest from the company's various stakeholders.

In summary, the Board's assessment is that the Vitrolife Group is well positioned to benefit from the growth opportunities in the IVF market going forward.

Vitrolife AB (publ) is a Swedish public limited company whose shares are listed on Nasdaq Stockholm. The policies that Vitrolife AB applies to corporate governance are based on Swedish legislation, primarily the Companies Act, the Annual Accounts Act and Nasdaq Stockholm AB's rules. The policies adhere to the provisions of the Swedish Corporate Governance Code (the Code) and concern the 2023 financial year. Further information on the Vitrolife Group's corporate governance can be found at www.vitrolifegroup.com.

Governance structure



Shareholders

According to Euroclear Sweden's shareholder register, Vitrolife AB (publ) had 17,860 shareholders (18,709) as at 31 December 2023, and ownership registered outside Sweden was 49 percent (55). The 10 shareholders with the largest number of shares as at 31 December 2023 are specified in the table.

Shares

The share capital in Vitrolife AB (publ) amounted to SEK 27,631,238 (27,631,238) on 31 December 2023, divided into 135,447,190 (135,447,190) shares. The share is traded on Nasdaq Stockholm. Vitrolife AB's market capitalisation as at 31 December 2023 was SEK 26,372 million (25,220). All shares have equal voting rights and an equal right to a share in Vitrolife AB (publ)'s assets and profit.

Dividend policy

The Board of Directors and CEO of the Vitrolife Group intend to propose an annual dividend, or other equivalent form of distribution, which corresponds on average over time to 30 percent of net profit after tax paid. When deciding on a proposed dividend or equivalent, the Group's future profits, financial position, capital requirements and other positions will be taken into account. The net debt should not normally exceed a multiple of three times operating profit before amortisation, depreciation and impairment (EBITDA).

Vitrolife AB (publ)'s ten largest shareholders

Shareholders	Number of shares	Shares and votes, %
William Demant Invest A/S	38,829,825	28.67
Bure Equity AB (publ)	21,510,257	15.88
AMF – Insurance and Funds	6,747,513	4.98
Swedbank Robur Fonder	6,346,711	4.69
State Street Bank and Trust Co, W9	5,318,274	3.93
Fourth National Pension Fund	4,760,412	3.51
Handelsbanken Fonder	3,263,391	2.41
JP Morgan Chase Bank N.A., W9	3,009,883	2.22
The Bank of New York Mellon Sa/NV, W8IMY	3,003,311	2.22
Cliens Fonder	2,275,000	1.68
Other shareholders	42,382,613	29.81
Total	**135,447,190**	**100.0**

Source: Euroclear Sweden's share register on 31 December 2023.

General Meeting

The General Meeting is the highest decision-making body of Vitrolife AB (publ). The Annual General Meeting (AGM) is held within six months of the end of the financial year. Notice of the AGM is published no earlier than six weeks and no later than four weeks before the meeting. All shareholders who are listed in the printout of the shareholders' register and who have registered their intent to participate in time are entitled to attend the meeting and vote. Shareholders who cannot be present in person can vote by proxy or postal voting.

Annual General Meeting 2023

The most recent AGM was held in Gothenburg on 27 April 2023. The meeting resolved to re-elect board members Henrik Blomquist, Lars Holmqvist, Vesa Koskinen, Pia Marions, Jón Sigurdsson and Karen Lykke Sørensen as proposed by the Nomination Committee. Henrik Blomquist was reelected Chairman of the Board.

It was determined that Board fees should total SEK 3,600,000, of which SEK 1,200,000 to the Chairman of the Board, SEK 400,000 to each of the other members of the Board, SEK 100,000 to the Chairman of the Audit Committee, SEK 100,000 to the Chairman of the Remuneration Committee and SEK 50,000 to the other members of these committees.

The Board's dividend proposal for the 2022 financial year of SEK 0.85 per share was granted. The record day was set to Tuesday, 2 May 2023.

The Board proposed resolution for amendment of the Articles of Association was approved.

The Board was granted authorisation, for the period up to the next AGM, on one or more occasions, to decide on new share issues of no more than 13,544,719 shares, corresponding to just under 10 percent of the Vitrolife Group's share capital. The Board was further authorised, for the period up to the next AGM, on one or more occasions, to acquire own shares. The holding may on each occasion amount to no more than 10 percent of all Vitrolife AB (publ) shares.

The proposed policies for remuneration of and other employment conditions for company management were approved, including introduction of a share-based incentive programme.

Nomination Committee

On 5 October 2023, it was announced that the following persons had been appointed to the Nomination Committee of Vitrolife AB (publ) ahead of the 2024 AGM:

Niels Jacobsen, appointed by William Demant Invest A/S
Patrik Tigerschiöld, appointed by Bure Equity AB
Caroline Sjösten, appointed by Swedbank Robur Fonder AB
Jón Sigurdsson, Chairman of the Board

The appointments were made according to the instruction on policies for appointing the company's Nomination Committee members that was established at the Vitrolife AGM held on 27 April 2023.

The Chairman of the Board must, no later than the end of the third quarter each year, ensure that the company's three largest shareholders or shareholder groups in terms of votes are offered the opportunity to appoint a member to the Nomination Committee. If one of these three shareholders declines to appoint a member to the Nomination Committee, the next largest shareholder in terms of shareholding will be asked to appoint a member to the Nomination Committee. The term of office is one year. The Chairman of the Board is a member of the Nomination Committee and is the convener of the Nomination Committee's first meeting. The first order of business is to appoint a committee chairman, who should not be the Board chairman.

Based on the Group's needs and diversity policy, the Nomination Committee determines things such as what expertise and characteristics members of the Board should have. The aim is to create an appropriate Board composition to ensure that the members' collective expertise and experience provides a broad base that is well-suited to the Vitrolife Group's current phase and market situation. The Committee ensures it is up-to-date with general developments in remuneration issues in Swedish listed companies.

The Nomination Committee has determined that Jón Sigurdsson and Henrik Blomquist are independent in relation to the company and company management but not independent in relation to the company's major shareholders. Jón Sigurdsson offers consultancy services to Össur, whose principal owner, William Demant Invest A/S, owns around 29 percent of the shares in Vitrolife AB (publ). Henrik Blomquist is CEO of Bure Equity AB, which owns around 16 percent of the shares in Vitrolife AB (publ). The other Board members are independent in relation to the company, company management and the company's major shareholders.

Ahead of the AGM in April 2024, the Nomination Committee will submit proposals for chairman of the meeting, number of board members, board chairman and other members elected by the AGM. The Nomination Committee will also submit proposals for remuneration of work on the Board and its committees. No separate remuneration has been paid to the members of the Nomination Committee for their work on the committee.

Annual General Meeting 2024

The 2024 AGM will be held on 25 April 2024 in Gothenburg. Shareholders will be notified via an announcement in Post- och Inrikes Tidningar and via disclosure in Dagens Industri that the notice has been published, no sooner than six weeks and no later than four weeks before the meeting. Shareholders can request to have matters handled at the meeting by submitting them in writing to the Board. These requests should be sent to Vitrolife AB (publ), FAO: Chairman of the Board, PO Box 9080, SE-400 92 Gothenburg, Sweden, and must be received by the Board no later than seven weeks before the meeting or at least in time for the matter to be included in the meeting notice if required. For more information, see www.vitrolifegroup.com.

In accordance with the dividend policy, it is the intention of the Board and CEO to propose that the AGM pass a resolution in favour of a dividend of SEK 1 per share.

Board of Directors

General information

The Board of Directors is responsible for the administration of the affairs and organisation of Vitrolife AB (publ). At the 2023 AGM, six ordinary members with expertise in medical devices, finance and strategy were elected. The Vitrolife Group's General Counsel, Lars Risberg, was the Board secretary during the year. The Board held 15 meetings (11) in 2023, of which all were minuted. The CEO and CFO were rapporteurs at the Board meetings. Remuneration of and other benefits to the Board are described in Note 8. Board members' shareholdings in Vitrolife AB (publ) are described on page 58.

The work of the Board

The Board shall hold at least four ordinary meetings, distributed evenly over the year, and a statutory meeting following election on an annual basis. The meetings take place both in person and virtually.

The Chairman leads and organises the work of the Board. Ahead of each meeting, an agenda and documentation for the matters to be discussed are sent out. Agenda proposals are prepared by the CEO in consultation with the Chairman. Matters presented to the Board are for information, discussion or decision. Decisions are taken only after discussion and after all members present have had an opportunity to speak. The Board's broad experience in different fields makes for constructive and open discussions. No member has protested against any matter taken up for decision during the year. Open issues are followed up regularly.

The rules of procedure for the Board were established at the statutory board meeting on 27 April 2023 and are revised every year. They regulate areas such as assignment of responsibilities, number of mandatory meetings, format for notices, documentation and minutes, conflicts of interest, mandatory matters that the CEO must inform the Board about and signing for the company. The Board handles ongoing matters such as the business environment, interim reports, forecasts, strategies and external information.

Apart from the board material, the CEO prepares monthly financial reports. The aim is to keep the Board informed of developments in the Vitrolife Group's operations so that the Board can take well-informed decisions. The Board evaluates the work of the CEO once a year at a meeting that is not attended by company management. The Board ensures the quality of the financial reporting through its own work, through the work of the Audit Committee and through contact with the auditors. Vitrolife AB (publ) auditors attended the Board meeting associated with the annual report, where the audit was presented, and the Audit Committee's meetings. At the Board meeting, the auditors also met with the Board privately without company management present.

The Board underwent an internal board evaluation during the year. The outcome of the Board evaluation shows that the Board outperformed the benchmark and is functioning well.

Board of Directors' meeting attendance

Name	Year elected	Not independent	Board meeting attendance	Remuneration Committee attendance	Audit Committee attendance
Henrik Blomquist	2019	x	15/15	3/3	1/1
Lars Holmqvist	2018		15/15		4/5
Vesa Koskinen*	2021		12/12		4/4
Karen Lykke Sørensen	2020		15/15	3/3	
Pia Marions	2013		15/15		5/5
Jón Sigurdsson	2015	x	15/15	3/3	

Not independent = As defined by the Swedish Corporate Governance Code
*Resigned as board member on 1 August 2023.

Diversity policy

Vitrolife AB (publ) Board applies the Swedish Corporate Governance Code's requirements for diversity, breadth, gender equality, age and independence as its diversity policy. Taking into account the Vitrolife Group's business, stage of development and other circumstances, the Board should have an appropriate structure, characterised by diversity and breadth, when it comes to the expertise, experience and background of Board members elected at the general meeting. The aim should be to achieve gender equality.

Board oversight of sustainability and responsible business conduct

The Board oversees the company sustainability strategy to secure its capacity to create long-term value for all of its stakeholders.
The Vitrolife Group aims to create value for its customers, employees, shareholders and other stakeholders by maintaining healthy profitability while offering goods and services that align with the Group's vision. The Group maintains high ethical standards throughout its operations and aspires to be a responsible corporate citizen on the world stage. The Vitrolife Group and its teams should comply with legislation in the respective countries in which the Vitrolife Group operates. The Vitrolife Group adheres to applicable industry standards, international guidelines, and the Vitrolife Group Principles for Responsible Business Conduct (PRBC).

Board members
The Board of Vitrolife AB (publ) consisted of six members until July 31, thereafter of five members, including the Chairman. For personal information about members of the Board, including shareholding, see page 58.

Guidelines for remuneration of senior executives
Policies for remuneration of and other employment conditions for the CEO and other senior executives were determined at the AGM held on 27 April 2023. Remuneration consists of basic salary, variable remuneration, pension and other remuneration. Details are found in the management report on page 71 and in Note 8.

The Board annually evaluates whether the AGM should propose any form of share-based incentive programme. Vitrolife AB (publ) currently has three outstanding share-related incentive programmes in line with decisions taken at the 2021, 2022 and 2023 AGMs. For further information, refer to pages 72-74.

The remuneration policy is evaluated every year and is submitted for resolution to the AGM.

Remuneration Committee
The Remuneration Committee of Vitrolife AB (publ) assists the Board in its work on preparing matters and decision guidance documents on remuneration issues concerning senior executives. The Remuneration Committee's areas of responsibility are defined in the Board's rules of procedure and in the Remuneration Committee's instructions. The Group's guidelines for remuneration of senior executives are found in the management report on pages 71-74.

Karen Lykke Sørensen was appointed chairman of the committee and Jón Sigurdsson and Henrik Blomquist were appointed members of the committee. All members are assessed to be independent of Vitrolife AB (publ) and company management.

Audit Committee
The Audit Committee of Vitrolife AB (publ) assists the Board in its work monitoring the Group's financial reporting and internal control. The Audit Committee's areas of responsibility are defined in the Board's rules of procedure and in the Audit Committee's instructions.

Pia Marions was appointed chairman of the committee and Lars Holmqvist and Vesa Koskinen were appointed members of the committee when the board of directors constitutes its committees. Following Vesa Koskinen resignation from the board Henrik Blomqvist was appointed. All members are assessed to be independent of Vitrolife AB and company management.

During the year, the Audit Committee handled issues such as internal control, internal auditing, external auditing, accounting policies, material valuation issues, external reporting, financial risk management, compliance and material estimates and assessments in the financial reporting.

Senior executives

For personal information about senior executives, including shareholding, see pages 67.

Election of auditor

Auditors are elected at the AGM. The 2023 AGM re-elected Deloitte AB, who appointed authorised public accountant Harald Jagner as auditor in charge, in accordance with the Nomination Committee's proposal. The auditors do not have any engagements in companies that are affiliated with major owners of Vitrolife AB (publ) and have affirmed their independence of the Vitrolife Group.

The auditor has reported his observations from the audit work to the Board and the Audit Committee. Based on this work, the annual report, accounting records and the Board's and CEO's administration were reviewed.

During 2023 management assisted the Nomination Committee in the procurement of 2024 audit services as it will be ten years since Deloitte was elected as auditors. Six global auditors were contacted and four of them responded to the request, The Nomination Committee will make their proposal to the AGM 2024.

The Board's description of the most important elements of the Vitrolife Group's system for internal control, monitoring and risk management

The Board's responsibility for internal control is regulated by the Companies Act and the Swedish Corporate Governance Code. The Board is responsible for ensuring that the Vitrolife Group has an effective internal control environment. The Board's description is limited to a description of how internal control of the financial reports is organised and concerns during the financial year 2023.

The goal of the Vitrolife Group's internal financial control is to ensure that the financial reporting is correct. It also aims to create an efficient decision-making process in which requirements, targets and frameworks are clearly defined. Ultimately, financial control is meant to protect the Group's assets, thereby also protecting the investments of the shareholders.

Control environment

The control environment forms the basis for internal control. The Group's control environment consists of things such as sound values, integrity, expertise, leadership philosophy, organisational structure, responsibility, and authority. The Vitrolife Group does not have an internal audit but relies more on internal control as a complement to external audit. The Vitrolife Group's internal rules of procedure, policies and guidelines form internal control activities. This also apply to risk management both the risk management and the internal control activities continuously report to the Audit Committee. Ultimately, the CEO is responsible for the system of internal controls required to create a control environment to manage material risks.

Risk assessment

The Group works continuously with risk assessments to identify potential sources of risk for errors in the financial reporting. For information about financial risks, see the management report on page Z1 and Note 2. The risk of material misstatements in the accounts may occur in connection with accounting and valuation of assets, liabilities, income and expenses or deviations from disclosure requirements. The Vitrolife Group's risk assessment of the financial reporting aims to identify and evaluate the most material risks.

Control activities

The primary purpose of the control activities is to use a systematic process to prevent, discover and correct errors in financial reporting. This starts in our processes in selling activities through to collection of income receivables, or in a similar way in other processes.

Monitoring

The Board evaluates the information submitted by company management, which includes financial information as well as material issues concerning internal control. The Board and Audit Committee monitor the effectiveness of the internal control and reports from external audits where applicable.

Information and communication

Correct provision of information and clear communication paths, internal as well as external, result in all parts of the business exchanging and reporting relevant, material information on the business effectively. To achieve this, the Vitrolife Group has an information policy on managing information in the financial process and policies and guidelines for other types of information.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Vitrolife AB (publ), corporate identity number 556354-3452

Engagement and responsibility
It is the Board of Directors who is responsible for the corporate governance statement for the financial year 1 January 2023-31 December 2023 on pages 56-64 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 27 March 2024

Deloitte AB

Signature on Swedish original

Harald Jagner
Authorised Public Accountant

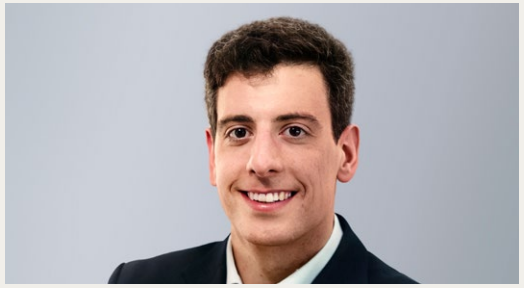
Executive Management

Bronwyn Brophy
Chief Executive Officer (CEO) & President

Claus Bisgaard
Senior Vice President Technologies

Ricardo Capella
Senior Vice President Genetics

Rickard Ericsson
Senior Vice President Consumables



Guillermo Ferrando
Vice President Strategy and
Corporate Development

Olivia Natens
Senior Vice President Sales & Marketing

Frank Pettersson
Acting Senior Vice President HR & Sustainability

Patrik Tolf
Chief Financial Officer (CFO)

Bronwyn Brophy
Chief Executive Officer (CEO) & President

Born 1974. BA in International Business & Languages (French and Spanish) and an MBA from Dublin City University.

Previous appointments: Global President of Immunodiagnostics, Thermo Fisher Scientific, Vice Chair of Medtech Europe and member of the OMC (Operations Management Committee), President of Thermo Fisher Scientific, EMEA and President of Women's Health at Medtronic.

Vitrolife AB (publ) shareholding*: 19,350 shares.

Claus Bisgaard
Senior Vice President Technologies

Born 1977. MSc Industrial Engineering and Management. Employed 2017.

Previous appointments: General Manager at Sirona Dental A/S, various management positions at Vestas, Management Consultant at Bestshore Business Solutions.

Vitrolife AB (publ) shareholding*: 375 shares.

Ricardo Capella
Senior Vice President Genetics

Born 1968. MBA Employed 2020.

Previous appointments: Chief Commercial Officer at Igenomix. Commercial Director EMEA and Latin America at C&C Group Plc and various senior Business Development and General Management positions at Diageo Plc.

Vitrolife AB (publ) shareholding*: 6,000 shares.

Rickard Ericsson
Senior Vice President Consumables

Born 1971. MSc Industrial Engineering and Management. Employed 2015.

Previous appointments: Business Development Director Europe at SCA Incontinence Care, Sales & Marketing Director UK & Ireland at SCA Incontinence Care, management consultant at Adera and Business Development Manager/Key Account Manager at Telia.

Vitrolife AB (publ) shareholding*: 8,300 shares.

Guillermo Ferrando
Vice President Strategy and Corporate development

Born 1991. MSc Industrial Engineering. Employed in 2020.

Previous appointments: Strategy Expert at Siemens Gamesa, Management Consultant at Bain & Company.

Vitrolife AB (publ) shareholding*: 0 shares.

Olivia Natens
Senior Vice President Sales & Marketing

Born 1970. Master in Chemical Engineering at University of Louvain, Bachelor Dermatological Sciences at University of Brussels, General Management at Vlerick Business School.

Previous appointments: Sr Business Director Enabling Technologies WEU at Medtronic, Managing Director at Medtronic BeNeLux, various Sales & Marketing roles in MedTech and Pharma business, Chair of Healthcare Committee at Amcham Be, Board memberships, Mentor for female talents.

Vitrolife AB (publ) shareholding*: 0 shares.

Frank Pettersson
Acting Senior Vice President HR & Sustainability

Born 1967. Construction Engineer

Previous appointments: HR Manager Sweden and rest of Europe at Vitrolife, Global HR Manager Sales&Marketing and Group Functions at the Vitrolife Group and various HRBP assignments and HR projects within Volvo Group.

Vitrolife AB (publ) shareholding*: 1,780 shares.

Patrik Tolf
Chief Financial Officer (CFO)

Born 1970. Degree of Master of Science (MSc) in Business Administration and Economics. Employed 2022.

Previous appointments: Interim CFO at Karolinska Institute, Deputy CFO and other senior management positions at Volvo Cars. VP Group Treasury and Risk Management and other management positions at Saab AB (publ). Board member of AP7.

Vitrolife AB (publ) shareholding*: 13,000 shares.

In early 2023, Thomas Axelsson was the CEO of the Vitrolife Group. Then, from April to July, Jón Sigurdsson temporarily took over. Finally, in August of the same year, Bronwyn Brophy became the CEO. During 2023, Maria Forss was the Senior Vice President of Consumables at Vitrolife. Initially, Janne Östlund led the Consumables business area until Rickard Ericsson stepped in as Senior Vice President on January 8, 2024. In 2023, Rickard Ericsson worked as the Senior Vice President of Global Sales & Marketing. On January 8, 2024, Olivia Natens joined as the Senior Vice President of Sales and Marketing. Karin Koritz Russberg served as the Senior Vice President of HR & Sustainability until October 2023. Afterwards, Frank Pettersson took on the role temporarily. | * Shareholding includes holdings of spouse, under age and associated.

The Board of Directors and CEO of Vitrolife AB (publ), corporate identity number 556354-3452, hereby submits their annual report and consolidated accounts for the 2023 financial year.

Management Report

Business activities

The Vitrolife Group is a global provider of medical devices and genetic services. Based on science and advanced research capabilities, the Vitrolife group is a global provider of solutions in the field of reproductive health. The company develops, manufactures and distributes medical devices and provides genetic testing services for IVF clinics and their patients. The Vitrolife Group supports customers by improving their clinical practice and the outcome of the patient's fertility treatment. For information on number of shares and ownership structure, see the corporate governance report on page 60. The sustainability report is on pages 129-154.

Headquartered in Gothenburg, Sweden, the Group currently employs approximately 1,100 people worldwide. Its products, services and solutions are available in more than 125 markets through a network of subsidiaries and distributors.

The Vitrolife Group's mission is to be the leading global partner in reproductive health, striving for better treatment outcomes for patients. The Group's products include nutrient solutions (culture media), advanced disposable instruments (needles and pipettes), disposable plastic products, genetic tests, kits for genetic analysis of embryos, and technological tools like time-lapse and micro-laser systems.

Through close collaborations with leading researchers in the area, the Vitrolife Group lies at the forefront when it comes to both research and product development regarding function and safety. Most of the medical device products are produced in the company's facilities in Sweden, Denmark and the US. The genetic testing is carried out in the Group's laboratories, which are located around the world. Most of the Vitrolife Group's customers are public and private fertility clinics.

Organisation

In 2023, the Vitrolife Group's organisation consisted of three business areas: Consumables, Technologies and Genetic Services. With effect from 2023 the Vitrolife Group has three geographical segments (EMEA, Americas and APAC), compared with four in the previous year. The former Japan Pacific and Asia segments have been consolidated into one segment, APAC. Further, the Group functions consisted of human resources and sustainability, business development, finance, legal and IT. In 2024, the genomic kits will be reported and managed as part of the Genetic Services business area, which is renamed Genetics.

Research and development

The Vitrolife Group does most of its product development in-house, while research is done both internally and through close collaboration with leading researchers in the area. Continuous research is being done to develop new products and to improve and develop existing ones. The Vitrolife Group has research agreements with prominent persons in the fertility field in different

parts of the world. Product development is based on market need and the Vitrolife Group also continuously considers acquiring companies or products that complement development of products in-house. R&D costs amounted to SEK 127 million (143) for the year. Development expenditure of SEK 39 million (11) was also capitalised in the balance sheet.

Net sales

Sales increased to SEK 3,512 (3,234) million, corresponding to an increase of 9% in SEK and 10% excluding discontinued business. In local currencies sales increased by 4% and 5% respectively. Consumables grew by 14% in SEK, and 9% in local currencies with about equal increase in all regions but strongest in APAC. Technologies increased sales by 16% in SEK, but 11% in local currencies, with the strongest growth in APAC followed by EMEA, both with double digit growth. Sales in the Americas showed growth of just under double digits. Genetic Services showed flat growth in SEK, while sales in local currencies decreased by 3%. Excluding discontinued business there was a decrease of 1% in local currencies.

Income and financial position

Comments to the income statements and statements of financial position can be found on pages 81-86 and are part of the management report.

Investments

Investments in non-current assets amounted to SEK 119 million (82) of which tangible investments amounted to SEK 67 million and intangible assets SEK 52 million, mainly from capitalised development expenditure. For further information, refer to Notes 14 and 15.

Significant events

During the year Bronwyn Brophy was appointed as new CEO joining on 1 August 2023. She replaced Thomas Axelsson who left end of March 2023. Chairman Jón Sigurdsson acted as interim CEO in the intervening months. Vesa Koskinen resigned, as member of the board in August, leaving the Board with one less member for the remainder of the year and until the next AGM. At the end of the year an impairment charge impacted earnings.

Launches of product and service offerings

A healthy pipeline of new and upgraded products and services reaching customers worldwide in 2023

During 2023, we were able to launch as many as eight new or upgraded products (both medical device and genetic tests) into many different market regions. We continue to deliver innovations to our customers that support workflow efficiency and improved results throughout the IVF process.

iDAScore; Our well-known iDAScore AI algorithm has been further trained on data from an additional 65,000 embryo time-lapse sequences. iDAScore now includes embryo ranking on day two and day three in addition to blastocyst evaluation. iDAScore is currently available in most markets except China and the US.

Gx Media; After the summer we got regulatory approval for the Gx Media portfolio which meant we could launch in CE markets in Q4. Gx Media includes triple antioxidant protection for improved embryo viability and has proven a great success in markets like Japan and the US.

VitroTemp; A device that provides accurate, consistent and easy temperature measurements in the IVF lab together with our labware dishes. This device was launched globally in July and really puts quality at the heart of what we do.

Smart PGT-A Plus; Our most advanced 4-in-1 genetic test offers enhanced accuracy and confidence and increases the number of viable embryos available for transfer. This test was launched in Q4 and is a great addition to our offer, especially in the US.

Upgraded EMMA & ALICE; The most comprehensive and precise panel, encompassing the most frequently detected and clinically relevant bacteria to evaluate the endometrium at the microbiological level. The upgraded version is available in almost all markets.

NiPOC; A non-invasive approach to assessing the origin of early pregnancy loss, which enables appropriate reproductive counseling. The NiPOC test was launched in Spain in the second quarter of 2023 and will continue to be rolled-out in additional markets throughout 2024.

Infertility Panels; The test is specifically designed to identify genes causing monogenic infertility that can guide people towards the most effective treatment options. The test was not officially launched until the end of the fourth quarter, and we will see a lot of launch activities in both Europe and South America throughout 2024.

Significant risks and uncertainties

The Vitrolife Group's risks and opportunities are handled through a risk management process comprising several layers and perspectives.

The risks are presented in the following categories:

External risks

Geopolitical risks

2023 has been ccharacterised by many factors in both domestic politics and global foreign affairs of which impact the market that Vitrolife operates within. All these factors have an impact and result in interconnected risks in our business, as we have a widely spread organisation throughout the world and attract even more markets with our products and services.

Changes in cyclical position

Regardless of the expected market growth in the coming years, demand for privately financed IVF treatments can be impacted by a downturn in the general economic cycle, especially in countries with few or no government subsidies, reimbursement systems and/or insurance programmes. However, experience shows that this type of treatment is often a high priority for patients and governments in several countries are making extensive investments in healthcare infrastructure, which is having a positive impact on the market.

Legal and regulatory environment

The Vitrolife Group's market is affected by legislation and other regulations where we operate. Changes in legislation or political decisions can affect the Group' s ability to run or develop its business in a positive or negative way. Demand for treatments can be affected by changes to public reimbursement programmes, insurance cover, alternative treatments or changes in the accessibility for certain groups of people.

The Vitrolife Group's products and services require various regulatory approvals to be commercialised. In the area of fertility, the authorities' regulations for medical devices are increasing to improve patient safety and reduce the risk of malpractice. .

The market

The Vitrolife Group operates in the field of fertility, which is one of the fastest growing industries in healthcare. It is a fragmented market with more than 4.2 million IVF cycles performed worldwide in 2023.

Mergers and acquisitions, and in- and outsourcing of services are expected to continue as the IVF market continues to grow and evolve. Mergers create economies of scale for the clinics and a consolidation of IVF clinics and suppliers is taking place. The Vitrolife Group continues to work to become a preferred supplier and to capitalise on digital and omnichannel interactions to fulfil the new demands of our customers.

New products and improved treatment methods are launched continuously and the future development of the medical device market as well as the digital customer experience can influence the Vitrolife Group's competitiveness. The Vitrolife Group continuously invests in research and development to ensure that the Group can offer competitive products and services to deliver better value for our customers and patients.

Operating risks

Production

One significant risk is continuous access to raw materials that meet requirements for quality, but also our own ability to produce products meeting the required level of quality. Following supply chain failures in recent years , the Vitrolife Group has intensified the work on reviewing predefined safety margins in the production process and new sources for supplies.

Information

Information is not only IT but a secure process of information management and not least individual patient data in relation to GDPR. Technical cyberthreats are a focused area within the Group in combination with a global operations and remote work.

In this regard, the Vitrolife Group continues to focus its efforts on strengthening the Group's cybersecurity and adapting business processes related to personal data management to comply with the General Data Protection Regulation (GDPR).

Personnel

Vitrolife Group's future development depends partly on key individuals with specialist knowledge staying with the organisation. The Group works actively with a performance management process to minimise risks and ensure talent management throughout the organisation, as well as with the design of succession plans.

Insurance

Vitrolife Group holds regular reviews of its insurance cover both locally and globally, which should ensure a correct insurance cover where achievable and that the risks inherent are properly insured.

Legal disputes
The Vitrolife Group's success and competitive position are related, among other factors, to the ability to maintain its intellectual property portfolio. The Group holds several relevant patents and other intangible rights. There are some other patents on the market that are held by other companies for which defining boundaries can sometimes be difficult to set. The enforcement of the Group's patents in foreign jurisdictions will depend on the legal procedures of those jurisdictions. Even if such claims are ultimately determined to be unfounded, the Group's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation.

Financial risks
The Vitrolife Group is subject to several financial risks that can affect the Group's operations, earnings and financial position. The Vitrolife Group continuously evaluates, identifies and manages the company's risks. The financial risks that are assessed to be most significant to the Group are described below.

Currency risks
Currency risk is the risk that fluctuations in exchange rates will have an impact on Vitrolife Group's cash flow, profitability, and balance sheet. The Group's accounting currency is the Swedish krona. Consequently, the risk is related to the revaluation of foreign assets and current liabilities, long-term loans denominated in euros and equity in foreign currencies (translation risk). The Vitrolife Group´s global foreign operation entails significant cash flows in currencies other than Swedish krona and financial exposure in the form of payment flow for loans and investments in foreign currencies (transaction risk). Currency risk also arises on future mergers and acquisition in foreign operations (economic risk).

Interest rate risk
The Group's largest interest rate exposure is the long-term borrowing at a variable interest rate. Interest rate risk is the risk that the fair value of cash flows or future cash flows from a financial instrument varies due to changes in market interest rates. Interest rate risk can lead to changes in cash flows. A significant factor that affects interest rate risk is the rate fixation period. The interest rate is reviewed quarterly and based on EURIBOR.

For a more detailed description of financial risk management, see Notes 2 and 25. For critical estimates and assessments, see Note 3

Seasonal effects

Seasonal effects have an impact on the Vitrolife Group's sales. Before and during holiday periods, there is often a reduction in orders for some Consumables products with a short shelf life. Technologies sales are dependent on installations and also impacted by holidays. The sales in Genetic Services are also impacted by holidays.

For the Vitrolife Group, sales in the first quarter are negatively impacted by New Year holidays, with the largest impact in APAC. The third quarter is impacted by the European summer holiday period. The fourth quarter is normally the strongest quarter for the Vitrolife Group in all regions.In all, total sales are relatively evenly distributed between the first and second halves of the year, with sales in the second half somewhat higher due to the impact of strong sales in the fourth quarter and a larger number of working days in the second half of the year

Summary of guidelines for remuneration of senior executives

Policies for remuneration and other employment conditions for the CEO and other senior executives was determined at the Annual General Meeting (AGM) held 27 April 2023.

Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, pension and other remuneration. The guidelines apply until the following AGM providing that a general meeting does not decide differently. All pension benefits are defined contribution plans. Variable remuneration is prepared by the Remuneration Committee and approved by the Board.
During the year, there was a deviation from the principles decided by the general meeting regarding remuneration to senior executives, which is explained in note 8.

The guidelines promote the Group's business strategy and long-term interests
The Vitrolife Group's mission is to be the leading valued solution provider in reproductive health and to support customers with successful treatment outcomes. To achieve this, the Group works with a strategy of priorities that promote growth and efficiency. In December 2023, a new strategy with updated financial objectives was presented. The various aspects of the Group's vision, strategy and goals are described in detail on pages 31-55.

A successful implementation of the Group's business strategy and the safeguarding of the Group's long-term direction presumes that the

Group can recruit and retain qualified employees with the right expertise. To achieve this, the Group must offer competitive remuneration. The guidelines make it possible to offer competitive salary and benefit packages to senior executives.

The Group has instituted long-term share-based incentive programmes approved by the AGM outside these guidelines. The programmes involve the CEO, the Executive Management Team and other key employees. The performance requirements to determine the outcome of the programmes have a clear link to the business strategy and financial objectives.

Fixed basic salary
Fixed basic salaries for the CEO and other senior executives are reviewed annually. Allocation between basic salary and, in some cases, variable remuneration must be proportional to executive management's responsibilities and competence.

Variable remuneration (STI)
Variable remuneration to the CEO can be no higher than 75% of the annual salary. For other senior executives, variable remuneration can be no higher than 50% of the annual salary. Variable remuneration to the CEO and others senior executives is based on the outcome of two quantitative parameters in line with Vitrolife objectives. The company's combined cost for total variable remuneration of the CEO and other senior executives must not exceed SEK 20,000,000 (including social charges). Persons leaving Vitrolife Group are disqualified from the STI-programme.

Other
The period of notice for the CEO is 12 months and for other senior executives 3 to 6 months. Severance pay of not more than 12 months' salary is payable if notice is given to the CEO by the Vitrolife Group. No severance pay will be provided to other senior executives at the end of their employment. The Board may decide to temporarily deviate from the guidelines, wholly or partially, if in an individual case there are specific reasons for it and a deviation is necessary to accommodate the Group's long-term interests, including sustainability, or to ensure the Group's financial strength.

Long-term incentive programme 2020

The incentive programme implemented at the AGM 2020 was finalised in 2023 with all objectives met. The maximum number of shares to be allotted was 40,000 which also was alloted.

Long-term incentive programme 2021

The 2021 AGM adopted the Board's proposal to introduce a long-term incentive programme (LTIP 2021) for certain key employees to encourage personal long-term shareholding in Vitrolife AB (publ), as well as to increase and strengthen opportunities to recruit, retain and motivate employees.
Each participant is entitled to receive an allotment of Vitrolife AB (publ) shares (performance shares) after the end of the qualifying period years 2021-2023, conditional upon continued employment (except for "good leavers") and the achievement of performance standards linked to the Vitrolife Group's EBITDA per share. Allotment of performance shares to participants shall be free of charge. Performance shares shall consist of ordinary shares. LTIP 2021 is directed to eight employees in two categories of participants as follows:
Category 1 (max. 1 person):
maximum 12,000 shares per person.
Category 2 (max. 7 persons):
maximum 4,000 shares per person.

Allotment of Performance Shares within LTIP 2021 will be made during a limited period following the Annual General Meeting 2024. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Performance Shares is that the participant remains an employee of the Vitrolife Group during the full qualification period up until allotment. Allotment of Performance Shares also requires that the EBITDA performance targets be fulfilled. The Board shall establish a customary definition of Good Leavers and determine whether any allocation shall be made to participants who are considered Good Leavers. The performance targets are based on the average growth rate in Vitrolife's EBITDA per share from and including FY 2021 up to and including FY 2023 (with FY 2020 as base). The minimum level is set to 4 percent and the maximum level is set to 12%. Under and at the minimum level, 0% of the Performance Shares will vest. At and above the maximum level, 100% of the Performance Shares will vest. The number of Performance Shares that may be allotted increases on a straight line basis between the minimum and maximum levels. The outcome will be communicated to the shareholders after the allotment of Performance Shares to participants. Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the company's financial results, position, and performance, as well as other factors.

The AGM resolved to purchase own 52,568 shares (maximum number of shares plus a hedge for associated social charges).

Long-term incentive programme 2022

The 2022 AGM adopted the Board's proposal to introduce a long-term incentive programme (LTIP 2022) with the intention to encourage personal long-term ownership of Vitrolife shares as well as to increase and enhance its ability to recruit, retain and motivate employees and to unite the interests of the employees with the interests of shareholders. Participants may, after a qualifying period, receive allotments of Vitrolife ordinary shares without consideration. Allotment of shares will depend on the fulfilment of a predetermined performance target. The LTIP 2022 was directed towards certain key employees in the Vitrolife Group to issue a maximum number of 229,500 warrants directed towards a maximum of twenty-five employees, divided in two categories: CEO and other executive members or key employees, who can together receive a maximum of 170,000 shares.

Allotment of Performance Shares within LTIP 2022 will be made during a limited period following the Annual General Meeting 2025. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Performance Shares is that the participant remains an employee of the Vitrolife Group during the full qualification period up until allotment. Allotment of Performance Shares also requiresthat the total share return (TSR) performance target is fulfilled. The Board shall establish a customary definition of Good Leavers and determine whether any allocation shall be made to participants who are considered Good Leavers. The performance target is based on the Company's total share return ("TSR") during the term of LTIP 2022.

TSR is to be calculated based on the volume-weighted average price of the Group's share on Nasdaq Stockholm during the ten business days that follow immediately after the AGM 2022, compared with the volume-weighted average price of the share on Nasdaq Stockholm during the last ten business days of the three-year period following the AGM 2022. The performance target is fulfilled by an average annual TSR of at least 7.5% (the minimum level). At or below the minimum level, 0% of the Performance Shares will vest. 100% of the Performance Shares will vest above the minimum level. Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the financial results, position, and performance, as well as other factors.

The exercise price for the Performance Shares outstanding on 31 Dec 2023 was SEK 285.55, with a remaining expected life of approx. one year. To estimate the shares fair value the Black Scholes model was used with the assumption of a risk-free rate of 2.95 percent, expected volatility of 45%.

Long-term incentive programme 2023

The 2023 AGM adopted the Board's proposal to introduce a long-term incentive programme (LTIP 2023) for certain key employees to encourage personal long-term ownership in the Company as well as to increase and enhance its ability to recruit, retain and motivate employees. Participants may, after a qualifying period, receive allotments of Vitrolife ordinary shares without consideration. Allotment of shares will depend on the fulfilment of a predetermined performance target.

The LTIP 2023 was directed towards certain key employees in the Vitrolife Group to issue a maximum number of 229,500 warrants directed towards a maximum of twenty-five employees, divided in two categories: CEO and other executive members or key employees, who can together receive a maximum of 170,000 shares.

Allotment of Performance Shares within LTIP 2023 will be made during a limited period of time following the Annual General Meeting 2026. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Performance Shares is that the participant remains an employee of the Vitrolife Group during the full qualification period up until allotment. Allotment of Performance Shares also requires that the TSR performance target is fulfilled. The Board shall establish a customary definition of Good Leavers and determine whether any allocation shall be made to participants who are considered Good Leavers. The performance target is based on the Company's total share return ("TSR") during the term of LTIP 2023.

TSR is to be calculated based on the volume-weighted average price of the Company's share on Nasdaq Stockholm during the ten (10) business days that follows immediately after the Annual General Meeting 2023,

compared with the volume-weighted average price of the Company's share on Nasdaq Stockholm during the last ten (10) business days of the three-year period following the Annual General Meeting 2023. The performance target is fulfilled by an average annual TSR of at least 7.5% (the minimum level). At or below the minimum level, 0% of the Performance Shares will vest. 100% of the Performance Shares will vest above the minimum level. The outcome will be communicated to the shareholders after the allotment of Performance Shares to the participants.

The exercise price for the Performance Shares outstanding on 31 Dec 2023 was SEK 287.01, with a remaining expected life of approx. two years. To estimate the shares fair value the Black Scholes model was used with the assumption of a risk-free rate of 2.25%, expected volatility of 45%.

For more information about the LTIP programmes, see www.vitrolifegroup.com.

Outlook

In the long term, the number of IVF cycles is expected to continue to grow 5-7%, driven by increased maternal age, expanding public and private insurance coverage, and supportive legislation. For clinic partners like the Vitrolife Group, there is an additional opportunity to increase the adoption of genetic testing and EmbryoScope®, as well as market share opportunities for consumable products.

An uncertain macroeconomic environment may pose challenges as fertility treatment costs are comparatively high in parts of the world, most notably the US. However as coverage and reimbursement continues to increase this will lessen the out-of-pocket expenses over time, making the industry less exposed to macroeconomic fluctuations.

In the shorter term perspective, the market conditions for the Vitrolife Group may be impacted by general market conditions such as regulations, trade barriers, sanctions, customer perception, etcetera that may impact parts of our product and services portfolio.

Events after the closing date

The Board proposes to the Annual General Meeting a dividend of SEK 135 (115) million, corresponding to SEK 1.00 (0.85) per share. The proposed dividend is based on exclusion of the non-cash impairment charge.

Parent Company

Operations focus on Group-wide administration. The Parent Company's revenue comes from invoicing of management fees and re-invoicing of other costs totalling SEK 42 million (25).

Proposed appropriation of profit

The Board of Directors and the CEO propose that the available funds of SEK 11,745,925,609 be appropriated as follows:

Dividend (SEK 1.00)	SEK 135,447,190
Carried forward	SEK 11,610,478,419
Total	**SEK 11,745,925,609**

The dividend proposal is within the framework of the dividend policy adopted by the Vitrolife Group (see page 60). The Board finds that there is full cover for the Group's restricted equity after the proposed appropriation of profit. The Board also finds that the proposed dividend to the shareholders is justifiable due to the factors stated in chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (nature, scope and risks associated with the operations, and the need to strengthen the balance sheet, liquidity and financial position in general).

The financial reports were approved for publication by the Parent Company's Board of Directors on 24 March 2023.

As to the Vitrolife Group's earnings and position otherwise, refer to the following income statements, balance sheets and cash flow statements with their accompanying notes.

Financial statements

Five-year summary, Group

SEK million	2023	2022	2021	2020	2019
Condensed income statements					
Net sales	3,512	3,234	1,681	1,246	1,480
Gross income	1,977	1,780	1,046	768	939
Operating income	-3,589	654	435	370	488
Income after financial items	-3,712	537	460	366	493
Income for the year	-3,851	394	344	288	384
Depreciation, amortisation and impairment	4 275*	396	109	84	99
Condensed statement of financial position					
Intangible assets	13,904	18,522	17,548	703	778
Property, plant and equipment	349	318	333	142	173
Financial assets	52	36	49	39	33
Deferred tax assets	111	102	92	6	4
Inventories	413	405	313	204	209
Trade receivables	503	454	391	216	233
Other current receivables	136	135	72	20	19
Cash and cash equivalents	861	578	630	974	690
Total assets	**16,329**	**20,551**	**19,429**	**2,305**	**2,139**

*Including non-recurring impairment losses of SEK 4,300 million (-).

SEK million	2023	2022	2021	2020	2019
Equity attributable to Parent Company shareholders	12,722	16,736	15,322	2,013	1,794
Non-controlling interests	1	4	19	4	4
Deferred tax liabilities	1,035	1,102	1,069	16	27
Other provisions	72	33	28	22	17
Borrowings, non-current	1,875	1,988	1,944	–	–
Lease liabilities, non-current	33	55	82	49	61
Other non-current liabilities	0	12	11	25	34
Borrowings, current	114	153	429	–	–
Lease liabilities, current	67	29	27	14	15
Trade payables	171	181	173	26	29
Other current liabilities	240	258	326	137	158
Total liabilities and equity	**16,329**	**20,551**	**19,429**	**2,305**	**2,139**
Condensed cash flow statements					
Cash flow from operating activities	757	636	384	356	413
Cash flow from investing activities	-124	-144	-6,518	-20	-113
Cash flow from financing activities	-300	-582	5,749	-27	-107
Cash flow for the year	**333**	**-91**	**-385**	**310**	**194**
Opening cash and cash equivalents	578	630	974	690	491
Exchange rate differences in cash and cash equivalents	-50	39	42	-26	5
Closing cash and cash equivalents	861	578	630	974	690
Other					
Capital expenditure, excl. acquisitions	-119	-88	-63	-20	-32
Sales outside Sweden, %	99	99	99	98	99

Vitrolife AB (publ) share

The Vitrolife AB (publ) share was listed on NASDAQ Stockholm, Large Cap in 2023. The share has been listed since 26 June 2001 under the short name VITR.

Share structure

The share capital of Vitrolife AB (publ) amounted to SEK 27,631,238 (27,631,238) on 31 December 2023, divided into 135,447,190 (135,447,190) shares with a quota value of SEK 0.204. All shares have equal voting rights and an equal right to a share in the Vitrolife Group's assets and income. There were no outstanding warrants as of 31 December 2023.

Share price and turnover

On 31 December 2023, the share price was SEK 194.70 per share upon last payment (186.20), which was an increase of 5 percent since the previous year-end. NASDAQ Stockholm's index increased by 15.48 percent over the same period. At the end of 2023, the market capitalisation of Vitrolife AB (publ) amounted to SEK 26,372 million (25,220) based on the latest price paid. The highest share price during the year was SEK 269.60 (551.00), which was recorded on 2 February (3 January). The lowest share price during the year was SEK 123.9 (147.2), which was recorded on 27 October (19 October). The number of Vitrolife AB (publ) shares traded on NASDAQ Stockholm during the year amounted to 51,716,252 (57,201,403) at a value of SEK 9,930 million (14,312). The number of trades completed was 274,369 (496,780). The number of shares traded corresponded to 38 percent (42) of the number of shares outstanding at the end of the year. (Sourc: Modular Finance AB)

Ownership structure

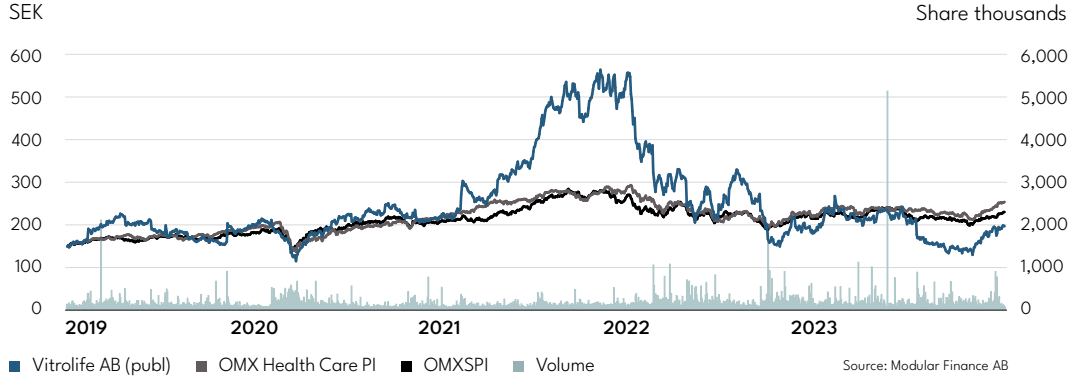
At the end of the year, the number of shareholders in Vitrolife AB (publ) was 17,860 (18,709). Of these, 91 percent owned 1,000 or fewer shares. The ten largest shareholders accounted for 70 percent (70) of the shares. The proportion of shareholders registered at addresses outside Sweden was 49 percent (55).

Dividend policy and dividend

The Board of Directors and CEO of Vitrolife AB (publ) intend to propose an annual dividend, or other equivalent form of distribution, which corresponds on average over time to 30 percent of net profit after tax paid. When deciding on a proposed dividend or equivalent, the Group's

Share price and turnover 2023

Five-year share price development



Data per share

	2023	2022	2021	2020	2019
Average** number of shares outstanding*	135,394,622	135,394,622	114,625,046	108,550,575	108,550,575
Number of shares at end of period*	135,447,190	135,447,190	135,447,190	108,550,575	108,550,575
Equity per share, SEK*	93.93	123.56	113.12	18.54	16.53
Earnings per share, SEK*	-28.44	2.91	2.97	2.64	3.53

*Recalculated taking into account the 5:1 split that was implemented in May 2018.
** Average number of shares has been reduced by own holding of 52,568 shares.

Vitrolife AB (publ), ten largest shareholders

Shareholders	Number of shares	Shares and votes, %
William Demant Invest A/S	38,829,825	28.67
Bure Equity AB (publ)	21,510,257	15.88
AMF – Insurance and Funds	6,747,513	4.98
Swedbank Robur Fonder	6,346,711	4.69
State Street Bank and Trust Co, W9	5,318,274	3.93
Fourth Swedish National Pension Fund	4,760,412	3.51
Handelsbanken Fonder	3,263,391	2.41
JP Morgan Chase Bank N.A., W9	3,009,883	2.22
BNY Mellon SA/NV (Formerly BNY), W8IMY	3,003,311	2.22
Cliens Fonder	2,275,000	1.68
Other shareholders	42,382,613	29.81
Total	**135,447,190**	**100**

Source: Euroclear Sweden's share register on 31 December 2023

future profits, financial position, capital requirements and position in general will be taken into account. The Vitrolife Group's net debt should not normally exceed a multiple of three times operating income before depreciation and amortisation (EBITDA).

In 2023, a dividend of SEK 0.85 (0.80) per share was paid. In accordance with the dividend policy, it is the intention of the Board and CEO to propose that the 2024 Annual General Meeting resolve in favour of a dividend of SEK 1 (0.85) per share.

Repurchase of own shares

The Board received authorisation from the 2023 Annual General Meeting to acquire its own shares in order to adjust the capital structure. No repurchase of own shares was carried out in the year.

Share-based incentive programme

In accordance with the Board's proposal, the 2023 Annual General Meeting resolved to introduce a long-term incentive programme (LTIP 2023) for certain key employees to encourage personal long-term shareholding in Vitrolife AB, as well as to increase and strengthen opportunities to recruit, retain and motivate employees. The aim was also to use the LTIP 2023 to unite employees' and shareholders' interests. For more information about the programme, see the Management Report on page 73.

The Vitrolife Group also has two outstanding share-based incentive programmes in line with decisions taken at the 2021 and 2022 AGMs. For more information about these programmes, see pages 72-74 and www.vitrolifegroup.com.

Share price and updated information

Updated information about the share can be found at www.vitrolifegroup.com. The website also has press releases, quarterly reports and annual reports and the opportunity to subscribe to these by e-mail.

Individuals in senior positions

Individuals in senior positions, as well as those related to them, must, in accordance with the EU Market Abuse Regulation, notify the issuer and the Swedish Financial Supervisory Authority (Finansinspektionen) of any transactions carried out on their behalf regarding shares and other financial instruments issued by that issuer. The Board members, the CEO, the CFO and some members of the executive management team were considered to be individuals in senior positions at the Vitrolife Group during 2023.

Analysts

The following analysts publish ongoing analyses of Vitrolife AB (publ):

- ABG Sundal Collier
- Carnegie
- DNB Bank ASA
- Handelsbanken
- SEB
- Redeye
- Murgata

Reasons to invest in Vitrolife AB (publ)

- Underlying resilient market growth.
- Strong trademarks linked with outstanding service, product quality and support.
- Proven track record of profitable growth.
- Innovation and technology leader within fertility.
- Ambitious sustainability strategy

Shareholder statistics

Individual shareholding, no. of shares	Number of shares, thousand	Number of shareholders	Shares and votes, %
1 – 500	1,211	15,354	0.89
501 – 1,000	747	927	0.55
1,001–5,000	2,640	1,093	1.95
5,001–10,000	1,314	178	0.97
10,001–15,000	721	57	0.53
15,001–20,000	619	34	0.46
20,001 –	128,196	217	94.65
Total	**135,447**	**17,860**	**100**

Source: Euroclear Sweden's share register on 31 December 2023

The Group's key ratios

	2023	2022	2021	2020	2019
Margin metrics					
Gross margin, %	56.3	55.0	62.2	61.6	63.4
Operating margin before depreciation and amortisation (EBITDA), %	32.3	32.5	32.4	36.5	39.7
Operating margin (EBIT), %	-102.2	20.1	25.9	29.7	33.0
Other metrics					
Return on equity, %	-23.8	2.4	5.4	14.8	22.8
Average number of employees	1,084	1,117	478	405	398
Net debt*, SEK m	1,128	1,563	1,743	-974	-690
Equity/assets ratio, %	77.9	81.4	79.0	87.5	84.1
Share data					
Average number of shares outstanding***	135,394,622	135,394,622	114,625,057	108,550,575	108,550,575
Number of shares on the reporting date***	135,447,190	135,447,190	135,447,190	108,550,575	108,550,575
Earnings per share, SEK***	-28.44	2.91	2.97	2.64	3.53
Cash flow from operating activities per share, SEK***	5.59	4.69	3.35	3.28	3.81
Equity per share, SEK***	93.93	123.52	113.12	18.54	16.53
Dividend per share, SEK***	1.00**	0.85	0.80	0.80	–
Share price on the reporting date, SEK***	194.70	186.20	560.0	215.80	197.50
P/E ratio	-6.8	64.0	188.6	81.7	55.9

* Negative value implies net receivable. ** Proposed dividend subject to AGM approval.
***Recalculated taking into account the 5:1 split that was implemented in May 2018.
For definitions, justifications and reconciliations of key ratios, see pages 126–128.

Income statements with comments

		Group		Parent Company	
SEK million	**Note**	**2023**	**2022**	**2023**	**2022**
	2, 3, 14, 15				
Net sales	4, 5	3,512	3,234	47	42
Cost of sales		-1,534	-1,454	–	–
Gross income		**1,977**	**1,780**	**47**	**42**
Selling expenses		-684	-602	–	–
Administrative expenses		-433	-400	-64	-55
Research and development costs		-127	-143	–	–
Other operating income	6	5	21	–	–
Other operating expenses	7	-4,328	-2	-1	0
Operating income	8, 9, 10, 12, 26	**-3,589**	**654**	**-17**	**-13**
Net financial items	11, 12				
Financial income		19	2	292	182
Financial expenses		-142	-119	-3,112	-115
Income after financial items		**-3,712**	**537**	**-2,837**	**54**
Appropriations (Group contribution received)		–	–	130	160
Income taxes	13	-139	-143	-15	-11
Income for the year		**-3,851**	**394**	**-2,723**	**202**
Attributable to					
Parent Company shareholders		-3,851	394	-2,723	202
Non-controlling interests		0	0	–	–
Depreciation, amortisation and impairment		-4,725*	-396	–	–
Earnings per share**, SEK	21	-28.44	2.91	–	–

*Including non-recurring impairment losses of SEK 4,300 million (-). ** Before and after dilution.

Statements of comprehensive income

	Group		Parent Company	
SEK million	**2023**	**2022**	**2023**	**2022**
Income for the year	-3,851	394	-2,723	202
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange rate differences	-20	1,144	–	–
Total other comprehensive income	**-20**	**1,144**	**–**	**–**
Comprehensive income	**-3,872**	**1,538**	**-2,723**	**202**
Attributable to				
Parent Company shareholders	-3,871	1,537	-2,723	202
Non-controlling interests	-1	1	–	–

Comments to the income statements

Group

Sales amounted to SEK 3,512 million (3,234), corresponding to an increase of 9 percent in SEK, or 10 percent excluding discontinued operations. Sales in local currencies increased by 4 percent and 5 percent respectively. Gross income amounted to SEK 1,977 million (1,780), corresponding to a margin of 56.3 percent (55.0). The margin improved despite non-recurring costs in the year. Continuous improvements and the combination of product and market mix resulted in an increase in margin.

Operating income before depreciation, amortisation and impairment (EBITDA) amounted to SEK 1,136 million (1,050), corresponding to a margin of 32.3 percent (32.5). The impairment charge of SEK 4,300 million does not affect EBITDA. Adjusted for non-recurring costs of SEK 25 million, EBITDA amounted to SEK 1,161 million, corresponding to a margin of 33.1 percent. Non-recurring costs related mainly to CEO succession and warranty provisions during the first two quarters of the year.

Net financial items amounted to SEK -123 million, mostly due to net interest expenses of SEK -78 million, currency translation of SEK -40 million, primarily as result of currency translation following the devaluation of the Argentinian Peso, and fluctuation in SEK exchange rates. Income after financial items amounted to SEK -3,712 million (537). Income for the year amounted to SEK -3,851 million (394).

Depreciation, amortisation and impairment of SEK 4,725 million (396) was charged against income. The charges included non-recurring impairment losses of SEK 4,300 million (-) in the annual accounts.

Parent Company

Parent Company activities focus on Group-wide-management. Parent Company income included management fees of SEK 47 million (42). Net financial items amounted to SEK -2,820 million (67) and mostly comprised impairment of participations in Group companies of SEK 3,000 million. Net financial items were positively affected by dividends of SEK 219 million received from participations in Group companies. Income after financial items amounted to SEK -2,837 (54) million.

Statements of financial position with comments

		Group		Parent Company	
SEK million	**Note**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
ASSETS	2, 3, 25				
Non-current assets					
Goodwill	3, 14	9,591	13,874	–	–
Other intangible assets	3, 14	4,314	4,648	0	0
Property, plant and equipment	3, 15, 26	349	318	0	0
Participations in Group companies	27	-	–	12,637	15,629
Other financial assets		50	36	17	11
Receivables from Group companies, non-current		-	–	1,374	1,367
Deferred tax assets	13	111	102	5	3
Total non-current assets		**14,415**	**18,978**	**14,033**	**17,010**
Current assets					
Inventories	16	413	405	–	–
Trade receivables	17	503	454	–	–
Receivables from Group companies		–	–	119	90
Current tax assets		45	48	–	–
Other receivables		34	40	0	0
Prepaid expenses and accrued income	18	57	47	1	1
Cash and cash equivalents	19	861	578	412	133
Total current assets		**1,914**	**1,572**	**532**	**224**
TOTAL ASSETS		**16,329**	**20,551**	**14,565**	**17,235**

Non-current assets

Goodwill decreased by SEK 4,283 million, primarily as a result of impairment losses.

Changes in other intangible assets relate to investments of SEK 52 million (36), amortisation of SEK 348 million (317) and impairment losses of SEK 32 million (0).

Investments in property, plant and equipment amounted to SEK 67 million (51), of which SEK 9 million was attributable to capitalisation of right-of-use assets as per IFRS 16. Depreciation amounted to SEK 74 million (74) of which SEK 32 million related to right-of-use assets as per IFRS 16.

For further information, refer to Notes 14 and 15.

Other financial assets primarily comprise endowment insurance, deposits and non-current trade receivables.

Current assets

Inventories increased by SEK 8 million in the year. The average inventory level was 12 percent (11) of net sales for the year. Trade receivables increased by SEK 49 million. Trade receivables averaged 14 percent (13) of net sales for the year.

Parent Company

The Parent Company's assets largely comprise shares in Group companies and receivables from Group companies. The value of shares in Group companies amounted to SEK 12,637 million (15,629) at the reporting date. The change was mostly due to impairment of participations relating to impairment of goodwill. No impairment was deemed necessary for participations in other Group companies based on future earning potential. For further information on participations in Group companies, refer to Note 27.

Statements of financial position with comments

		Group		Parent Company	
SEK million	**Note**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
EQUITY	20, 21				
Group					
Share capital		28	28	–	–
Other contributed capital		13,544	13,544	–	–
Reserves		1,144	1,164	–	–
Retained earnings incl. income for the year		-1,993	2,000	–	–
Parent Company					
Restricted equity					
Share capital		–	–	28	28
Statutory reserve		–	–	173	173
Unrestricted equity					
Share premium reserve		–	–	13,371	13,371
Retained earnings		–	–	1,097	995
Income for the year		–	–	-2,723	202
Equity attributable to Parent Company shareholders		**12,722**	**16,736**	**11,946**	**14,768**
Non-controlling interests		1	4	–	–
TOTAL EQUITY		**12,723**	**16,740**	**11,946**	**14,768**

		Group		Parent Company	
SEK million	**Note**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
LIABILITIES	2, 3, 25				
Non-current liabilities					
Provisions	23	72	33	22	14
Deferred tax liabilities	13	1,035	1,102	–	–
Borrowings	22	1,875	1,988	1,875	1,988
Lease liabilities	22, 26	67	55	–	–
Other liabilities		–	12	–	–
Total non-current liabilities		**3,049**	**3,190**	**1,897**	**2,002**
Current liabilities					
Borrowings	22	114	153	111	111
Lease liabilities	22, 26	33	29	–	–
Trade payables		171	181	2	1
Liabilities to Group companies		–	–	594	318
Current tax liabilities		19	27	10	16
Other liabilities		56	51	0	1
Accrued expenses and deferred income	24	165	180	5	18
Total current liabilities		**557**	**621**	**722**	**465**
TOTAL LIABILITIES		**3,606**	**3,811**	**2,619**	**2,467**
TOTAL EQUITY AND LIABILITIES		**16,329**	**20,551**	**14,565**	**17,235**

Equity and liabilities

For changes in equity, see the table on the next page. Long- and short-term borrowings decreased by SEK 152 million, primarily as result of debt repayment and a decrease in utilised overdraft facility. For further information, refer to the respective note.

Parent Company

For changes in equity, see the table on the next page.

Changes in equity

Group	Attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings		
SEK million						
Opening balance 1 Jan 2022	**28**	**13,544**	**21**	**1,730**	**19**	**15,341**
Comprehensive income for the year	–	–	1,143	394	0	1,538
Equity compensation benefits	–	–	–	10	–	10
Dividend (SEK 0.80 per share)	–	–	–	-108	-1	-109
Adjustment of non-controlling interest arising from acquisition of subsidiary	–	–	–	–	-8	-8
Acquisition of non-controlling interest*	–	–	–	-26	-6	-32
Closing balance 31 Dec 2022	**28**	**13,544**	**1,164**	**2,000**	**4**	**16,740**
Opening balance 1 Jan 2023	**28**	**13,544**	**1,164**	**2,000**	**4**	**16,740**
Comprehensive income for the year	–	–	-20	-3,851	-1	-3,872
Currency effect from devaluation	–	–	–	-35	–	-35
Equity compensation benefits	–	–	–	17	–	17
Dividend (SEK 0.85 per share)	–	–	–	-115	–	-115
Acquisition of non-controlling interest*	–	–	–	-8	-2	-10
Closing balance 31 Dec 2023	**28**	**13,544**	**1,144**	**-1,993**	**1**	**12,723**

* During the year, the Group acquired all shares in the company Vitrolife Medical Devices Spain S.L.U and the remaining shares (5%) of Igenomix Perú, S.A.C. and the remaining shares (5%) of Igenomix Chile, SLP.

Parent Company	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Income for the year	
SEK million						
Opening balance 1 Jan 2022	**28**	**173**	**13,371**	**333**	**760**	**14,664**
Proposed appropriation of profits	–	–	–	760	-760	–
Comprehensive income for the year	–	–	–	–	202	202
Equity compensation benefits	–	–	–	10	–	10
Dividend (SEK 0.80 per share)	–	–	–	-108	–	-108
Closing balance 31 Dec 2022	**28**	**173**	**13,371**	**995**	**202**	**14,768**
Opening balance 1 Jan 2023	**28**	**173**	**13,371**	**995**	**202**	**14,768**
Proposed appropriation of profits	–	–	–	202	-202	–
Comprehensive income for the year	–	–	–	–	-2,723	-2,723
Equity compensation benefits	–	–	–	15	–	15
Dividend (SEK 0.85 per share)	–	–	–	-115	–	-115
Closing balance 31 Dec 2023	**28**	**173**	**13,371**	**1,097**	**-2,723**	**11,946**

Cash flow statements

		Group		Parent Company	
SEK million	**Note**	**2023**	**2022**	**2023**	**2022**
	19				
Operating activities					
Income after financial items		-3,712	537	-2,837	54
Adjustment for non-cash items		4,801	476	2,767	-79
Tax paid		-213	-202	-23	0
Cash flow from operating activities before changes in working capital		**876**	**811**	**-93**	**-26**
Change in inventories		-15	-71	–	–
Change in operating receivables		-95	-56	-6	-4
Change in operating payables		-9	-48	-12	5
Cash flow from operating activities		**757**	**636**	**-111**	**-25**
Investing activities					
Investments in intangible assets		-52	-36	0	0
Investments in property, plant and equipment		-67	-51	–	–
Sale of property, plant and equipment		6	5	–	–
Acquisition of non-controlling interests		-10	-32	–	-32
Additional purchase consideration		–	-20	–	–
Cash flows from losing control of subsidiaries		–	-10	–	–
Cash flow from investing activities		**-124**	**-144**	**0**	**-32**

		Group		Parent Company	
SEK million	**Note**	**2023**	**2022**	**2023**	**2022**
Financing activities					
Other non-current liabilities		–	8	–	–
Aarrangement fee borrowings		–	-19	–	-19
Repayment of borrowings		-126	-448	-114	-429
Change in overdraft facility/credit line		-27	18	–	–
Net change in cash pool		–	–	257	-151
Net change in borrowings from subsidiaries		–	–	155	402
Repayment of lease liabilities		-31	-30	–	–
Dividends paid		-115	-110	-115	-108
Shareholders' contributions paid		–	–	–	-25
Group contributions received		–	–	130	50
Dividends received		–	–	93	160
Cash flow from financing activities		**-300**	**-582**	**406**	**-121**
Cash flow for the year		333	-91	295	-178
Opening cash and cash equivalents		578	630	133	296
Exchange rate differences in cash and cash equivalents		-50	39	-15	15
Closing cash and cash equivalents		**861**	**578**	**412**	**133**

Notes to the financial statements

Vitrolife AB (the Parent Company) and its subsidiaries comprise an international medical device Group. Vitrolife develops, produces and markets products and services for assisted reproduction. The Parent Company, Vitrolife AB (publ), corporate identity number 556354-3452, is a limited liability company registered in Sweden with its registered office in Gothenburg, Sweden. The visiting address is Gustaf Werners gata 2 and the postal address is PO Box 9080, SE-400 92 Gothenburg, Sweden. The Parent Company is listed on the Large Cap list of NASDAQ Stockholm.

The Board of Directors resolved to adopt these consolidated financial statements for publication on 27 March 2024.

Note 1. Accounting policies

Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU for application within the EU.

The Parent Company applies the same accounting policies as the Group except in the cases listed below in the section "Parent Company accounting policies". The deviations arising between the Parent Company's and the Group's accounting policies are due to the limitations on the possibility of applying IFRS in the Parent Company in compliance with the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and in certain cases for tax reasons.

Classification

Non-current assets, non-current liabilities and provisions essentially consist of amounts that are expected to be recovered or paid more than 12 months after the reporting date. Current assets and current liabilities consist mainly of amounts that are expected to be recovered or paid within 12 months of the reporting date.

Consolidation policies

The consolidated financial statements include the Parent Company Vitrolife AB (publ) and the subsidiaries in which the Parent Company has a controlling influence at year-end. Intra-Group receivables and liabilities, income and expenses, and unrealised gains or losses arising from intra-Group transactions are eliminated in their entirety when preparing the consolidated financial statements.

Functional currency and reporting currency

Items included in the financial statements of the various entities of the Group are valued in the currency used in the primary economic environment of each company's operations (functional currency). The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All figures, unless otherwise stated, are rounded off to the nearest million. Rounding affects total figures, which is why the figures in some tables may appear not to add up.

Assets and liabilities in foreign subsidiaries, including goodwill and other consolidated surplus and deficit values, are translated to SEK at the exchange rate on the reporting date. Income and expenses in foreign subsidiaries are translated to SEK at an average rate for each year. Translation differences that arise in currency translations of foreign subsidiaries are recognised in other comprehensive income.

Foreign currency

Transactions in foreign currency are measured in the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are measured in the functional currency at the exchange rate prevailing on the reporting date.

Exchange rate differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are recognised at historic cost are translated at the exchange rate applicable on the transaction date. Non-monetary assets and liabilities that are recognised at

The following exchange rates have been applied in these statements:

	Average exchange rate		Closing rate	
Currency	**2023**	**2022**	**31 Dec 2023**	**31 Dec 2022**
EUR	11.4765	10.6317	11.0960	11.1283
USD	10.6128	10.1245	10.0416	10.4371
AUD	7.0468	7.0135	6.8228	7.0892
GBP	13.1979	12.4669	12.7680	12.5811
CNY	1.4982	1.5020	1.4133	1.5017
JPY	0.0756	0.0771	0.0710	0.0792
DKK	1.5403	1.4290	1.4888	1.4965
HUF	0.0301	0.0272	0.0290	0.0278

Source: The Riksbank

Note 1. Accounting policies (cont.)

fair value are translated to the functional currency at the exchange rate applicable on the date of fair-value measurement. The change in exchange rates is then recognised in the same manner as other changes in value for the asset or liability.

Net investments in foreign operations
Monetary non-current receivables and liabilities in foreign operations are assessed as part of the company's net investment in foreign operations when settlement of these receivables and liabilities is not planned and unlikely in the foreseeable future. All resulting exchange rate differences for these items are recognised in other comprehensive income. On the divestment of any such foreign operation, the accumulated exchange rate differences are recognised in profit or loss.

Non-controlling interests
Non-controlling interests are recognised as a separate item in Group equity. Acquisitions of non-controlling interests are recognised as a transaction within equity in respect of the holding of non-controlling interests. Accordingly, goodwill does not arise in conjunction with such transactions.

New accounting policies for 2023
No standards, amendments or interpretations that entered into force in 2023 are deemed to have had material impact on the Group financial statements.

New accounting policies for 2024 and later
No IFRSs and IFRIC interpretations that have not yet come into effect or been applied by the Vitrolife Group are expected to have any material impact on the Group.

Parent Company accounting policies
The Parent Company prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities. Under RFR 2, the Parent Company, in preparing the annual financial statements for the legal entity, applies all EU-approved IFRSs and statements insofar as this is possible within the framework of the Swedish Annual Accounts Act and with respect to the connection between accounting and taxation. The recommendations specify which exceptions and additions are to be made from and to IFRS. The differences between the accounting policies of the Group and the Parent Company are stated below.

The accounting policies for the Parent Company stated below have been consistently applied to all periods presented in the financial statements of the Parent Company. The accounting policies are unchanged compared with the previous year. The Parent Company applies the exception rule in RFR2, which states that a legal entity does not have to comply with IFRS 16.

Shares and participations
Shares and participations in Group companies are recognised at cost and subject to impairment testing each year. Dividends are recognised in profit or loss.

Income taxes
Untaxed reserves including deferred tax liabilities are recognised in the Parent Company. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity.

Shareholder contributions and Group contributions
The payee recognises unconditional shareholder contributions directly in equity and the payer capitalises them under shares and participations, to the extent that impairment is not required. Group contributions are recognised according to the alternative rule in RFR 2.
Group contributions are recognised as appropriations.

Presentation of accounting policies
The accounting policies for the Group stated in this annual report have been applied to all periods presented in the consolidated financial statements, unless otherwise stated. The Group's accounting policies have been applied consistently in the reporting and consolidation of subsidiaries. The Vitrolife Group presents the accounting choices made within the framework of the prevailing IFRS policy in conjunction with each note to provide enhanced understanding.

Note 2. Financial risk management

Financial policy

The Vitrolife Group is exposed to a number of financial risks in the different countries and sectors in which the Group operates and through its business activities. These risks may prevent the Group from achieving its goals and strategies.

The Group has a corporate policy for its financial operations that defines the financial risks and states how the Group should manage these risks.

Liquidity risk

Liquidity risk is the risk that the Group may incur losses if it does not have sufficient funds to meet its obligations.

The Group's policy is to ensure that the Group is able to meet its payment obligations while simultaneously minimising the need for borrowing and avoiding financing on unfavourable terms. The Group had available and undrawn credit facilities of SEK 100 million as at 31 December 2023, providing adequate cover for this purpose.

Maturity structure for financial liabilities:

	Within 1 year	2 years	3 years	4 years	>4 years	Total
31 Dec 2023						
Borrowings*	114	111	1,775	–	–	2,000
Lease liabilities**	33	23	16	15	13	100
Trade payables	171	–	–	–	–	171
Other liabilities	17	–	–	–	–	17
31 Dec 2022						
Borrowings*	153	112	111	1,775	–	2,151
Lease liabilities**	29	20	10	8	17	84
Trade payables	181	–	–	–	–	181
Other liabilities	16	–	–	–	–	16

*Borrowings are in EUR and are expected to be repaid in EUR that is received from sales. The exchange exposure for these loans has therefore not been hedged. ** Discounted values based on IFRS 16.

The Group has a fixed-term loan facility under consortium lending which includes requirements for covenants in respect of a number of key ratios. The key ratios are calculated based on the Group's operating income before depreciation and amortisation (EBITDA), interest expenses and net debt.

Refinancing risk

Refinancing risk is the risk that existing debt cannot be refinanced or may have to be refinanced at an unusually high cost.

The Group's policy is to ensure that the loan portfolio is efficiently balanced in terms of maturity structure in order to avoid pressure on cash flow due to debt repayments. Financial liabilities at the end of the year amounted to SEK 2,288 million and the maturity structure is shown in the table on the left.

Currency risk

Currency risk is the risk of exchange rate fluctuations impacting the Group's financial statements.
This risk is related to changes in expected and contracted payment flows (transaction exposure), revaluation of foreign subsidiaries' assets and liabilities in foreign currencies (translation exposure), financial exposure in payment flows for loans and investments (transaction exposure) and future mergers and acquisitions in foreign currency (financial risk). The aim is to minimise the impact of currency fluctuations on the Group's financial statements. This means that the Group is striving to centralise its currency risk management, increase natural currency hedging and distribute net debt across currencies in which the Group has revenue (primarily EUR and USD). The Group does not use financial derivatives as hedging instruments.

Transaction exposure

In terms of cash flow risk, the Group's largest exposure is to EUR, due to inflows exceeding outflows, and to DKK, where inflows are lower than outflows. The Group also has significant exposure to AUD, CNY, GBP, JPY and USD, in all of which inflows exceed outflows.

A change in the SEK exchange rate against these currencies of +/-10% would have an effect on income before tax of +/- SEK 77 million.

Note 2. Financial risk management (cont.)

Net transaction exposure is allocated over the following currencies:

	Transaction exposure, net	Effect on operating income of 10% rise or fall in SEK
Original currency		
EUR	475	51
USD	201	9
JPY	128	0
CNY	201	3
AUD	122	8
GBP	65	8
DKK	-254	-4
Other	91	2
Total	**920**	**77**

Translation exposure

Translation exposure consists of conversion exposure, where assets and receivables in foreign currencies are measured at the exchange rate on the reporting date, and consolidation exposure, where the assets and liabilities of subsidiaries are translated into SEK on consolidation. Conversion exposure affects the income statement under either other operating income or other operating expenses, but also under net financial items. Exposure follows the pattern of transaction currencies. Consolidation exposure affects equity in the form of the net amount of assets and receivables in consolidated subsidiaries and is recognised under other comprehensive income. The largest exposure is to EUR on consolidation. Intangible assets are also recognised in EUR but translation differences from financial loans are recognised in the income statement under net financial items.

Interest rate risk

In terms of the Group's financial liabilities, the Group is exposed to the risk of fluctuations in variable rates on long-term loans and credit facilities, which affects cash flow and fair value. A significant factor that affects interest rate risk is the rate fixation period. Based on the reporting date, a change in interest rate of 100 points on interest-bearing liabilities would affect the Group's future income before tax by SEK 20 million. The sensitivity analysis assumes that all other factors, such as exchange rates, remain unchanged. No financial derivatives were used to manage interest rate exposure in 2023.

Credit risk

Credit risk describes the Group's financial asset risk and arises if a counterparty does not meet its contractual payment commitments to the Group, which can lead to credit losses. The Group's maximum exposure is the fair value of financial assets, which amounted to SEK 1,393 million (1,049). For asset structure, refer to Note 25.

The Group's interest-bearing financial assets consist mainly of bank balances and are estimated to have low credit risk since the counterparties have a high creditworthiness rating.

Customer credit risk is a significant risk and various measures are being implemented to prevent the risk from being realised. The Group assesses the credit risk relating to expected credit losses on trade receivables at local level, while assessments according to IFRS are made at Group level. The Group has historically had low credit losses and this was also true for 2023. For further information about trade receivables, see Note 17.

Capital structure

The Group's aim regarding capital structure is to secure the Group's ability to continue operations so that it can continue to generate returns for shareholders and to maintain an optimal capital structure to keep the cost of capital down. The Group defines capital as equity.

The Board's view is that the Vitrolife Group should have a strong capital base and a high level of cash and cash equivalents to enable continued high growth, both organically and through acquisitions. The Group's goal is that net debt should not exceed a multiple of three times EBITDA. Net debt in relation to EBITDA was 1.0 at the reporting date.

Note 3. Critical estimates and assessments

Preparing the financial statements in conformity with IFRS requires management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historic experience and a number of other factors deemed reasonable under the prevailing circumstances. The results of these estimates and assumptions are later used to assess the carrying amounts of assets and liabilities that are not otherwise clearly apparent from other sources. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes in the estimates are recognised in the period they are made if this is the only period affected by the change, or in the period the changes are made and in future periods if they also affect future periods.

Assessments made by management that have a substantial effect on the financial statements and estimates made that may involve material adjustments to the following year's financial statements are described in detail below.

Impairment testing of goodwill and other intangible assets
When calculating the recoverable amounts of cash-generating units as part of assessing whether any impairment of goodwill and other intangible assets is needed, several assumptions are made regarding future conditions and estimates of parameters. An account of these can be found in Note 14.

Impairment testing of capitalised expenditure for product development
No indication of impairment existed at 31 December 2023. Projects capitalised in the balance sheet can, with reasonable certainty, be expected to generate economic benefits in the foreseeable future. The assets are amortised on a straight-line basis over their estimated useful life.

Inventory valuation
Inventories are recognised at the lower of cost and net realisable value. This takes into consideration the risk of obsolescence, which is assessed on an individual basis. Net realisable value comprises the estimated selling price less directly related selling expenses. Internal gains from intra-Group transactions are deducted from the carrying amount of the inventory. For further information, refer to Note 16.

Provision for credit losses
The Group uses the simplified approach for expected credit losses on trade receivables, according to which provisions for expected bad debt losses are made at an amount corresponding to lifetime expected credit losses and measured at initial recognition. For further information, refer to Note 17.

Provisions for warranties
The Group recognises provisions for warranties connected to some of the Group's products. The provisions are based on historical statistics regarding claims, warranty periods, etc. Estimated costs for these product warranties are recognised as costs when the products are sold. The difference between estimated costs and actual outcomes affects provisions and recognised costs in future periods. For further information, refer to Note 23.

Deferred tax
Deferred tax assets attributable to tax loss carry-forwards have been capitalised to the extent that it is estimated they can be used against future taxable profits. For further information, refer to Note 13.

Additional purchase consideration
No material outstanding commitments for potential additional purchase consideration are deemed to exist.

Leases
Vitrolife's leases primarily relate to premises, company cars and some office equipment and tools. Since the introduction of IFRS 16 on 1 January 2019, the leases are recognised as right-of-use assets and interest-bearing lease liabilities in the balance sheet. Potential options to extend existing leases have been considered and each individual case is evaluated to determine whether it is likely that an option will be exercised or not. Discounting of future lease payments is done with the interest rate implicit in the lease if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied. For further information regarding leases, refer to Note 26.

Note 3. Critical estimates and assessments (cont.)

Legal disputes

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. This was later reduced to two patents. According to the decision in 2023 of the District Court in Düsseldorf, the offering and supply of the EmbryoScope systems in Germany by Vitrolife GmbH and Vitrolife AB constitute an indirect infringement concerning the German part of one of the patents, whereas the court found that there was no infringement of the other patent.

Vitrolife has appealed the judgment where Vitrolife was found guilty of indirect infringement and Ares Trading S.A has appealed the other court decision. No impact on the financial statements in this report.

Note 4. Segment reporting

The Vitrolife Group reports its segments in three geographical regions with 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 costs and 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. Sales are also monitored in the three business areas whose products and services are sold by the three geographical market organisations.

In 2023, no single customer of the Vitrolife Group accounted for more than 10 percent of total sales.

	2023				2022			
	EMEA	Americas	APAC	Total	EMEA	Americas	APAC	Total
Net sales	**1,286**	**1,159**	**1,066**	**3,512**	**1,163**	**1,144**	**927**	**3,234**
Gross income	**734**	**562**	**681**	**1,977**	**639**	**585**	**556**	**1,780**
Selling expenses	-258	-266	-161	-684	-236	-229	-137	-602
Market contribution	**477**	**297**	**520**	**1,293**	**403**	**356**	**419**	**1,178**
Administrative expenses				-433				-400
Research and development costs				-127				-143
Other operating income and expenses				-4,322				19
Operating income				**-3,589**				**654**
Net financial items				-123				-117
Income after financial items				**-3,712**				**537**

Net sales and non-current assets by geographic segment

	Net sales		Non-current assets*	
	2023	2022	2023	2022
EMEA	1,286	1,163	12,423	16,867
of which Sweden	*21*	*22*	*2,742*	*2,754*
of which Spain	*180*	*190*	*8,705*	*12,530*
of which Denmark	*28*	*24*	*874*	*866*
Americas	1,159	1,144	1,467	1,581
of which USA	*786*	*797*	*1,447*	*1,547*
APAC	1,066	927	363	392
of which Japan	*255*	*240*	*179*	*192*
of which China	*287*	*250*	*63*	*66*
Total	**3,512**	**3,234**	**14,253**	**18,840**

*Non-current assets refers to intangible assets and property, plant and equipment, excluding financial instruments and deferred tax assets.

Note 5. Revenue

Accounting policies

Revenue recognition

The Vitrolife Group recognises revenue using the accounting principles of IFRS 15 as described below. The basic principle of IFRS 15 is that a company should recognise revenue to describe the transition of promised goods or services to customers at an amount that reflects the compensation that the company expects to be entitled to in exchange for these goods or services. To comply with this principle, a five-step model is applied, which consists of the following parts: Identify the agreement with the customer, identify the different performance obligations, determine the transaction price, allocate the transaction price to the various performance obligations and recognise revenue when performance obligations are met.

Revenue streams

The Group's sales are of products and services that clearly represent separate performance obligations. The Vitrolife Group also sells services in the form of servicing of products, primarily in the Technologies business area, and also in the form of recharging of freight. Sales in the Genetic Services business area mainly refer to services for genetic testing. For all products, freight is also invoiced to the customer.

Performance obligations and time of revenue recognition

The Group's sales are of products and services that clearly represent separate performance obligations. Sales of products are recognised as income when the customer takes control of the products, which is deemed to be at delivery to the customer. The warranties that come with the Group's products are standardised and are therefore not defined as separate performance obligations. Services for genetic testing, within the Genetic Services business area, are recognised as revenue when test results are delivered to customers.

The Vitrolife Group also sells maintenance services, primarily for products within the Technologies business area. Servicing is largely invoiced in advance and is recognised as revenue over the period of the servicing contract. Servicing income that is not recognised as revenue is recognised as deferred income (contractual liability) in the balance sheet.

Reinvoicing of freight is considered a service and is recognised as revenue at delivery.

Disclosures

Disaggregation of revenue

Vitrolife Group applies the following geographical segments: EMEA, Americas and APAC. Products and services are categorised into the following business areas: Consumables, Technologies and Genetic Services. The disaggregation of revenue per business area and segment is presented in the table on the next page. For more information on the company's segments, refer to Note 4. Disaggregation of revenue between products and services is also presented in the table below.

Net sales by products and services

	2023	2022
Products	2,016	1,774
Services	1,495	1,460
Total	**3,512**	**3,234**

	Products		Services	
	2023	2022	2023	2022
EMEA	788	690	498	473
APAC	406	376	753	767
Americas	821	708	245	220
Total	**2,016**	**1,774**	**1,495**	**1,460**

Contractual liabilities

The Group has contractual liabilities arising from services that are essentially invoiced in advance. Contractual liabilities are resolved over the period that service is delivered to the customers. The tables below provide information on the timing of when existing contractual liabilities are expected to be recognised as revenue, and revenue recognised during the reporting period, which was included in contract liabilities at the beginning of the period.

	2023	2022
Opening balance	43	33
Revenue recognised during the year	-39	-30
Additional contractual liabilities during the year	40	40
Closing balance	**44**	**43**

	2024	2025–	Total
Expected time of revenue recognition 2023	41	3	44

	2023	2024–	Total
Expected time of revenue recognition 2022	41	2	43

Note 5. Revenue (cont.)

Net sales per geographical segment and business area

	EMEA		Americas		APAC		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Consumables	571	497	354	324	603	518	1,528	1,339
Technologies	285	253	69	65	285	235	640	553
Genetic Services	431	413	736	755	177	175	1,344	1,343
Total	**1,286**	**1,163**	**1,159**	**1,144**	**1,066**	**927**	**3,512**	**3,234**
Of which Sweden	*22*	*22*					*22*	*22*

Note 6. Other operating income

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Foreign exchange gains recognised under other operating income	–	3	–	–
Insurance refunds	0	5	–	–
Government grants	3	0	–	–
Tax/VAT refunds	–	12	–	–
Other	2	1	–	–
Total	**5**	**21**	**–**	–

Note 7. Other operating expenses

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Foreign exchange losses recognised under other operating expenses	-24	–	-1	0
Loss from sale of property, plant and equipment	-3	-1	–	–
Impairment	-4,300	–	–	–
Other	0	-1	–	–
Total	**-4,328**	**-2**	**-1**	**0**

Note 8. Employees, personnel costs and Board fees

Accounting policies

Long-term share-based incentive programmes have been reported in accordance with "IFRS 2 - Share-based payment". According to IFRS 2, allotment of shares shall be recognised as a personnel cost during the qualifying period and shall be recognised directly in equity. Amounts booked in equity can differ from personnel costs in the income statement due to currency translation. Personnel costs in accordance with IFRS 2 do not affect cash flow. Social security contributions are expensed in the income statement through provisions on an ongoing basis. The size of these provisions is revalued based on the development in value of the right to performance shares and the social security contributions that may be paid upon allotment of performance shares. For further information, see pages 72-74.

Average number of employees (FTE)

	Total		Of whom men	
	2023	2022	2023	2022
Parent Company, Sweden	1	1	0	1
Subsidiaries				
Sweden	164	161	60	61
USA	197	202	76	73
Denmark	100	90	59	57
Brazil	68	79	14	16
Spain	217	223	82	87
Rest of world	337	361	141	157
Total	**1,084**	**1,117**	**432**	**452**

Percentage of women in senior positions

	2023	2022
Board of Directors	40%	33%
Executive management	14%	29%

Salaries, other benefits and social security contributions*

	Salaries and benefits		Social security contributions	
	2023	2022	2023	2022
Parent Company	27	30	16	12
- of which pension costs	–	–	*7*	*4*
Subsidiaries	665	614	140	129
- of which pension costs	–	–	*34*	*33*
Total	**692**	**644**	**156**	**141**
- of which pension costs	–	–	*41*	*37*

* Based on expensed remuneration.

Salaries and benefits allocated by country and between Board members/CEO and other employees

	Board/CEO		Other employees	
	2023	2022	2023	2022
Parent Company, Sweden	27	30	–	–
Subsidiaries				
Sweden	–	–	116	109
Denmark	–	–	88	75
USA	–	–	171	156
Spain	–	–	100	93
Rest of world	–	–	189	181
Total	**27**	**30**	**665**	**614**
- of which variable remuneration	*9*	*8*	*40*	*38*

Defined-contribution pension plans

In Sweden, the Group funds defined-contribution pension plans for its employees. Outside Sweden, defined-contribution plans are partly defrayed by the subsidiaries and partly defrayed by fees paid by the employees. Payments to these plans are made on an ongoing basis pursuant to the rules of the respective plans. The premiums are expensed on an ongoing basis and there are no obligations to pay further fees. The Group's earnings are charged with costs as the benefits accrue.

Note 8. Employees, personnel costs and Board fees (cont.)

Remuneration of the Board of Directors and senior executives

Board of Directors

During the financial year, Board fees were paid based on the fees approved at the 2021 and 2022 Annual General Meetings (AGMs). On 27 April 2023, the Group's AGM resolved to pay Board fees of SEK 3,600 thousand (3,600) for the period until the next AGM. For information on remuneration of senior executives, see page 60.

Executive managment

In Q1 a retirement compensation was executed to the former CEO. To Bronwyn Brophy a one-off sum of SEK 2,375 thousand was paid to compensate for the non-delivery of bonuses at previous employers. Amounts included in Basic salary column. This compensation was a deviation from the guidelines decided by the general meeting.

Endowment insurance

Endowment insurance includes plans for the CEO and the former CEO of SEK 17,996 thousand (11,605). Endowment insurance plans are recognised under other financial assets and provisions. Also refer to Note 28 on pledged assets and contingent liabilities related to endowment insurance.

Remuneration and other benefits, 2023

SEK thousand	Basic salary/ Board fee	Variable remuneration/extra fee	Other benefits	Share-based remuneration*	Pension costs	Total
Chairman of the Board Jón Sigurdsson (Jan–Mar, Aug–Dec)	800	33	–	–	–	833
Board member Henrik Blomqvist (Interim Chairman, Apr–Jul)	800	83	–	–	–	883
Board member Lars Holmqvist	400	50	–	–	–	450
Board member Pia Marions	400	100	–	–	–	500
Board member Karen Lykke Sørensen	400	100	–	–	–	500
Board member Vesa Koskinen*	–	–	–	–	–	–
CEO Thomas Axelsson (Jan–Mar)	14,930	–	18	2,623	6,086	23,657
CEO Jón Sigurdsson (Interim, Apr–Jul)	5,156	–	–	–	–	5,156
CEO Bronwyn Brophy O'Connor (Aug–Dec)	5,545	927	1	–	966	7,439
Other executive management (9 individuals)	9,772	1,812	294	3,498	5,393	20,768
Total	**38,203**	**3,105**	**313**	**6,121**	**12,445**	**60,187**

Remuneration and other benefits, 2022

SEK thousand	Basic salary/ Board fee	Variable remuneration/extra fee	Other benefits	Share-based remuneration*	Pension costs	Total
Chairman of the Board Jón Sigurdsson	1,200	50	–	–	–	1,250
Board member Henrik Blomqvist	400	100	–	–	–	500
Board member Lars Holmqvist	400	50	–	–	–	450
Board member Pia Marions	400	100	–	–	–	500
Board member Karen Lykke Sørensen	400	100	–	–	–	500
Board member Vesa Koskinen*	–	–	–	–	–	–
CEO Thomas Axelsson	12,285	7,525	69	–	4,014	23,963
Other executive management (9 individuals)	16,517	7,651	435	140	4,449	29,191
Total	**31,671**	**15,575**	**504**	**140**	**8,463**	**56,354**

* Reported share-related payments refer to amounts paid during the year. Amounts expensed for long-term incentive programmes amounted to SEK 16,529 thousand (10,152) plus social charges of SEK 897 thousand (2,279).

** In accordance with policy from EQT, no remuneration has been paid.

Note 9. Auditors' fees

	Group		Parent Company	
	2023	2022	2023	2022
Deloitte				
Audit engagement	4	4	2	1
- of which to Deloitte AB	*2*	*1*	*2*	*1*
Audit activities other than audit engagement	–	–	–	–
- of which to Deloitte AB	–	–	–	–
Tax consultancy	0	0	0	0
- of which to Deloitte AB	*0*	*0*	*0*	*0*
Other services	0	0	0	0
- of which to Deloitte AB	*0*	*0*	*0*	*0*
Other auditors				
Audit engagement	1	1	–	–
Tax consultancy	3	2	1	–
Other services	1	1	0	0
Total	**8**	**7**	**3**	**2**

Audit engagements refer to the examination of the annual accounts, the accounting records and the administration of the Board and CEO, other tasks incumbent on the company's auditor to perform as well as advice or other assistance resulting from observations made during an audit or the performance of such other duties. Audit activities other than the audit engagement, pertain to quality assurance services, including assistance regarding observations made during such a review, which is carried out in accordance with ordinances, the Articles of Association, bye-laws or agreements, and which result in a report that is also intended for others than the client. Advice on tax matters is reported separately. Everything else comprises other services.

Note 10. Operating expenses

	Group		Parent Company	
	2023	2022	2023	2022
Raw materials and consumables	-824	-823	–	–
Change in inventories of finished goods and work in progress	8	58	–	–
Personnel costs	-899	-836	-44	-43
Depreciation, amortisation and impairment	-425	-396	–	–
Non-recurring impairment losses	-4,300	–	–	–
Other external costs	-639	-603	-20	-12
Other operating expenses	-27	-2	-1	0
Total	**-7,106**	**-2,601**	**-65**	**-55**

Note 11. Net financial items

Accounting policies

Interest income is recognised on an ongoing basis and dividends are recognised when the right to receive them has been established.

	Group		Parent Company	
	2023	2022	2023	2022
Interest income	16	2	73	22
Dividends from participations in Group companies	–	–	219	159
Other financial income	3	0	–	–
Financial income	**19**	**2**	**292**	**182**
Interest expense*	-94	-44	-95	-36
Foreign exchange losses	-40	-37	-10	-69
Impairment of interest in subsidiary	–	–	-3,000	–
Loss on disposal of subsidiary	–	-22	–	–
Other financial expenses	-7	-16	-8	-10
Financial expenses	**-142**	**-119**	**-3,112**	**-115**
Total	**-123**	**-117**	**-2,820**	**67**

* Interest expenses are attributable to instruments measured at amortised cost. For the Group, SEK 4 million (4) refers to interest on lease liabilities according to IFRS 16.

Note 12. Exchange rate differences

Accounting policies

Receivables and liabilities in foreign currencies are measured at the exchange rate on the reporting date. Exchange rate differences relating to operating receivables and operating liabilities are included in operating income, while exchange rate differences relating to financial receivables and liabilities are recognised as financial items.

	Group		Parent Company	
	2023	2022	2023	2022
In operating income	-24	3	-1	0
In financial items	-40	-37	-10	-69
Total	**-65**	**-35**	**-10**	**-69**

Note 13. Taxes

Accounting policies

Income taxes comprise current tax and deferred tax and is recognised in profit or loss, except when the underlying transactions are recognised in other comprehensive income, provided that the related tax effect is also recognised in other comprehensive income. Current tax is tax payable or recoverable for the current year. This also includes adjustments to current tax attributable to prior periods. The actual tax expense is calculated based on the applicable tax rules on the reporting date that have been enacted or substantively enacted in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns with regard to situations where the applicable tax rules are subject to interpretation and, when deemed appropriate, make provisions for amounts that will probably be payable to the tax authorities.

Deferred tax is calculated in accordance with the balance sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. The amount is calculated based on how the temporary differences are expected to be balanced and on the basis of the tax rates (and tax rules) that have been decided or announced as at the reporting date and which are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled. Temporary differences are not taken into consideration in consolidated goodwill nor in differences attributable to shares in subsidiaries that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity.

Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only insofar as it is probable that tax surpluses will be available in the future against which temporary differences can be utilised. Assessment of whether to utilise these has also taken account of climate-related risks and their impact on future expected taxable gains.

Tax expense for the year

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Current tax for the year	-229	-198	-17	-12
Tax attributable to prior financial years	-3	0	–	–
Total current tax	-232	-197	-17	-12
Deferred tax				
Amortisation of surplus value	66	61	–	–
Intra-Group profit	-3	1	–	–
Change in loss carry-forwards	-10	-3	–	–
Change in temporary differences	41	-5	2	1
Total tax expense	**-139**	**-143**	**-15**	**-11**
Reconciliation of effective tax rate				
Income before tax	- 3,712	537	-2,707	214
Estimated Swedish tax 20.6% (20.6%)	765	-111	558	-44
Differences in other tax rates for foreign Group companies	-4	-16	–	–
Tax attributable to prior financial years	-3	0	–	–
Non-deductible expenses	-884	-16	-618	0
Non-taxable income	0	6	-	-
Dividends from Group companies	–	–	45	33
Non-capitalised loss carry-forwards	-12	-6	–	–
Other	-1	0	–	–
Total tax expense	**-139**	**-143**	**-15**	**-11**

Note 13. Taxes (cont.)

Deferred tax, Group

	Deferred tax assets		Deferred tax liabilities	
	2023	2022	2023	2022
Intra-Group profit in inventories	15	19	–	–
Surplus value of non-current assets	–	–	1,026	1,093
Tax loss carry-forwards	36	46	–	–
Temporary differences in non-current assets	–	–	19	17
Other temporary differences	69	49	0	5
Lease liabilities	21	22	–	–
Right-of-use assets	–	–	21	20
Netting of deferred taxes	-31	-34	-31	-34
Total	**111**	**102**	**1,035**	**1,102**

Change in deferred tax assets and liabilities

	2023	2022
Opening balance, net	-1,000	-976
Through profit or loss	93	54
Through other comprehensive income	0	0
Through business combinations	–	7
Reclassification	-17	–
Translation difference	-1	-86
Closing balance, net	**-924**	**-1,000**

The deferred tax assets and liabilities above are recognised in the balance sheet on a net basis for each country respectively, after considering offsetting possibilities. Deferred tax assets and liabilities have been measured at the tax rates that are expected to apply for the period when the asset is realised or the liability settled, according to the tax rates and tax rules that have been determined or notified at the reporting date.

Tax loss carry-forwards

Deferred tax assets attributable to tax loss carry-forwards have been capitalised to the extent it has been estimated they can be used against future taxable profits. Under existing regulations, all tax loss carry-forwards have no expiry date. However, all loss carry-forwards are subject to restrictions with regard to the proportion of the loss carry-forward that can be used to offset taxable profits in respective years. Non-capitalised loss carry-forwards amounted to SEK 37 million (25).

Note 14. Intangible assets

Accounting policies

Goodwill
Goodwill represents the difference between the cost of the business combination and the fair value of the acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured at cost less any accumulated impairment. To test for impairment, goodwill is allocated to a cash-generating unit, which is the lowest level at which goodwill is followed up in the internal control of the Group. Impairment is tested annually, or more frequently if there are indications of impairment.

Capitalised expenditure for product development
Research expenditure pertains to expenses for research aimed at obtaining new scientific or technical knowledge. Development expenditure pertains to expenses where research findings or other knowledge is applied to realise new or enhanced products or processes.

Research expenditure is expensed in the period in which it occurs. Development expenditure is recognised in the Group as an intangible asset when the asset is assessed as being able to generate future economic benefits and then only on condition that it is technically and commercially feasible to complete the asset, that the intent is and conditions exist for the asset to be used in operations or sold and that the value can be reliably calculated.

In the consolidated balance sheet, capitalised development expenditure is recognised at cost less accumulated amortisation and impairment.

Patents and licences
Patents and licences are recognised at cost less accumulated amortisation and impairment. The item mainly comprises acquired distribution rights and licenses.

Production technology
Production technology is recognised at cost less accumulated amortisation and impairment. The item mainly comprises production technology identified in connection with acquisitions.

Trademarks
Acquired trademarks are recognised at cost less accumulated impairment, if any. The assessment is that the Group's trademarks have indefinite useful lives. Based on this, trademarks are not amortised, but tested for impairment annually or more frequently if there are any indications of impairment. Any expenditure for internally generated trademarks are expensed in the period in which they occur.

Customer relationships
Acquired customer relationships are recognised at cost less accumulated amortisation and impairment.

Additional expenses
Additional expenses for an intangible asset are added to the cost only if they increase the future economic benefits over and above the original assessment and the costs can be reliably estimated. All other expenditures are expensed as incurred.

Amortisation
Amortisation is recognised on a straight-line basis in profit or loss over the estimated useful life of the intangible assets, unless the useful life is indefinite. Goodwill is tested for impairment annually or as soon as there is an indication that the asset has declined in value. The trademarks of the Group are assessed to have indefinite useful lives and are thus not amortised but tested for impairment in line with goodwill. Amortisable intangible assets are amortised as from the date the asset is available for use.

The estimated useful lives are:

Capitalised expenditure for product development	5–20 years
Patents and licences	5–10 years
Production technology	4–20 years
Customer relationships	5–10 years
Computer programs	5 years

Capitalised expenditure for product development is mainly amortised over a five-year period, which corresponds to most products' expected life. The amortisation period for patents tracks the underlying patent's life, which is between five and ten years.

Note 14. Intangible assets (cont.)

Impairment

At each reporting date, an assessment is made of whether there is any indication of impairment of the Group's assets. For goodwill and trademarks which are not amortised on an ongoing basis, impairment testing is conducted at least once a year and if there is an indication of impairment of the asset. If that is the case, an assessment of the asset's recoverable amount is made. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. Value in use is defined as the present value of all future cash inflows and outflows attributable to the asset plus the present value of the estimated net realisable value of the asset at the end of its useful life.

If the estimated recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount. An earlier impairment loss is reversed when there has been a change in the assumptions used as a basis for the asset's recoverable amount when it was written down and which mean that the impairment loss is no longer deemed necessary. Reversals of previous impairment losses are tested individually and recognised through profit or loss. Impairment losses on goodwill are not reversed in subsequent periods.

Impairment testing

Goodwill and other intangible assets are attributable to the acquisition of subsidiaries and their operations. Impairment testing has been conducted for the individual cash-generating units: Media, Genomics and Disposable Devices, which are part of Consumables, Time-lapse and ART, which are part of Technologies, and Genetic Services.

At the reporting date, acquisition-related intangible assets were distributed across the cash-generating units as follows: Media SEK 2,125 million, Disposable Devices SEK 467 million, Time-lapse SEK 803 million, Genomics SEK 1 million, ART Equipment SEK 57 million and Genetic Services SEK 10,234 million – a total of SEK 13,688 million.

Impairment testing of the value on acquisition of intangible assets by cash-generating unit was based on forecasts, where the first five years of the forecasts are based on historical growth rates adjusted for management forecasts of future performance. Growth in the subsequent five-year period is expected to be linear, after which forecasts are based on assumption of growth at a constant rate in perpetuity according to the Gordon growth model. The forecasts for years one to five were prepared by management based on historical data, the collective experience of management and their best assessment of the company's development potential and market growth individually by year. The present value of forecast cash flows was calculated using a discount rate before tax of 10 percent (9). The calculation also takes into account the need for investment, as well as changes in working capital and climate-related risks.

Sensitivity analysis

To support the impairment testing of intangible assets, a comprehensive sensitivity analysis was performed of the variables used in the model. For assets attributable to Genetic Services, the risk of future impairment losses declined, but a change in the discount rate of 0.5 percent still amounts to a sensitivity risk of SEK 1.3 billion and a one percent change in growth a risk of impairment losses of SEK 1.2 billion over the entire term used for the analysis. Other assets linked to cash-generating units have a good buffer against impairment losses.

Goodwill

	2023	2022
Accumulated cost		
Opening balance	13,892	13,013
Increase through business combinations	–	-38
Translation differences	-33	917
Closing balance	**13,859**	**13,892**
Accumulated impairment		
Opening balance	-18	-18
Impairment	-4,250	–
Closing balance	**-4,268**	**-18**
Carrying amount	**9,591**	**13,874**

Note 14. Intangible assets (cont.)

Other intangible assets	Capitalised expenditure for product development		Patents and licences		Production technology		Trademarks		Customer relationships		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Accumulated cost												
Opening balance	299	198	397	344	1,816	1,669	1,260	1,158	1,806	1,661	5,579	5,031
Capital expenditure	39	11	13	26	–	–	–	–	–	–	52	37
Sales/disposals	-1	–	-4	–	–	–	–	–	–	–	-6	–
Reclassification	–	67	–	11	–	–	–	–	–	–	–	78
Translation differences	-3	24	-2	16	-6	147	-4	102	-5	145	-19	434
Closing balance	**333**	**299**	**404**	**397**	**1,811**	**1,816**	**1,256**	**1,260**	**1,801**	**1,806**	**5,606**	**5,579**
Accumulated amortisation and impairment												
Opening balance	-254	-139	-167	-110	-277	-180	0	0	-232	-48	-931	-478
Amortisation	-21	-17	-57	-50	-84	-78	0	0	-186	-172	-348	-317
Impairment	–	–	-32	–	–	–	–	–	–	–	3	–
Sales/disposals	1	–	1	–	–	–	–	–	–	–	3	–
Reclassification	–	-78	–	0	–	–	–	–	–	–	–	-78
Translation differences	3	-21	2	-7	4	-20	0	0	7	-12	15	-59
Closing balance	**-272**	**-254**	**-252**	**-167**	**-357**	**-277**	**0**	**0**	**-412**	**-232**	**-1,261**	**-931**
Carrying amount	**61**	**45**	**153**	**230**	**1,453**	**1,539**	**1,256**	**1,260**	**1,390**	**1,574**	**4,314**	**4,648**

Amortisation and impairment losses were allocated in profit or loss by function as follows:

	Group				Parent Company	
	2023	of which amortisation of acquisition-related intangible assets	**2022**	of which amortisation of acquisition-related intangible assets	**2023**	**2022**
Cost of sales	-138	-84	-120	-78	–	–
Selling expenses	-182	-181	-169	-168	–	–
Administrative expenses	-24	–	-18	–	–	–
Research and development costs	-4	–	-10	–	–	–
Other operating expenses	-4,282	–	–	–	–	–
Total	**-4,630**	**-265**	**-317**	**-246**	**–**	**–**

Note 15. Property, plant and equipment

Accounting policies

Property, plant and equipment is recognised as assets in the balance sheet when, based on available information, it is probable that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be measured reliably. The carrying amounts of property, plant and equipment comprise cost less accumulated depreciation and any impairment. The estimated useful life also includes estimates related to potential climate risks. For accounting policies regarding right-of-use assets, refer to Note 26.

Gains or losses from selling property, plant and equipment comprise the difference between the selling price and the carrying amount of the asset and are recognised in profit or loss at the time of the sale.

Depreciation

Depreciation according to plan is based on the original cost less the estimated residual value. The residual values and estimated useful lives of property, plant and equipment are reviewed at each balance sheet date and are adjusted when necessary. Depreciation is on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. The estimated useful lives are:

Buildings and land improvements	10–30 years
Permanent equipment	10–20 years
Plant and machinery	3–10 years
Equipment, tools, fixtures and fittings	3–10 years

Depreciation and impairment losses were allocated in profit or loss by function as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Cost of sales	-47	-50	–	–
Selling expenses	-6	-6	–	–
Administrative expenses	-22	-22	–	–
Research and development costs	-1	-1	–	–
Total	**-77**	**-79**	**–**	**–**

Note 15. Property, plant and equipment (cont.)

	Buildings and land		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost										
Opening balance	263	249	48	38	429	369	23	15	762	670
of which right-of-use assets	*156*	*157*	–	–	*11*	*9*	–	–	*167*	*166*
Capital expenditure	14	0	1	6	40	39	14	7	67	51
Additions to right-of-use assets	8	9	–	–	1	2	–	–	9	11
Increase through business combinations	–	–	–	–	–	-5	–	–	–	-5
Increase through business combinations, right-of-use assets	–	-23	–	–	–	–	–	–	–	-23
Adjustment of right-of-use assets	6	–	–	–	-3	–	–	–	3	–
Reclassification	7	3	4	2	19	4	-31	–	0	9
Sales/disposals	–	–	-1	–	-19	-18	–	–	-20	-18
Derecognition of right-of-use assets	-18	–	–	–	-2	–	–	–	-20	–
Translation differences	-6	24	-1	2	-12	38	0	2	-18	66
of which right-of-use assets	*-3*	*12*	–	–	*0*	*0*	–	–	*-3*	*12*
Closing balance	**274**	**263**	**51**	**48**	**453**	**429**	**6**	**23**	**784**	**762**
of which right-of-use assets	***150***	***156***	**–**	**–**	***7***	***11***	**–**	**–**	***157***	***167***
Accumulated amortisation and impairment										
Opening balance	-130	-94	-44	-34	-271	-209	–	–	-439	-337
of which right-of-use assets	*-81*	*-58*	–	–	*-8*	*-5*	–	–	*-89*	*-63*
Amortisation	-5	-4	-4	-4	-32	-36	–	–	-42	-44
Depreciation of right-of-use assets	-29	-28	–	–	-3	-3	–	–	-32	-30
Impairment	–	–	–	–	-3	-5	–	–	-3	-5
Increase through business combinations	–	–	–	–	–	1	–	–	–	1
Increase through business combinations, right-of-use assets	–	9	–	–	–	–	–	–	–	9
Change in right-of-use assets	46	–	–	–	5	–	–	–	51	–
Reclassification	–	-3	–	2	–	-4	–	–	–	-9
Sales/disposals	–	–	1	–	13	4	–	–	14	4
Derecognition of right-of-use assets	7	–	–	–	2	–	–	–	9	–
Translation differences	4	-10	1	-3	7	-20	–	–	11	-33
of which right-of-use assets	*2*	*-5*	–	–	*0*	*0*	–	–	*-5*	*-5*
Closing balance	**-107**	**-130**	**-46**	**-44**	**-283**	**-271**	**–**	**–**	**-435**	**-439**
of which right-of-use assets	***-55***	***-81***	**–**	**–**	***-4***	***-8***	**–**	**–**	***-59***	***-89***
Carrying amount	**167**	**133**	**5**	**4**	**170**	**158**	**6**	**23**	**349**	**318**
of which right-of-use assets	***95***	***75***	**–**	**–**	***4***	***3***	**–**	**–**	***98***	***78***

Note 16. Inventories

Accounting policies

Inventories are recognised at the lower of cost and net realisable value. This takes into consideration the risk of obsolescence, which is assessed on an individual basis. Impairment due to obsolescence is recognised as cost of sales in profit or loss. The cost is calculated using weighted average prices. The cost of semi-finished and finished products manufactured in-house comprises direct production costs and a reasonable proportion of indirect production costs based on normal capacity. Net realisable value comprises the estimated selling price less directly related selling expenses. Internal gains from intra-Group transactions are deducted from the carrying amount of the inventory.

	Group		Parent Company	
	2023	2022	2023	2022
Raw materials and consumables	199	200	–	–
Work in progress	12	14	–	–
Finished goods and goods for resale	201	191	–	–
Total	**413**	**405**	**–**	**–**

Impairment of SEK 4 million (4) pertaining to obsolescent raw materials and SEK 4 million (7) for obsolescent finished products was included in the closing inventory. Total obsolescence costs for the year amounted to SEK 19 million (26).

Note 17. Trade receivables

Accounting policies

Trade receivables are initially recognised at fair value and thereafter at amortised cost. Since the expected maturity of trade receivables is short, a nominal value without discounting is recognised. If the receivable is expected to be held for more than 12 months, it is classified as non-current. The Vitrolife Group uses the simplified approach for expected credit losses on trade receivables, according to which provisions for expected bad debt losses are made at an amount corresponding to lifetime expected credit losses and measured at initial recognition. Impairment of trade receivables is recognised as selling expenses.

Trade receivables

Trade receivables are recognised after taking into account bad debt losses for the year. In 2023, bad debt losses in the Group totalled SEK 0 million (3). For financial risk management concerning trade receivables, refer to Note 2.

The Vitrolife Group has historically had low bad debt losses and continuously seeks to collect overdue receivables. Several of the Group's customers, such as public hospitals, traditionally pay their receivables a relatively long time past the due date. However, these customers are assessed to be low risk and they buy new products from the Vitrolife Group on a regular basis.

	Group		Parent Company	
	2023	2022	2023	2022
Trade receivables	514	462	–	–
Less loss allowance	-11	-8	–	–
Total	**503**	**454**	**–**	**–**

Age structure of trade receivables

2023

		Number of days past due:				
Total trade receivables:	**Not overdue:**	**0–30**	**31–60**	**61–90**	**>90**	**Total overdue:**
514	355	63	32	16	48	159
of which provisions -11	–	–	0	0	-11	-11

2022

		Number of days past due:				
Total trade receivables:	**Not overdue:**	**0–30**	**31–60**	**61–90**	**>90**	**Total overdue:**
462	321	77	24	16	24	141
of which provisions -8	–	–	0	0	-8	-8

Change in loss allowance

	Group		Parent Company	
	2023	2022	2023	2022
Opening loss allowance	-8	-17	–	–
Reversal of loss allowance	1	1	–	–
Incurred credit losses	-1	17	–	–
Provision for expected credit losses	-4	-7	–	–
Translation differences	1	-2	–	–
Closing loss allowance	**-11**	**-8**	**–**	**–**

Note 18. Prepaid expenses and accrued income

	Group		Parent Company	
	2023	2022	2023	2022
Insurance	15	14	0	0
Prepaid property costs	6	4	–	–
Prepaid IT expenses	9	8	0	0
Prepaid marketing activities	4	4	–	–
Other prepaid expenses	23	17	1	1
Total	**57**	**47**	**1**	**1**

Note 19. Cash flow statements and cash and cash equivalents

Accounting policies

The cash-flow statements are prepared according to the indirect method.

	Group		Parent Company	
	2023	2022	2023	2022
Interest paid and received				
Interest received	16	2	34	22
Interest paid*	-97	-40	-95	-36
Total	**-81**	**-38**	**-61**	**-14**
Adjustment for non-cash items				
Depreciation, amortisation and impairment of assets	425	396	–	–
Impairment	4,300	–	–	–
Unrealised exchange rate differences	51	41	10	68
Equity compensation benefits	17	10	5	5
Dividend received from subsidiaries	–	–	-219	-159
Impairment of interests in subsidiaries	–	–	3,000	–
Divestment of operations	–	22	–	–
Other	9	7	-31	6
Total	**4,801**	**476**	**2,764**	**-79**
Sub-components of cash and cash equivalents				
Cash and bank balances	861	578	412	133
Total	**861**	**578**	**412**	**133**

*For the Group, including interest on lease liabilities in accordance with IFRS 16 of SEK 4 million (4).

Note 20. Equity

Accounting policies
Transaction expenses that are directly attributable to the issue of new shares or warrants are recognised, net of tax, in equity as a deduction from the proceeds. Other contributed capital pertains to equity contributed by the owners. This includes share premium reserves formed in conjunction with share issues.

Share capital and other capital contributions
There is only one type of share. All shares have equal rights. The number of shares outstanding in the Parent Company as at 31 December 2023 was 135,447,190 (135,447,190), of which the holding of own shares amounted to 52,568 (52,568).

Translation reserve
The translation reserve includes all exchange rate differences arising in conjunction with the translation of financial statements from foreign operations that prepared their financial statements in a currency other than the presentation currency in the consolidated financial statements. The Parent Company and Group present their financial statements in SEK.

The disclosure requirement in Chapter 5, section 14, of the Swedish Annual Accounts Act regarding the specification of year-on-year changes in equity in the balance sheet is detailed on page 85.

Under the dividend policy for Vitrolife AB (publ), each year, a dividend, or some other form of distribution equal to 30 percent of net profit for the year after taxes on average over time, should be proposed. Thus, in accordance with the above, the Board and CEO intend to propose that the AGM resolve in favour of a dividend of SEK 1.00 per share for 2023, corresponding to a total of SEK 135 million. The dividend proposal will be presented to the AGM on 25 April 2024 for adoption.

Retained income including profit for the year
Retained income including profit for the year comprises profits earned by the Parent Company and its subsidiaries.

Proposed appropriation of profit
The Board of Directors and the CEO propose that the available funds of SEK 11,745,925,609 be appropriated as follows:

SEK	
Dividend (SEK 1.00)	135,447,190
Carried forward	11,610,478,419
Total	**11,745,925,609**

Capital management
The capital managed by the Group comprises equity. The objective of the Group's capital management is to enable continued high growth, both organic and through acquisitions. The Group's net debt should normally not exceed a multiple of three times EBITDA. The Board's objective is to achieve profitable growth. The Group's growth target is sales growth of 10 percent per year with an operating margin before depreciation and amortisation (EBITDA) of 33 percent.

Note 21. Earnings per share

Accounting policies

The calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company's shareholders and the weighted average number of shares outstanding during the year.

Earnings per share

In 2022, the average number of shares outstanding was 135,394,622 (135,394,622). Income for the year attributable to the Parent Company shareholders was SEK -3,851 million (394), resulting in earnings per share of SEK -28.44 (2.91), both before and after dilution.

Note 22. Interest-bearing liabilities

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs and, subsequently, at amortised cost. Any difference between the amount received and the amount to be repaid is recognised in profit or loss over the loan period by applying the effective interest method. The Group mainly has loans with variable interest rates and the fair value is assessed as corresponding with the carrying amount. Borrowings are classified as current or non-current liabilities in the balance sheet. The Group recognises interest-bearing non-current and current liabilities related to leases. For further information regarding the accounting policies related to leases, see Note 26.

	Group		Parent Company	
	2023	2022	2023	2022
Non-current portion of borrowings	1,875	1,988	1,875	1,988
Non-current portion of lease liabilities	33	55	–	–
Current portion of borrowings	114	153	111	111
Current portion of lease liabilities	67	29	–	–
Total	**2,089**	**2,225**	**1,986**	**2,099**

As at 31 December 2023 the loan facility for the fixed period totalled EUR 180 million. The available undrawn revolving credit facility amounted to EUR 100 million.

The interest rate of the loans is reset every three months using EURIBOR as the base.

	Group		Parent Company	
	2023	2022	2023	2022
Opening balance	2,225	2,482	2,099	2,333
New, adjusted and terminated lease liabilities	49	-4	–	–
Arrangement fee recognised over time, borrowings	4	4	4	4
Repayment of lease liabilities	-31	-30	0	0
Repayment of borrowings	-126	-448	-114	-429
Change in overdraft facility/credit line	-27	18	–	–
Translation differences	-4	202	-3	191
Closing balance	**2,089**	**2,225**	**1,986**	**2,099**

Refer to Note 2 for other contractual conditions. Refer to Note 28 for pledged assets and contingent liabilities.

Note 23. Provisions

Accounting policies

A provision is recognised in the balance sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not made for future operating losses. Where the effect of when payment occurs is significant, provisions are calculated by discounting expected future cash flows using an interest rate before tax that reflects current market assessments of the time value of money and, if appropriate, the risks associated with the obligation.

	Group		Parent Company	
	2023	2022	2023	2022
Pension obligations	44	31	22	14
Provision, loss allowance (included in impairment)	26	–	–	–
Warranties	2	2	–	–
Total	**72**	**33**	**22**	**14**

Note 24. Accrued expenses and deferred income

	Group		Parent Company	
	2023	2022	2023	2022
Accrued personnel costs	102	119	4	16
Accrued interest expenses	1	0	1	0
Other accrued expenses	11	16	1	1
Deferred income	52	46	–	–
Total	**165**	**180**	**5**	**18**

Note 25. Financial instruments

Accounting policies

Financial instruments recognised in the balance sheet include the following assets and liabilities: cash and cash equivalents, trade receivables, other receivables, other financial assets, trade payables, other liabilities, lease liabilities and borrowings.

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the instrument's contractual terms and conditions. Trade receivables are recognised in the balance sheet when an invoice has been issued. Trade payables are recognised when an invoice has been received.

A financial asset is derecognised from the balance sheet when the contractual rights to the asset are realised, expire or the Group loses control over them. The same applies to a portion of a financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been discharged or in some other manner extinguished. The same applies to a portion of a financial liability. Acquisitions and sales of financial assets are recognised at the transaction date, which is the date when the company commits to acquire or sell the asset, except where the company acquires or divests listed securities, in which case settlement date accounting is applied.

Fair value

Fair value has been measured for all financial assets and liabilities in accordance with IFRS 13.

Assets and liabilities measured at amortised cost

The fair value of other financial assets, trade receivables and other receivables, other current receivables, cash and cash equivalents, trade payables and other liabilities as well as interest-bearing borrowings is estimated to correspond to their carrying amounts (amortised cost). The Vitrolife Group has loans with variable interest rates so fair value is estimated to correspond to the carrying amount.

Parent Company

Financial assets and liabilities totalled SEK 14,560 million (17,230), and SEK 2,583 million (2,419) respectively. Impairment of participations in Group companies amounted to SEK 3,000 million in 2023. There is no forward cover on the currency components included in the above amounts.

Note 25. Financial instruments (cont.)

Assets in the balance sheet	Assets measured at amortised cost		Financial assets at fair value through profit or loss	
	2023	**2022**	**2023**	**2022**
Other financial assets	18	12	–	–
Trade receivables	503	454	–	–
Other receivables	10	5	–	–
Cash and cash equivalents	861	578	–	–
Total	**1,393**	**1,049**	**–**	–

Liabilities in the balance sheet	Liabilities measured at amortised cost		Financial liabilities at fair value through profit or loss	
	2023	**2022**	**2023**	**2022**
Non-interest-bearing non-current liabilities	–	12	–	–
Borrowings	1,989	2,141	–	–
Lease liabilities	100	84	–	–
Trade payables	171	181	–	–
Other liabilities	0	0	–	–
Accrued expenses	16	16	–	–
Total	**2,276**	**2,434**	**–**	–

Note 26. Leases

Accounting policies

Right-of-use assets are included under property, plant and equipment in the statement of financial position. Lease liabilities are measured at the present value of future lease payments discounted by the implicit interest rate of the lease if this can be easily determined. If not, the Group's incremental borrowing rate is used. The purpose of the incremental borrowing rate is that it should reflect what a lessee would have needed to pay for financing via a loan for the same asset, for a corresponding period and with similar collateral. The Group has an established method for determining the incremental borrowing rate. The method comprises the type of asset, the duration of the agreements, the creditworthiness of the individual companies and the economic environment of the country where the company is located. When measuring the incremental borrowing rate, the Group uses the interest on government bonds in each country with a duration that matches the leases for each company. A risk premium that is set based on the interest rate of external loans is added to the interest on the government bonds. The incremental borrowing rate is updated once per quarter for new and changed leases. Exemption rules are applied to lease liabilities with a duration of less than 12 months, meaning that they are not included as right-of-use assets or lease liabilities, and the same applies to leases where the underlying value of the assets is regarded as low according to the definition set out in the standard.

Any extension options in leases are taken into consideration and evaluated on a case-by-case basis whether it is likely that the option will be exercised or not.

The Group's leases are mostly for premises, but the Vitrolife Group also has leases for company cars and some office equipment and tools.

Leases are recognised in profit or loss via depreciation and interest expenses.

Amounts recognised in the income statement

	2023	2022
Depreciation of right-of-use assets	-32	-30
Interest expenses on lease liabilities	-4	-4
Costs related to short-term leases and low-value leases	-14	-11
Total	**-49**	**-45**

Total cash outflow relating to leases in 2023 amounted to SEK 35 million (34).

In 2023, lease payments carried as expenses totalled SEK 14 million (11), mainly related to short-term leases of less than 12 months or leases where the underlying asset meets the IFRS 16 definition of low value.

For presentation of the remaining term of lease liabilities, refer to Note 2. For carrying amounts of right-of-use assets, refer to Note 15.

Note 27. Participations in Group companies

Participations in Group companies

Parent Company

	2023	2022
Opening cost	15,629	15,593
Shareholder contribution, Vitrolife Sweden AB	4	3
Shareholder contribution, Vitrolife A/S	2	0
Shareholder contribution, Mendel Holdco S.L	2	1
Impairment of participations in Mendel Holdco S.L	-3,000	–
Acquisition of subsidiary*	0	32
Closing carrying amount	**12,637**	**15,629**

* During the year, the Group acquired all shares in the company Vitrolife Medical Devices Spain S.L.U and the remaining shares (5%) of Igenomix Perú, S.A.C. and the remaining shares (5%) of Igenomix Chile, SLP.

Company	Corp. ID No.	Domicile	Number of shares	Share, %*	Carrying amount 2023	Carrying amount 2022
Vitrolife, Inc.	84-1547804	Denver and San Diego, USA	500,000	100	173	173
Vitrolife Sweden AB	556546-6298	Gothenburg, Sweden	5,000,000	100	2,659	2,655
Vitrolife SAS	818,505,893	Paris, France	–	100	–	–
Vitrolife Pty Ltd.	102959964	New South Wales, Australia	1	100	0	0
Vitrolife KK	0104-01-081049	Tokyo, Japan	200	100	1	1
Vitrolife Ltd.	04628698	Warwick, England	1,025	100	12	12
A.T.S. Srl	12758490150	Milan, Italy	n/a	100	38	38
HertArt Aps	32840787	Greve, Denmark	166,667	100	6	6
Vitrolife A/S	27 40 67 93	Aarhus, Denmark	374,120	100	851	849
Vitrolife GmbH	HRB 4525	Bruckberg, Germany	3	100	8	8
Vitrolife BV	0685.675.182	Londerzeel, Belgium	186	97.3**	0	0
Vitrolife (Beijing) Technical Service Co. Ltd.	91110105MA00H2AM9B	Beijing, China	1	100	1	1
New Genetics S.L.	B88287404	Madrid, Spain	300,000	100	409	409
Vitrolife Medical Devices Spain, S.L.U	B56554835	Valencia, Spain	3,000	100	0	–
Mendel Holdco S.L.	B88311501	Madrid, Spain	3,013,676	100	8,478	11,477
Mendel Bidco, S.L.	B88311477	Madrid, Spain	–	100	–	–

Note 27. Participations in Group companies (cont.)

Company	Corp. ID No.	Domicile	Number of shares	Share, %*	Carrying amount 2023	Carrying amount 2022
Igenomix USA, INC	92-1706770	Miami, USA	–	100	–	–
Igenomix, S.L.	B98112329	Valencia, Spain	–	100	–	–
Igenomix Spain Lab, S.L.*	B40592867	Valencia, Spain	–	100	–	–
Igenomix R&D, S.L.	B40592883	Valencia, Spain	–	100	–	–
Igenomix India, PVT Ltd.	AADCI0676C	Bangalore, India	–	99.90	–	–
Igenomix Brasil Laboratorio de medicina genética, LTDA.	19.555.576/0001-43	Sao Paulo, Brazil	–	99.80	–	–
Igenomix UAE FZ, LLC.	100312861600003	Dubai, United Arab Emirates	–	100	–	–
Igenomix Genetic Services Canada, INC.	778805697 RT0001	Montreal, Canada	–	100	–	–
Igenomix Mexico, S.R.L. de C.V.	IME1510237A1	Mexico City, Mexico	–	100	–	–
Igenomix Turkey Genetik Laboratuvar Ve Dan Hzm. A.S	4650501202	Istanbul, Turkey	–	100	–	–
Igenomix Japan, KK	0104-01-130193	Tokyo, Japan	–	100	–	–
Igenomix Italy, S.R.L.	3793960240	Marostica, Italy	–	100	–	–
Igenomix UK, Ltd.	10675550	Cambridge, England	–	100	–	–
Igenomix Argentina, S.A.	30-71561815-6	Buenos Aires, Argentina	–	99.97	–	–
Igenomix Taiwan, Ltd.	50982105	Taipei, Taiwan	–	100	–	–
Igenomix RS LLC.	1197746361240	Moscow, Russia	–	100	–	–
Igenomix Perú, S.A.C.	20553501751	Lima, Peru	–	100	–	–
Igenomix Chile, SLP	76.316.621-K	Santiago, Chile	–	100	–	–
Igenomix Korea, Ltd.	367-88-01894	Gyeonggi-do, South Korea	–	100	–	–
Project Nexgen, S.L.	B01670389	Valencia, Spain	–	50	–	–
Avrupa Laboratuvarlari Saglik Hizmetleri A.S	1061367806	Istanbul, Turkey	–	60	–	–
Igenomix Colombia, S.A.S.	901.449.016-4	Bogota, Colombia	–	100	–	–
Igenomix Vietnam, LTD	0109695102.	Hanoi, Vietnam	–	100	–	–
Total					**12,637**	**15,629**

*Share of voting power is equal to shareholdings for all companies.
**The remaining 2.7 percent is owned by Vitrolife Sweden AB.

Note 28. Pledged assets and contingent liabilities

Accounting policies
A contingent liability is recognised when there is a possible obligation originating from events that have occurred and whose occurrence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Pledged assets

	Group		Parent Company	
	2023	2022	2023	2022
Floating charges	17	17	–	–
Endowment insurance	34	24	17	11
Total	**50**	**41**	**17**	**11**

Pledged assets pertain to floating charges for own commitments and collateral pledged for endowment insurance plans (cost).

Contingent liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Guarantees to external parties	11	11	–	–
Endowment insurance, difference between cost and market value	7	5	4	3
Total	**18**	**16**	**4**	**3**

Note 29. Related parties

Related parties
The Parent Company has related party relationships with its subsidiaries. Refer to Note 27.

Of the Parent Company's total purchases and sales, 0 percent (0) of purchases and 100 percent (100) of sales pertain to intra-Group transactions. Internal pricing within the Group is set based on the arm's length principle, that is, between parties that are independent, well-informed and with a vested interest in the transactions.

Transactions with key individuals in senior positions
Besides what is stated in Note 8 Remuneration of the Board of Directors and senior executives, no transactions with related parties that are natural parties took place.

Note 30. Events after the reporting date

The Board proposes to the Annual General Meeting a dividend of SEK 135 (115) million, corresponding to SEK 1.00 (0.85) per share. The proposed dividend is based on exclusion of the non-cash impairment charge.

No other events have occurred after the reporting date that significantly impact the assessment of the financial information in this report.

Attestation

The Board of Directors and the CEO hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting principles and provide a true and fair view of the Parent Company's position and financial performance, and that the Management Report provides a fair review of the development of the Parent Company's business, financial position and income, and describes the principal risks and uncertainties to which the Parent Company is exposed. The Board of Directors and the CEO hereby also certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's position and performance, and that the Management Report for the Group provides a fair review of the development of the Group's operations, financial position and earnings, and describes the principal risks and uncertainties to which the Group is exposed.

Gothenburg 27 March 2024

Jón Sigurdsson
Chairman of the Board

Henrik Blomquist
Board member

Lars Holmqvist
Board member

Pia Marions
Board member

Karen Lykke Sørensen
Board member

Bronwyn Brophy O'Connor
CEO

Our auditor's report was submitted on 27 March 2024

Deloitte AB

Harald Jagner
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Vitrolife AB (publ) corporate identity no. 556354-3452

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Vitrolife AB (publ) for the financial year 2023 ended 31 December 2023. The Company's annual accounts and consolidated accounts are included on pages 68-119 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as at 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Management Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and statements of financial position for the Parent Company and the Group.

Our opinions in this report on the annual accounts and the consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with Article 11 of EU Regulation 537/2014/EU.

Basis for opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance

in our audit of the annual report and consolidated financial statements for the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill

Vitrolife recognised goodwill of SEK 9,591 million. The goodwill arose from acquisitions.

We focused on the impairment assessment of goodwill, as the book value of goodwill is deemed material and significant judgements and estimates are made when assessing the risk of impairment of goodwill.

For further information regarding the company's accounting for goodwill, refer to Note 3 and Note 14 in the annual report, which set out critical estimates and judgements, accounting policies and intangible assets.

Our audit procedures included, but were not limited to:

- Evaluating the design of the company's routines and relevant internal controls for impairment testing of goodwill;
- Assessing the reasonableness of assumptions made, assessing that the valuation model is consistently applied, assessing the integrity of the input data which the calculations are based upon and testing the arithmetic accuracy of the valuation model;
- Evaluating the reasonableness of identified cash-generating units;
- Involving valuation specialists in certain audit procedures;
- Evaluating the accounting policies applied and the disclosures made for goodwill to ensure compliance with IFRS.

Revenue recognition

Sales amounted to SEK 3,512 million in 2023. For further information regarding consolidated revenue recognition, refer to Note 4 and Note 5 in the annual report, which set out accounting policies, segment reporting and sales by division.

We focused on this area due to high transaction volume and different sales conditions, which can affect the timing of the transfer of risk.

Our audit procedures included, but were not limited to:

- Evaluating the company's revenue recognition policies in accordance with IFRS 15 to assess whether these were appropriately designed to account for revenue in the correct period;
- Evaluating the design of the company's routines and relevant internal controls for revenue recognition;
- On a sample basis, testing sales transactions to assess whether revenue has been recorded in the correct period;
- Evaluating the accounting policies applied and the disclosures made for revenue to ensure compliance with IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual report and consolidated accounts and can be found on pages 1-55, 66-67 and 125-157. The other information also consitutes the remuniration report which we have obtained before the date of this audit report. The Board and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable

the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and use of the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the Company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things, oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and are regarded as material if, individually or in aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of the annual accounts and consolidated financial statements. A further description of our responsibilities for the audit of the annual accounts and consolidated annual accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Vitrolife AB (publ) for the financial year 2023 and the proposed appropriation of the company's income.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Management Report and that the members of the Board of Director's and the CEO be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the Group's operations place on the size of the parent's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which could give rise to liability

for damages to the company; or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability for damages against the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the annual accounts and consolidated annual accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a), of the Swedish Securities Market Act (2007:528) for Vitrolife AB (publ) for the financial year 2023 ended 31 December 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Auditor's examination of the Esef report. Our responsibility under this recommendation is described in more detail in the 'Auditor's responsibility' section. We are independent of Vitrolife AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation and presentation of the ESEF report in accordance with Chapter 16, Section 4a, of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the CEO determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an examination performed in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks

of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the CEO, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the CEO.

The procedures mainly include validation that the Esef report has been prepared in a valid XHTML format and reconciliation of the ESEF report with the audited annual accounts and consolidated financial statements.

Furthermore, the examination includes an assessment of whether the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and notes in the ESEF report have been marked up using iXBRL, in accordance with the ESEF regulation.

Deloitte AB was appointed auditor of Vitrolife AB by the general meeting of the shareholders on 27 April 2023 and has been the company's auditor since 5 May 2014.

Gothenburg, 27 March 2024
Deloitte AB

Signature on Swedish original

Harald Jagner
Authorised Public Accountant

Consolidated income statements by quarter

SEK million	Oct-Dec 2023	Jul–Sep 2023	Apr–Jun 2023	Jan–Mar 2023	Oct-Dec 2022	Jul–Sep 2022	Apr–Jun 2022	Jan–Mar 2022
Net sales	904	848	905	854	855	798	829	752
Cost of sales	-390	-375	-400	-369	-392	-371	-358	-333
Gross income	**514**	**473**	**505**	**485**	**463**	**428**	**470**	**418**
Selling expenses	-182	-162	-175	-165	-162	-145	-152	-142
Administrative expenses	-109	-96	-107	-121	-103	-96	-102	-98
Research and development costs	-28	-31	-33	-34	-23	-33	-43	-44
Other operating income and expenses	-4,309	-4	-3	-6	-6	24	2	-1
Operating income	**-4,115**	**179**	**188**	**159**	**168**	**177**	**175**	**133**
Financial income and expenses	-15	-26	-53	-29	-63	-29	-6	-20
Income after financial items	**-4,130**	**152**	**135**	**130**	**106**	**149**	**169**	**113**
Income taxes	-49	-30	-29	-31	-32	-41	-39	-31
Net income	**-4,179**	**122**	**106**	**99**	**73**	**108**	**130**	**82**
Attributable to								
Parent Company shareholders	-4,179	122	106	100	74	108	130	82
Non-controlling interests	0	0	0	-1	-1	0	0	1
Depreciation, amortisation and impairment	-4,409*	-109	-105	-103	-105	-98	-98	-95
Equity attributable to Parent Company shareholders, SEK million	12,722	17,430	17,677	17,013	16,736	16,386	15,977	15,529

* Including non-recurring impairment losses of SEK 4,300 million

Alternative performance measures

This report includes alternative performance measures not defined in IFRS, but which 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 stated in accordance with IFRS. Please note that the Vitrolife Group's definitions of these alternative 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. Performance measures that can be found directly in the financial reports and measured on the basis of the definitions below have not been included in the tables on subsequent pages.

Profit and yield measures

Gross income
Definition: Net sales less cost of sales.
Purpose: This measure shows the Group's profit 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 less 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 profit from operating activities independent of depreciation and amortisation. The company aims to achieve growth while maintaining profitability, which is monitored via EBITDA.

Operating margin before depreciation and amortisation (EBITDA), %
Definition: Operating income before depreciation, amortisation and impairment (EBITDA) in relation to net sales for the period.

Return on equity, %
Definition: Net income for a rolling 12-month period in relation to average equity for the period. (Average is calculated on the last four reported quarters.)
Purpose: It is the Vitrolife Group's assessment that return on equity is an appropriate measure to illustrate to stakeholders how well the Group invests its equity.

SEK million	31 Dec 2023	31 Dec 2022
Average equity for the period	16,211	16,157
Net income, rolling 12 months	-3,851	394
Return on equity, %	-23.8	2.4

Capital measures

Net debt

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

Purpose: One of the Vitrolife Group's financial objectives is to have a strong financial capital base to enable continued strong growth, both organic and through acquisitions. In conjunction with the entry into force of IFRS 16 on 1 January 2019, the definition of this measure was reformulated since financial liabilities related to leases are not included in the calculation of net debt.

Net debt/EBITDA, rolling 12 months

Definition: Net debt in relation to EBITDA, rolling 12 months.

Purpose: One of the Vitrolife Group's financial objectives is to have a strong financial capital base to enable continued strong 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 the Group's financial targets, this measure should normally not exceed a multiple of three. Management assesses that this measure gives creditors and investors important information about the Group's attitude towards debt.

SEK million	31 Dec 2023	31 Dec 2022
Borrowings, non-current	1,875	1,988
Non-current lease liabilities	33	55
Borrowings, current	114	153
Lease liabilities, current	67	29
Adjustment of lease liabilities	-100	-84
Cash and cash equivalents	-861	-578
Net debt	**1,128**	**1,563**
Operating income, rolling 12 months	-3,589	654
Depreciation/amortisation, rolling 12 months	425	396
Non-recurring impairment losses	4,300	–
EBITDA, rolling 12 months	**1,136**	**1,050**
Net debt/EBITDA, rolling 12 months	**1.0**	**1.5**

Equity/assets ratio, %

Definition: Equity and non-controlling interests in relation to total assets.

Purpose: This ratio shows the proportion of the company's total assets that are financed by shareholders in the form of 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 less current non-interest-bearing liabilities.

Purpose: This measure is used to show how much capital is needed to finance operating activities.

Share-related measures

Cash flow from operating activities per share

Definition: Cash flow from operating activities for the period in relation to average number of shares outstanding for the period.

Purpose: This measure is used to show the cash flow generated by the company's operating activities per share.

Equity per share

Definition: Equity in relation to number of shares outstanding on the reporting 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: Net income attributable to the Vitrolife Group's owners in relation to the average number of outstanding shares in the period. For reconciliation, refer to Note 21, Earnings per share.

P/E ratio

Definition: Price per share in relation to earnings per share.

Purpose: This ratio shows how the profit for the period relates to the price of the share.

Other metrics

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 present period and the corresponding period in 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, which is calculated as sales for the period in local currencies recalculated at a predetermined exchange rate in relation to the corresponding

period the previous year in local currencies recalculated at the same exchange rate.
Purpose: Because a large part of the Vitrolife Group'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 net sales growth in local currency is used.

The percentage effects in the following tables are calculated using each amount in SEK million in relation to net sales in the same period in the previous year.

Rolling 12 months

Definition: Key ratios measures on the basis of rolling 12-month values were calculated using the past four rolling interim and year-end reports.
Purpose: Rolling 12 months gives a clearer picture of sales or profitability and a fairer view of the development of a key ratio.

Group total

	2023	2022
Organic growth in local currency, SEK m	143	172
Organic growth in local currency, %	*4*	*10*
Acquired growth, SEK m	–	1,085
Acquired growth, %	*–*	*65*
Currency effects, SEK m	135	296
Currency effects, %	*4*	*18*
Total growth, SEK m	**278**	**1,553**
Total growth, %	*9*	*92*

Net sales by geographical segment

	EMEA	Americas	APAC
	2023	2023	2023
Organic growth in local currency, SEK m	56	-40	127
Organic growth in local currency, %	*5*	*-4*	*14*
Currency effects, SEK m	67	56	12
Currency effects, %	*6*	*5*	*1*
Total growth, SEK m	**124**	**16**	**139**
Total growth, %	*11*	*1*	*15*

Net sales by business area

	Consumables	Technologies	Genetic Services
	2023	2023	2023
Organic growth in local currency, SEK m	123	63	-43
Organic growth in local currency, %	*9*	*11*	*-3*
Currency effects, SEK m	66	24	45
Currency effects, %	*5*	*4*	*3*
Total growth, SEK m	**189**	**87**	**2**
Total growth, %	*14*	*16*	*0*

Sustainability Statements

About the Sustainability Statements

In our commitment to create shared value through sustainable and profitable growth, we are guided by our sustainability strategy. This strategy is based on four key sustainability themes that articulate our priorities. These themes enable the implementation of sustainable business practices across our entire value chain. They guide our approach to managing risks, seizing opportunities, maximizing positive impacts, minimizing negative externalities, and maintaining transparency for our stakeholders. The sustainability and business strategy complement each other in driving forward our business, and the annual report is written with the aim of documenting this journey with accountability. Therefore, relevant sustainability information can be found throughout the annual report.
The sustainability statements are structured to reflect the sustainability themes and the indicators that result from our double materiality assessment (refer to page 49-50). These statements provide stakeholders with detailed insights into the Vitrolife Group's sustainability performance.

The sustainability report includes our sustainability strategy (page 48-55) along with these sustainability statements. For the year 2023, it includes the parent company, Vitrolife AB (publ), with corporate identity number 556354-3452, and all units consolidated into Vitrolife's financial statements, as outlined in Note 27. Prepared in compliance with the provisions of the Annual Accounts Act, chapters 6–7, this report forms also the basis for our 2023 Communication on Progress to the UN Global Compact. To ensure consistency and transparency, we adhere to relevant reporting frameworks, primarily the GRI Standards. The Board of Directors and the CEO have endorsed the sustainability report during the sign-off of the annual report and consolidated financial statements.

The Sustainability Report follows the Vitrolife Group's financial year, thereby covering the period from January 1, 2023 to December 31, 2023.The Sustainability Reports are published annually. For further information on Vitrolife Group's sustainability work and Sustainability Report, please contact Sabrina Ritossa Fernández, Group Sustainability Business Partner, sabrina.ritossa@igenomix.com.

It's important to note that the completion of the Igenomix acquisition at the end of 2021 significantly impacts our figures and reporting comparisons from previous years. Importantly, the data has not been adjusted for acquisitions and divestments.

Ensuring sustainability in everything we do

Within the context of our sustainability strategy, we have identified key performance indicators to follow and track progress on our sustainability ambitions. Complementing the primary performance indicator for each theme, we employ additional relevant indicators to effectively monitor and track our progress. The tables on the following pages provide a concise summary of the indicators.

Key Performance Indicators - Summary

Purpose-driven growth

2030 ambition: Maintain excellence in customer satisfaction, product quality and outcomes.

Performance indicators	Performance 2023	Performance 2022
Customer NPS >60	NPS=55	NPS=50
Product quality – number of recalls	0	0
Patient health and safety instances of non-compliance (fines, warnings, voluntary codes) concerning the health and safety impacts of products and services	0	0

Ethical profitability

2030 ambition: Alignment of all suppliers, colleagues, and business partnes with the Vitrolife Group Principles for Responsible Business Conduct

Performance indicators	Performance 2023	Performance 2022
Principles for Responsible Business Conduct: 100% partner alignment	100% employees and distributors 67% of category A supplier*	100% alignment of legacy Vitrolife distributors and colleagues 100% of legacy Igenomix employees signed the Igenomix Code of Conduct
Whistleblowing – Alerts received	1	4
Whistleblowing – Alerts followed by disciplinary action	0	1
Confirmed incidents of corruption and actions taken	0	0
Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices	0	0
Total number of substantiated complaints received concerning breaches of customer privacy	0	0
Total number of identified leaks, thefts or losses of customer data	0	0
Amount of monetary losses as a result of legal proceedings associated with false marketing claims	0	0

* Performance data refer to suppliers of Business Areas Consumables and Technologies.

Planet accountability

2030 ambition: Align the Vitrolife Group carbon emissions with a science-based 1.5˚C reduction pathway

Performance indicators	Performance 2023	Performance 2022
Scopes 1–3 GHG emissions reduction target in line with a science-based 1.5˚C reduction pathway	Committed	-
Emissions Scopes 1, 2 and 3	22k tonCO_2e	18k tonCO_2e
Energy consumption	9,834 MWh	5,166 MWh*
Percentage renewable energy consumption	22%	-
Materials used	685 ton	82 ton*
Waste generated	657 ton	102 ton*
Water consumption	19,860 m^3	12,344 m^3*
Hazardous waste	24 ton	7 ton*

*Performance data 2022 for energy consumption, materials used, waste generated, water consumption and hazardous waste refer only to our sites in Gothenburg, Denver, San Diego and Aarhus.

Inclusive engagement

2030 ambition: Ensure a diverse, inclusive and engaging workplace

Performance indicators	Performance 2023	Performance 2022
People engagement >75/100 **Diversity & Inclusion index >80/100**	74/100 77/100	75/100 80/100
Employee turnover	18%	34%
Executive Management Team- Women	13%	29%
Women in management	48%	49%
Age distribution	23%-61%-16% (<30, 30-50, >50 years)	21%-62%-16% (<30, 30-50, >50 years)
Number of lost-time injury accidents	5	2

Purpose-driven growth

Quality & patient safety and wellbeing

The products of the Consumables and Technologies business areas are developed, manufactured, marketed, sold and maintained in line with quality-controlled processes. As a manufacturer of medical devices, Vitrolife must meet significant and strict legal requirements as well as product safety standards. We are complying with the new European regulations, Regulation (EU) 2017/745 on medical devices (MDR). Our operations are quality-certified in accordance with ISO 13485 (Design and manufacture of medical devices). Quality management systems are reviewed by both internal and third-party auditors and are certified by external notified bodies, reporting bodies and authorities that perform regular inspections. The goal is that each product distributed to the customer should meet the promised quality, which in turn enables effective treatments. In addition, we focus on final use and the impact on the wellbeing of the patient in the product development process. We strive to minimise pain for the patient during the IVF process. An example is the Sense™ Single and Double Lumen Oocyte retrieval needle, which was designed specifically to improve patient comfort. The Genetic Services business area follows the same strict quality standards. Laboratory pre-examination, examination and post-examination phases are maintained in accordance with the UNE-EN ISO 15189 standard as well as the United States quality standards and requirements (CLIA, CAP, New York, Maryland, Rhode Island, Pennsylvania and California). Accreditation in accordance with the UNE-EN ISO 15189 and CAP standards have been consolidated internationally as the reference tools to demonstrate that a diagnostic service is technically competent and operates in accordance with internationally recognized standards.

Users of accredited services are assured of maximum reliability in results, thanks to our stringent evaluation process based on scientific evidence. Continuous monitoring ensures patient safety and minimizes risks from erroneous reports or information.

Igenomix is compliant with the European regulations, Regulation (EU) 2017/746 on in-vitro medical devices (IVDR). Products are developed under a quality management system (QMS) based on the UNE-EN ISO13485 with analytical, clinical and software validations involved in obtaining results. We proactively collect and evaluate performance from the use of our products through post-market follow-up activities with the aim of safeguarding the well-being of patients and assuring the clinical utility of our products. Even if the EU-IVDR came into effect recently (May 2022) we have already CE marked a large amount of our sample collection kits.

Number of recalls issued; total units recalled	0 (0)
Patient health and safety instances of non-compliance – fines, warnings, or voluntary codes	0 (0)

Impactful innovation

As explained in page 24, while one in six people globally is affected by infertility, only less than one percent of babies is born through IVF all over the world. This means a significant number of people are not receiving the care they need. Through our research and development activities, we aim to make a difference for our patients when it comes to IVF treatment outcomes and accessibility. We detail our approach to innovation on page 38 and products brought to market on page 69.

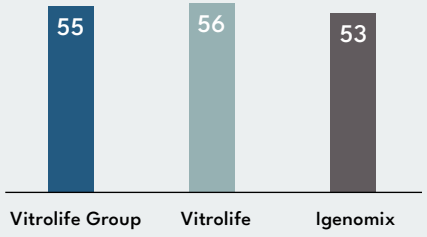
Customer satisfaction

At the Vitrolife Group, our purpose is to fulfil the dream of having a healthy baby. To deliver on this promise, we need to ensure excellent collaboration with our customers so that we can deliver on our mission and vision. Our customer satisfaction surveys allow us to understand our progress relating to the delivery of the right products at the right time and with the right support to clinics and other customers, so that families all over the world can fulfil their dream in the best possible way. By addressing the question directly with our customers and distributors, the survey measures the perceived benefits and the quality of our product offer, as well as our level of service, both as a physical product supplier but also, importantly, as a knowledge partner. In 2022, we harmonized the survey structure for both our brands Igenomix and Vitrolife, so that results can be aggregated at Group level.

Customer Net Promoter Score (NPS) 2023

Within the customer satisfaction survey, the NPS is calculated solely upon the answer to the following question on a 0 to 10 scale: 'How likely is it that you would recommend Vitrolife as a supplier and partner to other organisations within the IVF field?'*

In 2023, our NPS was 56 (57) for Vitrolife and 53 (48) for Igenomix, and the weighted average for the Vitrolife Group was 55. This year has seen a significant improvement in customer satisfaction,



Vitrolife Group NPS score is the weighted average of the Vitrolife and Igenomix scores.

Promoters (score 9–10) are loyal customers who will keep buying and refer others. Passives (score 7–8) are satisfied but unenthusiastic customers who are vulnerable to competitive offers. • Detractors (score 0–6) are unhappy customers. Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

the weighted average increasing by 5 points to 55 for the Vitrolife Group. This is encouraging progress towards our 2030 NPS target of >60, and it showcases the dedication of our teams to our customers and patients.

Products and services accessibility

As we illustrated on page 25, accessibility of IVF treatments remains a challenge in both developed and developing countries, due to its high cost. Given the high cost and the very niche nature of the field, IVF clinics tend to be in richer urban centers, leaving many areas underserved. Addressing, together with our customers, the diverse needs of individuals navigating the intricate journey of fertility treatments is at the core of our mission. We support our customers with solutions that aim to improve treatment outcomes and efficiency, so that clinics can successfully serve an increasing number of aspiring parents.

To ensure accessibility of our products and services to clinics worldwide, the Vitrolife Group products and services are available, collectively, in 163 countries, of which 85 are considered low-and middle-income countries by the World Bank.

Given the high degree of science and technology involved in the use of our products, it is important that not only they are made available but that they are available with the right degree of information and support. With this goal in mind, we have established the Vitrolife Group Academy. You can find more information on page 45.

Ethical profitability

Clinical integrity and bioethics

We carry out clinical studies to safeguard the safety and effectiveness of our products. We are committed to conducting clinical studies in an ethical manner and to complying with the principles set out in the Declaration of Helsinki. The company, therefore, conducts clinical studies in accordance with relevant international guidelines for best practice, regulations and other codes or principles (e.g. Good Clinical Practice). Furthermore, we ensure that country-specific rules and guidelines are followed.

A risk assessment is always carried out before a clinical study is initiated to ensure there is a favourable benefit-risk ratio for the enrolled patients. All clinical studies are evaluated and approved by an independent committee before commencing and are overseen by an independent data safety monitoring board. The informed consent process ensures that patients who are eligible for recruitment are aware of the details of the clinical examination and are free to decide whether they want to participate in the study. To ensure transparency, Vitrolife Group registers its clinical studies, including the protocols and results, in publicly available clinical study registers (e.g. clinicaltrials.gov or equivalent).

The results of clinical studies are also published in journals with expert review and raw data is made available to third parties upon request.

Bioethics Advisory Committee

Bioethics is the study of ethical, social, and legal issues that arise in biomedicine and biomedical research. As such, bioethics should be considered in any current and future development. With this goal in mind, in 2023 we established the creation of a Bioethics Advisory Committee.

The committee is comprised of internal and external stakeholders, with relevant expertise in the subject matter.

The committee objective is to advise on current and future challenges related to ethics and reproductive health, to ensure we keep operating with the highest level of integrity towards customers, patients, and society. The committee will report conclusions to Executive Management Team and the Supervisory Board to advise proactively on its bioethics positioning.

Animal welfare

Most medical devices used in reproductive health must, based on requirements from regulatory

bodies, undergo an analysis using embryos from mice as part of the process for biological quality control (mouse embryo assay, MEA). We conduct the majority of tests internally. Animal welfare is maintained to the highest standards by following the Guide to the Care and Use of Laboratory Animals provided by the National Research Council, and quarterly veterinary audits are carried out. There is a close collaboration with academic departments and third-party laboratories which must comply with equivalent requirements and standards. There is currently no accepted alternative to using mouse embryos, but we are committed to the 3Rs: replace, refine and reduce. For example, we are analysing the number of mice required by increasing the batch size for a given product.

Data protection and cybersecurity

At the Vitrolife Group, we care about privacy. We always strive to protect personal data in the best possible way and to comply with all applicable laws and regulations for the protection of personal data, including patient data. We do not store any patient data beyond what is requested by the law for traceability purposes, e.g. in genetic testing. The Vitrolife Group has taken the technical and organisational measures appropriate to ensure that the requirements of the General Data Protection Regulation (GDPR) are met. Vitrolife Group's data protection governance reflects the requirements that GDPR establishes to manage and protect the personal data we process. This governance is essential for ensuring compliance with data protection laws, safeguarding individuals' privacy, and maintaining trust with customers, employees, and other stakeholders. Besides the required documentation, there is a data protection coordinator for Vitrolife Group, and a data protection officer (DPO) for the European affiliates where it is mandatory by law to appoint a DPO.

The Vitrolife Group has adopted internal policies and implemented measures which meet the principles of data protection by design and data protection by default.

In fiscal year 2022, GDPR awareness training was initiated for all legacy Vitrolife office employees, and in 2023 the training has been rolled out to legacy Igenomix colleagues.

Substantiated complaints concerning breaches of customer privacy from regulatory bodies or third parties	0 (0)
Customer data leaks, theft, and losses	0 (0)

Responsible marketing, communication, and distribution

We are committed to acting with integrity in all marketing practices, including labeling, promotional programs, product samples and communications with stakeholders. We strive to provide timely and honest product information to patients, consumers, healthcare professionals and regulators worldwide, providing information about appropriate uses of our products and efficacy and safety data relating to those uses.

All Group employees receive guidance on their interactions with healthcare professionals. This guidance is outlined in our internal Vitrolife Group Policy for Interaction with Healthcare Professionals.

Under this policy, all interaction between a Group employee and a healthcare professional (HCP) must adhere to the following mandatory, general requirements:

- It must always comply with national law in the country of the HCP.
- It must be transparent, documented in writing and notified to local authorities or the HCP's employer where required.
- It must always be reasonable and moderate.
- The Vitrolife Group shall not take steps or support or perform activities which might be perceived as if we are trying to influence the HCP's obligation to make independent decisions regarding patients' treatment.

Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0 (0)

Sustainable supply chain and traceability

During 2023, we have started a pilot to perform a comprehensive due diligence of our supply chain, starting with medical devices, which represents most of the total supplier spend. The first step in this process has been to verify alignment of our supply chain with the Vitrolife Group Principles for Responsible Business Conduct. Alignment has been verified either by receiving a signed commitment to the PRBC by the supplier, or by performing an assessment from the supply chain team. In 2023, the

percentage of suppliers in category A covered within this process represented 67% of all category A suppliers. We plan to continue these efforts in 2024 and enhance the process by contracting a supply chain due diligence platform.

Responsible business conduct

Ethical and responsible business

Employee and business partner alignment with our ethical standards

Stemming from the legacy Vitrolife and Igenomix Codes of Conduct, our new Principles for Responsible Business Conduct (PRBC) set forth our respect for every individual and our dedication to the values of the Vitrolife Group. Importantly, they also mirror the sustainability commitments that we have undertaken in our strategy. We expect all Vitrolife Group colleagues – as well as our contractors, business partners, vendors and suppliers worldwide – to adhere to these principles in their daily work. As such, we commit to systematically ensuring that 100% of the institutions and people we work with operate in line with these principles. We do this by means of due diligence and/or training, with the following results for 2023:

- 100% of our legacy Vitrolife distributors and colleagues signed the commitment to respect the Principles for Responsible Business Conduct.
- Sustainability due diligence is performed for every potential acquisition target. In 2023, an acquisition target was rejected and one of the key reasons was the lack of alignment with the Principles for Responsible Business Conduct.
- For supply chain business partners, please see section above " sustainable supply chain and traceability".

Whistleblowing channel

Our whistleblowing channel is an important tool for reducing risks and maintaining trust by enabling us to detect and act on misconduct at an early stage. It is governed by the Whistleblowing Policy for the Vitrolife Group, and it is accompanied by pragmatic guidelines.

A third-party whistleblowing service can be used to alert the company to serious risks of major irregularities affecting people, our organisation, society, or the environment. Reported issues include criminal offences and violations or other actions in breach of EU or national laws within a work-related context, for example:

- Corruption and financial irregularities; for example, bribes, unfair competition, money laundering, fraud, conflict of interest.
- Health and safety violations; for example, workplace health and safety, product safety, serious discrimination and harassment.
- Environmental violations; for example, illegal treatment of hazardous waste.
- Privacy violations; for example, improper use of personal data.

Whistleblowing alerts received during the year	1 (4)
of which followed by disciplinary action	0 (1)

Anti-corruption

We are committed to complying with applicable anti-corruption and anti-bribery rules in all countries where we operate, including industry rules and generally accepted codes of business conduct. We do not accept bribes, favors, or gifts or solicitation of such, whatever the form, method, or purpose, in our business dealings. This commitment is set out clearly in the Principles for Responsible Business Conduct, which are communicated to employees and distributors.

Confirmed incidents of corruption and actions taken	0 (0)
Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices – SEK	0 (0)

Responsible tax

Vitrolife pays tax in each country in which operations are conducted in accordance with applicable laws and the OECD guidelines for the fair distribution of profits. Our tax accounts are available on page 101. The company also generates and distributes economic value through investments and innovation and research, as well as salaries and benefits, all of which contribute to the development of the local community in each country in which the company operates. The financial results can, thus, be seen as an overall indicator of the Vitrolife Group's economic impact on society.

Inclusive engagement

Employee engagement and talent development

Employee engagement survey – VitroVoice

VitroVoice is the Vitrolife Group's engagement pulse survey. The tool is supplied by one of the world's leading providers. Out of a database of close to 300 statistically validated items provided by the tool, we have chosen about 60 questions closely aligned to our values and strategic direction. The items are grouped by five tailored indices. The engagement index is backed by extensive research by the supplier and scientifically proven to combine advocacy for the company and feeling happy at work. The other four Vitrolife Group specific indices are 'Together', covering our four corporate values; 'Growth', which is focused on professional growth; 'Wellbeing' which is about our working environment both physical and organisational; and there is also a leadership index. Engagement is monitored at each pulse survey, together with two of the other indices selected on a rolling basis.

VitroVoice is the main tool for leaders and teams within the Vitrolife Group to drive development and improvements in their way of working together. We all contribute to the success of the company, and we want everyone to be involved and engaged and making their voices heard. Using the pulse survey tool as a foundation, teams discuss and plan how our work and the internal climate can be improved further. As of 2023, the VitroVoice engagement pulse survey has been implemented for the entire Group, whereas up until 2022 it has only involved employees of the legacy Vitrolife organisation.

Our 2030 ambition is to be able to maintain a VitroVoice score well above those of our peers; the benchmark data is supplied by the external provider.

2023 Q3 VitroVoice: 74/100

In the last survey of 2023, which obtained a participation rate of 78%, the employee engagement score was 74/100 (75/100), while the benchmark result in 2023 was 75/100 (75/100).

Employee Net Promoter Score

Each year, in addition to the quarterly pulse survey, we also calculate the employee net promoter score to ensure comparability of results over the years, given Vitrovoice recent roll-out. This metric is not used to drive our people strategy, as we use the quarterly pulse survey to do that. The eNPS score is measured using a one question survey: "I would recommend the Vitrolife Group as a great place to work". The eNPS score results from subtracting the number of detractors to the number of promoters.

In 2022, the score was 17 (32) with a response rate of 70%. In 2023, this number slightly decreased to 15, with a response rate steady at 70%.

Training and development

We aim to provide training and development opportunities for all our colleagues around the world. While major opportunities for development relate to on-the-job assignments, we also provide in-house learning opportunities, e.g., through the Igenomix or Vitrolife Academies, and support participation in external training sessions. While every colleague is responsible for their own learning journey, we adhere to the 70-20-10 strategy of learning, making sure to provide and acknowledge the professional development opportunities that come from having the right challenges for each of our various positions. Learning happens when we have the chance to e.g., stretch perspectives, assume more responsibility and through internal mobility. During the second half of 2022, we launched an extensive leadership development program that continued well into 2023, available to all leaders throughout the Group globally. The program considers each leader's local context and will continue into 2024. Leaders and employees take part in quarterly dialogues, the VitroTalks, where each individuals' business and learning objectives are discussed and reviewed.

Age distribution

	2023	2022	2021
under 30	258	229	56
30–50	690	670	255
over 50	175	174	92

Employees by age group and category

	under 30	30–40	40–50	over 50	Total 2023	Total 2022	Total 2021
Board of Directors	0	0	0	5	5	6	6
EMT*	0	1	2	4	7	7	10
Managers	8	71	76	41	196	262	59
Workforce	249	338	204	129	920	875	336
Total 2023	**258**	**408**	**282**	**175**			
Total 2022	229	391	279	174			
Total 2021	56	255**	255**	92			

* Executive Management Team ** 2021: 255 total employees between 30-50.

Employees by employment status, type of employment and country

	Sweden	Denmark	Spain	Brazil	US	Japan	ROW	Total 2023	Total 2022	Total 2021
Temporary	3	2	4	3	8	7	14	41	37	8
Permanent	168	105	223	65	191	50	280	1,082	1,036	404
Full time	166	99	218	66	193	51	286	1,079	1,034	397
Part time	5	6	9	2	6	6	8	42	39	15
Total 2023	**171**	**107**	**227**	**68**	**199**	**57**	**294**			
Total 2022	162	96	211	70	205	57	272			
Total 2021	161	87	–	–	87	–	80			

New hires by age, gender and region

	Sweden	Denmark	Spain	Brazil	US	Japan	ROW
–30	9	13	28	18	36	1	37
30–40	10	9	14	3	6	5	12
40–50	8	0	2	1	4	7	8
50–	3	1	0	0	0	1	2
Female	21	10	27	14	28	4	37
Male	9	13	17	8	18	10	22
Total	**30**	**23**	**44**	**22**	**46**	**14**	**59**

Employee turnover by gender and region

	Sweden	Denmark	Spain	Brazil	US	Japan	ROW	Total 2023	Total 2022	Total 2021
Female	5%	6%	7%	26%	19%	11%	9%	**11%**	20%	7%
Male	5%	8%	6%	10%	6%	9%	8%	**7%**	13%	5%
Total	10%	14%	13%	36%	25%	20%	17%	**18%**	33%	-

Voluntary and involuntary leave

Total leavers voluntary	77%
Total leavers involuntary	23%

Number of hourly employed

	Sweden	Denmark	Spain	Brazil	US	Japan	ROW
Female	2	1	0	0	48	5	2
Male	0	0	0	0	39	0	0

Diversity and equal opportunity

The diversity and inclusion (D&I) index

To guide our efforts on diversity and inclusion (D&I) and to keep track of our progress year on year, we have developed our own diversity and inclusion index. The D&I index measures diversity and inclusion holistically – there is less value in diversity without inclusion and vice versa. The index measures both how well the company is doing in terms of inclusion, as well as our progress in terms of workforce diversity.

To track inclusion, we look at the results from the VitroVoice engagement survey on ten inclusion-related questions. For diversity, the index is composed by completing an evaluation of our diversity profile in terms of gender, age, nationality and disability.

As of end of year 2023, the score was 77/100 (80/100), the average of a result of 80/100 for inclusion and 74/100 for diversity. This decrease is due to a decrease in the Group diversity score, as the number of women in the executive committee have decreased temporarily (see page 67).

Our 2030 ambition is to stabilise our score above 80 for the whole Group, and to ensure improvement year on year we are using the Diversity and Inclusion Index as a guide for planning local and global actions towards diversity and inclusion.

Gender equality

As a Group focused on reproductive health, gender equality has a particularly important meaning for us. In 2021, we signed the UN Women Empowerment Principles, to signal our commitment to the importance of empowering women. As part of these efforts, a gender equality perspective is being progressively integrated across the organisation, and our human resources management team has been trained to further integrate the diversity and inclusion perspective in their work. Targeted actions at local level have taken place, such as local menstruation awareness campaigns or reviews of parental leave policies.

To ensure that there are no obstacles relating to promotion and development opportunities for women, the Diversity and Inclusion Index described above focusses on the gap between the percentage of women in the workforce, management and in executive positions. As the Index has been selected as one of the key performance indicators to monitor progress on our 2030 ambitions, it will focus a lot of attention on the gap and act as a call to action for managers and teams going forward.

In terms of pay, a pay equity analysis is conducted annually in our major countries to detect any unjustifiable differences, which are then corrected if they are identified.

Women per management level

	2023	2022	2021
Board	40%		
Executive Management Team	13%	29%	25%
Managers	48%	49%	36%
Workforce	62%	63%	52%

Employees by employment status, type of employment and gender

	Male	Female	Total 2023	Total 2022	Total 2021
Temporary	10	31	**41**	37	8
Permanent	434	648	**1,082**	1,036	404
Full time	436	644	**1,080**	1,034	397
Part-time	8	35	**43**	39	15

Employees eligible for parental leave

	Male	Female
Eligible	443	675
Not eligible	1	4

Colleagues' health and wellbeing

The health, safety and wellbeing of our colleagues is of the upmost importance to us. It is the responsibility of all managers locally, as well as our human resources professionals, to provide proactive advice. While we comply with local regulations in all the countries where we operate, we strive to go well beyond those and work to help our people to feel their best. Examples of wellness initiatives may include (depending on location): gym membership, health insurance and wellness subsidies, as well as yearly health check-ups organised by the company.

No fatality was recorded in 2023 nor in previous years.

Number of lost-time injury accidents*	5 (2)

Human and labour rights

Respect for human rights is embedded in the Principles for Responsible Business Conduct, approved by the Board of directors. We commit to following the United Nations Principles for Business and Human Rights. In 2022, we appointed a human rights officer for the organisation. Subsequently, during the course of 2023 we conducted a desktop based human rights due diligence assessment with support from the United Nations Global Compact, within the context of the learning program: "Business and Human Rights: How companies can operationalize the UN Guiding Principles". This program was completed by the company's Human Rights Officer and the company's Procurement Excellence Manager. Any human rights related grievance can be addressed through our whistleblowing channel, described on page 135.

Social dialogue

All the company's employees have the right to join a trade union and to negotiate collectively in accordance with local laws and applicable agreements. Everyone working for the Vitrolife Group is entitled to fair conditions under local rules and regulations, including contractual working hours, rest periods, overtime, and holidays.

Colleagues in Brazil and Sweden are covered by collective bargaining agreements representing 21% (22%) of the workforce. Where official collective bargaining agreements are not in place, we facilitate and promote social dialogue through informal representation and/or committees.

Fair remuneration and living wage

At Vitrolife Group, we are dedicated to fair and responsible remuneration, ensuring all employees receive a living wage. In 2023, we conducted a review of our compensation practices in selected regions and adjusted salaries in Turkey to ensure we meet and go beyond living wage standards. We are committed to extending these efforts to other regions in 2024.

Planet accountability

Recognizing the crucial role that accurate and transparent data plays in measuring our environmental performance, we have dedicated significant efforts to enhance the data collection process during 2023. As a result of these initiatives, our data coverage has substantially improved compared to the information reported in 2022. The discrepancy in data coverage may impact the ability to make direct historical comparisons. It is crucial for readers and analysts to be mindful of this factor when interpreting and analysing the results for the current year.

To ensure greater precision in keeping track of our sustainability performance, we have outlined plans to keep enhancing our performance monitoring in 2024, aiming for improved accuracy and the overall quality of our measurements.

Circular resources inflows

"Circular resource inflows" refers to the continuous and sustainable circulation of resources within a closed-loop system. In a circular economy, resources are efficiently utilized, and materials are reintegrated into the production cycle rather than discarded, aiming to reduce the reliance on virgin resources and minimize environmental impact.

We actively strive to reduce our dependence on virgin resources via a dual approach. Firstly, we focus on minimising the quantity of resources required in both our products and operations. Additionally, we endorse the use of biobased materials and those with reused or recycled content. Our commitment focuses primarily on packaging materials. This involves a concerted effort to increase the use of recycled packaging materials, such as cardboard and starch-based foam.

We track the source of materials and products during procurement, giving preference to those with circular content. Keeping tracking of the materials used allow us to strengthen our strategy and align our actions towards circular resources inflows.

Circular resource outflows

"Circular resource outflows" refers to the controlled waste management of materials or by-products from a system designed to minimize waste and environmental impact. In a circular economy, the goal is to manage the flow of resources in a way that reduces negative environmental impacts, ensuring that materials

leaving the system are handled responsibly through processes such as recycling, repurposing, or other sustainable methods.

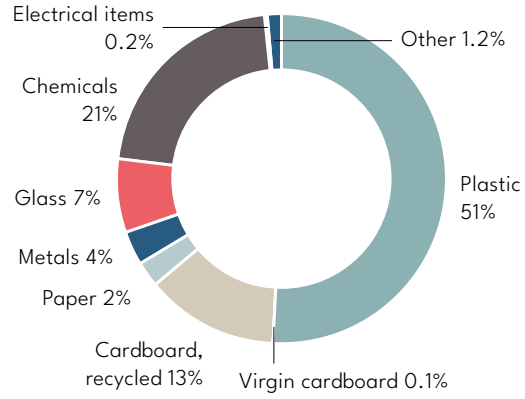
We are committed to continuously enhance circularity in our manufacturing process and operations, with a primary focus on reducing, recycling, and repurposing materials instead of discarding them as waste. This proactive approach is in line with of the ambition of minimizing resource depletion and mitigating environmental impact.

During laboratory operations and the usage of our products, various items and materials inevitably encounter biological substances. Products containing biological remnants require strict adherence to national regulations governing waste management, presenting challenges in achieving circularity at the end-of-use phase. These inherent challenges have pushed us to prioritize the optimization of both secondary and transport packaging, as well as the improvement of materials used.

Circular resource inflows - total weight of materials, including package

Material type	Quantity (kg)
Plastic	349,261
Cardboard	719
Cardboard, recycled	89,053
Paper	15,954
Metals	24,072
Glass	49,566
Chemicals	147,183
Electrical items	1,262
Other	8,283

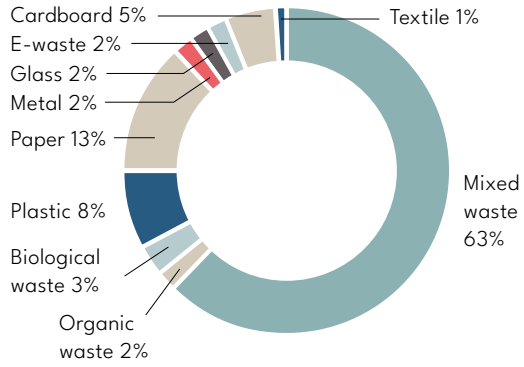
The quantities refer exclusively to purchased materials or goods reported as activity data in kg or tonnes. Therefore, the results are underestimated. There are no comparable data since this is the first year of reporting on this sustainability matter.



Circular resource outflows - waste generation

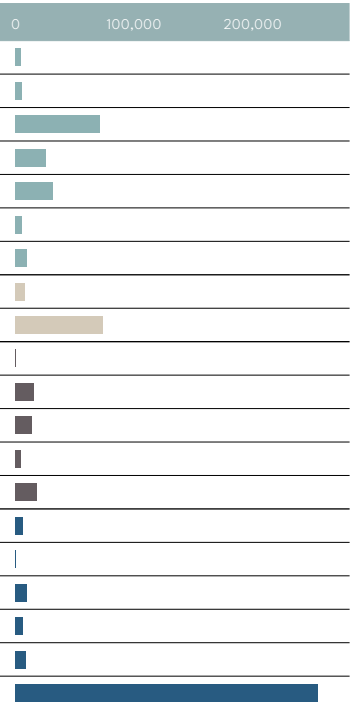
Quantity (kg)

Type of waste	2023	2022	2021
Mixed waste	345,470	55,135	69,300
Organic waste	12,706	2,782	7,400
Biological waste	13,824	-	-
Plastic	41,339	2,260	1,800
Paper	70,757	4,040	-
Metal	11,358	3,504	4,900
Glass	11,350	3,984	3,900
E-waste	9,756	1,539	1,300
Cardboard	26,600	28,890	31,000
Textile	4,520	-	-



Waste generation by treatment category

Treatment category	Type of waste	Quantity (kg)
Reuse & recycling	Organic waste	4,962
	Metal	5,257
	Paper	70,756
	Cardboard	25,600
	Plastic	31,739
	Glass	5,250
	E-waste	9,756
Incineration with energy recovery	Organic waste	7,744
	Mixed waste	73,650
Incineration	Cardboard	500
	Hazardous waste	15,332
	Biological waste	13,824
	Textile	4,520
	Mixed waste	18,120
Landfill	Metals	6,100
	Cardboard	500
	Plastic	9,600
	Glass	6,100
	Hazardous waste	8,623
	Mixed waste	253,700



Chemicals and hazardous substances

Chemicals play a vital role in both the laboratories and production sites of our company, facilitating various processes, including the manufacturing of our products. All chemicals are meticulously handled in strict accordance with both national and international regulations, ensuring a comprehensive and secure management approach.

While a very limited portion of the chemicals we use may fall in the future under the EU regulation on registration, evaluation, approval, and restriction of chemicals (REACH), we are committed to minimizing their usage. Our objective is to explore alternative manufacturing and operational processes to reduce reliance on hazardous substances whenever possible. This proactive approach aligns with Vitrolife Group's dedication to environmentally conscious practices and the pursuit of safer, sustainable alternatives.

We are committed to minimising the production of hazardous waste, and we manage it in strict accordance with national regulations. However, the total production of hazardous waste has increased in comparison with 2022. This increase can mainly be attributed to improved accuracy in our calculations.

(kg)	2023	2022	2021
Hazardous waste	23,956	7,245	5,300

Water consumption

Vitrolife Group is deeply committed to the responsible and efficient use of water across all our production sites, laboratories, and offices. Water plays a crucial role in various activities, including raw material production, product manufacturing, cleaning, and sanitation within our operations. Despite not being a high-intensity consumer of water resources, we acknowledge the potential impact on local water bodies during extraction and discharge processes.

In the past year, our total water consumption has increased to 19,860 m^3, representing a 61% rise compared to 2022. This increase can be attributed to higher production volumes and improved accuracy in our calculations, particularly in the Genetic Services business area sites.

Notably, our production facilities in Gothenburg and Denver have recorded the highest water consumption, primarily due to the manufacturing processes involved in producing our media products.

While water scarcity may pose immediate challenges at any of our sites, we recognize the possibility of increased water stress over time, which could impact both our business and the surrounding communities. Our water intake primarily relies on third-party sources, with a significant proportion sourced from municipal water supplies, notably in non-water-stress areas. All water globally is responsibly discharged into municipal sewage systems.

m^3	2023	2022	2021
Water consumption	19,860	12,344	11,276*

*Water consumption in 2022 and 2021 refer exclusively to our production sites in Gothenburg, Aarhus and Denver.

Our total water consumption encompasses invoiced and/or metered amounts from our production sites, laboratories, and offices. It's important to note that 14% of this consumption is estimated based on the water consumption of similar facilities, as metered amounts were not available during the assessment period.

Biodiversity

Like every business globally, our operations are inherently connected to nature and ecosystem services. Recognizing our responsibility in safeguarding biodiversity, we aim to align with the objectives of the UN Convention on Biological Diversity.

While our operations may not have a direct and significant impact on biodiversity and ecosystem services, we are mindful of the indirect effects stemming from the resources we use, and the waste generated. Considering this, our commitment is to minimize our overall impact on biodiversity. To achieve our ambition, we are dedicated to enhancing circular resource flows and reducing the use of plastic, as illustrated on page 142.

Energy and climate impact

We are committed to climate action and reducing carbon emissions is a priority for the Vitrolife Group. As part of our commitment to the Science Based Targets Initiative (SBTi), we are working on emission reduction targets aligned with limited global warning to 1.5 degrees Celsius.

Throughout the year 2023, our focus has been directed towards enhancing the quality of our environmental data, recognizing it as a pivotal cornerstone in our carbon reduction strategy. Simultaneously, concerted efforts are already being channelled into product development and operations to reduce our carbon footprint.

In pursuit of these objectives, significant actions have been made. Initiatives include the initiation of Life Cycle Assessments (LCA) for our products, enabling us to comprehensively evaluate and mitigate environmental impacts. Moreover, we compare different materials during product development processes in order to reduce the environmental impact of our products. Moreover, we are integrating sustainability in our supply chain practices, with an evaluation of suppliers' environmental impact to be integrated into our selection process. Additionally, our dedication to sustainability extends to the choice of packaging materials, where we actively seek alternatives that align with our commitment to environmental responsibility.

Energy

Vitrolife's energy consumption data primarily comes from utility providers' invoiced consumption, based on registered usage. However, for sites situated in shared facilities or commercial buildings, obtaining registered consumption is challenging. In these instances, estimations have been made due to the unavailability of precise data.

The results include energy consumption across all Vitrolife Group sites, with 16% representing estimated consumption. The data refers to both electricity and heat or cooling. As a pivotal component of our decarbonization initiatives, we are actively working towards augmenting the proportion of renewable energy utilized. Notably, about 22% of the total consumption during 2023 was derived from renewable sources.

GHG emissions

The Vitrolife Group has systematically documented carbon emissions in accordance with the GHG Protocol since 2019. Throughout 2022 and 2023, our commitment to comprehensive reporting was underscored as we further fortified our reporting processes. Continuous enhancements were made to both the reporting process and measurement methodologies, enhancing data coverage across categories outlined in the GHG Protocol. We acknowledge that this discrepancy in data coverage may impact the ability to make direct historical comparisons. Despite all the advancements, we will need to keep progressing on the accuracy of some categories, especially in scope 3, and our dedication to extending data coverage will persist into 2024.

Energy and fuel consumption

MWh	2023	2022	2021
Fuel consumption, non-renewable	3,583		
Imported electricity	5,454		
Non-renewable sources	*3,434*		
Renewable sources	*2,020*		
Imported heating, district heating	*797*		
Total energy consumption	**9,434**	**5,166**	**3,129**
Enegy intensity, energy related to sales in MSEK	2,80		

The outcomes presented herein are derived from a meticulous analysis, comprising a weighted blend of activity data accounting for 89% and spend-based data contributing 11%. Notably, activity data emerges as the more robust and dependable source, yielding results of superior precision. In contrast, spend-based data introduces a heightened level of uncertainty, often leading to overestimations.

Scope 1

Scope 1 emissions include direct emissions from owned or controller sources. The emissions attributable to Vitrolife Group within Scope 1 are relatively modest, comprising approximately 3% of the total emissions. These emissions mainly come from the fuel used in our company and leased cars, and the natural gas used in our Denver production site.

Scope 2

Scope 2 emissions include indirect emissions from the generation of purchased energy. The emissions classified under Scope 2 for Vitrolife Group account for approximately 6% of the company's overall emissions. These emissions result from the consumption of electricity and heating/cooling across the company's offices, laboratories, and production facilities.

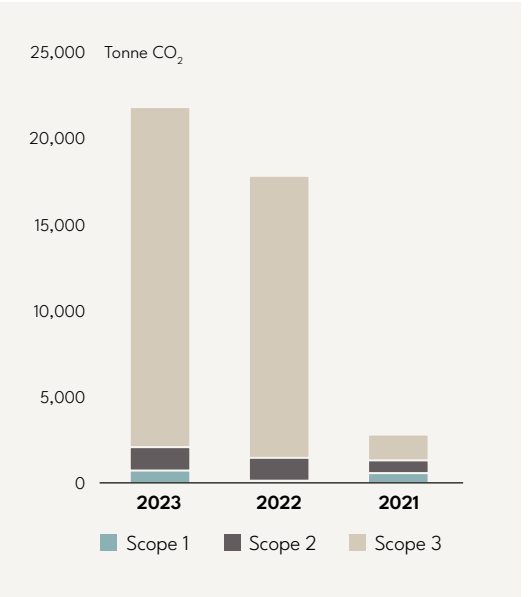
Scope 3

Scope 3 emissions encompass all indirect emissions, excluding Scope 2, occurring in the entirety of the company's value chain, both upstream and downstream. Within Vitrolife Group, a significant portion, namely 91% of the total emissions, falls under Scope 3. It is important to highlight that the carbon emissions for the category commuting are based on 2022 data due to technical challenges in the data collection process this year. Additionally, due to difficulties in the data collection process, we received certain purchased goods data past the deadline within the consumables business area. The primary contributors to Scope 3 are transportation-related activities, purchases and business travels.

Consumables distributes products globally. Specifically, the IVF-media require careful storage and transportation in cold temperatures to maintain quality. The cooling chain is maintained by packaging these sensitive products in well-insulated Styrofoam boxes with freezer packs. Due to the time-sensitive nature of the contents, especially during longer distances, air cargo becomes the preferred option. The Vitrolife Group is committed to reducing its environmental impact by promoting awareness among customers about the CO_2 emissions associated with transportation. Encouraging bulk purchases on fewer occasions is one way to achieve this goal. Ongoing initiatives include efforts to enhance the packaging material, especially for cold-sensitive products, and optimizing shipment patterns to decrease the overall carbon footprint. By adopting these measures, the Vitrolife Group strives to contribute to a more sustainable and eco-friendlier operational framework.

Purchased goods used in our manufacturing processes and in our laboratories significantly contribute to our Scope 3 emissions. Notably, plastic products and electronic items emerge as the primary categories with the highest climate impact within our operations.

Another category of carbon emissions with high footprint for the Vitrolife Group is business travel, standing for 12 % of the total carbon emissions. The results may be influenced by the fact that the activity data collected is spend-based, which is not as reliable as activity data and therefore the results may be some overestimated. However, we acknowledge the importance of reducing the carbon footprint associated to our business travels, hence we are currently developing a new sustainable business travel directive.

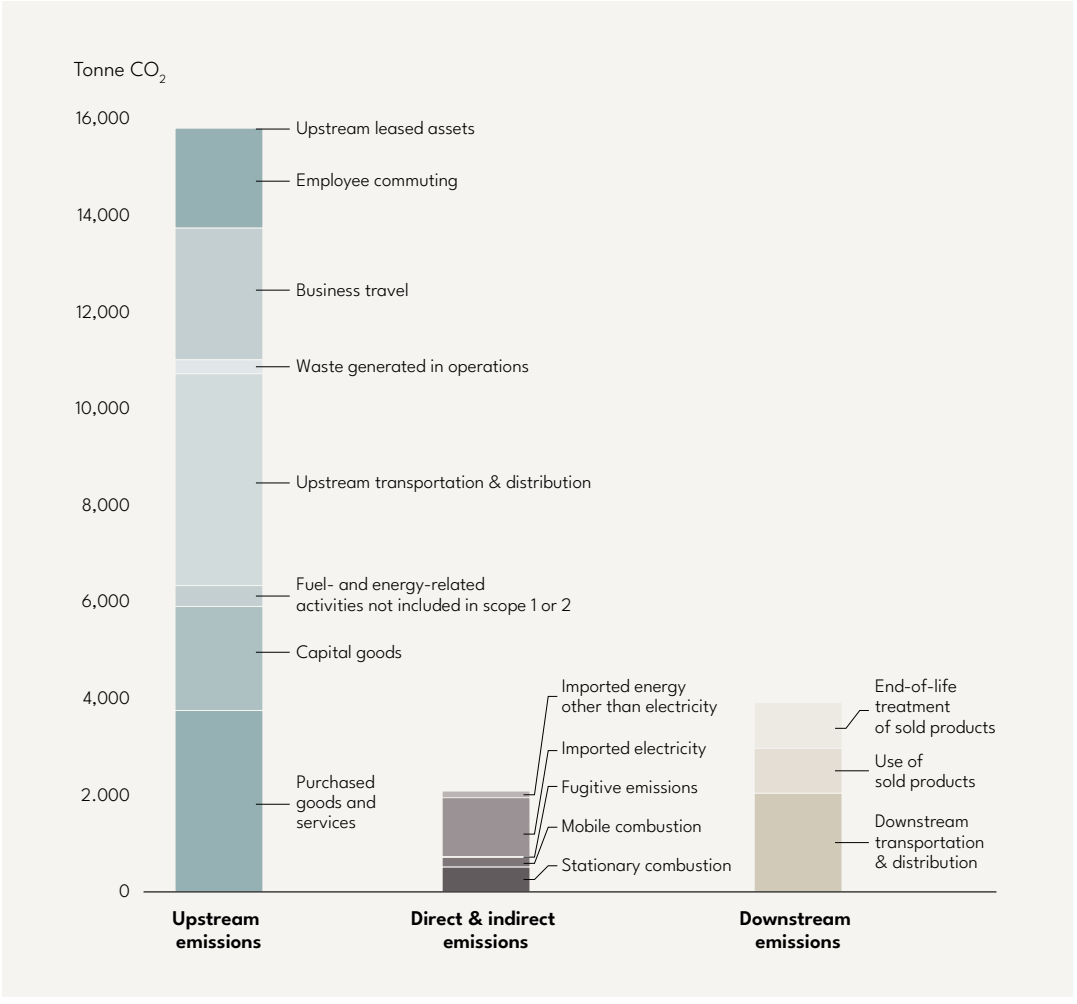


GHG emissions

	ton CO_2e
Scope 1: Direct emissions	**727**
Stationary combustion	*513*
Mobile combustion	*201*
Fugitive emissions	13
Scope 2: Indirect emissions	**1,360**
Imported electricity	1,223
Imported energy other than electricity	138
Scope 3: other relevant indirect emissions	**19,736**
Purchased goods and services	3,755
Capital goods	2,153
Fuel- and energy-related activities not included in scope 1 or 2	432
Upstream transportation & distribution	4,385
Waste generated in operations	220
Business travel	2,724
Employee commuting	2,070
Upstream leased assets	9
Downstream transportation & distribution	2,041
Use of sold products	931
End-of-life treatment of sold products	947

GHG emissions intensity, emissions related to sales in SEKmillion

	2023	2022	2021
Scope 1	0.21	0.18	0.34
Scope 2	0.39	0.42	0.44
Scope 3	5.60	5.06	0.89



EU Taxonomy

Vitrolife Group is covered by the EU Taxonomy regulation for sustainable Investments (EU 2020/852). Consequently, we are required to report to what extent our activities are covered by the EU Taxonomy (Taxonomy-eligibility) and comply with the criteria set in the Taxonomy delegated acts (Taxonomy-alignment).

EU Taxonomy eligibility

To ensure the legally compliant fulfilment of the EU Taxonomy disclosure obligations, an interdisciplinary team have assessed Vitrolife Group´s core economic activities within turnover, OPEX and CAPEX to identify EU Taxonomy-eligibility. As part of the assessment, we have completed an initial screening of all activities as outlined by the EU Taxonomy Compass and Annexes I and II of the Climate Delegated Act followed by a more detailed evaluation of potentially relevant activities. The core business activities of the Vitrolife Group are not mentioned in the economic activities set forth by the Delegated Act.

Turnover

Total turnover corresponds to net sales/ turnover in the income statement in the financial statements. We have identified no EU Taxonomy eligible activities within turnover based on the current guidance related to the EU Taxonomy regulation and available data within the screened economic activities.

OpEx

Total OpEx consists of direct non-capitalised costs that relate to research and development, building renovation, short-term ease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment. We have identified no EU Taxonomy eligible OpEx activities based on the current guidance related to the EU Taxonomy regulation and available data within the screened economic activities.

CapEx

Total CapEx corresponds to additions, including capitalized research and development expenditure, to these balance sheet items: property, plant and equipment, intangible assets before re-measurements, amortization, depreciation and impairment. We have identified no EU Taxonomy eligible CapEX activities based on the current guidance related to the EU Taxonomy regulation and available data within the screened economic activities.

Nuclear and fossil gas related activities

According to the Comission Delegated Regulation (EU) 2022/124, which is an amendment to Delegated Regulation (EU) 2021/2178, the Vitrolife Group shall disclose the taxonomy-non-eligible nuclear energy and gas related activities in the denominator of their key performance indicators. Vitrolife Group does not engage in any activities related to nuclear energy or fossil gas.

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/ cool using fossil gaseous fuels.	No

Turnover

Economic activities	Code(s)	Absolute turnover (2)	Proportion of turnover (4)	Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	DNSH criteria (Do No Significant Harm): Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards	Taxonomy-aligned proportion of turnover, 2023 (18)	Taxonomy-aligned proportion of turnover, 2022 (18)	Category (enabling activity (20)	Category (transitional activity) (21)
		SEKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1+A.2))		0	0%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities(B)		3512	100%																	
Total (A+B)		3512	100%																	

CapEx

Economic activities	Code(s)	Absolute turnover (2)	Proportion of CapEx (4)	Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	DNSH criteria (Do No Significant Harm): Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards	Taxonomy-aligned proportion of CapEx, 2023 (18)	Taxonomy-aligned proportion of CapEx, 2022 (18)	Category (enabling activity (20)	Category (transitional activity) (21)
		SEKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1+A.2))		0	0%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities(B)		119	100%																	
Total (A+B)		119	100%																	

OpEx

Economic activities	Code(s)	Absolute turnover (2)	Proportion of OpEx (4)	Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	DNSH criteria (Do No Significant Harm): Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards	Taxonomy-aligned proportion of OpEx, 2023 (18)	Taxonomy-aligned proportion of OpEx, 2022 (18)	Category (enabling activity (20)	Category (transitional activity) (21)
		SEKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																	
Total (A.1+A.2))		0	0%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities(B)		1244	100%																	
Total (A+B)		1244	100%																	

GRI Index

GRI 1: Foundation

Statement of use	Vitrolife Group has reported in accordance with the GRI Standards for the period 2023-01-01 and 2023-12-31
GRI 1 used	GRI: Foundation 2021
Applicable GRI Sector Standards	NA

GRI 2: General disclosures 2021

Disclosure	Specifications	Location	Comments/ Omission
The organization and its reporting practices			
2-1	Organizational details	About the Sustainability Statements, 129	
2-2	Entities included in the organization's sustainability reporting	About the Sustainability Statements, 129	
2-3	Reporting period, frequency and contact point	About the Sustainability Statements, 129	
2-4	Restatements of information	About the Sustainability Statements, 129	
2-5	External assurance	The auditor's opinion regarding the statutory sustainability report, 154	
Activities and workers			
2-6	Activities, value chain and other business relationships	This is the Vitrolife Group, 10	
2-7	Employees	Inclusive engagement, 136	
2-8	Workers who are not employees	Sustainable supply chain and traceability, 134	Information is currently partial and subject to ongoing update.
Governance			
2-9	Governance structure and composition	Corporate governance report, 56 Management report, 59	
2-10	Nomination and selection of the highest governance body	Corporate governance report, 56 Management report, 59	
2-11	Chair of the highest governance body	Corporate governance report, 56 Management report, 59	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance report, 56 Management report, 59	
2-13	Delegation of responsibility for managing impacts	Corporate governance report, 56 Management report, 59	

Disclosure	Specifications	Location	Comments/ Omission
2-14	Role of the highest governance body in sustainability reporting	Corporate governance report, 56 Management report, 59	
2-15	Conflicts of interest	Corporate governance report, 56 Management report, 59	
2-16	Communication of critical concerns	Corporate governance report, 56 Management report, 59	
2-17	Collective knowledge of the highest governance body	Corporate governance report, 56 Management report, 59	
2-18	Evaluation of the performance of the highest governance body	Corporate governance report, 56 Management report, 59	
2-19	Remuneration policies	Corporate governance report, 56 Management report, 59	
2-20	Process to determine remuneration	Corporate governance report, 56 Management report, 59	
2-21	Annual total compensation ratio	Corporate governance report, 56 Management report, 59	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Ensuring sustainability in everything we do, 48	
2-23	Policy commitments	Ensuring sustainability in everything we do, 48	
2-24	Embedding policy commitments	Ensuring sustainability in everything we do, 48	
2-25	Processes to remediate negative impacts	Human and labor rights, 139	Information is currently partial and subject of ongoing update.
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing channel, 135	
2-27	Compliance with laws and regulations	Legal and regulatory environment, 70 Ethical and responsible business, 135 Quality & patient safety and wellbeing, 132 Responsible marketing, communication, and distribution, 134	
2-28	Membership associations	Ensuring sustainability in everything we do, 48	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Ensuring sustainability in everything we do, 48	
2-30	Collective bargaining agreements	Human and labour rights, 139	

GRI 3: Material topics 2021

GRI Standard	Disclosure	Specifications	Location	Comments/ Omission
Material topics				
	3-1	Process to determine material topics	Ensuring sustainability in everything we do, 48	
	3-2	List of material topics	Ensuring sustainability in everything we do, 48	
	3-3	Management of material topics	Ensuring sustainability in everything we do, 48	
Economic standards				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Ethical and responsible business, 135	
	205-2	Communication and training about anti-corruption policies and procedures	Ethical and responsible business, 135	
	205-3	Confirmed incidents of corruption and actions taken	Ethical and responsible business, 135	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethical and responsible business, 135	
Environmental standards				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Circular resources inflows, 139	Information is currently partial and subject of ongoing update.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy, 142	Information is currently partial and subject of ongoing update.
	302-2	Energy consumption outside of the organization	GHG emissions, 142	Information is currently partial and subject of ongoing update.
	302-3	Energy intensity	Energy, 142	
GRI 303: Water and Effluents 2018	303-5	Water consumption	Water consumption, 141	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, 142	Information is currently partial and subject of ongoing update.
	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity, 142	Information is currently partial and subject of ongoing update.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	GHG emissions, 142	
	305-2	Energy indirect (Scope 2) GHG emissions	GHG emissions, 142	
	305-3	Other indirect (Scope 3) GHG emissions	GHG emissions, 142	
	305-4	GHG emissions intensity	GHG emissions, 142	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Circular resource outflows, 139 Chemicals and hazardous substances, 141	
	306-2	Management of significant waste-related impacts	Circular resource outflows, 139	
	306-3	Waste generated	Circular resource outflows, 139	

GRI Standard	Disclosure	Specifications	Location	Comments/ Omission
	306-4	Waste diverted from disposal	Circular resource outflows, 139 Chemicals and hazardous substances, 141	Information is currently partial and subject of ongoing update.
	306-5	Waste directed to disposal	Circular resource outflows, 139 Chemicals and hazardous substances, 141	Information is currently partial and subject of ongoing update.
Social standards				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inclusive engagement, 136	
	401-3	Parental leave	Diversity and equal opportunity, 138	Information is currently partial and subject of ongoing update.
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	Colleagues' health and wellbeing, 138	
	403-6	Promotion of worker health	Colleagues' health and wellbeing, 138	
	403-9	Work-related injuries	Colleagues' health and wellbeing, 138	Information is currently partial and subject of ongoing update.
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transi-tion assistance programs	Employee engagement and talent development, 136	Information is currently partial and subject of ongoing update.
	404-3	Percentage of employees receiving regular perfor-mance and career development reviews	Employee engagement and talent development, 136	Information is currently partial and subject of ongoing update.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and equal opportunity, 138	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Ethical and responsible business, 135	Information is currently partial and subject of ongoing update.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human and labour rights, 139	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Human and labour rights, 139	Information is currently partial and subject of ongoing update.
GRI 409: Forced or Compulsory Labor26	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human and labour rights, 139	Information is currently partial and subject of ongoing update.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable supply chain and traceability, 134	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Quality & patient safety and wellbeing, 132	Information is currently partial and subject of ongoing update.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality & patient safety and wellbeing, 132	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Responsible marketing, communication, and distribution, 134	Information is currently partial and subject of ongoing update.
	417-2	Incidents of non-compliance concerning product and service information and labeling	Responsible marketing, communication, and distribution, 134	

GRI Standard	Disclosure	Specifications	Location	Comments/ Omission
	417-3	Incidents of non-compliance concerning marketing communications	Responsible marketing, communication, and distribution, 134	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection and cybersecurity, 134	
Additional material topics				
	N/A	Clinical integrity and bioethics	Clinical integrity and bioethics, 133	
	N/A	Impactful innovation	Impactful innovation, 132	
	N/A	Customer satisfaction	Customer satisfaction, 132	
	N/A	Products and services accessibility	Products and services accessibility, 133	

The requirements for sustainability information based on the Swedish Annual Accounts Act, Chapter 6, Section 11 are reported below in this annual report.

Area	Information	Page reference
Business model	The Vitrolife Group business model, strategy and governance	32-33, 36-47, 52
Sustainable growth and anti-corruption	The Vitrolife Group work on sustainable growth and measures to combat corruption	52-53 133-135
Environment and climate	The Vitrolife Group work to reduce its impact on the environment and climate	52, 54, 139-144
Social conditions and staff	The Vitrolife Group work to secure social conditions and on staff-related issues such as gender equality and safe workplaces	52, 54, 136-139
Human rights	The Vitrolife Group acts to prevent human rights breaches in the value chain	52, 53, 133-135, 139
Risks and risk management	The Vitrolife Group risk management process	70-72

The auditor's opinion regarding the statutory sustainability report

To the annual general meeting of Vitrolife AB (publ), corporate identity number 556354-3452

Engagement and responsibilities
It is the Board of Directors who is responsible for the statutory sustainability report for 2023 and that it has been prepared in accordance with the Annual Accounts Act. The company have defined the statutory sustainability report scope on page 153.

The scope of the audit
Our audit has been conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion

Opinion
A sustainability report has been prepared.

Gothenburg 27 March 2024

Deloitte AB

Signed on Swedish original

Harald Jagner
Authorised Public Accountant

Glossary

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

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

Biopsy
Collection of one or several cells from living tissue for further analysis.

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
Process where new cells are added to tissue in order to treat a medical condition.

Clinical study/trial
An investigation performed in healthy or sick people in order to study the effect of a medicinal product or treatment method.

Embryo
A fertilised egg that has become multicellular.

In vitro (Latin for "in glass"):
A biological process that is performed outside 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 culturing embryos in a controlled environment.

IUI
Intrauterine 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 reproductive cells and subsequent cultivation of embryos outside the body.

Medical device
Devices used to diagnose and treat diseases and for rehabilitation.

PGT-A
Preimplantation genetic testing for aneuploidy (PGT-A), also known as preimplantation genetic screening (PGS), tests for the number of chromosomes and can be used in 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 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 and single gene defects (PGT-M), also called Preimplantation Genetic Diagnosis (PGD), is a test to detect specific hereditary genetic diseases that are caused by a single gene defect. This test can be used to determine which embryo lacks the genetic disease to ensure that the baby will not be impacted.

Preclinical study/trial
Research conducted before a medicinal product or treatment method has been sufficiently documented to be studied in humans, for example, testing of substances on tissue samples and subsequent testing on laboratory animals.

Time-lapse
Technology for embryo monitoring. Images of the developing embryo are taken at frequent timed intervals, then viewed as a film and analysed.

Vitrification
Process for converting a material to a glass-like solid state, in this case the rapid freezing, or cryopreservation, of eggs and embryos for future IVF treatment.

Shareholder information

Annual General Meeting 2024

The Annual General Meeting of Vitrolife AB (publ) will be held on Thursday 25 April 2024 at 16:00 CEST at the Elite Park Avenue Hotel, Kungsportsavenyn 36-38 in Gothenburg, Sweden. For more information, see www.vitrolifegroup.com.

Distribution of the Annual and Sustainability Report

Vitrolife Group's Annual and Sustainability Report is available in Swedish and English. Annual and sustainability reports can be downloaded at www.vitrolifegroup.com.

Investor relations

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Auditors

The company's auditor is Deloitte AB. The auditor in charge is Authorised Public Accountant Harald Jagner (1971). Harald Jagner has been engaged as Vitrolife AB's auditor since 2020.

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2024 Reporting Calendar

18 April 2024
Interim Report Q1, 2024

17 July 2024
Interim Report Q2, 2024

24 October 2024
Interim Report Q3, 2024

2025 Reporting Calendar

30 January 2025
Fourth quarter and full year report 2024

Annual and Sustainability Report 2023

VITROLIFE GROUP™

EXCELLENCE IN REPRODUCTIVE HEALTH

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