

Vitrolife acquiring OCTAX and MTG, jointly holding a world-leading position in laser technology for IVF

Vitrolife AB (publ) has completed the acquisition of 100% of the shares in OCTAX Microscience GmbH "OCTAX" and MTG Medical Technology Vertriebs-GmbH "MTG". Vitrolife thereby strengthens its market position and broadens the product portfolio within a growth segment of IVF.

Profitable growth companies

OCTAX is the developer and producer of the world-leading OCTAX Laser and Imaging Systems. MTG is the exclusive global distributor of OCTAX and acts as a distributor in Germany, Austria and Switzerland for IVF products from other manufacturers as well. Furthermore, MTG develops and markets a range of their own IVF products globally, primarily within the cryo-preservation, QC and andrology areas. The head office of the companies is located in Bruckberg, Germany and the companies have in total approximately 30 employees. The consolidated net sales for the companies in 2015 amounted to approximately EUR 8.5 million (6.9). The consolidated operating income before depreciation and amortization (EBITDA) in 2015 amounted to approximately EUR 2.0 million (0.6). The consolidated net sales for the companies during January to March 2016 amounted to approximately EUR 2.7 million (1.8).

State-of-the-art technology

The product line OCTAX Laser and Imaging Systems is the largest in terms of revenue. It is a modular concept of hard- and software tools designed for maximized efficiency and ease of use. The laser systems are compatible with the leading microscope suppliers. They are used for IVF procedures such as embryo biopsy for subsequent genetic testing, assisted hatching and intra-cytoplasmic sperm injection (ICSI). With the support of OCTAX Laser Shot™ and OCTAX NaviLase™, IVF clinics can through laser technology remove a few cells from the embryo and use them for embryo selection procedures such as pre-implantation genetic screening (PGS) and pre-implantation genetic diagnosis (PGD).

Broadens product portfolio and strengthens market position

There is a trend towards an increased involvement of technology, such as Time-lapse and PGS, in IVF-treatments. The key drivers for increased use of technology are improved treatment results, increased earnings potential and more efficient processes at the clinics. The number of embryo biopsies is continuously increasing worldwide as a consequence of the increased use of PGS and PGD. Currently, the vast majority of the IVF clinics in the world use laser equipment for some procedures and as the demand for biopsies increases, Vitrolife expects that the clinics will invest in more laser equipment for capacity reasons. "The acquisitions will improve Vitrolife's product offer

towards customers, strengthen the company's knowledge and generate a stronger market position in order to drive future growth", says Thomas Axelsson, CEO of Vitrolife AB. "With its global market presence, strong brand and complementary product range, Vitrolife is the right strategic partner for MTG and OCTAX", says Dr Klaus Rink and Richard Hampl-Portenlänger, majority owners and founders of OCTAX and MTG.

New business unit within Vitrolife

The business conducted in OCTAX and MTG will form a new business unit within the Vitrolife group. Dr Paul Gassner, currently CEO of MTG, has been appointed Business Unit Director and will report to Vitrolife's CEO Thomas Axelsson. The business unit will be based in Bruckberg, Germany.

Accretive to earnings per share

The purchase sum for both companies amounted to EUR 13.7 million. The considerations were paid in cash and were financed by available liquid funds. The acquisitions are expected to be accretive to earnings per share from 2016 and onwards.

Presentation at Capital Markets Day

The acquisitions will be presented at the telephone conference on Friday July 15 at 10.00 a.m. in connection with the release of the January – June interim report. The acquisitions will also be presented at the company's Capital Markets Day on September 20 in Göteborg.

Gothenburg, June 1, 2016
VITROLIFE AB (publ)
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Vitrolife is an international medical device Group. The Fertility product area develops, produces and markets medical devices for assisted reproduction. Work is also carried out to enable the use and handling of stem cells for therapeutic purposes.

Vitrolife has about 330 employees and the company's products are sold in about 110 markets. The company is headquartered in Gothenburg, Sweden, and there are also offices in USA, Australia, France, Italy, United Kingdom, China, Japan, Hungary and Denmark. The Vitrolife share is listed on NASDAQ OMX Stockholm, Mid Cap.

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