

INTERIM REPORT JAN-JUN 2016

TELEPHONE CONFERENCE

JULY 15, 2016

MAGNUS NILSSON, CEO
CHRISTOFFER ROSENBLAD, CFO



HIGHLIGHTS Q2, 2016

□ Acquisition of Vivoline:

- Larger market footprint for Lungs
- Advanced Heart transplant research project with Prof. Steen
- Enhanced product development capabilities

□ Record quarter with total sales of 34 MSEK with growth +20%*

□ EBITDA** grew +51% to 6.9 MSEK and Operative cash-flow 8.1 MSEK

□ 2 clinical studies started:

- PRIMECC®
- STEEN Solution™ for IVLP***/Cancer

Igelösa – Prof. Steen’s research institute



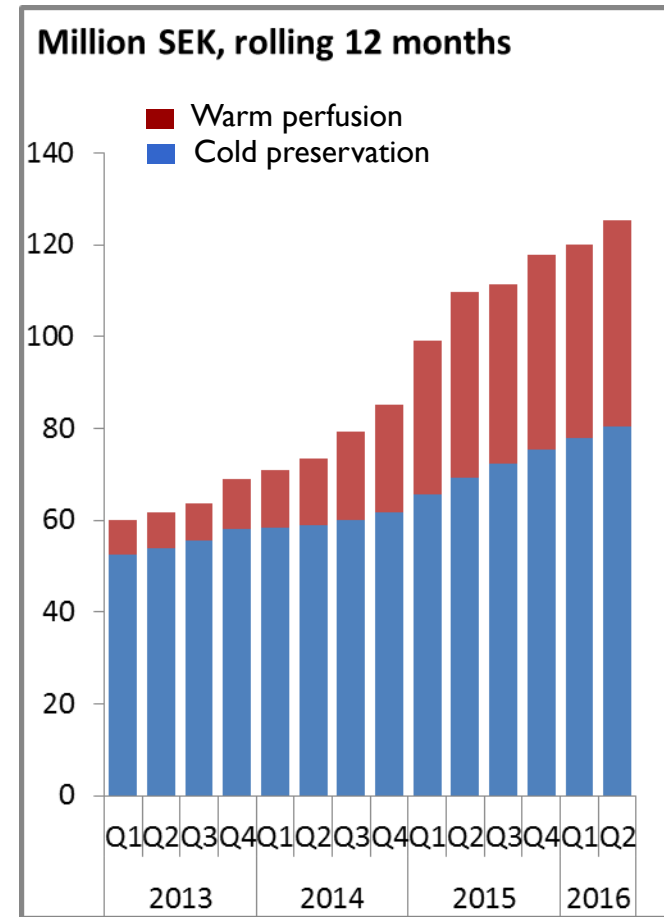
* Growth in local currency **EBITDA excluding one-time costs

*** ILVP = In-Vivo Lung Perfusion i.e. perfusion in a living patient

SALES

- ❑ Q2 sales +20% in local currencies
- ❑ Q2 sales non-durable goods +11% in local currencies
- ❑ 42% of sales in Q2 from warm perfusion, Cold preservation sales enhanced by more Warm perfusion activity
- ❑ 5 XPS™ sold in 2016 Jan-Jun:
 - 3 in the US and 2 in Europe
 - France and Switzerland new countries

Net sales



PROFIT & LOSS

		January – June		January – December
	(SEK millions)	2016	2015	2015
Sales <i>grew +12%</i>	Net sales	68.0	60.9	120.2
	Net sales non-Durable goods	58.8	52.5	106.0
Gross Margin <i>grew +19%</i>	Gross Margin %	72%	68%	71%
	Gross Margin non-Durable goods %	79%	77%	78%
Economies of scale e.g. in selling expenses	Selling expenses %	-23%	-26%	-27%
	Admin. expenses excl. one-time costs %*	-11%	-11%	-10%
	R&D exp. excl. Amort. & one-time costs %*	-17%	-15%	-16%
	One-time costs*	-7%	-3%	-2%
	R&D Amortization %*	-8%	-8%	-8%
	Other income/expenses %	-2%	-1%	-1%
	Operating Result %	5%	3%	6%
EBITDA excl. one-time costs grew +56%	EBITDA excl. one-time costs*	14.3	9.1	20.8
	EBITDA excl. one-time costs %	21%	15%	17%
	EBITDA	9.6	7.5	18.8
	EBITDA %	14%	12%	16%

* One-time costs: Jan-Jun 2016 SEK 4.6 (1.7) million. Jan-Dec 2015 SEK 2.0 million.
R&D Amortization : Jan-Jun 2016 SEK 5.1 (5.1) million. Jan-Dec 2015 SEK 10.2 million.

CASH FLOW

Improved cash position in Jan-Jun 2016 due to improved operating cash-flow, even with Vivoline acquisition.

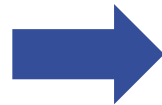
Improved Operating cash flow mainly from improved EBITDA.

		January - June		January – December
(SEK millions)		2016	2015	2015
<i>Improved Operating cash flow</i>	Operating cash flow	13.3	2.9	8.6
	Cash flow from other investing activities	-5.2	-8.1	-14.3
	Cash flow from financing activities	0.3	-1.5	-1.5
<i>Cash impact from Vivoline acquisition -7.6 MSEK</i>	Cash impact from Vivoline acquisition	-7.6	-	-
	Cash-flow for the period	0.8	-6.7	-7.2
	Cash at the beginning of the period	41.2	48.2	48.2
	Exchange rate difference in liquid funds	-0.3	0.2	0.2
<i>Cash increased +0.6 MSEK vs. Dec 31, 2015.</i>	Cash at the end of the period	41.8	41.6	41.2

VIVOLINE ACQUISITION - LOGIC

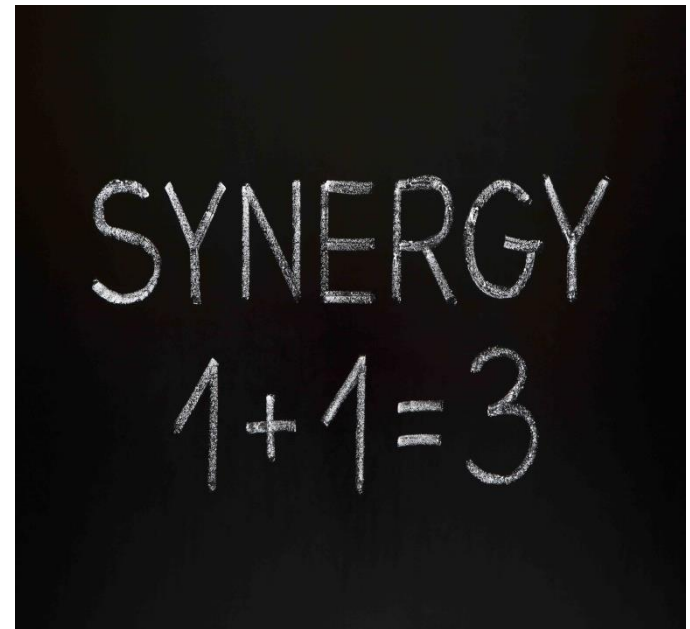
Faster market introduction of new and improved products:

- Combine XVIVO's unique experience to take products through regulatory approval to the market, with Vivoline's research project e.g. heart transplant.
- XVIVO Perfusion's existing sales force reach almost all thorax transplant clinics in the world today.



VIVOLINE ACQUISITION - SYNERGIES

- **Sales**: Use XVIVO's sales force on a larger product portfolio / more customers + faster implementation of product improvements
- **R&D**: Addition of late stage heart transplantation project and increased resources & competence on important projects give higher success rate at a lower cost
- **Costs**: Remove overlapping costs and capture production synergies

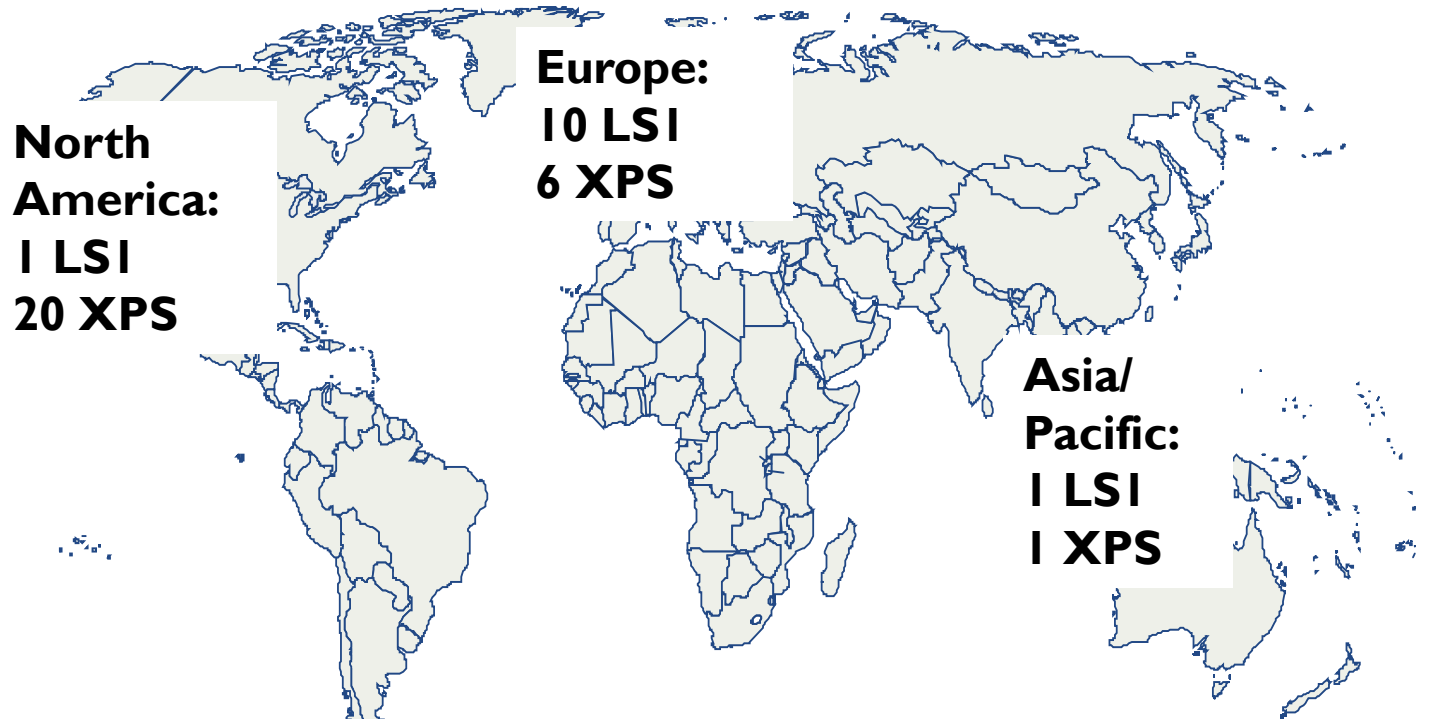


VIVOLINE ACQUISITION – STRENGTHEN POSITION

1. **Positioned to be global leader in Thorax transplantation (Heart & Lungs) with Prof. Steen's Heart transplant research**
2. **Larger footprint on lung transplant market**
3. **New clean room reduce development time for new products and faster take new and improved products to the market**



PRODUCT AND MARKET EVLP-MACHINE FOOTPRINT: FROM 27 -> 39



R&D PORTFOLIO



Expansion of Lung transplantation research, EVLP improvement projects



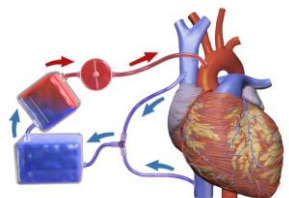
Heart Transplant project from Vivoline acquisition in late pre-clinical phase



STEEN Solution™ for Liver Transplant, ongoing clinical phase



Drug administration to isolated organs (e.g. Cancer) with STEEN Solution™, early clinical phase



PrimECC improve clinical proof, late clinical phase

OUTLOOK 2016

Lung Transplantation

❑ Integration of Vivoline:

- Capture sales synergies: 27 XPS™ + 12 LS1 = 39 clinics with access to EVLP machines*
- Enhanced XVIVO R&D capacity with new facility in Lund
- Capture cost & production synergies: one-time costs estimated to 9 MSEK in 2nd half of 2016 and synergies estimated to 12 MSEK/year

New indications

❑ Accelerate Heart transplant project, clinical phase planned to start 2016

❑ On-going Clinical studies:

- Liver transplantation STEEN Solution™
- Cancer / STEEN Solution™ IVLP**
- PrimECC for open heart surgery

* EVLP machines are XPS™ and LS1

** IVLP or In Vivo Lung Perfusion is when a lung is perfused inside the body.

THANK YOU!