INTERIM REPORT JANUARY–JUNE 2017

XVIVO PERFUSION AB (PUBL)

XVIVO Perfusion is a medical technology company which develops and markets solutions and systems for assessing the usability of organs, enabling the treatment of organs, and maintaining organs in good condition outside of the body, pending transplantation. Currently, the company's product, Perfadex®, has a market share of more than 90 percent in the traditional preservation of lungs for transplantation. The company's products for warm perfusion, XPS™ and STEEN Solution™, have regulatory approval in all major markets, and are the only products to date to have received regulatory approval from the FDA for warm perfusion of lungs. XVIVO Perfusion employs approximately 30 people at its headquarters in Gothenburg, Sweden, its office in Lund, Sweden, and its office for North & South America in Denver, CO, USA. The XVIVO share is listed on NASDAQ Stockholm and has the ticker symbol XVIVO.

XVIVO PERFUSION

CONTINUED GROWTH AND PROGRESS IN DEVELOPMENT PROJECTS

SECOND QUARTER 2017 (APR - JUN)

- Net sales of non-Durable goods in the quarter amounted to SEK 36.4 (29.8) million, corresponding to an increase of 22 percent in SEK. Sales of non-Durable goods increased by 16 percent in local currency. Net sales in the quarter amounted to SEK 37.0 (34.5) million, corresponding to an increase of 7 percent. The increase corresponds to 2 percent in local currency.
- Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 6.2 (6.9) million, corresponding to an EBITDA margin of 17 percent. Items affecting comparability of SEK 0.6 (2.2) million, related to the acquisition and integration of Vivoline, have been charged against the quarter. EBITDA amounted to SEK 5.7 (4.8) million, corresponding to an EBITDA margin of 15 percent.
- Operating income amounted to SEK 2.0 (1.7) million, after amortization and depreciation of SEK 3.7 (3.1) million was charged against the quarter.
- Net income amounted to SEK 1.1 (1.5) million, resulting in earnings per share of SEK 0.04 (0.07).
- Cash flow from operating activities was SEK 8.7 (8.1) million.
- Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™*) accounted for 31 (32) percent of the total sales of non-Durable goods.
- Extraordinary general meeting was held on 10 April 2017 and it was decided to approve the board proposal of a new issue of up to 2 361 408 new shares, which will raise up to approximately SEK 181 million before issue costs. The Private Placement was fully subscribed by the Third Swedish National Pension Fund (AP3), Norron, Swedbank Robur and the Fourth Swedish National Pension Fund (AP4).
- As a result of warrants being exercised, the number of shares and votes in XVIVO Perfusion AB (publ) has during June 2017 increased by 215,000 shares and votes. The share issue of 215,000 shares raised approximately SEK 13 million.

THE PERIOD 2017 (JAN - JUN)

- Net sales of non-Durable goods in the period amounted to SEK 70.0 (58.8) million, corresponding to an increase of 19 percent in SEK. Sales of non-Durable goods increased by 13 percent in local currency. Net sales in the period amounted to SEK 74.5 (68.0) million, corresponding to an increase of 10 percent. The increase corresponds to 4 percent in local currency.
- Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 11.3 (14.2) million, corresponding to an EBITDA , excluding items affecting comparability, margin of 15 percent. Items affecting comparability of SEK 1.9 (4.6) million, related to the acquisition and integration of Vivoline, have been charged against the period. EBITDA amounted to SEK 9.4 (9.6) million, corresponding to an EBITDA margin of 13 percent.
- Operating income amounted to SEK 2.0 (3.4) million, after amortization and depreciation of SEK 7.4 (6.2) million was charged against the period.
- Net income amounted to SEK 1.0 (2.6) million, resulting in earnings per share of SEK 0.04 (0.12).
- Cash flow from operating activities was SEK 6.7 (13.3) million.
- Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™*) accounted for 33 (31) percent of the total sales of non-Durable goods.
- Two XPS™ were sold during the period; one XPS™ to Australia and one XPS™ to the Netherlands. Both countries are new countries with an XPS™. At the end of the period 45 clinics had access to the XPS™ or LS™.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- Inclusion of all 220 (110 + 110) patients is now completed in the NOVEL study which is being carried out in the US on STEEN Solution™ and XPS™. This clinical study will form the basis of the company's PMA (Premarket Approval) application to the FDA. Approximately 40 percent of all lung transplantations in the world are done in the US and STEEN Solution™ and XPS™ have already been approved for sales in the US under an HDE (Humanitarian Device Exemption) approval.
- Recruitment completed for the PrimECC® study at Sahlgrenska University Hospital. The study intends to expand the clinical documentation for PrimECC® and included a total of 80 (40+40) patients. Analysis of the results will now begin and the first publication from the study is calculated for the later part of 2017.

* Vivoline's EVLP machine.

MILESTONES PASSED UNTIL PUBLICATION OF THE INTERIM REPORT

All 220 patients included in the NOVEL study in the US, which will form the basis of the company's PMA application*.

Recruitment completed for the PrimECC study carried out at Sahlgrenska University Hospital.

Private placement of SEK 181 million with the aim of being able to take XVIVO's heart transplant project to the market faster.

Rolling 12-month sales tripled since Q4 2011 when the business was spun off to its´ own unit.

CEO'S COMMENTS

XVIVO Perfusion's development is progressing rapidly. The trend of increased use of input products in the lung transplantation field continues – growth during the second quarter was +22 percent For segment non-durable goods. The company's gross and EBIDTA margin during the first half of the year continue to display underlying strength in the established business activities despite the fact that large investments, above all in Europe, have been made in the building up of the market organization. The lung transplant business continued to display a positive cash flow** during the first half of the year.

XVIVO Perfusion is now entering a very exciting 12-18 month period where many of the most important development projects with great potential are going into key phases. To begin with, the recruitment being completed for the NOVEL study in the US with STEEN Solution™ and XPS™ at the beginning of July. This study will form the basis of XVIVO's PMA application to the FDA which, now that recruitment is complete, can begin to be gradually compiled. It also meant that that only a small part of the obligatory PAS (post marketing study) remains. At present 15 more patients are to be included. When recruitment for PAS is also finally complete, this means that the restrictions that the study clinics have in protocol criteria for which patients and lungs are selected for EVLP cease to exist. This will also mean that the company can focus more in the US on tailoring the technology for customers, building up the market and customer service.

Recruitment is completed for the clinical PrimECC study, where this innovative solution is being tested to improve patients' condition after having undergone surgery including use of a heart-lung machine. This means that the results will have been analysed and will be available during the fourth quarter. The study at Lund University Hospital on Prof. Steen's new heart preservation technology is ready to start after an administrative delay. Unfortunately summer's limited scope for advanced clinical trials in health care kicked in before the first patient had been included, but the aim is still to start the trial as soon as possible. This means that the first indications of how this new technology works clinically are planned to be available in the third or fourth quarter. Other clinical studies on STEEN Solution, amongst other things on liver transplants, are planned to gradually give key information regarding clinical usability during the coming four to six quarters.

In light of the above-mentioned intensive research and development work in the coming period, the company assessed that a capital injection was necessary so as not to delay the program and thus be able to take full advantage of the potential that exists in the development of the new indications. We were therefore delighted that the new share issue, which was completed during the second quarter, was rapidly fully subscribed and that this was done by such well-reputed investors as the Third Swedish National Pension Fund, Norron, the Fourth Swedish National Pension Fund and Swedbank Robur.

The focus for the lung transplant area is to expand the installation base of the XPS™ and LS™ in the world and in parallel to increase the resources for training and service, and also to further develop the EVLP technology in order to support the transplantation clinics in their efforts to increase the percentage of transplantations from the donated lungs. The focus of XVIVO's research is to continue to lead the development of innovative solutions in the field of thorax surgery and to develop the use of perfusion in more organs for transplantation. The company also conducts research in the treatment of isolated organs and tissue, which the indication of cancer is an example of.

Magnus Nilsson
CEO

CONFERENCE CALL

CEO Magnus Nilsson will present the report in a conference call at 2 p.m. CET on Friday, July 14, 2017.
Telephone UK: +44 (0) 203 139 4830 or USA: +1 718 873 9077 , enter code 20105534#.

* See page 6 for a more detailed description of the NOVEL study and the company's PMA application. ** Cashflow from the lung transplant business = Cashflow during the period minus cashflow from financing activities and cashflow from investment activities into the heart transplant project and other new indications.

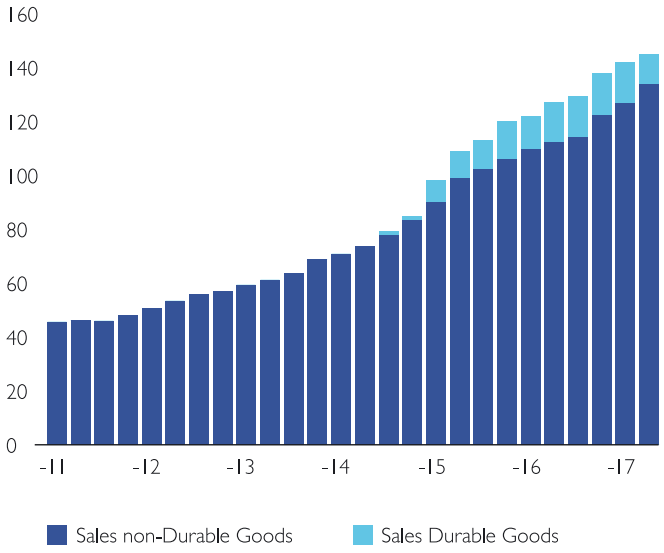
SECOND QUARTER 2017 (APRIL - JUNE)

Net Sales

XVIVO Perfusion's net sales of non-Durable goods* in the quarter amounted to SEK 36.4 (29.8) million, corresponding to an increase of 22 percent in SEK and 16 percent in local currency. The acquisition of Vivoline had a positive impact of SEK 1.3 million on sales of non-Durable goods. Total net sales in the quarter amounted to SEK 37.0 (34.5) million, corresponding to an increase of 7 percent in SEK and 2 percent in local currency. The acquisition of Vivoline had a positive impact of SEK 1.4 million on total sales during the quarter.

NET SALES PER QUARTER (SEK MILLIONS)*

NET SALES ROLLING 12 MONTHS (SEK MILLIONS)*



COMPILATION OF NET SALES AND EBITDA

SEK THOUSANDS	January - June 2017	January - June 2016	April - June 2017	April - June 2016	Whole year 2016
Net Sales non-Durable Goods	69 979	58 835	36 402	29 781	122 527
Net Sales Durable Goods	4 532	9 194	632	4 717	15 650
Net Sales Total	**74 511**	**68 029**	**37 034**	**34 498**	**138 177**
Cost of Goods non-Durable Goods	-14 492	-12 124	-7 823	-6 208	-24 798
Cost of Goods Durable goods	-3 719	-6 794	0	-3 431	-11 144
Cost of Goods Total	-18 211	-18 918	-7 823	-9 639	-35 942
Gross income non-Durable Goods	55 487	46 711	28 579	23 573	97 729
Gross margin non-Durable Goods, %	79%	79%	79%	79%	80%
Gross income Durable Goods	813	2 400	632	1 286	4 506
Gross income Total	56 300	49 111	29 211	24 859	102 235
Gross margin Total, %	76%	72%	79%	72%	74%
Selling expenses	-22 499	-15 626	-11 128	-8 105	-35 708
Administrative expenses	-9 992	-12 320	-4 935	-5 883	-24 489
Research and development costs	-20 465	-16 609	-10 537	-8 651	-36 670
Other operating revenues and expenses	-1 366	-1 116	-646	-556	-2 634
Operating Income	**1 978**	**3 440**	**1 965**	**1 664**	**2 734**
amortization and depreciation cost of goods sold	-269	-	-182	-	-297
depreciation administrative expenses	-380	-218	-185	-107	-484
amortization of research and development expenses	-5 275	-5 111	-2 629	-2 558	-10 346
depreciation other operative expenses	-1 459	-860	-724	-430	-2 091
EBITDA	**9 361**	**9 629**	**5 685**	**4 759**	**15 952**
EBITDA, %	13%	14%	15%	14%	12%
Items affecting comparability	-1 915	-4 620	-562	-2 190	-10 399
EBITDA excluding items affecting comparability	11 276	14 249	6 247	6 949	26 351
EBITDA excluding items affecting comparability, %	15%	21%	17%	20%	19%

* See note 3 for revenue per segment.

Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™) accounted for 31 (32) percent of the total sales of non-Durable goods. Total sales from warm perfusion (STEEN Solution™, XPS™, LS™, and products and services related to the use of the XPS™ and LS™) accounted for 32 (42) percent of the total sales.

Income

Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 6.2 (6.9) million, corresponding to an EBITDA, excluding items affecting comparability, margin of 17 percent. The main reason for the decrease is that increased investments in Sales and Marketing were made during the quarter, which is deemed to be positive for sales in the long term. Items affecting comparability of SEK 0.6 (2.2) million have been charged against the quarter, whereof SEK 0.1 million are transaction costs related to the Vivoline acquisition, and SEK 0.5 million are integration costs related to the integration of Vivoline. EBITDA amounted to SEK 5.7 (4.7) million, corresponding to an EBITDA margin of 15 percent.

Operating income amounted to SEK 2.0 (1.7) million, after amortization and depreciation of SEK 3.7 (3.1) million was charged against the quarter.

The gross margin for non-Durable goods during the quarter was 79 (79) percent. The total gross margin during the quarter was 79 (72) percent. The increase is attributable to segment mix.

Selling expenses in relation to sales increased during the quarter to 30 (23) percent, mainly due to three more employees and increased resources on service and marketing. R&D expenses amounted to 28 (25) percent of sales. The increase is mainly attributable to two new employees and items effecting comparability amounting to SEK 0.5 million charged against the quarter attributable to the setup of the company´s quality system at the Vivoline site. Administrative expenses decreased to 13 (17) percent of sales, mainly due to less items affecting comparability. The administration department has one more head count and higher costs due to the listing on Nasdaq Stockholm main list. Net other operating revenues and expenses during the quarter were SEK -0.6 (-0.6) million.

During the quarter, SEK 6.3 (1.3) million of the development costs were capitalized as an intangible asset. SEK 2.2 (1.3) million was attributable to the continued NOVEL study with STEEN Solution™ with the aim of PMA approval, SEK 3.6 (0.0) million was attributable to investments in the Heart transplant project with aim of marketing approval in the USA and Europe, and SEK 0.6 (0.0) million was attributable to product development of the product portfolio. Depreciation and amortization for the period amounted to SEK 3.7 (3.1) million, of which SEK 2.4 (2.4) million was amortization of the FDA HDE approval.

Cash flow

Cash flow from operating activities amounted to SEK 8.7 (8.1). Investments amounted to SEK 6.5 (9.1) million, of which SEK 6.4 (1.5) million was invested in intangible assets and SEK 0.1 (0.0) million was invested in tangible assets. The cash flow from financing activities was SEK 184.8 (0.2) million and consisted of two new share issues and one warrant program. The share issues are described below. Cash and cash equivalents at the end of the quarter amounted to SEK 203.0 (41.8) million.

SEK 181 million share issue directed to four institutional investors

On March 16, 2017, the board of directors of XVIVO Perfusion AB has resolved, with deviation from the shareholders preferential right, upon a new issue of up to 2,361,408 new shares directed to institutional investors. The private placement was fully subscribed by the Third Swedish National Pension Fund (AP3), the Fourth Swedish National Pension Fund (AP4), Norron and Swedbank Robur. The private placement and subscription were subject to approval by an extraordinary general meeting held on 10 April 2017. The extraordinary general meeting approved the new issue of up to 2,361,408 new shares directed to institutional investors.

The subscription price per new share in the private placement was set to SEK 76.50 and has been established through a book-building process. Through the Private Placement, XVIVO Perfusion raised up to approximately SEK 181 million before issue costs. Compared to the past five trading days' volume-weighted average price (5 day VWAP) for XVIVO Perfusion's share on Nasdaq Stockholm during the period 10 to 16 March 2017, the subscription price constituted a discount of 4.5 per cent. Compared to the closing price on 16 March 2017, the subscription price constituted a discount of 4.7 per cent.

The rationale for carrying out the private placement is to accelerate the company´s clinical product development projects, primarily the heart transplant project, with the aim of market registration globally. The board of directors of XVIVO Perfusion assesses that the proceeds from the Private Placement will be sufficient to finance the heart transplant project until market launch. The capital contribution improves the possibility of more rapidly reaching global market approval for the heart transplant products and hence being able to market these products. Furthermore, XVIVO Perfusion will be able to more rapidly take advantage of the potential that exists in the development of new indications e.g. Liver transplantation, PrimECC and Cancer.

SEK 13 million share issue as a result of warrants being exercised

As a result of warrants being exercised, the number of shares and votes in XVIVO Perfusion AB (publ) has during June 2017 increased by 215,000 shares and votes. The share issue of 215,000 shares raised approximately SEK 13 million before issue costs.

Recruitment completed for NOVEL study in the US on STEEN Solution™ and XPS™

Inclusion of all 220 (110 + 110) patients is now completed in the NOVEL study which is being carried out in the US on STEEN Solution™ and XPS™. This clinical study will form the basis of the company's PMA (Pre-market Approval) application to the FDA. Approximately 40 percent of all lung transplantations in the world are done in the US and STEEN Solution™ and XPS™ have already been approved for sales in the US under an HDE (Humanitarian Device Exemption) approval.

In March 2014 the Advisory Panel convened by the FDA voted unanimously, by 10 votes to 0, that the XPS™ System with STEEN Solution™ meets the requirements for HDE (Humanitarian Device Exemption) approval. In August 2014 the company received HDE approval from the FDA for the products XPS™ and STEEN Solution™ for sales on the American market. HDE approval entails certain restrictions, amongst other things that no more than 4,000 patients may be treated per year under HDE approval and that separate ethical approval may be required for treatment. The study that has now been completed will form the basis of the company's PMA application, which means that if it is approved, there will no longer be any such restrictions.

The NOVEL study is continuing with follow-up of the patients for up to one year. XVIVO Perfusion has an ongoing dialogue with the FDA about the design and the time for submission of the PMA application and will post information when this has been done. The PAS (Post Approval Study) required by the FDA, which is a compulsory safety follow-up after all approvals, will include a total of 126+126 patients that will be followed for 3 years. Sixteen more patients in each group are required to complete enrollment into the PAS.

XPS™ is the only CE-marked and FDA-approved (HDE approval) normothermic lung perfusion integrated system on the market today, that provides the clinician the flexibility to evaluate lungs before transplantation by means of a standardized and simplified procedure. XPS™ is used worldwide with good clinical results. The XPS™ and STEEN Solution™ have already been CE-marked and thus approved for sales on the European market, and are also approved for sales in Canada and Australia.

That the PMA study on XPS™ and STEEN Solution™ in the US has completed recruitment is an important step for XVIVO Perfusion. This will mean that as soon as recruitment for the PAS study is complete, some of the restrictions that were part of the clinical trial will disappear and more patients will have an option to receive an EVLP lung. This will also mean that the company can focus more in the US on tailoring the technology for customers, building up the market and customer service.

Recruitment completed for PrimECC study

PrimECC® is a CE-marked and patent-protected product, developed to prime the heart-lung machine before open heart surgery. A previous "proof of concept" study performed using PrimECC® has shown interesting clinical results. Recruitment is now complete for a study including a total of 80 patients that aims to increase the clinical documentation for PrimECC®. Analysis of the results will now begin and it is estimated that the first publication from the study will be towards the end of 2017.

Several hundred thousand heart operations are performed in the world each year using a heart-lung machine and the 'proof of concept' study performed using PrimECC® indicates that the patient has an improved fluid balance after the operation if the heart-lung machine is primed with PrimECC® rather than the simpler solutions that are often used. During the past year the company has carried out a randomized, blind clinical study on 80 patients at Sahlgrenska University Hospital in Gothenburg in order to increase the documentation. All patients have now been included and it is estimated that the first results will be published towards the end of 2017.

XVIVO Perfusion is waiting for analysis of the results from the study at Sahlgrenska University Hospital and does not plan any extensive launch of the product before the results from the study have been published. XVIVO Perfusion has applied for a patent for PrimECC® in important markets and has so far been granted a patent in the USA, EU, China and Japan.

THE PERIOD 2017 (JANUARY - JUNE)

Net Sales

XVIVO Perfusion's net sales of non-Durable goods* in the period amounted to SEK 70.0 (58.8) million, corresponding to an increase of 19 percent in SEK and 13 percent in local currency. The acquisition of Vivoline had a positive impact of SEK 2.0 million on sales of non-Durable goods. Total net sales in the period amounted to SEK 74.5(68.0) million, corresponding to an increase of 10 percent in SEK and 4 percent in local currency. The acquisition of Vivoline had a positive impact of SEK 2.3 million on total sales during the period since one LS™ for R&D purposes where sold during the period.

Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™) accounted for 33 (31 percent of the total sales of non-Durable goods. Total sales from warm perfusion (STEEN Solution™, XPS™, LS™, and products and services related to the use of the XPS™ and LS™) accounted for 37 (41) percent of the total sales.

* See note 3 for revenue per segment.

Income

Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 11.3 (14.2) million, corresponding to an EBITDA margin of 15 percent. The main reason for the decrease is that increased investments in Sales and Marketing were made during the period, which is deemed to be positive in the long term. Items affecting comparability of SEK 1.9 (4.6) million have been charged against the period, whereof SEK 0.4 million are transaction costs related to the Vivoline acquisition, and SEK 1.5 million are integration costs related to the integration of Vivoline. EBITDA amounted to SEK 9.4 (9.6) million, corresponding to an EBITDA margin of 13 percent.

Operating income amounted to SEK 2.0 (3.4) million, after amortization and depreciation of SEK 7.4 (6.2) million was charged against the period.

The gross margin for non-Durable goods during the period was 79 (79) percent. The total gross margin during the period was 76 (72) percent.

Selling expenses in relation to sales increased during the period to 30 (23) percent, mainly due to three more employees and increased resources on service and marketing. R&D expenses amounted to 27 (24) percent of sales. The increase is mainly attributable to two new employees and items effecting comparability amounting to SEK 1.3 million charged against the period. Administrative expenses decreased to 13 (18) percent of sales, mainly due to less items affecting comparability. The administration department has one more head count and higher costs due to the listing on Nasdaq Stockholm main list. Net other operating revenues and expenses during the period were SEK -1.4 (-1.1) million.

During the period, SEK 12.0 (2.7) million of the development costs were capitalized as an intangible asset. SEK 5.0 (2.7) million was attributable to the continued NOVEL study with STEEN Solution™ with the aim of PMA approval, SEK 6.3 (0.0) million was attributable to investments in the Heart transplant project with aim of marketing approval in the USA and Europe, and SEK 0.7 (0.0) million was attributable to product development of the product portfolio. Depreciation and amortization for the period amounted to SEK 7.4 (6.2) million, of which SEK 4.9 (4.9) million was amortization of the FDA HDE approval.

Cash flow

Cash flow from operating activities amounted to SEK 6.7 (13.3) million. Investments amounted to SEK 12.7 (12.8) million, of which SEK 12.5 (3.1) million was invested in intangible assets and SEK 0.2 (2.1) million was invested in tangible assets. The cash flow from financing activities was SEK 184.8 (0.2) million and consisted of two new share issues and one warrant program. Cash and cash equivalents at the end of the period amounted to SEK 203.0 (41.8) million.

Financing

XVIVO Perfusion's total credit facilities consist of an overdraft facility that at the end of the period amounted to SEK 22 (20) million, of which SEK 0.0 (0.0) million was utilized. The equity/assets ratio was 95 (93) percent at the end of the period.

OUTLOOK FOR 2017

As the number of lungs that can be transplanted using traditional cold perfusion cannot be predicted to increase more than the number of lungs donated, it is expected that growth will come primarily from warm perfusion using the STEEN Solution™ method. The focus during this year is, therefore, to establish the STEEN Solution™ method as the standard treatment for lung transplantation. Since the acquisition of Vivoline, the company will intensify research and development in cardiac transplantation. Expenses attributable to cardiac transplantation will be capitalized on an ongoing basis. Remaining transaction costs and integration costs related to the acquisition of Vivoline are estimated to be around SEK 1 million, which will be charged against 2017.

Organ availability is also the limiting factor for increasing the number of transplantations of organs other than lungs. The focus of research and development is therefore on developing the use of the STEEN Solution™ method for more indications, and on developing other similar areas of use such as the warm perfusion of organs still in the body.

THE COMPANY IN BRIEF

Operations

XVIVO Perfusion AB is a medical technology company which develops solutions and systems for selecting usable organs and maintaining them in optimal condition pending transplantation. Currently, the company's product, Perfadex®, has a market share of more than 90 percent in the traditional preservation of lungs for transplantation. The company's products for warm perfusion, XPS™ and STEEN Solution™, have regulatory approval in all major markets, and are the only products to date to have received regulatory approval from the FDA for warm perfusion of lungs.

Lung transplantation

A great problem in transplantation healthcare is the lack of available lungs. Currently in the USA, only around 20 percent of the available donated lungs are transplanted, as it is considered far too risky to transplant the remaining majority. By using XVIVO's product STEEN Solution™, the organ is cleared of harmful substances from the donor, thus creating a better environment for the organ's cells. The technology thereby allows the organ to "recover" when possible. It also allows for functional testing to be performed on the organ outside the body. In clinical use in the US, Europe, Australia, and Canada, it

has emerged that once STEEN Solution™ perfusion has been carried out, many of the organs that were initially "rejected" are assessed as being usable and have been successfully transplanted into patients with end-stage lung disease. Therefore the use of STEEN Solution™ has the potential to increase the total number of lung transplants.

New indications
The company conducts preclinical and clinical research in transplantation of organs other than lungs as well as drug delivery to an isolated organ. Through the acquisition of Vivoline, XVIVO Perfusion has access to HS1 (machine) and Heartadex™ (solution) for heart transplantation. These products are designed to help increase the use of donated hearts so that more heart transplants can be performed and more patients can be given a last chance of a longer life with better quality of life. The products HS1 and Heartadex ™ are in phase pre-clinical studies. Future focus is to take the products into phase clinical research and after regulatory products.

Business concept
XVIVO Perfusion's business concept is to increase the survival rate of patients in need of an organ transplant by providing effective products that increase the availability and survival potential of organs once transplanted.

Vision
The company's vision is that no one should have to die waiting for a new organ.

Objective
The company's objective is to establish the warm perfusion of organs with XPS™ and STEEN Solution™ as the standard treatment in the transplantation of lungs and other organs.

Strategy
XVIVO Perfusion's strategy focuses on getting lung evaluation outside the body using the XPS™ and STEEN Solution™ accepted as a standard procedure. A basic precondition of the strategy is to obtain regulatory approval for STEEN Solution™ in all important markets. XVIVO Perfusion has demonstrated through published preclinical and clinical studies that warm perfusion of organs using the STEEN Solution™ method results in more available organs, thereby giving more patients the potential to have a life-saving treatment, better quality of life, socioeconomic gains, and lower morbidity and mortality. Furthermore, the company will strive to increase awareness of the STEEN Solution™ method in important groups of stakeholders and will work with key opinion leaders in the area.

OTHER INFORMATION

Organization and personnel
At the end of quarter the number of employees was 31, of whom 14 were women and 17 were men. Of these, 16 people were employed in Sweden and 15 outside Sweden. In addition, the company uses around ten consultants.

Information on transactions with related parties
No transactions have been carried out with related parties during the quarter.

Risk management
XVIVO Perfusion is constantly working to identify, evaluate, and manage risks in different systems and processes.
Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside XVIVO Perfusion's regular quality system.

The market risks that are determined to have particular importance for the future development of XVIVO Perfusion are access to financial funds and medical resources at clinics around the world. Operational risks primarily comprise risks that limit or prevent XVIVO Perfusion from developing, manufacturing and selling quality, effective and safe products. Legal and regulatory risks may arise from changes in legislation and other regulations. Changes in legislation or political decisions may affect the company's ability to run or develop the business. Due to the nature of the business, there is a risk of claims for damages and liability. Including financial risks are the currency risk for the business.

The most important strategic and operative risks affecting the company are described in the 2016 annual report.

Seasonal effects
XVIVO Perfusion's sales are marginally affected by seasonal effects. Mainly in new treatments such as EVLP or warm perfusion of the lungs there are slightly less activity during the summer months.

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

Certification

The Board and the CEO certify that the half-year report gives a true and fair view for the company´s and the Group´s business activities, financial position and results, and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group face.

July 14, 2017
Gothenburg

Magnus Nilsson CEO	Fredrik Mattsson Chairman of the Board
Semmy Rülf Board member	Erik von Schenck Board member
Gösta Johannesson Board member	Folke Nilsson Board member
Camilla Öberg Board member	

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

Financial reports

XVIVO Perfusion's interim reports are published on the company's website, www.xvivoperfusion.com. Following reports are planned to be submitted:

Interim Report January-September 2017: Friday, October 27 2017
Report on Operations 2017: Friday, February 9, 2018

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This information is information that Xvivo Perfusion AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on July 14, 2017 at 8.30 am.

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

CONDENSED CONSOLIDATED STATEMENT OF NET INCOME

SEK THOUSANDS	January - June 2017	January - June 2016	April - June 2017	April - June 2016	Whole year 2016
Net sales	74 511	68 029	37 034	34 498	138 177
Cost of goods sold	-18 211	-18 918	-7 823	-9 639	-35 942
Gross income	**56 300**	**49 111**	**29 211**	**24 859**	**102 235**
Selling expenses	-22 499	-15 626	-11 128	-8 105	-35 708
Administrative expenses	-9 992	-12 320	-4 935	-5 883	-24 489
Research and development costs	-20 465	-16 609	-10 537	-8 651	-36 670
Other operating revenues and expenses	-1 366	-1 116	-646	-556	-2 634
Operating income	**1 978**	**3 440**	**1 965**	**1 664**	**2 734**
Financial income and expenses	-130	293	-79	365	259
Income after financial items	**1 848**	**3 733**	**1 886**	**2 029**	**2 993**
Taxes	-803	-1 099	-796	-509	-1 492
Net income	**1 045**	**2 634**	**1 090**	**1 520**	**1 501**
Attributable to					
Parent Company's shareholders	1 045	2 634	1 090	1 520	1 501
Non-controlling interests	-	-	-	-	-
	1 045	**2 634**	**1 090**	**1 520**	**1 501**
Earnings per share, SEK	0,04	0,12	0,04	0,07	0,07
Earnings per share, SEK*	0,04	0,12	0,04	0,07	0,07
Average number of outstanding shares	24 689 880	21 523 864	25 765 673	21 534 958	22 567 807
Average number of outstanding shares*	24 984 603	21 523 864	26 140 117	21 534 958	22 782 807
Number of shares at closing day	26 190 496	23 531 941	26 190 496	23 531 941	23 614 088
Number of shares at closing day*	26 402 496	23 531 941	26 402 496	23 531 941	23 829 088
EBITDA	**9 361**	**9 629**	**5 685**	**4 759**	**15 952**
Amortization	-5 272	-5 111	-2 626	-2 558	-10 357
Depreciation	-2 111	-1 078	-1 094	-537	-2 861
Operating income	**1 978**	**3 440**	**1 965**	**1 664**	**2 734**

* After dilution. See note 2 for information on warrant programs.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

SEK THOUSANDS	January - June 2017	January - June 2016	April - June 2017	April - June 2016	Whole year 2016
Net income	**1 045**	**2 634**	**1 090**	**1 520**	**1 501**
Other comprehensive income					
Items that may be reclassified to the income statement					
Exchange rate differences	-3 421	1 225	-2 686	2 285	4 658
Tax attributable to items that have been transferred, or can be transferred to net income	281	-156	245	-225	-457
Total other comprehensive income, net after tax	**-3 140**	**1 069**	**-2 441**	**2 060**	**4 201**
Total comprehensive income	**-2 095**	**3 703**	**-1 351**	**3 580**	**5 702**
Attributable to					
Parent Company's shareholders	-2 095	3 703	-1 351	3 580	5 702
Non-controlling interests	-	-	-	-	-
	-2 095	**3 703**	**-1 351**	**3 580**	**5 702**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK THOUSANDS	June 30, 2017	June 30, 2016	Dec 31, 2016
ASSETS			
Goodwill	65 382	65 388	65 672
Other intangible fixed assets	165 283	154 513	158 073
Property, plant and equipment	13 250	10 726	15 166
Financial assets	12 732	12 993	12 281
Total non-current assets	**256 647**	**243 620**	**251 192**
Inventories	33 077	27 092	34 551
Current receivables	37 151	28 430	38 684
Liquid funds	203 040	41 779	24 871
Total current assets	**273 268**	**97 301**	**98 106**
Total assets	**529 915**	**340 921**	**349 298**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	501 147	313 096	316 414
Shareholders' equity, attributable to Non-controlling interests	-	3 865	-
Long-term non-interest-bearing liabilities	3 164	3 815	3 044
Short-term non-interest-bearing liabilities	25 604	20 145	29 840
Total shareholders' equity and liabilities	**529 915**	**340 921**	**349 298**

CONSOLIDATED KEY RATIOS

	January - June		April - June		Whole year
	2017	2016	2017	2016	2016
Gross margin non-Durable goods, %	79	79	79	79	80
Gross margin, %	76	72	79	72	74
EBITDA, %	13	14	15	14	12
Operating margin, %	3	5	5	5	2
Net margin, %	1	4	3	4	1
Equity/assets ratio, %	95	93	95	93	91
Income per share, SEK	0,04	0,12	0,04	0,07	0,07
Shareholders' equity per share, SEK	19,13	13,47	19,13	13,47	13,40
Share price on closing day, SEK	99,00	59,00	99,00	59,00	88,00

See page 15-16 for key ratios definition and reconciliation of alternative key figures.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

SEK THOUSANDS	January - June 2017	January - June 2016	April - June 2017	April - June 2016	Whole year 2016
Income after financial items	1 848	3 734	1 886	2 030	2 993
Adjustment for items not affecting cash flow	6 197	5 653	2 574	1 740	14 727
Paid taxes	-3 162	-2 499	-2 264	398	-4 528
Change in inventories	-726	2 453	619	-612	-2 379
Change in trade receivables	4 571	1 578	1 990	3 835	-8 219
Change in trade payables	-2 024	2 428	3 919	662	9 956
Cash flow from operating activities	**6 704**	**13 347**	**8 724**	**8 053**	**12 550**
Cash flow from investing activities	-12 667	-12 758	-6 452	-9 119	-29 725
Cash flow from financing activities	184 823	244	184 823	244	244
Cash flow for the period	**178 860**	**833**	**187 095**	**-822**	**-16 931**
Liquid funds at beginning of period	24 871	41 234	16 515	42 722	41 234
Exchange rate difference in liquid funds	-691	-288	-570	-121	568
Liquid funds at end of period	**203 040**	**41 779**	**203 040**	**41 779**	**24 871**

CONSOLIDATED CHANGES IN SHAREHOLDERS EQUITY

	Attributable to Parent Company's shareholders					
SEK THOUSANDS	Share capital	Other paid in capital	Reserves	Retained earnings incl. profit for the year	Non-controlling interests	Sum shareholders' equity
Shareholders' equity as of 1 January, 2016	**550**	**154 567**	**9 140**	**20 617**	**0**	**184 874**
Total comprehensive income Jan - June, 2016			1 069	2 634		3 703
Share warrent program		244				244
Acquisition of subsidiary	51	121 099			7 426	128 576
Acquisition from non-controlling interest		2 968		157	-3 561	-436
Shareholders' equity as of 30 June, 2016	**601**	**278 878**	**10 209**	**23 408**	**3 865**	**316 961**
Total comprehensive income July - December, 2016			3 132	-1 133		1 999
Acquisition from non-controlling interest	3	2 575		-696	-3 865	-1 983
Deduction of incremental costs directly related to issuing new shares net of tax		-563				-563
Shareholders' equity as of 31 December, 2016	**604**	**280 890**	**13 341**	**21 579**	**0**	**316 414**
Total comprehensive income Jan - June, 2017			-3 140	1 045		-2 095
Issuing of new shares efter deduction of incremental costs directly related to issuing new shares net of tax	65	186 416				186 481
Paid in capital for share warrant program		347				347
Shareholders' equity as of 30 June, 2017	**669**	**467 653**	**10 201**	**22 624**	**0**	**501 147**

CONDENSED CONSOLIDATED STATEMENT OF NET INCOME PER QUARTER

SEK THOUSANDS	Apr - Jun 2017	Jan - Mar 2017	Oct - Dec 2016	Jul - Sep 2016	Apr - Jun 2016	Jan - Mar 2016	Oct - Dec 2015	Jul - Sep 2015
Net sales	37 034	37 477	38 418	31 730	34 498	33 531	32 680	26 618
Cost of goods sold	-7 823	-10 388	-9 530	-7 494	-9 639	-9 279	-8 055	-7 528
Gross income	**29 211**	**27 089**	**28 888**	**24 236**	**24 859**	**24 252**	**24 625**	**19 090**
Selling expenses	-11 128	-11 371	-10 312	-9 770	-8 105	-7 521	-9 095	-6 878
Administrative expenses	-4 935	-5 057	-6 751	-5 418	-5 883	-6 437	-3 384	-3 035
Research and development costs	-10 537	-9 928	-11 028	-9 033	-8 651	-7 958	-7 877	-7 513
Other operating revenues and expenses	-646	-720	-771	-747	-556	-560	-475	-129
Operating income	**1 965**	**13**	**26**	**-732**	**1 664**	**1 776**	**3 794**	**1 535**
Financial income and expenses	-79	-51	-131	97	365	-72	-122	381
Income after financial items	**1 886**	**-38**	**-105**	**-635**	**2 029**	**1 704**	**3 672**	**1 916**
Taxes	-796	-7	-475	82	-509	-590	-874	-579
Net income	**1 090**	**-45**	**-580**	**-553**	**1 520**	**1 114**	**2 798**	**1 337**
Attributable to								
Parent Company's shareholders	1 090	-45	-580	-535	1 520	1 114	2 798	1 337
Non-controlling interests	-	-	-	-18	-	-	-	-
	1 090	**-45**	**-580**	**-553**	**1 520**	**1 114**	**2 798**	**1 337**
Earnings per share, SEK	0,04	0,00	-0,02	-0,02	0,07	0,05	0,13	0,06
Earnings per share, SEK*	0,04	0,00	-0,02	-0,02	0,07	0,05	0,13	0,06
Average number of outstanding shares	25 765 673	23 614 088	23 614 088	23 609 412	21 534 958	21 512 769	21 512 769	21 512 769
Average number of outstanding shares*	26 140 117	23 829 089	23 829 089	23 824 412	21 534 958	21 512 769	21 512 769	21 512 769
Number of shares at closing day	26 190 496	23 614 088	23 614 088	23 614 088	23 531 941	21 512 769	21 512 769	21 512 769
Number of shares at closing day*	26 402 496	23 829 089	23 829 089	23 829 089	23 531 941	21 512 769	21 512 769	21 512 769
EBITDA	**5 685**	**3 676**	**3 586**	**2 737**	**4 759**	**4 870**	**6 881**	**4 440**
Amortization	-2 626	-2 646	-2 618	-2 628	-2 558	-2 553	-2 504	-2 557
Depreciation	-1 094	-1 017	-942	-841	-537	-541	-583	-348
Operating income	**1 965**	**13**	**26**	**-732**	**1 664**	**1 776**	**3 794**	**1 535**

* After dilution. See note 2 for information on warrant programs.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME PER QUARTER

SEK THOUSANDS	Apr - Jun 2017	Jan - Mar 2017	Oct - Dec 2016	Jul - Sep 2016	Apr - Jun 2016	Jan - Mar 2016	Oct - Dec 2015	Jul - Sep 2015
Net income	**1 090**	**-45**	**-580**	**-553**	**1 520**	**1 114**	**2 798**	**1 337**
Other comprehensive income								
Items that may be reclassified to the income statement								
Exchange rate differences	-2 686	-735	2 586	847	2 285	-1 060	-182	549
Tax attributable to items that have been transferred, or can be transferred to net income	245	36	-230	-71	-225	69	19	-11
Total other comprehensive income, net after tax	**-2 441**	**-699**	**2 356**	**776**	**2 060**	**-991**	**-163**	**538**
Total comprehensive income	**-1 351**	**-744**	**1 776**	**223**	**3 580**	**123**	**2 635**	**1 875**
Attributable to								
Parent Company's shareholders	-1 351	-744	1 776	241	3 580	123	2 635	1 875
Non-controlling interests	-	-	-	-18	-	-	-	-
	-1 351	**-744**	**1 776**	**223**	**3 580**	**123**	**2 635**	**1 875**

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

	January - June		April - June		Whole year
SEK THOUSANDS	2017	2016	2017	2016	2016
Net sales	55 703	40 013	23 301	20 759	85 719
Cost of goods sold	-14 399	-10 261	-5 009	-3 406	-20 648
Gross income	**41 304**	**29 752**	**18 292**	**17 353**	**65 071**
Selling expenses	-13 654	-8 750	-6 693	-4 697	-17 996
Administrative expenses	-6 298	-9 076	-3 148	-4 399	-17 514
Research and development costs	-20 449	-16 609	-10 533	-8 651	-35 144
Other operating revenues and expenses	-1 680	-1 076	-858	-516	-3 174
Operating income	**-777**	**-5 759**	**-2 940**	**-910**	**-8 757**
Financial income and expenses	-1 006	1 012	-1 037	1 400	2 839
Income after financial items	**-1 783**	**-4 747**	**-3 977**	**490**	**-5 918**
Year end dispositions	-	-	-	-	4 025
Taxes	392	203	875	-755	101
Net income	**-1 391**	**-4 544**	**-3 102**	**-265**	**-1 792**

The Parent Company has no items to report as other comprehensive income, therefore a statement of comprehensive income is not presented.
Depreciation and amortization has reduced income for the period by SEK 6 028 thousand (6 028), of which SEK 3 307 TSEK (3 016) for the quarter.

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

SEK THOUSANDS	June 30, 2017	June 30, 2016	Dec 31, 2016
ASSETS			
Intangible fixed assets	100 089	91 067	92 827
Property, plant and equipment	10 115	7 001	11 501
Financial assets	184 160	157 117	179 451
Total non-current assets	**294 364**	**255 185**	**283 779**
Inventories	8 279	7 660	13 521
Current receivables	19 415	30 790	15 472
Cash and bank	184 255	24 258	13 730
Total current assets	**211 949**	**62 708**	**42 723**
Total assets	**506 313**	**317 893**	**326 502**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	482 975	292 967	297 426
Untaxed reserves	8 213	12 238	8 213
Provisions	1 358	1 123	1 237
Short-term non-interest-bearing liabilities	13 767	11 565	19 626
Total shareholders' equity and liabilities	**506 313**	**317 893**	**326 502**

Disclosures in accordance with IAS 34.16A occur in the financial statements and the related notes, as well as elsewhere in parts of the interim report.

Note 1. Accounting principles

For the Group, the report is presented pursuant to the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company pursuant to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Accounting principles applied for the Group and the parent company correspond, unless otherwise stated below, with the accounting policies used for the preparation of the latest annual report.

IFRS 9 "Financial instruments" will replace the current IAS 39 "Financial instruments: Recognition and Measurement" as of 2018. The implementation project is ongoing during 2017. To judge from the information that is today known or estimated, IFRS 9 will not have a material impact on XVIVO Perfusion's results and financial position.

IFRS 15 "Revenue from Contracts with Customers" will as of 2018 replace existing IFRS related to revenue recognition, such as IAS 18 "Revenue", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programmes". XVIVO Perfusion has been able to ascertain that the company's financial reports will be impacted when IFRS 15 begins to be applied. The company's net sales are divided into three categories: sale of goods excluding capital goods, revenues from sale and rental of capital goods and finally revenues from freight, service and other sales (see note 2 in the company's most recent Annual Report). Sale of goods excluding capital goods and revenues from freight, service and other sales comprise products and services that clearly represent separate performance obligations. It is therefore assessed that for these there are not any significant differences between current accounting and accounting pursuant to IFRS 15. For revenues from sale and rental of capital goods, which comprised 11% of the company's net sales in 2016, there may be several distinct obligations in one and the same contract. The recognition of revenues for some of these obligations may need to be postponed pursuant to IFRS 15 compared with current accounting. However, it has not yet been possible to estimate any effects in terms of figures.

IFRS 16 "Leases" will as of 2019 replace existing IFRS related to the recognition of leasing agreements, such as IAS 17 "Leases" and IFRIC 4 "Determining Whether an Arrangement Contains a Lease". XVIVO Perfusion has not yet decided whether to apply IFRS 16 in advance as from 2018, at the same time as IFRS 9 and IFRS 15 change the accounting, or whether to apply it from 2019. As an operational lessee, the company will be impacted by the introduction of IFRS 16. Estimates in terms of figures of the effect of IFRS 16 and the choice of transitional methods have not yet been made. However, the information given in Note 10 of the company's most recent Annual Report gives an indication of the type and scope of the agreements that existed at December 31, 2016. No new operational leasing agreements involving significant amounts were entered into in the first half of 2017.

XVIVO Perfusion has not yet decided whether IFRS 16 will be applied in advance as from 2018, at the same time as IFRS 9 and IFRS 15 change the financial reporting, or whether it will be applied as of 2019. As an operational lessee, XVIVO Perfusion will be impacted by the introduction of IFRS 16. Estimates of the impact of IFRS 16 in terms of figures and the choice of transition methods have not yet been made.

No new or revised accounting policies that became effective in 2017 have had any significant impact on the Group.

Note 2. Share warrant programs

The 2017 annual shareholder meeting in XVIVO Perfusion AB approved the warrant program of a maximum of 243,000 warrants (equivalent to 243,000 shares) to be offered to employees in XVIVO Perfusion group. As of June 30, 2017 a total of 198,000 warrants were subscribed and paid for by employees.

In total there are 455,000 outstanding warrants in two programs. If all the warrants are exercised to subscribe for shares, the share capital will increase by around SEK 12,000 and the number of shares will increase by 455,000 shares in total, corresponding to dilution of approximately 1.7 percent of the total number of shares and votes. Share warrant program 2016/2018 consists of 212,000 warrants and in June 2018 each warrant will entitle the holder to subscribe for one new share at a price of SEK 90.22. Share warrant program 2017/2019 consists of 243,000 warrants and in the period May-June 2019 each warrant will entitle the holder to subscribe for one new share at a price of SEK 138.51.

Note 3. Financial data per segment, group

	January - June					
	Net sales of non-Durable goods		Durable goods		Total consolidated	
SEK THOUSANDS	2017	2016	2017	2016	2017	2016
Net sales	69 979	58 835	4 532	9 194	74 511	68 029
Cost of goods sold	-14 492	-12 124	-3 719	-6 794	-18 211	-18 918
Gross income	**55 487**	**46 711**	**813**	**2 400**	**56 300**	**49 111**

	April - June					
	Net sales of non-Durable goods		Durable goods		Total consolidated	
SEK THOUSANDS	2017	2016	2017	2016	2017	2016
Net sales	36 402	29 781	632	4 717	37 034	34 498
Cost of goods sold	-7 822	-6 208	0	-3 431	-7 822	-9 639
Gross income	**28 580**	**23 573**	**632**	**1 286**	**29 212**	**24 859**

Note 4. Financial instruments

The Group's financial assets and liabilities valuated at acquisition value amount to SEK 235 (66) million and SEK 26 (20) million respectively. Fair value of the Group's financial assets and liabilities is assessed to correspond to the book value.

RECONCILIATION OF ALTERNATIVE KEY FIGURES

This report includes certain key ratios not defined in IFRS, but they are included in the report as company management considers that this information makes it easier for investors to analyze the Group's financial performance and position. Investors should regard these alternative key ratios as complementing rather than replacing financial information in accordance with IFRS.

EBITDA

	January – June		April – June		Whole year
SEK THOUSANDS	2017	2016	2017	2016	2016
Operating income	**1 978**	**3 440**	**1 965**	**1 664**	**2 734**
Amortization	5 272	5 111	2 626	2 558	10 357
Depreciation	2 111	1 078	1 094	537	2 861
EBITDA	**9 361**	**9 629**	**5 685**	**4 759**	**15 952**

Gross margin

	January – June		April – June		Whole year
SEK THOUSANDS	2017	2016	2017	2016	2016
Operating income					
Net sales	74 511	68 029	37 034	34 498	138 177
Operating expenses					
Cost of goods sold	-18 211	-18 918	-7 823	-9 639	-35 942
Gross income	**56 300**	**49 111**	**29 211**	**24 859**	**102 235**
Gross margin %	**76**	**72**	**79**	**72**	**74**

Gross margin non-Durable goods

SEK THOUSANDS	January – June 2017	January – June 2016	April – June 2017	April – June 2016	Whole year 2016
Operating income					
Net sales of non-Durable goods	69 979	58 835	36 402	29 781	122 527
Operating expenses					
Cost of non-Durable goods sold	-14 491	-12 124	-7 822	-6 208	-24 798
Gross income, non-Durable goods	**55 488**	**46 711**	**28 580**	**23 573**	**97 729**
Gross margin, non-Durable goods %	**79**	**79**	**79**	**79**	**80**

To calculate the gross profit margin, gross profit is first calculated by subtracting the cost of goods for resale from net sales. Gross profit is then divided by net sales to obtain the performance measure of "gross profit margin." Gross profit margin states the percentage of net sales that are converted into profit after cost of goods sold, and is impacted by such factors as pricing, the cost of raw materials and manufacturing, inventory impairment and trends in exchange rates.

Equity/assets ratio

SEK THOUSANDS	June 30, 2017	June 30, 2016	Dec 31, 2016
Shareholders' equity	501 147	316 961	316 414
Total assets	529 915	340 921	349 298
Equity/assets ratio %	**95**	**93**	**91**

Equity consists of share capital, other contributed capital, reserves and retained earnings, including the Group's profit for the year and non-controlling interests. Equity/assets ratio is calculated by dividing equity by total assets and is thus a measure of the percentage of assets that are financed by equity.

KEY RATIOS DEFINITION

KEY RATIO	DEFINITION	JUSTIFICATION TO USE OF KEY RATIO
Gross margin non-Durable goods, %	Gross income segment non-Durable goods as a percentage of the net sales of segment non-Durable goods.	The company believes that the key ratio provides an in-depth understanding of the company's profitability for operations for non-Durable goods. Since the pricing strategy for durable goods differs from the pricing strategy from all other operations, the gross margin is excluded separately from durable goods.
Gross margin, %	Gross income as a percentage of the net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
EBITDA margin, %	Operating income before depreciation and amortization as a percentage of net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Operating margin, %	Operating income as a percentage of net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Net margin, %	Income for the period as a percentage of net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Equity/assets ratio, %	Shareholders' equity and non-controlling interests as a percentage of total assets.	The company believes that the equity to asset ratio provides an in-depth understanding of the company's capital structure.
Shareholders' equity per share, SEK	Shareholders' equity in relation to the number of shares outstanding at closing day.	The key ratio has been included to give investors an overview of how the company's equity per share has evolved.
Earnings per share, SEK	Income for the period in relation to the average number of outstanding shares for the period.	The key ratio has been included to give investors an overview of how the company's earnings per share has evolved.
Earnings per share after dilution, SEK	Income for the period in relation to the average number of outstanding shares after dilution for the period.	The key ratio has been included to give investors an overview of how the company's equity per share after dilution has evolved.

GLOSSARY

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

Preclinical study
Research performed before a drug or method of treatment is sufficiently documented to be studied in humans, for example the testing of substances in tissue samples and subsequent testing in experimental animals.

Clinical study/trial
An investigation in healthy or sick people to study the effect of a drug or method of treatment.

Medical device
Comprises devices used to diagnose a disease or treat a disease and as rehabilitation.

Obstructive lung disease
Disease where there is airway obstruction.

Perfusion
Passage of a fluid through an organ's blood vessels.

Evaluation
Evaluation of the function of an organ.

Preservation
Storage and maintenance of an organ outside the body before transplantation.

Ex vivo (Latin for "outside a living organism")
Biological processes in living cells and tissues when they are in an artificial environment outside the body. "Opposite" of in vivo.

In vivo
Biological processes in living cells and tissues when they are in their natural place in intact organisms.

FDA or US Food and Drug Administration
The FDA is the USA's food and drug authority with responsibility for food, dietary supplements, drugs, cosmetics, medical equipment, radiology equipment, and blood products. FDA approval is required to market a medical device on the American market.

PMA or Premarket Approval
Premarket approval (PMA) is the FDA process of scientific and regulatory review to evaluate the safety and efficacy of Class III medical devices. Class III devices support or sustain human life, are of substantial importance in preventing impairment of human health, or potentially present an unreasonable risk of illness or injury.

HDE or Humanitarian Device Exemption
A humanitarian device exemption (HDE) application can be submitted to the FDA for a device that is intended to benefit patients by treating or diagnosing a disease or condition that affects or is manifested in fewer than 4,000 individuals in the United States per year. An HDE is similar in both form and content to a Premarket Approval (PMA) application, but is exempt from the efficacy requirements of a PMA.

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XPS Disposable Kit™

WARM PERFUSION

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LS Disposable Kit™

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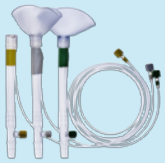
XVIVO Organ Chamber™



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