



INTERIM REPORT

JANUARY-MARCH 2019

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® Plus, 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 marginal lungs. XVIVO Perfusion employs around 40 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.



STRONG GROWTH IN WARM PERFUSION AND PROGRESS IN THE R&D PORTFOLIO

FIRST QUARTER 2019 (JANUARY - MARCH)

- Net sales of non-durable goods* in the quarter amounted to SEK 46.8 (37.9) million, corresponding to an increase of 24 percent in SEK and 13 percent in local currency. Total net sales (incl. durable goods) in the quarter amounted to SEK 47.7 (42.5) million, corresponding to an increase of 12 percent in SEK and 3 percent in local currency.
- Sales from warm perfusion** represented 43 percent (35) of sales of non-durable goods.
- Operating income before depreciation and amortization (EBITDA) adjusted for costs for a share-based bonus program for employees outside Sweden amounted to SEK 8.8 million (7.2), corresponding to an EBITDA margin of 18 percent (17). Reported EBITDA amounted to SEK 3.2 (7.2) million, corresponding to an EBITDA margin of 7 percent (17).
- Operating income adjusted for the share-based bonus program was SEK 3.7 million (3.1). Reported operating income amounted to SEK -1.9 (3.1) million, after amortization and depreciation of SEK 5.1 (4.0) million.
- Net income amounted to SEK -0.3 (3.8) million, resulting in earnings per share of SEK -0.01 SEK (0.15).
- Cash flow from operating activities during the quarter amounted to SEK 0.1 (9.1) million, mainly due to increased working capital tied up in durable goods in inventories of SEK -10.3 million. Cash flow from investing activities amounted to SEK -11.7 (-10.9) million.
- Reimbursement for the whole EVLP process has been approved in France
- XVIVO's heart preservation machine was showed for the first time to the world's leading heart transplant surgeons

EVENTS AFTER PERIOD END

- At ISHLT, XVIVO's heart preservation machine was showed for the first time to the world's leading heart transplant surgeons.
- At ISHLT, the good results from the first six heart transplant patients from the study at Lund University Hospital were presented. The results of the study indicate that the method is safe for clinical use, and that larger randomized studies can be initiated with the heart preservation method.

CONFERENCE CALL

CEO Magnus Nilsson will present the report in a conference call at 2 p.m. CET on Wednesday, April 24, 2019.
Telephone UK: +44 333 300 9031 or USA: +1 833 823 0590

CEO'S COMMENTS



Development continues to proceed at a rapid pace, both in the market for XVIVO Perfusion's existing products and projects for new products. We are delighted that sales of sterile products for warm perfusion (i.e. excluding non-durable goods) continued to display strong growth of +52 percent in

SEK (+40 percent in local currency) during the quarter. In order to strengthen future positive development, the intensive work on strengthening support for the transplantation clinics continues to be a priority. This is done by further developing and simplifying the evaluation technology in addition to continually training transplantation teams. We continue to maintain a strong presence at the clinics in order to support them during their evaluations.

ISHLT (The International Society for Heart and Lung Transplantation) was held at the beginning of April. This is the most important heart and lung transplantation congress of the year. Leading surgeons continued to show great interest at the congress in our research to increase the number of transplantable lungs using EVLP. Highlights at the congress also included the presentation of solid results from the first six patients to receive a heart transplant in the ongoing study ongoing Lund University Hospital using the heart preservation technology developed by Professor Steen. XVIVO Perfusion demonstrated for invited world-leading heart transplantation surgeons a new version of the heart preservation machine that was used in the study. After the presentation and demonstration these world leading surgeons showed great interest in participating in clinical studies.

The gradual strengthening of resources in our development projects have resulted in an accelerated rate of development. This is especially true in the field of heart preservation. As soon as approval by the authorities, ethical approval and product logistics permit, the increased development and

investments will enable clinical multicenter studies to start in all primary markets. This also means that opportunities for geographically broader market approval will increase in the same timeframe.

The company's PMA application to the US Food and Drug Administration (FDA) is still being reviewed by the authority. The dialogue with the FDA continues to be good but the company has little opportunity to impact the duration of the review. However, the company still hopes that the review will be completed during the first half of 2019.

Regulatory requirements regarding the primary packaging for PrimECC® (a bag containing the solution) meant that this had to be changed, which in turn meant a change of contract manufacturer. Intensive work on setting up and documenting large scale production of PrimECC® in new packaging was thus initiated. This work was accelerated during the quarter, which will enable further studies to increase documentation of clinical usage. This clinical development is planned to start in Europe during the second half of the year in the form of a major multicenter study.

The focus in the time ahead for the lung transplantation area is to continue expanding the installation base of the company's EVLP machines and to continue to develop the EVLP technology in order to support the transplantation surgeons in their efforts to be able to treat more of the patients on the waiting lists in addition to scientifically supporting a wider use of donated lungs even from infected or heart-dead donors. XVIVO's research focuses on continuing to lead the development of innovative solutions in the field of thorax surgery and on developing the use of perfusion for abdominal organs.

Given the powerful investments made in our R&D portfolio and our strong focus on strengthening and broadening our organization, we are delighted that both the gross margin and the EBITDA margin continue to be strong.

Magnus Nilsson
CEO

MILESTONES PASSED DURING THE QUARTER

Reimbursement for the whole EVLP process has been approved in France

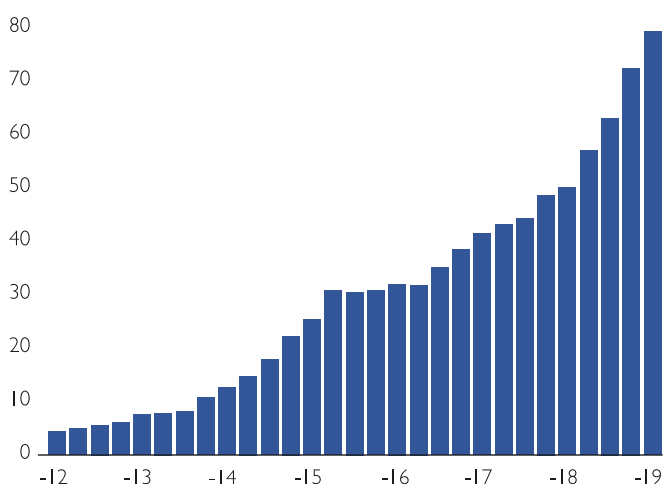
XVIVO's heart preservation machine was showed for the first time to the world's leading heart transplant surgeons

FIRST QUARTER 2019 (JANUARY - MARCH)

Net Sales

Total net sales in the quarter amounted to SEK 47.7 (42.5) million, corresponding to an increase of 12 percent in SEK and 3 percent in local currency. Net sales of non-durable goods* in the quarter amounted to SEK 46.8 (37.9) million, corresponding to an increase of 24 percent in SEK and 13 percent in local currency.

NET SALES WARM PERFUSION EXCL. DURABLE GOODS ROLLING 12-MONTHS (SEK MILLIONS)

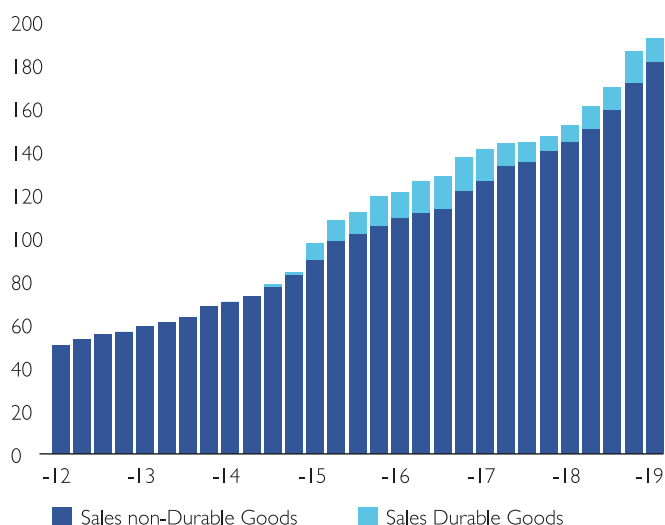


Total sales from products for warm perfusion (STEEN Solution™, XPS™, LS™, and products and services related to the use of the XPS™ and LS™) accounted for 44 (42) percent of the total sales. Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™) accounted for 43 (35) percent of the total sales of non-durable goods.

Income

The gross margin for non-durable goods during the quarter was 77 (77) percent. The total gross margin during the quarter

NET SALES ROLLING 12 MONTHS (SEK MILLIONS)*



COMPILATION OF NET SALES AND EBITDA

| SEK THOUSANDS | 2019 | January - March 2018 | Whole year 2018 |
|---|---------------|----------------------|-----------------|
| Net Sales non-Durable Goods | 46 789 | 37 865 | 172 693 |
| Net Sales Durable Goods | 861 | 4 610 | 15 175 |
| Net Sales Total | 47 650 | 42 475 | 187 868 |
| Cost of Goods non-Durable Goods | -10 529 | -8 699 | -39 406 |
| Cost of Goods Durable goods | -206 | -3 664 | -12 509 |
| Cost of Goods Total | -10 734 | -12 363 | -51 915 |
| Gross income non-Durable Goods | 36 260 | 29 166 | 133 287 |
| Gross margin non-Durable Goods, % | 77% | 77% | 77% |
| Gross income Durable Goods | 655 | 946 | 2 666 |
| Gross income Total | 36 916 | 30 112 | 135 953 |
| Gross margin Total, % | 77% | 71% | 72% |
| Selling expenses | -12 081 | -10 387 | -47 948 |
| Administrative expenses | -5 410 | -4 514 | -22 519 |
| Research and development costs | -14 962 | -11 537 | -47 931 |
| Other operating revenues and expenses** | -6 325 | -525 | -3 555 |
| Operating Income | -1 862 | 3 149 | 14 000 |
| Depreciation of cost of goods sold | -317 | -58 | -527 |
| Depreciation of administrative expenses | -457 | -307 | -1 384 |
| Amortization of research and development expenses | -3 035 | -2 708 | -10 900 |
| Depreciation of other operative expenses | -1 294 | -934 | -4 112 |
| EBITDA | 3 241 | 7 156 | 30 923 |
| EBITDA, % | 7% | 17% | 16% |

* See note 3 for revenue per segment. ** Item "Other operating revenues and expenses" for 2019 includes cost for share based bonus program for employees based outside of Sweden. During the first quarter in 2019 the cost amounted to SEK 5,536 thousand. See note 2 for more information.

was 77 (71) percent. The increase is mainly attributable to changes in segment mix.

Operating income before depreciation and amortization (EBITDA) amounted to SEK 3.2 (7.2) million, corresponding to an EBITDA margin of 7 percent (17). During the quarter, costs for the share-based bonus program for employees outside Sweden amounted to SEK 5.5 million. See note 2 for more information. EBITDA adjusted for costs for the share-based bonus program for employees outside Sweden amounted to SEK 8.8 million, corresponding to an EBITDA margin of 18 percent.

Operating income amounted to SEK -1.9 (3.1) million, after amortization and depreciation of SEK 5.1 (4.0) million. Adjusted operating income was SEK 3.7 million.

Selling expenses in relation to sales during the quarter was 25 (24) percent. R&D expenses amounted to 31 (27) percent of sales. The increase in R&D costs is mainly attributable to increased investments in the development of the XPS machine. Administration expenses was 11 (11) percent of sales. Net of other operating revenues and expenses during the quarter were SEK -6.3 (-0.5) million. The increase is due to SEK 5.5 million in provision for the Group's share-based bonus program for employees outside Sweden.

During the quarter, SEK 11.0 (8.5) million of the development costs were capitalized as an intangible asset. SEK 2.2 (4.2) million was attributable to the continued NOVEL study with STEEN Solution™ and XPS™ with the aim of PMA approval. SEK 8.7 (4.2) million was attributable to investments in the Heart transplant project with aim of marketing approval in the USA and Europe, and SEK 0.1 (0.1) million was attributable to product development of the rest of the product portfolio. Amortization of capitalized development costs for the quarter amounted to SEK 2.5 (2.5) million, of which SEK 2.5 (2.5) million was amortization of the HDE approval.

Cash flow

Cash flow from operating activities during the quarter amounted to SEK 0.1 (9.2) million, mainly due to increased working capital tied up in durable goods in inventories of SEK -10.3 million. SEK 11.3 (8.7) million was invested in intangible assets and SEK 0.4 (2.2) million was invested in tangible assets. Cash flow from financing activities was MSEK -0.8 (0.0) due to amortization of lease debt. Cash and cash equivalents at the end of the quarter amounted to SEK 176.5 (193.5) million.

Financing

XVIVO Perfusion's total credit facilities consist of an overdraft facility that at the end of the period amounted to SEK 30 (30) million, of which SEK 0.0 (0.0) million was utilized. The equity/assets ratio was 90 (94) percent at the end of the period.

OUTLOOK FOR 2019

As the number of lungs that can be transplanted using traditional cold perfusion is not expected to increase more than the number of donated lungs in existing markets in North America and Europe, growth in these markets is expected to come primarily from evaluation using warm perfusion of lungs. Emerging markets, such as China and India where the capacity for lung transplantations is being expanded, are expected to display higher growth for both EVLP and traditional cold preservation using Perfadex® Plus. The focus during 2019 is therefore on continuing to develop the market for STEEN Solution™, with the objective to become the standard treatment in the transplantation of lungs in addition to increasing the company's investments in emerging markets to assure sustainable global growth moving ahead.

The company will intensify its research and development in the field of heart transplantation, with the aim of starting clinical multi-center studies in Europe and the US which will form the basis of regulatory approval. Expenditure attributable to the development of heart transplantation will be capitalized on an ongoing basis.

In regard to research and development, the company will carry out work with the aim of expanding the use of the STEEN Solution™ method for other organs. In addition, the company will continue to develop other areas of use for the company's solution technology including warm perfusion of organs that are still in the body and the priming of heart-lung machines. An example of the latter is PrimECC®, a patented product that has been approved in Europe for the priming of heart-lung machines before open heart surgery. PrimECC® has been developed with an objective to decreasing the adverse effects when using this type of device. The company plans to increase the documentation of PrimECC® during 2019 by performing multicenter studies. Expenditure attributable to documentation of PrimECC® will be capitalized on an ongoing basis up until market launch.

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® Plus has a market share of approximately 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 in the world, and are the only products to date to have received regulatory approval from the FDA for warm perfusion of marginal 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.

Heart transplantation

Based on the world leading research of Professor Stig Steen and Igelösa, XVIVO Perfusion's heart transplantation competence center in Lund (Sweden) develops a machine and solutions for heart preservation. The products are developed to increase the availability of donated hearts so that more heart transplants can be performed and more patients can be given a last chance of a longer life. Future focus is to perform clinical multicenter studies and use the documentation of these studies as a basis for applications for regulatory approvals for the products on all major markets.

Other indications

The company also invests in preclinical and clinical research in transplantation of liver and kidney and in perfusion of organs remaining in the body, for example, drug administration to isolated organs and priming solutions for heart-lung machines.

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 perfusion of organs with STEEN Solution™ and other advanced solutions as the standard treatment in organ transplantation so that more of these life saving treatments can be performed.

Strategy

XVIVO Perfusion's strategy is focused on increasing the number of organs available for transplantation. Through development of products for perfusion of organs and through clinical trials on all major markets in the world, XVIVO Perfusion shows that perfusion of organs gives more organs available for transplantation and thus gives a larger number of patients a life-saving treatment.

OTHER INFORMATION

Organization and personnel

At the end of quarter, the number of employees was 39, of whom 16 were women and 23 were men. Of these, 21 people were employed in Sweden and 18 outside Sweden. In addition, the company uses around 10 consultants.

Information on transactions with related parties

During the quarter, one transaction with the Board member Folke Nilsson was conducted amounting to SEK 17 thousand.

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. Including financial risks are the currency risk for the business.

The most important strategic and operative risks affecting the company are described in the 2018 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.

Annual General meeting 2019

The Annual General Meeting of XVIVO Perfusion AB (publ) will be held on April 25, 2019 in Gothenburg.

Events after the end of the reporting period

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

Gothenburg April 24, 2019

Magnus Nilsson
CEO

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-June 2019: Friday, July 12, 2019

Interim Report January-September 2019: Thursday, October 24, 2019

Report on Operations 2019: Thursday, February 6, 2020

For further information, please contact

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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 April 24, 2019 at 7.30 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 - March | | Whole year |
|--|-----------------|---------------|----------------|
| | 2019 | 2018 | 2018 |
| Net sales | 47 650 | 42 475 | 187 868 |
| Cost of goods sold | -10 734 | -12 363 | -51 915 |
| Gross income | 36 916 | 30 112 | 135 953 |
| Selling expenses | -12 081 | -10 387 | -47 948 |
| Administrative expenses | -5 410 | -4 514 | -22 519 |
| Research and development costs | -14 962 | -11 537 | -47 931 |
| Other operating revenues and expenses* | -6 325 | -525 | -3 555 |
| Operating income | -1 862 | 3 149 | 14 000 |
| Financial income and expenses | 1 451 | 1 778 | 3 498 |
| Income after financial items | -411 | 4 927 | 17 498 |
| Taxes | 96 | -1 120 | -4 813 |
| Net income | -315 | 3 807 | 12 685 |
| Attributable to | | | |
| Parent Company's shareholders | -315 | 3 807 | 12 685 |
| | -315 | 3 807 | 12 685 |
| Earnings per share, SEK | -0,01 | 0,15 | 0,48 |
| Earnings per share, SEK** | -0,01 | 0,15 | 0,48 |
| Average number of outstanding shares | 26 402 496 | 26 190 496 | 26 302 385 |
| Average number of outstanding shares** | 26 720 496 | 26 190 496 | 26 302 385 |
| Number of shares at closing day | 26 402 496 | 26 190 496 | 26 402 496 |
| Number of shares at closing day** | 26 879 496 | 26 190 496 | 26 402 496 |
| EBITDA | 3 241 | 7 156 | 30 923 |
| Amortization | -2 715 | -2 701 | -10 861 |
| Depreciation | -2 388 | -1 306 | -6 062 |
| Operating income | -1 862 | 3 149 | 14 000 |

* Item "Other operating revenues and expenses" for 2019 includes cost for share based bonus program for employees based outside of Sweden. During the first quarter in 2019 the cost amounted to SEK 5 536 thousand. See note 2 for more information.

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

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

| SEK THOUSANDS | January - March | | Whole year |
|---|-----------------|--------------|---------------|
| | 2019 | 2018 | 2018 |
| Net income | -315 | 3 807 | 12 685 |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to the income statement</i> | | | |
| Exchange rate differences | 2 851 | 137 | 4 875 |
| Tax attributable to items that have been transferred, or can be transferred to net income | -350 | 76 | -473 |
| Total other comprehensive income, net after tax | 2 501 | 213 | 4 402 |
| Total comprehensive income | 2 186 | 4 020 | 17 087 |
| Attributable to | | | |
| Parent Company's shareholders | 2 186 | 4 020 | 17 087 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| SEK THOUSANDS | March 31, 2019 | March 31, 2018 | Dec 31, 2018 |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Goodwill | 65 757 | 65 332 | 65 614 |
| Capitalized development expenditure | 218 958 | 179 379 | 210 460 |
| Other intangible fixed assets | 3 669 | 3 472 | 3 624 |
| Fixed assets | 22 497 | 17 257 | 15 615 |
| Financial assets | 13 885 | 14 692 | 13 619 |
| Total non-current assets | 324 766 | 280 132 | 308 932 |
| Inventories | 48 212 | 27 722 | 36 387 |
| Current receivables | 51 738 | 40 506 | 54 229 |
| Liquid funds | 176 483 | 193 507 | 187 064 |
| Total current assets | 276 433 | 261 735 | 277 680 |
| Total assets | 601 199 | 541 867 | 586 612 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity, attributable to the Parent Company's shareholders | 542 585 | 508 206 | 540 477 |
| Long-term interest-bearing liabilities | 4 577 | - | - |
| Long-term non-interest-bearing liabilities | 3 555 | 3 302 | 3 562 |
| Short-term interest-bearing liabilities | 3 334 | - | - |
| Short-term non-interest-bearing liabilities | 47 148 | 30 359 | 42 573 |
| Total shareholders' equity and liabilities | 601 199 | 541 867 | 586 612 |

CONSOLIDATED KEY RATIOS

| | January - March 2019 | January - March 2018 | Whole year 2018 |
|-------------------------------------|-------------------------|-------------------------|--------------------|
| Gross margin non-Durable goods, % | 77 | 77 | 77 |
| Gross margin, % | 77 | 71 | 72 |
| EBITDA, % | 7 | 17 | 16 |
| Operating margin, % | -4 | 7 | 7 |
| Net margin, % | -1 | 9 | 7 |
| Equity/assets ratio, % | 90 | 94 | 92 |
| Income per share, SEK | -0,01 | 0,15 | 0,48 |
| Shareholders' equity per share, SEK | 20,55 | 19,40 | 20,47 |
| Share price on closing day, SEK | 163,40 | 86,00 | 132,00 |

See page 13-14 for key ratios definition and reconciliation of alternative key figures.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

| SEKTHOUSANDS | January - March | | Whole year 2018 |
|--|-----------------|----------------|--------------------|
| | 2019 | 2018 | |
| Income after financial items | -411 | 4 927 | 17 497 |
| Adjustment for items not affecting cash flow | 3 884 | 3 695 | 15 263 |
| Paid taxes | -792 | -582 | 628 |
| Change in inventories | -10 260 | 3 190 | -2 311 |
| Change in trade receivables | 3 671 | -1 219 | -17 236 |
| Change in trade payables | 4 035 | -855 | 9 786 |
| Cash flow from operating activities | 127 | 9 156 | 23 627 |
| Cash flow from investing activities | -11 660 | -10 869 | -53 198 |
| Cash flow from financing activities | -801 | - | 19 204 |
| Cash flow for the period | -12 334 | -1 713 | -10 367 |
| Liquid funds at beginning of period | 187 064 | 195 322 | 195 322 |
| Exchange rate difference in liquid funds | 1 753 | -102 | 2 109 |
| Liquid funds at end of period | 176 483 | 193 507 | 187 064 |

CONSOLIDATED CHANGES IN SHAREHOLDERS EQUITY

| SEKTHOUSANDS | Attributable to Parent Company's shareholders | | | | Sum shareholders' equity |
|---|---|--------------------------|---------------|---|--------------------------------|
| | Share capital | Other paid in capital | Reserves | Retained ear- nings incl. profit for the year | |
| Shareholders' equity as of 1 January, 2018 | 670 | 467 661 | 8 618 | 27 237 | 504 186 |
| Total comprehensive income Jan - March, 2018 | | | 213 | 3 806 | 4 019 |
| Shareholders' equity as of 31 March, 2018 | 670 | 467 661 | 8 831 | 31 043 | 508 205 |
| Total comprehensive income April - December, 2018 | | | 4 190 | 8 878 | 13 068 |
| Share warrant program | | 182 | | | 182 |
| Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax | 5 | 19 017 | | | 19 022 |
| Shareholders' equity as of 31 December, 2018 | 675 | 486 860 | 13 021 | 39 921 | 540 477 |
| Total comprehensive income Jan - March, 2019 | | | 2 423 | -315 | 2 108 |
| Shareholders' equity as of 31 March, 2019 | 675 | 486 860 | 15 444 | 39 606 | 542 585 |

CONDENSED CONSOLIDATED STATEMENT OF NET INCOME PER QUARTER

| SEKTHOUSANDS | Jan - Mar 2019 | Oct - Dec 2018 | Jul - Sep 2018 | Apr - Jun 2018 | Jan - Mar 2018 | Oct - Dec 2017 | Jul - Sep 2017 | Apr - Jun 2017 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net sales | 47 650 | 58 389 | 40 914 | 46 090 | 42 475 | 41 568 | 32 263 | 37 034 |
| Cost of goods sold | -10 734 | -16 615 | -9 876 | -13 061 | -12 363 | -9 731 | -7 004 | -7 823 |
| Gross income | 36 916 | 41 774 | 31 038 | 33 029 | 30 112 | 31 837 | 25 259 | 29 211 |
| Selling expenses | -12 081 | -14 166 | -11 846 | -11 549 | -10 387 | -10 819 | -10 384 | -11 128 |
| Administrative expenses | -5 410 | -7 808 | -5 513 | -4 684 | -4 514 | -5 391 | -4 662 | -4 935 |
| Research and development costs | -14 962 | -12 560 | -11 734 | -12 100 | -11 537 | -10 121 | -8 883 | -10 537 |
| Other operating revenues and expenses* | -6 325 | -1 126 | -1 207 | -697 | -525 | -767 | -941 | -646 |
| Operating income | -1 862 | 6 114 | 738 | 3 999 | 3 149 | 4 739 | 389 | 1 965 |
| Financial income and expenses | 1 451 | 1 208 | -803 | 1 315 | 1 778 | 763 | -287 | -79 |
| Income after financial items | -411 | 7 322 | -65 | 5 314 | 4 927 | 5 502 | 102 | 1 886 |
| Taxes | 96 | -2 437 | 164 | -1 420 | -1 120 | 64 | -453 | -796 |
| Net income | -315 | 4 885 | 99 | 3 894 | 3 807 | 5 566 | -351 | 1 090 |
| Attributable to | | | | | | | | |
| Parent Company's shareholders | -315 | 4 885 | 99 | 3 894 | 3 807 | 5 566 | -351 | 1 090 |
| Earnings per share, SEK | -0,01 | 0,19 | 0,00 | 0,15 | 0,15 | 0,21 | -0,01 | 0,04 |
| Earnings per share, SEK** | -0,01 | 0,19 | 0,00 | 0,15 | 0,15 | 0,21 | -0,01 | 0,04 |
| Average number of outstanding shares | 26 402 496 | 26 402 496 | 26 402 496 | 26 378 940 | 26 190 496 | 26 190 496 | 26 190 496 | 25 765 673 |
| Average number of outstanding shares** | 26 720 496 | 26 402 496 | 26 786 496 | 26 378 940 | 26 190 496 | 26 402 496 | 26 402 496 | 26 140 117 |
| Number of shares at closing day | 26 402 496 | 26 402 496 | 26 402 496 | 26 402 496 | 26 190 496 | 26 190 496 | 26 190 496 | 26 190 496 |
| Number of shares at closing day** | 26 879 496 | 26 402 496 | 26 879 496 | 26 402 496 | 26 190 496 | 26 402 496 | 26 402 496 | 26 402 496 |
| EBITDA | 3 241 | 10 485 | 5 207 | 8 075 | 7 156 | 8 585 | 4 077 | 5 685 |
| Amortization | -2 715 | -2 725 | -2 736 | -2 699 | -2 701 | -2 639 | -2 631 | -2 626 |
| Depreciation | -2 388 | -1 646 | -1 733 | -1 377 | -1 306 | -1 207 | -1 057 | -1 094 |
| Operating income | -1 862 | 6 114 | 738 | 3 999 | 3 149 | 4 739 | 389 | 1 965 |

* Item "Other operation revenues and expenses" for 2019 includes cost for share based bonus program for employees based outside of Sweden.

During 2017 and 2018 the cost was reported in each function. During the first quarter in 2019 the cost amounted to SEK 5 536 thousand. See note 2 for more information.

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

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME PER QUARTER

| SEKTHOUSANDS | Jan - Mar 2019 | Oct - Dec 2018 | Jul - Sep 2018 | Apr - Jun 2018 | Jan - Mar 2018 | Oct - Dec 2017 | Jul - Sep 2017 | Apr - Jun 2017 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net income | -315 | 4 885 | 99 | 3 894 | 3 807 | 5 566 | -351 | 1 090 |
| Other comprehensive income | | | | | | | | |
| <i>Items that may be reclassified to the income statement</i> | | | | | | | | |
| Exchange rate differences | 2 851 | 1 126 | -801 | 4 413 | 137 | 509 | -2 276 | -2 686 |
| Tax attributable to items that have been transferred, or can be transferred to net income | -350 | -164 | 81 | -466 | 76 | -27 | 210 | 245 |
| Total other comprehensive income, net after tax | 2 501 | 962 | -720 | 3 947 | 213 | 482 | -2 066 | -2 441 |
| Total comprehensive income | 2 186 | 5 847 | -621 | 7 841 | 4 020 | 6 048 | -2 417 | -1 351 |
| Attributable to | | | | | | | | |
| Parent Company's shareholders | 2 186 | 5 847 | -621 | 7 841 | 4 020 | 6 048 | -2 417 | -1 351 |

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

| SEKTHOUSANDS | January - March | | Whole year |
|---------------------------------------|-----------------|---------------|----------------|
| | 2019 | 2018 | 2018 |
| Net sales | 39 579 | 26 171 | 152 332 |
| Cost of goods sold | -11 498 | -8 474 | -39 735 |
| Gross income | 28 081 | 17 697 | 112 597 |
| Selling expenses | -8 183 | -7 059 | -27 940 |
| Administrative expenses | -3 418 | -2 218 | -12 578 |
| Research and development costs | -15 949 | -9 131 | -46 074 |
| Other operating revenues and expenses | -469 | -655 | -2 643 |
| Operating income | 62 | -1 366 | 23 362 |
| Financial income and expenses | 3 297 | 1 586 | 6 460 |
| Income after financial items | 3 359 | 220 | 29 822 |
| Year end dispositions | - | - | -19 537 |
| Taxes | -304 | -84 | -2 487 |
| Net income | 3 055 | 136 | 7 798 |

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 3 477 (3 459) thousand.

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

| SEKTHOUSANDS | March 31, 2019 | March 31, 2018 | Dec 31, 2018 |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Intangible fixed assets | 157 749 | 117 715 | 149 153 |
| Fixed assets | 6 766 | 10 381 | 7 367 |
| Financial assets | 204 731 | 184 258 | 200 222 |
| Total non-current assets | 369 246 | 312 354 | 356 742 |
| Inventories | 16 708 | 8 785 | 14 360 |
| Current receivables | 29 359 | 19 469 | 27 687 |
| Cash and bank | 158 938 | 185 522 | 178 248 |
| Total current assets | 205 005 | 213 776 | 220 295 |
| Total assets | 574 251 | 526 130 | 577 037 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 522 302 | 492 381 | 519 247 |
| Untaxed reserves | 10 150 | 8 913 | 10 150 |
| Provisions | 1 322 | 1 342 | 1 329 |
| Short-term non-interest-bearing liabilities | 40 477 | 23 494 | 46 311 |
| Total shareholders' equity and liabilities | 574 251 | 526 130 | 577 037 |

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. During 2019 the Group has started to apply IFRS 16 Leases. Effects of the transition is presented below.

IFRS 16 Leases

As of January 1, 2019, the Group applies IFRS 16 Leases. The new standard replaces previous IFRS related to the recognition of leasing agreements such as IAS 17 "Leases" and IFRIC 4 "Determining whether an agreement contains a lease". For the Group, the new standard means that "right of use" agreements for premises and equipment are recognised as an asset in the balance sheet and that a leasing debt is recognised, which represents an obligation to pay future leasing fees. Exemptions are used, which means that short-term leases and leases of low value are not capitalized. Instead they are expensed in the period of consumption.

A modified retrospective approach of IFRS 16 has been adopted, which has entailed effects on the balance sheet as of January 1, 2019. Comparative figures for previous periods have not been restated. As of January 1, 2019, an tangible asset of TSEK 8,727 have been recognized. The corresponding amount has been recognized as current lease debt, TSEK 3,363, and long-term lease debt, TSEK 5,364. Total leasing debt as of January 1, 2019 thus amounts to SEK 8,727 thousand, which is to be compared with the information in the most recently prepared annual report for 2018, where future operational lease commitments are stated to amount to SEK 8,500 thousand. The difference is due to discounting effects and additional reasonably safe extension periods. An average marginal loan rate of 2.3% has been used in the calculations.

At the end of the period, March 31, 2019, the Group reports the following book values of leased assets: Tangible assets SEK 7,911 (-) thousand. The effect of IFRS 16 in the consolidated income statement for the first quarter of 2019 is that depreciation of TSEK 801 and interest expense of TSEK 20 replaced operating leasing cost of TSEK 821. The new standard has therefore not had any effect on the result for the period.

Note 2. Share warrant programs

In total there are 477.000 outstanding warrants in two programs. The Annual General Meeting of 2017 resolved to issue no more than 243.000 warrants (series 2017/2019), with the right to subscribe a maximum of 243.000 new shares to employees of the XVIVO Perfusion Group. As per March 31, 2019, 198.000 of these warrants have been subscribed for. The Annual General Meeting 2018 decided to issue no more than 315.000 warrants (series 2018/2020), with the right to subscribe for no more than 315.000 new shares to employees in XVIVO Perfusion Group. As per March 31, 2019, 279.000 were subscribed for.

Warrants Program 2017/2019 consists of 198.000 warrants and each warrant entitle the holder to subscribe for a new share at a price of SEK 138.51 in May 2019. Warrants Program 2018/2020 consists of 279.000 warrants and each warrant in May 2020 entitles the holder to subscribe for a new share at a price of SEK 146.02.

During the period January-March 2019, both the average share price for the period and the closing price at period end exceeded the exercise price of each warrants program, whereby the warrants programs at strike are expected to result in a total dilution effect for existing shares of approximately 1.8%.

The Annual General Meeting in 2017 and 2018 decided to approve a cash-based incentive program for the Group's employees in countries outside Sweden, as these employees are not entitled to participate in the Swedish option programs. The cash-based programs should, as far as practically possible, be designed to correspond to the Swedish option programs but have a limit for maximum outcome. The cost of these cash-based incentive programs is recognized in the periods when XVIVO's share price exceeds the exercise price for each Swedish option program.

Note 3. Financial data per segment, Group

| SEK Thousands | January - March | | January - March | | Total consolidated | |
|---------------------|--------------------------------|---------------|-----------------|------------|--------------------|---------------|
| | Net sales of non-Durable goods | | Durable goods | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Net sales | 46 789 | 37 865 | 861 | 4 610 | 47 650 | 42 475 |
| Cost of goods sold | -10 529 | -8 699 | -205 | -3 664 | -10 734 | -12 363 |
| Gross income | 36 260 | 29 166 | 656 | 946 | 36 916 | 30 112 |

Note 4. Financial instruments

The Group's financial assets and liabilities valued at acquisition value amount to SEK 228 (226) million and SEK 50 (30) 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

| SEK THOUSANDS | January - March | | Whole year |
|-------------------------|-----------------|--------------|---------------|
| | 2019 | 2018 | 2018 |
| Operating income | -1 862 | 3 149 | 14 000 |
| Amortization | 2 715 | 2 701 | 10 861 |
| Depreciation | 2 388 | 1 306 | 6 062 |
| EBITDA | 3 241 | 7 156 | 30 923 |

Gross margin

| SEK THOUSANDS | January - March | | Whole year |
|---------------------------|-----------------|---------------|----------------|
| | 2019 | 2018 | 2018 |
| <i>Operating income</i> | | | |
| Net sales | 47 650 | 42 475 | 187 868 |
| <i>Operating expenses</i> | | | |
| Cost of goods sold | -10 734 | -12 363 | -51 915 |
| Gross income | 36 916 | 30 112 | 135 953 |
| Gross margin % | 77 | 71 | 72 |

Gross margin non-Durable goods

| SEK THOUSANDS | January - March | | Whole year |
|--|-----------------|---------------|----------------|
| | 2019 | 2018 | 2018 |
| <i>Operating income</i> | | | |
| Net sales of non-Durable goods | 46 789 | 37 865 | 172 693 |
| <i>Operating expenses</i> | | | |
| Cost of non-Durable goods sold | -10 529 | -8 699 | -39 406 |
| Gross income, non-Durable goods | 36 260 | 29 166 | 133 287 |
| Gross margin, non-Durable goods % | 77 | 77 | 77 |

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 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.

Equity/assets ratio

| SEK THOUSANDS | March 31, 2019 | March 31, 2018 | Dec 31, 2017 |
|------------------------------|-------------------|-------------------|-----------------|
| Shareholders' equity | 542 585 | 508 206 | 540 477 |
| Total assets | 601 199 | 541 867 | 586 612 |
| Equity/assets ratio % | 90 | 94 | 92 |

KPI DEFINITIONS

| 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.

EVLP or Ex Vivo Lung Perfusion

Perfusion of a lung outside the body. The procedure is normally done to evaluate a lung before transplantation.

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 8,000 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.

OPO or Organ Procurement Organization

In the United States, an organ procurement organization (OPO) is a non-profit organization that is responsible for the evaluation and procurement of deceased-donor organs for organ transplantation. There are approximately 58 such organizations in the United States.

Reimbursement

Reimbursement is relevant within the health insurance system for healthcare providers to be paid faster and more easily for accrued expenses from a private or public insurance company (in the United States, e.g. Medicare).

XVIVO PERFUSION'S PRODUCTS

| WARM PERFUSION | WARM PERFUSION | WARM PERFUSION | COLD PERFUSION |
|---|---|--|---|
|  |  |  |  |
| XPS™, Durable goods | XVIVO LS™, Durable goods | STEEN Solution™ | PERFADEX® Plus |
|  |  |  |  |
| XPS Disposable Lung Kit™ | XVIVO Disposable Lung Set™ | XVIVO Organ Chamber™ | XVIVO Silicone Tubing Set™ |
| | |  | |
| | | XVIVO Lung Cannula Set™ | |



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