Interim Report January – June 2014

Telephone conference

August 13, 2014

Magnus Nilsson, CEO
Christoffer Rosenblad, CFO

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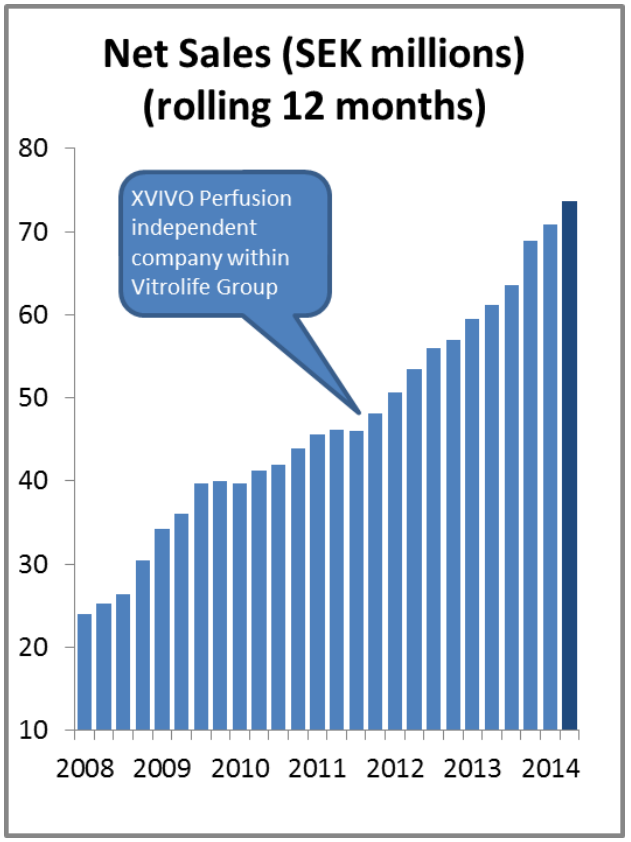
Highlights Q2, 2014

- **Growth +17%**
- **EBITDA margin 10%, even with high investments in future growth.**
- **73 MSEK private placement**



* STEEN Solution™ and related products as a portion of total product sales.

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Highlights after the end of the quarter

- **XVIVO has received market approval from the FDA for STEEN Solution™ and XPS™.**

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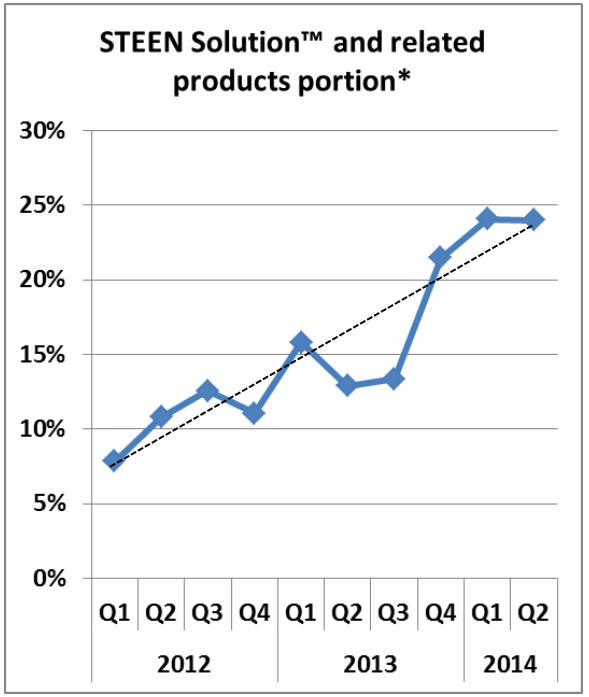
Growth continue to be driven by STEEN Solution™

- **More than 4/5 of the growth in Jan-Jun 2014 coming from STEEN Solution™ and related products**

	STEEN Portion*
Q2 2014	**23%** (13%)
YTD 2014	**24%** (14%)



* STEEN Solution™ and related products as a portion of total product sales.

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EBITDA stable, even with high investments for future growth

- **Jan-Jun, 2014 EBITDA 13%**
- **Investment for future growth:**
  - **Selling expenses to build top level marketing team**
  - **R&D for investment in new indications and product development**

	January - June		Rolling 12 months
(SEK millions)	2014	2013	
Net sales	**36.7**	**32.1**	**73.5**
Gross Margin %	**78%**	**80%**	**78%**
Selling expenses %	31%	25%	28%
Administrative expenses %	15%	20%	15%
R&D %	21%	18%	23%
Operating Result %	**11%**	**17%**	**13%**
EBITDA	**4.9**	**6.1**	**11.7**
EBITDA %	**13%**	**19%**	**16%**

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Product offering for EVLP

- **PERFADEX®**
  - Perfadex used in both cold preservation and warm perfusion

- **STEEN SOLUTION™**
  - Patented solution for perfusion at normal body temperature which enables evaluation of lung functionality before transplantation

- **XPS™ and single use products**
  - Complete integrated system to facilitate ex vivo lung perfusion (EVLP) using STEEN Solution™

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Market potential for lungs

	Today	Next step (Step 1)	The future (Step 2)
Product	**Perfadex®**	**Perfadex®, STEEN Solution™ and XPS™**	**Perfadex®, STEEN Solution™ and XPS™**
Possible usage of lungs	20% of DBD* lungs	40% of DBD* lungs	40% of DBD* and 20% of DCD* lungs
Market in no. of lung transplants/ evaluations	4,400	8,800	44,000
Sales per lung transplant	12,000 SEK	130,000 SEK	130,000 SEK
Market potential lungs	**60 MSEK**	**~1,000 MSEK**	**~5,000 MSEK**

Source: Management accounts

** DBD = Donation after Brain Death*
** DCD = Donation after Circulatory (or Cardiac) Death. Maastricht criteria II-IV considered suitable for donation*

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XVIVO well positioned for a successful XPS™ launch

All top-7 centers in the world use Xvivo Perfusion products

- **<u>USA</u>: Launch of XPS™ and STEEN Solution™:**
  1. **Increase number of centers with XPS™**
  2. **Increase number of transplants**

  - **Clinics representing 38% of the total no. of lung Tx in the US already participate in FDA study, or awaiting to join.**

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XVIVO well positioned for a successful XPS™ launch

- **<u>Europe, Canada and Pacific</u>: XPS™ launch**
  - **STEEN Solution™ already in use in Europe**
    - **at 20 centres**
    - **>100 transplantations undertaken**
  - **Sales from single-use products will gradually increase during the year.**

- **<u>Asia</u>: Build market with XPS™**
  - **Asian market estimated to grow above average in no. of lung transplants**
  - **Build market with XPS™ and STEEN Solution™**

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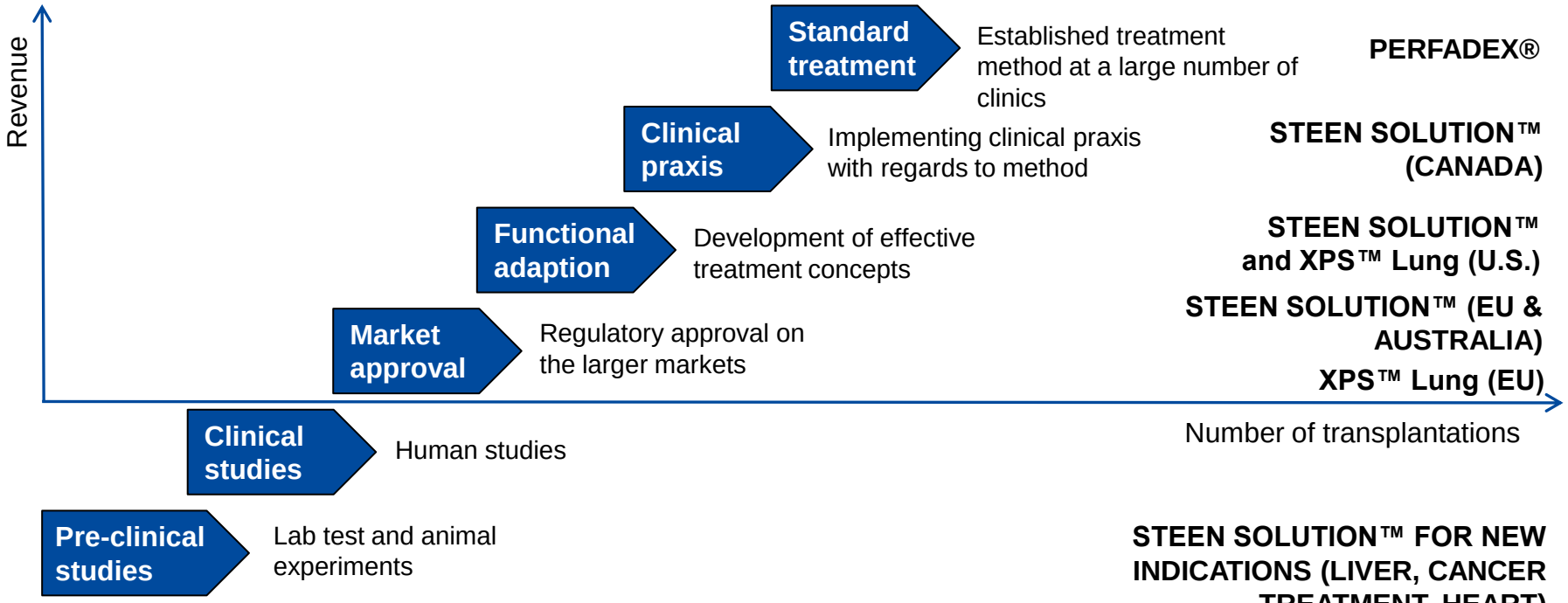
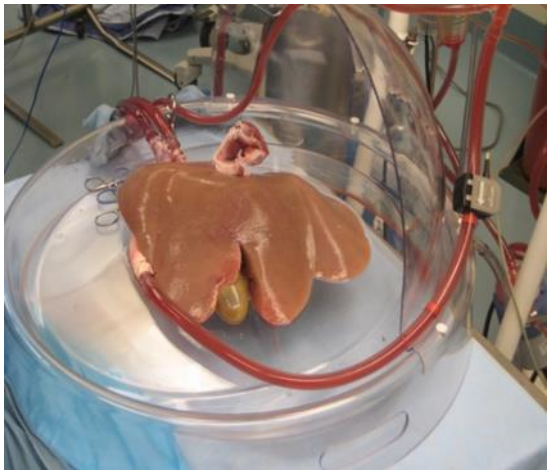
Value Chain - from development to treatment



Future Potential – Liver transplantation

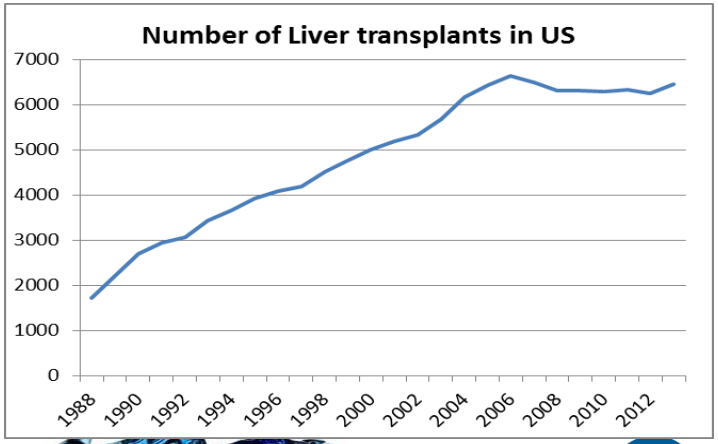
Problem today – liver transplantation

- Number of liver transplants flat during the past ten years at around 24,000 per year in the world
- Mainly DBD livers used for transplantation (around 18,000 per year in the world, the remaining 6,000 is mainly from living donors)
- Waiting list mortality is high (>20% in the U.S.)



Potential for STEEN Solution – liver transplantation

- Enabled use of DCD livers could increase number of liver transplants from dead donors times four to around 90,000 liver transplants per year



Source: GODT, www.cancer.gov, www.cancer.org, www.mdandersson.org, Company reports

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Future potential - Cancer drug delivery with STEEN Solution™

Problem today – cancer treatment

- **Treatment of several types of lung cancer could potentially benefit, e.g. in the U.S. 12,000 patients are diagnosed with soft tissue sarcoma every year**
- **The lungs are the most common site of metastatic disease**
- **Cancer drug dose trade-off; kill the cancer vs. kill the patient**

Potential for STEEN Solution – cancer drug delivery

- **Cancer treatment of lungs IVLP (In Vivo Lung Perfusion) through a closed loop outside the patient's own circulation in order to give aggressive treatment**
- **STEEN Solution is acting as a drug delivery agent**

Source: GODT, www.cancer.gov, www.cancer.org, www.mdandersson.org, Company reports

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