



**PRESS RELEASE**

August 1, 2022

Gothenburg

## **XVIVO enters into an agreement to acquire its Italian distributor - securing a unique business model**

**XVIVO Perfusion AB (publ) (“XVIVO” or the “Company”) has today signed an agreement to acquire 100 percent of the shares in Avionord S.r.l.’s machine and perfusion business (“Avionord M&P”) for a purchase price amounting to a maximum of EUR 12.0 million. Initial purchase price amounts to maximum EUR 9.6 million, whereof approximately 40 percent will be paid in cash and 60 per cent by issuance of new shares in XVIVO, with an additional potential earn-out payment of maximum EUR 2.4 million to be paid out in 2023. Completion of the acquisition is expected to take place during November 2022.**

Avionord M&P is XVIVO’s distributor in Italy with approximately 90 per cent of its revenue generated by perfusion machines purchased from XVIVO. Through the acquisition, XVIVO strengthens its European presence and accelerates its service offering to drive increased penetration of machine perfusion. The successful Italian business model, which will be carved-out from Avionord S.r.l., includes not just perfusion machines, disposables and education, but also perfusion services and a unique CE-marked device for organ storage during transport, GISTO. The new legal entity will be XVIVO S.r.l. and will initially include six employees including management.

### **Background and the transaction**

Italy is a leading European transplant market and is XVIVO’s largest abdominal market, accounting for 25 per cent of total abdominal sales. The acquisition secures XVIVO’s current Italian market position and future growth. Avionord M&P has developed a unique combined product and service model well suited to accommodate for the increasing service trend visible across the European machine perfusion market. Last year, XVIVO launched its service segment in the US with the acquisition of STAR Teams Inc - expanding across the continuum of care from organ recovery to transportation, perfusion and organ evaluation.

In addition to the acquisition, XVIVO enters into a separate royalty agreement with Avionord S.r.l. related to its transportation device for static cold (hypothermic) storage of all major organs called GISTO. The device has an integrated traceability function with real-time monitoring of storage temperature and geographic location. GISTO has recently been approved for launch in CE-marked countries.

The purchase price for 100 per cent of Avionord M&P’s shares amounts to a maximum of EUR 12.0 million. The initial purchase price amount to a maximum of EUR 9.6 million, whereof 40 per cent will be paid in cash and 60 per cent will be paid by issuance of new shares in XVIVO on completion of the transaction. The board of directors will resolve to issue the consideration shares in accordance with the authorization from

the annual general meeting held on 26 April 2022. The number of newly issued shares equals 269.952 based on the volume weighted average price of the XVIVO share for the last 10 trading days preceding the signing of the agreement, and corresponding to SEK 222.53 per share, which would entail a dilution of 0,9 per cent based on the current number of outstanding shares in the Company.

“There is a large untapped potential for machine perfusion in Europe. However, many times there are different obstacles for transplant centers to overcome as a consequence of scarcity of perfusionists. With the inclusion of service in the product offering to our customers we can help them to secure perfusionist capacity. The Italian business model is unique and we see a potential for expanding similar models to other European markets” says Johan Holmström, CCO of XVIVO.

“We have worked with XVIVO for a long time now and have seen how the company has grown steadily year by year. As we become a major shareholder in XVIVO we still have a great interest in the company’s future success and we will continue to support them when needed” says Mr Eugenio Cremascoli, owner & Chairman of the Board of Avionord S.r.l.

“Avionord Machine & Perfusion’s way of doing business is quite unique I would say. Early on they developed an offering beyond product, and they have been very successful. Focus for XVIVO, besides the development of groundbreaking perfusion technologies, is to create value enhancing service offerings. With the acquisition, we deliver on our strategy to increase penetration of machine perfusion and strengthen our position in the abdominal market” says Dag Andersson, CEO of XVIVO.

### **Additional earn-out payment**

An additional earn-out payment of up to EUR 2.4 million will be paid in first half of 2023, subject to Avionord M&P reaching a predetermined EBITDA target for 2022, and will be divided between 40 per cent cash and 60 per cent newly issued shares in XVIVO where the number of shares will be based on the volume weighted average price of the XVIVO share on the date of settling such an additional earn-out payment.

### **Financials and synergies**

Avionord M&P reported net sales of approximately EUR 2.9 million with an EBITDA of approximately EUR 0.9 million in 2021, expecting to show double digit sales growth in 2022.

XVIVO and Avionord M&P have complementary businesses by its supplier and distributor relationship on the Italian market, which implies that XVIVO will gain direct access to all customers on this important market.

In relation to this acquisition, XVIVO expects M&A costs of approximately SEK 6 million during the third and fourth quarter of 2022 and integration costs of approximately SEK 2-4 million during November 2022 thru October 2023 (one year). All costs relating to the transaction will be paid by existing cash/cash flow.

Bryan, Garnier & Co acted as sole financial adviser and Advokatfirman Vinge as legal adviser to XVIVO in connection with the acquisition of Avionord M&P.

### **Conditions**

Completion of the acquisition is expected to take place during November 2022 and is conditional upon a set of conditions precedents; (i) FDI (Foreign Direct Investment) approval (ii) [union/labor] approval and (iii) that customer contracts representing at least 50 per cent of revenue in 2021 are successfully transferred from Avionord S.r.l. to Avionord M&P which requires customer consent.

August 1, 2022  
Gothenburg  
Dag Andersson, CEO  
XVIVO Perfusion AB (publ)

**For further information, please contact:**

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**About Us**

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Founded in 1998, XVIVO is the only medical technology company dedicated to extending the life of all major organs - so transplant teams around the world can save more lives. Our solutions allow leading clinicians and researchers to push the boundaries of transplantation medicine. XVIVO is headquartered in Gothenburg, Sweden, and has offices and research sites on two continents. The company is listed on Nasdaq and has the ticker symbol XVIVO. More information can be found on the website [www.xvivogroup.com](http://www.xvivogroup.com).

*This information is information that XVIVO Perfusion AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-08-01 16:15 CEST.*

**Attachments**

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