ANNUAL REPORT 2019

XVIVO PERFUSION AB (PUBL)

XVIVO PERFUSION

CONTENT

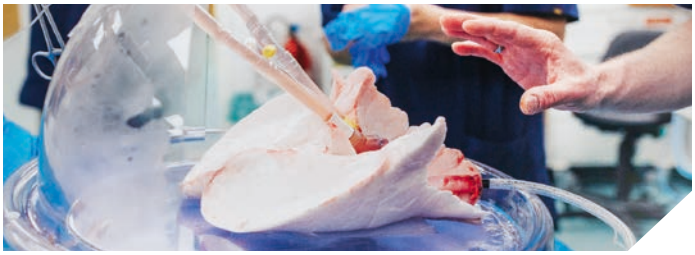
XVIVO PERFUSION IN BRIEF

More and more people are in favour of donating their organs, both in Sweden and globally, but despite this, there is still a great shortage of available organs. According to the WHO, more than 139 000 organ transplants are performed annually worldwide, but this represents only 10% of the total need. The lack of organs means that many patients die while waiting for an organ, or become so impaired in their illness that they are removed from the waiting list. In the United States alone, an estimated 20 people a day die waiting for a new organ.

XVIVO Perfusion is a medical device company that develops and markets innovative solutions and systems for preserving and evaluating donated organs outside the body while waiting for a transplantation. The company is currently the market leader in lung transplantation and provides transplant clinics all over the world with high-tech products for storing and evaluating lungs and employs more than 50 employees at its head office in Gothenburg and its subsidiaries in Lund and Denver. XVIVO Perfusion's share is listed on NASDAQ Stockholm and is traded under the symbol XVIVO.

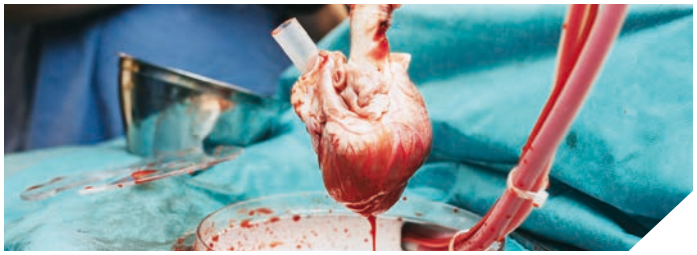
We are dedicated to our vision that "Nobody should die waiting for a new organ" and are proud that our groundbreaking innovations have helped more patients to undergo transplantation and thereby have the chance for a longer and better life. Together with leading researchers and transplant clinics, we help to develop solutions that make a difference – for the patient, the transplant team and for society.

KEY EVENTS 2019



XVIVO Perfusion received PMA approval for products XPS and STEEN Solution from FDA

- PMA Approval (FDA) for products XPS and STEEN Solution for sale on the U.S. market.
- Patent approval for PERFADEX Plus in Europe.
- Collaboration initiated with MyCartis regarding development of a rapid diagnostic test, using biomarkers, to assess the quality of donated organs before transplantation.
- Reimbursement for the entire EVLP process obtained in France.
- 5 XPS were delivered between January and December 2019. At the end of the period, 51 clinics had access to XPS or LS. During the year, the first XPS was shipped to Canada.
- New share issue as a result of exercise of warrants resulted in a capital injection of approximately SEK 27 million.



Good results from the heart preservation study were presented at ISHLT

- Good results from the heart preservation study involving 6 patients at Lund University Hospital were presented at ISHLT's (The International Society for Heart & Lung Transplantation) annual congress in Orlando.
- The Swedish Medical Products Agency gave the go-ahead for clinical studies in Sweden with the company's new products for heart preservation.
- Patents for heart preservation solution approved in the United States and Europe.
- Continued geographic expansion with establishment of subsidiaries in Australia with sales and technical support.
- Breakthrough Device Designation granted by the FDA for the XVIVO Heart Preservation System.

SALES WITHOUT CAPITAL GOODS
+20%

PROPORTION OF WARM PERFUSION*
48%

EBITDA MARGIN**
13%

SALES, MSEK

GROUP KEY RATIOS

	2019	2018
Gross margin without capital goods, %	77	77
Gross margin, %	74	72
EBITDA,%**	13	16
Operating margin,%	2	7
Net margin, %	2	7
Equity ratio, %	91	92
Earnings per share, SEK	0,19	0,48
Equity per share, SEK	21,71	20,47
Share price at the balance sheet date, SEK	170,00	132,00

* Share of warm perfusion is the sale of warm perfusion products and services (STEEN Solution, XPS, XVIVO LS and products and services related to the use of XPS and XVIVO LS) as a percentage of total sales of products and services. ** Reported EBITDA margin 2019 has been negatively affected by the cost of the share-based option program of SEK -7.0 million and positive effect of the introduction of IFRS 16 Leases of SEK 3.5 million. Adjusted for these two items, the EBITDA margin is 15% for the year. The comparative figures for 2018 have not been restated in relation to IFRS 16.

ANOTHER SUCCESSFUL YEAR

2019 was another successful and eventful year for XVIVO Perfusion with strong sales development, historical PMA approval and important advances in the company's future growth areas - heart transplantation and PrimECC. During the year, XVIVO Perfusion made significant investments in R&D, regulatory expertise and expansion of the customer support organization to ensure continued good growth in the longer term. At the same time, the company generated a good gross margin and profit.

Historical PMA approval

It is gratifying to sum up the most successful year for XVIVO Perfusion ever, with strong sales development, the company's first PMA approval (XPS with STEEN Solution) and great progress in our other important product areas – heart transplantation and PrimECC. Sales in 2019 amounted to SEK 221 million and sales without capital goods showed growth of +20 percent. Most of the strong sales growth comes from the area of warm perfusion of the lungs, but cold preservation also shows good growth. A milestone was passed when sales for the first time were over SEK 200 million for sales without capital goods. It was particularly gratifying to note that growth in Europe during the year has clearly accelerated. This means that XVIVO Perfusion for the 29th consecutive quarter (all quarters as a listed company) showed sales growth, good gross margin and positive EBITDA. This is at the same time as significant investments in R&D, clinical and regulatory expertise and sales resources in several countries have been made to enable continued strong growth.

Several important advances in lung transplantation

In addition to the PMA approval for XPS with STEEN Solution in the US, other important milestones in lung transplantation were passed: Establishment of a subsidiary in Australia to secure continued expansion and strengthened customer relations, and that PERFADEX Plus, the improved 'ready-to-use' version of the company's largest product PERFADEX, was granted a patent in Europe. XVIVO continues to develop the technology of warm perfusion of lungs, both in-house and in collaborations with partners, in order to continue to be a leader in the product area.

Important progress in heart transplant and PrimECC Projects

At the same time, very important steps have been taken in the development of future growth areas – heart transplantation and PrimECC. In the field of heart preservation, good results were presented at this year's major transplant conference, ISHLT, from the initial part of a heart preservation study at Lund University Hospital with Professor Steen's first prototype. A new solution product and an improved second machine version have been designed, tested and ready for the multicenter studies that will be started in all important markets. For the European trial, applications in seven countries for authorisation of clinical trials were submitted earlier in the year and have been approved by some but are still being reviewed by some countries' pharmaceutical authorities. We expect to be able to include patients during the first quarter 2020 at several centers.

A "Breakthrough Device Designation" was obtained by the FDA which will shorten the processing time for the entire trial process and the application for marketing authorization in the United States. Important for the product development project was also that XVIVO Perfusion's patent application for heart preservation solution has been approved in the US and Europe.

The regulatory documentation for the new PrimECC production set up in a new environmental and user-friendly package, was submitted in the third quarter. This approval is necessary for the continuation of the clinical program for PrimECC. The regulatory review of this change has dragged on, which is because the so-called Notified Bodies, which review submitted regulatory files, are incredibly burdened with longer audit and review times as a result. This in turn is due to the fact that all Notified Bodies must be certified for the planned change in the EU Regulations (MDR) for Medical Technical Products by May 2020. This kind of delay has affected all the players in medical technology industry. As soon as the review of the regulatory file for the PrimECC production is completed, the continuation of clinical development can be initiated. The planned multicenter study is expected to continue until early 2021 and include 366 patients at 7 clinics in Sweden.

Continued focus on leading the global developments in organ perfusion

As you can see, In 2019, XVIVO Perfusion has both been successful in the market and has achieved ambitious R&D targets while growing significantly in competence and market share. Despite a rapid expansion, the company is still a small, growth company with

high internal competence, investing about 60% of the turnover (including what is capitalized on the balance sheet) on product development and research with focus on long-term growth even in new product areas.

The focus in the lung transplant area is to continue to support transplant clinics in their efforts to treat more of the patients on transplant waiting lists by continuing to refine and simplify EVLP technology and to expand the installation base of the company's EVLP machines, especially in Europe and in the new markets in Asia. In heart transplantation, there is full focus on supporting clinics in the three multi-centre clinical centres (Europe, the US and Australia). XVIVO Perfusion's research focus in general is to continue to lead the development of innovative solutions in organ transplantation.

Many thanks

Finally, I would like to express my sincere thank you to our customers, employees and partners. Thanks to your hard work, our company has passed several important milestones that have brought us many steps closer to our vision that nobody should have to die while waiting for a new organ.

Magnus Nilsson
Managing Director


OUR VISION IS
THAT "NOBODY
SHOULD DIE
WAITING FOR A
NEW ORGAN"

BUSINESS CONCEPT, GOALS AND STRATEGIES

For more than 20 years, XVIVO Perfusion has been working to develop innovative solutions and systems to make more organs available for transplantation. XVIVO Perfusion is currently the market leader in lung transplantation and research leader in organ perfusion and our vision is that "nobody should die waiting for a new organ". Our strategic focus is to maintain our market-leading role in cold preservation of lungs, increase the use of our products for warm perfusion of lungs and expand the business to more organs.

20 years of experience in organ transplantation

XVIVO Perfusion was founded in 1998 by Magnus Nilsson when he acquired the rights to PERFADEX. The further developed product PERFADEX Plus is standard treatment for storing donated lungs. In the same year, a collaboration with Professor Stig Steen at Lund University was initiated on the development of a new technique for warm perfusion of lungs with the aim of making more organs available for transplantation, a collaboration that resulted in STEEN Solution, which was approved for sale in Europe in 2006. Through intensive development work between 2008 and 2014, XVIVO Perfusion developed the XPS, a machine for warm perfusion of lungs. In order to further strengthen XVIVO Perfusion's product and research portfolio, an acquisition of Vivoline Medical AB was completed in 2016. XVIVO Perfusion's product portfolio was then expanded with the LS system and XVIVO took over control of an advanced development project for the storage and evaluation of the heart. The first clinical heart transplant with the new tech-nology was conducted in 2017 and clinical trials are planned in several key markets. The company's research portfolio includes several promising projects, including liver and kidney transplanta-tion, isolated tissue therapy and priming (preparation) of heart lung machines.

Mission

XVIVO Perfusion's business concept is to increase survival in patients who need a new organ by offering effective products and systems that increase the availability of organs with good survival potential during transplantation.

Corporate vision

Our vision is that "nobody should die waiting for a new organ".

Business goals

The company's goal is to maintain its position as market leader in lung transplantation and establish perfusion of organs with STEEN Solution and other advanced solutions as a standard treatment for transplantation of lungs and other organs.

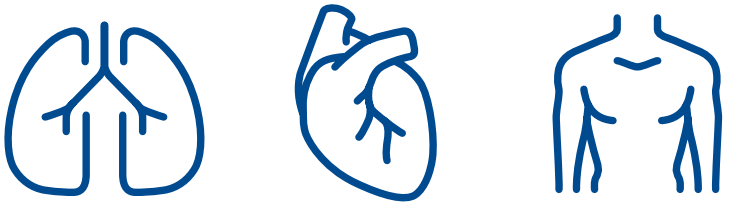
Targets for 2020

- Continued establishment of the use of XPS and STEEN Solution worldwide.
- Begin multicenter clinical studies for heart transplantation.
- Expand the clinical documentation of PrimECC with multicenter clinical studies.

Strategy

XVIVO Perfusion's strategy focuses on increasing the number of available organs for transplantation by providing products and technology that allow organs to be stored, evaluated and improved outside the body. The goal is to build on the scientific, regulatory and market competence in lung transplantation and expand to more organs.

ACTIVITIES



Lung transplantation | Heart transplantation | Other indications and other organs

STRATEGIC FOCUS

DEVELOPMENT DURING THE YEAR

Maintain position as market leader in cold preservation of lungs. PERFADEX has been the market standard for lung pres-ervation worldwide for over 15 years and is used in more than 90% of all lung transplants performed.

- In 2019, the launch of PERFADEX Plus, a ready-to-use version of PERFADEX, with improved ease of use, reduced risk of error handling and thus increased patient safety.
- In 2019, PERFADEX Plus received patent approval in Europe.
- A new, improved connection/port on the perfusion bag has been in use since 2018 in the US and preparations have been made for a market intro-duction in other markets in 2020.

Increase the penetration of warm perfusion of the lungs and thereby making more organs available for trans-plantation. Only 20-30% of all donated lungs go to transplanta-tion, while about 20% of patients on the waiting list die while waiting for new lungs. Through published clinical studies, XVIVO Perfusion and partners have shown that warm perfusion of organs using the STEEN Solution method provides more avail-able organs. This will result in a life-saving treatment for more patients, resulting in reduced mor-tality on the waiting list, improved quality of life and socio-economic benefits.

- In April 2019, XVIVO Perfusion received Pre Market Approval (PMA) approval from the US FDA for the products XPS and STEEN Solution. The approval meant that STEEN Solution, XPS and associated dispos-ables, as the first medical devices, could be sold for Ex Vivo Lung Perfusion (EVLP) at body temperature of initially unaccepted donor lungs.
- XVIVO Perfusion collaborated with MyCartis, a Belgian immuno diagnostic company, to develop a rapid diagnostic tool to assess in a timely manner the quality of donated organs in ex vivo perfusion. Such a test can help the transplant team assess the quality of an organ and thus the chances of a posi-tive outcome post transplantation.
- Lung Bioengineering (LBE) bought an XPS for its new EVLP center in Jacksonville and LBE and XVIVO Perfusion continues the collaboration to promote the use of centralized EVLP services.

Expand to other organs, first to heart but in the longer term also to liver and kidney. XVIVO Perfusion has in collaboration with Igelösa Life Science and Professor Stig Steen developed a new method for storing and trans-porting the heart from a donor in an optimized way, through non-ischemic heart preservation. XVIVO Perfusion has a strong position in lung transplantation and an established network in thoracic surgery, which makes an expansion to heart favorable. STEEN Solution has also shown good clinical results on the liver, and trials have been initiated on the kidney.

- At ISHLT, the largest congress in heart and lung transplantation, Professor Johan Nilsson presented the results from the first six patients included in the ongoing study at Lund University Hospital. The results of the study indicate that the method is safe to use in humans, which means that larger randomized studies can be started using the method. At ISHLT, XVIVO Perfusion's heart preservation machine was unveiled for world-lead-ing heart transplant surgeons.
- XVIVO Perfusion had its patent for heart fluid approved in the US and Europe. Canada has already approved this patent. XVIVO has also previously obtained patents for heart evalua-tion equipment in Europe, Australia, Canada and China. The patent applica-tion for heart evaluation equipment is pending in the US. Together, these patents strengthen XVIVO Perfusion's position in the heart transplant field in all major markets in the world.
- XVIVO Perfusion received approval from several European pharmaceutical authorities to start clinical studies with the products for heart preservation. The approval means that the study can begin shortly. Applications to other countries to participate in the study are ongoing.
- The heart preservation system was granted the Breakthrough Device Designation from the US FDA, which gives XVIVO Perfusion a priority review and interactive communication on devel-opment and clinical trial protocols.

OUR STRENGTHS

WORLD-LEADING IN LUNG TRANSPLANTATION

XVIVO Perfusion is a strong brand in lung transplantation and is the market leader in both cold preservation and warm perfusion of donated lungs.

ESTABLISHED NETWORK THORACIC SURGERY

XVIVO Perfusion has a global market presence and long-established relationships with world-leading researchers and transplant clinics around the world.

EXPERTS IN ADVANCED SOLUTIONS FOR T RANSPLANTATION

Together with Igelösa Life Science and Professor Stig Steen, XVIVO Perfusion has developed unique solutions for caring for organs outside the body for more than 20 years.

PROFITABLE GROWTH

XVIVO Perfusion has shown growth and positive EBITDA every quarter since the share was listed in October 2012.

SUCCESSFUL ORGANIZATION FOR INNOVATIONS

XVIVO Perfusion has extensive experience in research and development, through the process of obtaining regulatory approval and then various phases of market establishment.

BUSINESS MODEL – FROM RESEARCH TO SALES

XVIVO Perfusion's business model aims to strengthen the leading position in organ transplantation by successfully taking groundbreaking innovations from idea to marketable product. The business model includes long-term relationships in innovation and research as well as close collaborations with selected partners.

XVIVO Perfusion's research is mainly carried out in collaboration with world-leading institutions and researchers. By conducting a number of research projects of different nature together with partners in the US, Canada and EMEA, we ensure the level of competence in the clinical field and that the company is at the forefront of clinical development.

Product development is largely done in-house at the head office in Gothenburg (for solutions), at the subsidiaries in Lund (for heart) and Denver (for machine and disposables, lung). Through good knowledge of manufacturing methods, materials and regulatory requirements, we can streamline the process and shorten time to market.

Clinical studies are of great importance for XVIVO Perfusion, partly as a basis for the approval of products, but also for expanding the field of application. Pre-clinical and clinical studies are conducted in collaboration with hospitals and universities. In order to introduce the products to each market, regulatory approvals are required. The regulatory landscape has become increasingly complex as the demands of the authorities have been increased, this in order to increase patient safety. XVIVO Perfusion's regulatory work ensures that our innovations reach a global market.

Intellectual property rights

XVIVO Perfusion invests heavily in research and development. Patent protection is therefore important in XVIVO Perfusion's business areas, as product cycles are long and the investments for the development of the products are significant. XVIVO Perfusion therefore applies continuously for patents to protect existing and future products. Currently XVIVO Perfusion has 15 families of patents or patent applications at different stages.

STEEN Solution is protected by patents in 15 countries, including EP validations. These STEEN Solution patents have a period of validity up to 2021/2022 and protect both the product and the use of STEEN Solution.

PrimECC, which is XVIVO Perfusion's solution for use in heart-lung machines, is currently protected by patents in 15 countries, including EP validations. The period of validity of these patents is until 2031. The U.S. patent protects the use of a solution similar to PrimECC for use in priming a heart-lung machine. Its European counterpart protects the product PrimECC. PERFADEX Plus is protected by a patent approved so far in Europe.

XVIVO has two main patents in the field of heart transplantation. One covers the preservation solution used in heart preservation and the patent is valid until 2031. The second includes important parts of the evaluation equipment to be used for heart evaluation after preservation, but before transplantation. The validity of this patent is until 2036. Together, these patents strengthen XVIVO's position in the heart transplant field in all major mar-kets in the world.

XVIVO Perfusion owns all rights to the products it markets including XPS, XVIVO LS, PERFADEX Plus and STEEN Solution.

The production of XVIVO Perfusion's products is mainly external through cooperation with selected subcontractors. By outsourcing the manufacturing process, XVIVO Perfusion avoids costly investments in production equipment and can focus on its core business. At the same time, it provides greater flexibility in the event of increased/reduced demand. Long-term and close cooperation with our subcontractors is of great importance in order to meet our high quality standards.

XVIVO Perfusion's product portfolio is marketed by its own commercial organization in Europe and North America and is distributed mainly directly from Gothenburg and Denver. In markets outside North America, Europe and Oceania, the company mainly uses distributors. The commercial organization consisting of sales people and technical support works closely with the respective transplant centers to ensure that XVIVO Perfusion's products are used correctly and to an increasing extent. Customers' experience takes XVIVO Perfusion with them in all market processing and product development.

User training and technical training are an important part of after market support. XVIVO Perfusion has its own organization responsible for installation, training, service and support. XVIVO Perfusion conducts training locally and at the company's training facilities in Denver and Lund. In addition, workshops are arranged where clinics meet for advanced training and exchange of experience.


"OUR EMPLOYEES'
COMMITMENT,
COMPETENCE
AND EFFICIENCY
IS THE KEY TO OUR
SUCCESS"

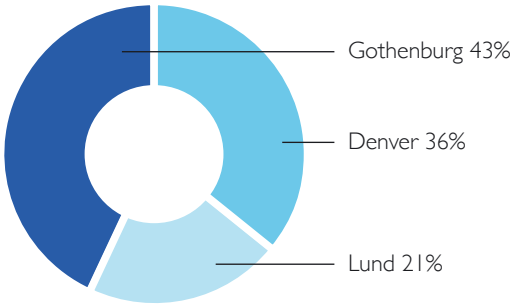
ORGANIZATION AND EMPLOYEES

Everyone who works at XVIVO Perfusion is dedicated to our vision that "nobody should die waiting for a new organ" and is proud that our innovations help give patients the opportunity for a longer and better life. We employ more than 50 employees at our head office in Gothenburg and our subsidiaries in Lund and Denver. Our employees' commitment, competence and efficiency are the key to our success and we continue to expand and develop our organization.

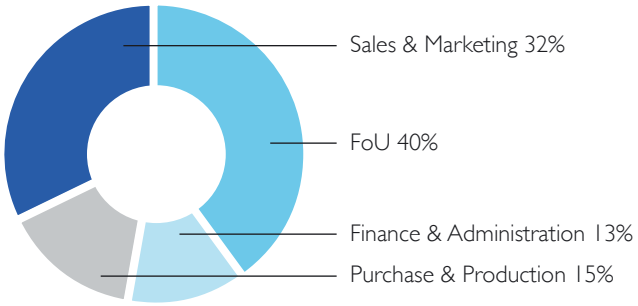
In 2012, XVIVO Perfusion was established as its own company and began the construction of its own organization, which today consists of more than 50 employees at its head office in Gothenburg and at its subsidiaries in Denver and Lund. In Gothenburg there are common functions such as QA/RA, Global Marketing and Global Finance. In addition, the company has about 10 consultants affiliated with the business. Each office functions as a Centre of Expertise – Gothenburg for solutions for lung and heart, Lund for production and development of heart machine and Denver for development of lung machine. XVIVO Perfusion has three geographic marketing organizations, North and South America, EMEA and Oceania, as well as Asia. Gothenburg and Denver have the highest number of employees, and the majority work in research and development (40 percent) and sales and marketing (32 percent). 43% of employees are women.

XVIVO Perfusion's greatest asset is its employees and the competence and experience they possess. The level of education is high and a large proportion of employees have experience from other companies in the same industry.

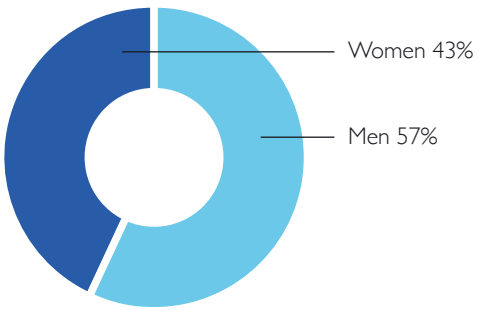
EMPLOYEES PER OFFICE/SUBSIDIARY



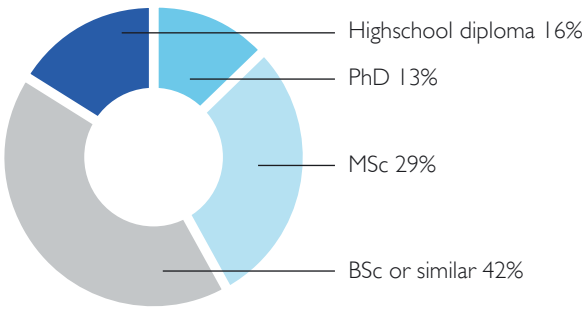
EMPLOYEES PER FUNCTION



MEN AND WOMEN



DEGREE OF EDUCATION



SUSTAINABLE DEVELOPMENT

XVIVO Perfusion is a responsible and sustainable company that works actively to improve social development and human health. We also take great responsibility for our employees and in our relations with the outside world. We operate globally, which demands that we have a sustainable business strategy that ensures that we contribute to both a healthier and cleaner world.

Business principles

The Board of Directors of XVIVO Perfusion has adopted a Code of Conduct which is anchored throughout the global organization. According to the Code, XVIVO Perfusion is to operate in accordance with important ethical guidelines such as the United Nations Universal Declaration of Human Rights (www.un.org), the International Labour Organisation Declaration on Fundamental Principles and Rights in the Workplace (www.ilo.org), the UN Global Compact (www.unglobalcompact.org) and the OECD Guidelines for Multinationational Enterprises (www.oecd.org).

XVIVO Perfusion and its employees shall comply with the laws of each country in all countries in which we operate. In situations where neither the legislation nor the Code of Conduct provides any direction, we apply XVIVO Perfusion's own standards based on our values and culture. Violations of the Code of Conduct may be reported anonymously and confidentially to the Chairman of the Board of XVIVO Perfusion and to the Chairman of the XVIVO Perfusion Audit Committee.

Society and environment

XVIVO Perfusion's vision is that "nobody should die waiting for a new organ" and our products in warm perfusion of the lung have shown in clinical studies that more donated lungs can be used for transplantation. This will allow more patients to live a longer and more active life, which improves the quality of life while generating a socio-economic gain. XVIVO Perfusion invests a lot in research every year. In 2019, approximately 60% of the revenue was reinvested in research and development.

We also take social responsibility in supporting and collaborating with organizations and associations that work in different ways to increase organ donation and improve the life of families affected. In Sweden, XVIVO Perfusion supports among other things MOD (More Organ Donation) and Jontefonden. Furthermore, XVIVO Perfusion financially supports various research initiatives conducted by external parties such as clinics and academies.

Our business affects the environment in several ways. Our customers are located all over the world, which means that our products are partly transported by air. Here we strive to streamline our processes in dialogue with customers and suppliers and we try to minimize the number of shipments as far as possible. We work with global assortments and longer shelf life of our products, which would reduce environmental impact. Furthermore, we have employees in North America, Europe and since 2019 also in Australia and for this reason internal meetings are held digitally as much as possible and we travel within the company only when necessary.

Social relations and human rights

At XVIVO Perfusion, we are convinced that sound values and a clear culture are important keys for sustainable and successful development over time. Our employees are passionate about our vision and where our dedicated and focused work saves lives every year. As XVIVO Perfusion's organization grows, it is important that our values and culture live on and is transferred to new employees. In 2019, therefore, a project was started with the aim of further defining and anchoring the company's values. The project has involved employees from all functions and countries and an important corner stone for the company's continued expansion is now laid.

"GOOD BUSINESS ETHICS MUST PREVAIL IN ALL BUSINESS ACTIVITIES AND **RELATIONSHIPS** WITH CUSTOMERS, BUSINESS PARTNERS AND AUTHORITIES**"**

XVIVO Perfusion promotes diversity and gender equality. At the end of 2019, the number of employees in the Group was 53, an increase of 43% compared to the previous year. Of the Group's employees, 43% were women and 57% were men. In management, the ratio was 17% women and 83% men and 33% on the board were women and 67% were men. XVIVO Perfusion always strives to pay fair wages and benefits in accordance with applicable standards wherever we operate.

XVIVO Perfusion offers a safe and healthy working environment for its employees. Wellness benefits are generous and physical group activities are organized regularly. Employees are offered vaccination and undergo CPR training annually. The focus on a good working environment and motivating working conditions has resulted in low sick leave rates since the company was founded. Sick leave in 2019 was low, reaching 1% globally and was evenly distributed among both men and women in all countries. Similarly, a low level of employeeturnover was observed. In 2019, it amounted to 9% (6%).

Free competition and anti-corruption

XVIVO Perfusion's basic principle is that good business ethics must prevail in all business operations and relationships with customers, business partners and authorities. We fully comply with the cartel and competition laws and regulations in force in the countries in which we operate.

XVIVO Perfusion evaluates and selects main suppliers and subcontractors on the basis of their ability to work in accordance with the XVIVO Perfusion Code of Conduct. We require all distributors to comply with the code, which is attached to the distributor agreements.

XVIVO Perfusion does not take a political position. Therefore, our funds or assets are not used to support political campaigns or candidates, or otherwise provide services for political purposes. We also do not accept offers, solicitations or receipts of bribery, regardless of form, method or purpose.

ORGAN TRANSPLANTATION – THE NEED IS GREAT AND GROWING

In 2018, there were globally 139,312 transplants from 44,219 donors, according to the Global Observatory on Donation and Transplantation (GODT). Although the number of donors is increasing, it is estimated that only 10% of the need for transplants is met.

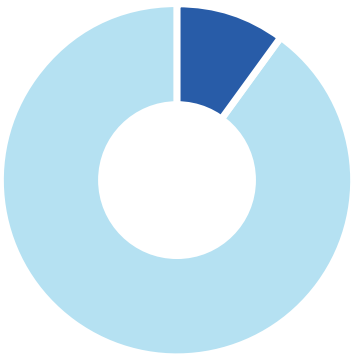
It is estimated that more than 250 000 patients in the US and Europe are currently waiting for a new organ. Most people wait for a kidney, many for a liver and some for new lungs or a heart. The cause of their condition may be congenital and perhaps hereditary, but it may also be due to exposure to tobacco, alcohol or infection. However, everyone has one thing in common – they are very seriously ill and have a life expectancy that is severely limited, unless they get a new organ. Approximately 25% of patients waiting for new lungs or a new heart die while waiting for a new organ or are removed from the waiting list because they become too ill to undergo a transplant.

Lung transplantation

Lung transplantation is the last option for treating a patient with terminal lung disease, where other medical or surgical options are excluded and the expected survival rate is less than 2 years. The basic diseases that cause a patient to need new lungs are mainly chronic obstructive pulmonary disease (COPD), cystic fibrosis (CF), idiopathic pulmonary fibrosis (IPF) and pulmonary arterial hypertension. The World Health Organisation (WHO) estimates that 200 million people suffer from COPD and the disease causes 3 million deaths each year, making it the third leading cause of death. Common causes of COPD are tobacco smoking and exposure to various types of pollutants. Cystic Fibrosis is an inherited disease that causes an abnormal mucus formation, which affects the lungs and digestive organs in particular. The chewy mucus in the respiratory tract is difficult to cough up and leads to repeated infections. Idiopathic pulmonary fibrosis is a disease that causes scar tissue to form in the lungs, reducing lung volume. Pulmonary arterial hypertension means that the pressure in the blood vessels of the lung is too high, which is due to the fact that the blood vessels of the lungs become too narrow.

In 1963, the first lung transplant was performed, but it took until 1982 for the first lung transplant patient to live long enough to leave the hospital. Survival after a lung transplant has increased as surgical techniques have been refined, immunosuppressive drugs have been introduced, aftercare improved and preservation solutions and techniques become more advanced. Today, lung transplantation is an established standard treatment for patients with terminal lung disease.

Although the survivor of a lung transplant is relatively good – about 80% after the first year – lung transplantation is carried out to a limited extent. The main reason is the lack of organ donors, but another limitation is that the lungs often suffer from a rapidly impaired function when the donor dies and in four out of five cases the lungs are in too poor condition to be transplanted.



>140000 ORGANS ARE TRANSPLANTED PER YEAR, THIS REPRESENTS **~10% OF THE NEED***

*WHO estimate

Heart transplant

Heart transplantation is the last option for treating a patient with severe heart failure, where all other medical surgical treatment options have been exhausted. The main causes of heart failure are the destruction of parts of the myocardium after one or more heart attacks, congenital heart defects (usually unicameral hearts), severe heart muscle disease, very high blood pressure and certain metabolic diseases. The World Health Organization (WHO) estimates that cardiovascular diseases (including stroke) cause more than 17 million deaths each year, making it the world's leading cause of death. While research has contributed to many advances in this area, our poor living habits such as smoking, inactivity and unhealthy diets are increasing. The prognosis for patients with severe heart failure is very poor and half of patients die within one year of diagnosis.

The first heart transplant was performed in 1967, but the results of the first transplants were disappointing. It was not until the 1980s that heart transplantation was established as a method. Survival after heart transplantation has increased as surgical techniques have been refined, immunosuppressive drugs have been introduced, aftercare improved and preservation solutions and techniques become more advanced. Today, heart transplantation is an established standard treatment for patients with severe heart failure.

In recent decades, mechanical heart pumps, known as the Left Ventricular Assist Device (LVAD), have been introduced and for some patients these are used as a supplement while waiting for heart transplantation. The heart pump helps the diseased heart and restores blood circulation in the body. The heart pump helps the patient survive until a donated heart becomes available.

ORGAN DONATION – THE GIFT OF LIFE

One of the biggest challenges in the field of transplantation is the lack of suitable organ donors. If the availability of donated organs were greater, more patients could be transplanted and thus have the opportunity for a longer and better life. An individual donor can save up to 8 people by being able to transplant the heart, lungs, kidneys, liver, pancreas and small bowel.

Donation after Brain Death (DBD - Donation after Brain Death)

Most of the organs that are transplanted come from patients with brain damage who are treated on a ventilator and declared dead based on neurological criteria, known as brain death. The concept of brain death has been crucial for organ donation and transplant surgery. Transplantation from brain-dead donors maintains blood and oxygen supply to the organs, which facilitates the donation process. There is also time to talk to relatives and to take care of the organs.

Donation after Circulatory Death (DCD)

The lack of brain-dead donors has led to the use of cardiac-dead donors with good results in recent years. This has also meant that more people have been offered the opportunity to donate organs after their death. In the case of donation after cardiac death, the donation process must be much faster from the time of death is established until the donation operation begins. If the process takes too long, the organs become unusable and generally the uncertainty of the function of these donated organs is usually greater.

Extended/Expanded Criteria Donation

Another possibility that more and more clinicians are investigating is whether methods can be found to take advantage of organs that have previously been abandoned when it was considered that they have too poor function and in a transplant risk making the recipient even sicker. Organs considered marginal may come from older donors, infected donors (such as Hepatitis B&C and HIV) or donors with high BMI, diabetes or high blood pressure. The inclusion of marginal organs in the donation process has made the decision whether or not to accept an organ more complex than before. However, for most patients waiting for an organ, the benefit outweighs the risk of a marginal organ.

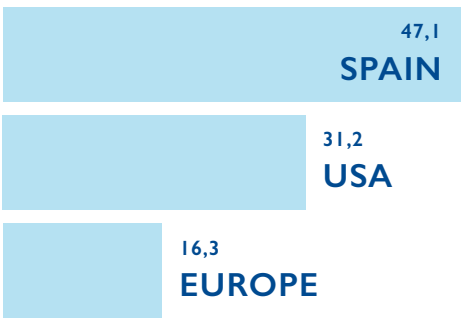
Major regional differences

There is a large variation in how successful countries are in donation, which is reflected in large differences in donation rates per million inhabitants (pmp). Spain has been the best in class for many years and had in 2017, 47.1 donors pmp, Europe as a whole had 16.3 and Sweden 19.4. The US was high in the statistics with 31.2 donors pmp. The acute organ shortage has made many countries to look at their organ donation systems to enable more transplants and many now use the Spanish model as a role model.

The Spanish model:

There are many factors that contribute to Spain having more than twice as many organ donors as Sweden in relation to population. In Spain, it is assumed that a person is in favour of donating their organs, unless you express the opposite. Sweden, however, has a similar sys-tem without the same result. The reason for this success is probably rather that Spain created a national transplantation organisation (ONT) in 1989 that improved the coordination of the donation and transplantation process. An early measure was to introduce donor managers (often intensive care physicians) into hospitals who identified potential donors early, not only in the intensive care unit but also in wards and emergency departments. ONT has also trained more than 15,000 people in health care about the donation process. Another factor that has led to high donor frequency is that donors who have died of heart death and organs from older donors are accepted to a greater extent than many countries (today more than 10% of donors are over 80 years of age).

ORGAN DONORS PER MILLION INHABITANTS



Source: Data from WHO-ONT Global Observatory on Donation and Transplantation

XVIVO PERFUSION'S OFFER OF BETTER ORGAN STORAGE

Together with leading researchers and transplant clinics, XVIVO Perfusion has for more than two decades developed solutions for caring for lungs outside the body. PERFADEX Plus is the standard treatment for cold preservation of donated lungs and has been used in more than 50,000 lung transplants. XPS and STEEN Solution for warm perfusion of lungs enables the use of more donated lungs and is approved in all major markets. XVIVO Perfusion's new products for non-ischemic heart preservation have been successfully used in clinical transplants at Lund University Hospital and are now ready for regulatory studies.

PERFADEX Plus for cold preservation

The traditional method of caring for and storing donated lungs is to cool them down to reduce metabolism. This is done by rinsing through the larger blood vessels of the lung with a cold perfusion solution that, in addition to lowering the temperature, also rinses away blood from the donor containing substances that damage the lungs. After that, the lungs are kept cooled during transport to the recipient hospital and until transplant. Cold preservation is standard treatment for donated lungs and is carried out to about 90% with PERFADEX/PERFADEX Plus. In a cooled state, lungs can be stored six to ten hours outside the body and transplanted with good results.

Cold preservation is an established and safe method for storing donor lungs outside the body but does not help to increase the availability of transplantable organs. One limitation of cold preservation is that it does not provide any possibility to evaluate the donated lungs, as this cannot be carried out in a cold state.

XPS and STEEN Solution for warm Perfusion - Ex Vivo Lung Perfusion (EVLP)

Since lung transplantation is a complicated and life-changing procedure for the patient, surgeons refrain from lungs where they are unsure of the quality. The assessment made is often subjective and must be made under great time pressure.

In collaboration with Professor Stig Steen at Lund University, XVIVO Perfusion has for several years developed a technique and solution for warm perfusion of the lungs, with the aim of making more organs available for transplantation. The method is called Ex Vivo Lung Perfusion (EVLP) and involves warming up the donated lungs to body temperature and perfusing them with a special perfusion solution – STEEN Solution. During the process, the lung is connected to a pump for circulation and to a ventilator to simulate breathing. EVLP recreates a gentle environment, similar to that in the body (in vivo), which gives the lungs and its cells the condition to recover. The method also allows for the evaluation of the function of the

PERFADEX Plus is an improved, ready to use, version of PERFADEX that simplifies usage and improves safety. PERFADEX Plus is a solution designed to rinse through the blood ves-sels and to keep the donated lungs cooled outside the body until transplantation takes place. PERFADEX Plus is considered the golden standard for cold preservation of lungs and has been used in more than 50,000 lung transplants around the world.

MORE AVAILABLE LUNGS WITH WARM PERFUSION

Today, about 20% of all donated DBD lungs can be used. The use of warm perfusion allows the use of about 40% of all donated DBD and DCD lungs, including marginal lungs.

DBD: Donation after Brain Death DCD: Donation after Circulatory (or Cardiac) Death

Procurement	Cold storage	Transplantation		TODAY 20%
Procurement	Cold storage	Evaluation of organs by warm perfusion	Transplantation	POTENTIAL 40%

THE ADVANTAGES OF THE STEEN SOLUTION METHOD

PROBLEM	STEEN SOLUTION	ADVANTAGE
• >70% of sampled lungs are not used due to that it is not possible to test lung function outside the body	• Functional testing, perfusion of organs outside the body, a possible reconditioning effect	• More of the donated organs can be used
• Very limited potential donor group (brain dead) = few organs to transplant	• Use of cardiac death donors enables a large number of potential donors	• More organs available for transplantation
• Limited time to match organs with receivers due to a maximum of 6-10 hours outside the body	• Maximum time of approximately 24 hours outside the body gives more time to match organs with recipients	• More organs can be used
• Emergency surgery (normal night time) due to a maximum of 6-10 hours outside the body	• Maximum time of approximately 24 hours outside the body gives more time for planning a procedure	• Operation during daytime, less burden on health care, longer transport
• High total cost of emergency surgery due to a maximum of 6-10 hours outside the body	• Maximum time of approximately 24 hours outside the body gives more time for planning procedures	• Lower total cost due to better opportunity for healthcare planning, lower transport costs
• Patients die on transplant waiting list due to lack of organs	• More patients can receive new lungs	• More patients on waiting list are given the opportunity of transplantation.

THE MOST COMPREHENSIVE STUDIES ON EVLP USING THE STEEN SOLUTION METHOD ARE SUMMARISED BELOW

HELP study[1]

In 2012, Toronto published the results of 50 lung transplants performed after performing EVLP. The authors' conclusion was that transplantation of donated "high-risk" lungs after 4 hours of EVLP is safe and produces equivalent results as conventional transplantation. EVLP also increased the use of donated lungs.

THE NOVEL/NOVEL Extension study[2]

The first part of the NOVEL study was ongoing in the US between 2012 and 2014 and formed the basis for XVIVO Perfusion's application for HDE approval in the US. The study was designed to show that EVLP can safely increase the number of usable lungs from the donor pool in the US. The study compared the clinical results after transplantation of lungs that had undergone warm perfusion after initially being deemed unusable, with a control group of lungs deemed useful. The NOVEL study then continued (NOVEL Extension) and in 2017 the inclusion of 220 patients was completed in the study, which then formed the basis of the PMA application submitted in 2018 and subsequently approved in 2019. Data from the NOVEL Extension study demonstrates that EVLP with XPS and STEEN Solution is safe and effective.

"Vienna study"[3]

In a study conducted in Vienna, cold static preservation was compared with PERFADEX and cold static preservation with PERFADEX followed by EVLP on so-called standard lungs. The study was the first of its kind to examine the effect of EVLP on normal standard lungs, in a randomized prospective design.

The study showed no statistically reliable difference between the groups, but showed a trend to minor primary graft dysfunction (PGD) in the EVLP group.

Important publications from 2019

Lund University Hospital published a 10-year follow-up of the first 6 recipients of lungs who had undergone EVLP in 2006 and 2007.[4] The authors conclude that there is no difference between conventional lung transplantation and EVLP, in terms of survival and lung function, and that EVLP helps to increase the donor pool by improving marginal lungs and enabling an evaluation of the viability of donated lungs.

The Toronto group also published long-term follow-up on recipients of lungs who had undergone EVLP.[5] The retrospective study included 230 transplants performed with lungs that had undergone EVLP. The results show that the use of EVLP has increased the number of lung transplants and that long-term results are comparable to standard transplantation.

A Japanese group has compiled published results from scientific articles on EVLP in a so-called meta-analysis published in 2019.[6] The results included eight studies involving a total of 1191 patients. The analysis shows that lungs that have undergone EVLP produce comparable results as conventional transplantation, even though the EVLP lungs were of poorer quality. EVLP is a useful method for marginal lungs and can increase the utilization rate of donated lungs.

Sources: 1. Cypel M, et al. Experience with the first 50 ex vivo lung perfusions in clinical transplantation. J Thorac Cardiovasc Surg. 2012;144:1200-1206 2. Data submitted to FDA 3. Slama A, et al. Standard donor lung procurement with normothermic ex vivo lung perfusion: A prospective randomized clinical trial. J Heart Lung Transplant. 2017 Jul;36(7):744-753. 4. Ghaidan H, et al. Ten year follow-up of lung transplantation using initially rejected donor lungs after reconditioning using ex vivo lung perfusion. Journal of cardiothoracic surgery Jul. 2019 vol. 14,1 125. 5. Divitwarmawela C, et al. Long-term Outcomes of Lung Transplant With Ex Vivo Lung Perfusion. JAMA Surg. 2019;154(12):1143-1150. 6. Tian D, et al. Outcomes of marginal donors for lung transplantation after ex vivo lung perfusion: A systematic review and meta-analysis. JTCVS February 2020 Volume 159, Issue 2, Pages 720–730.e6

lungs outside the body by observing flows, pressures and gas exchange. In this way, the transplant teams are given a method of objectively assessing the lung before the final decision on transplantation is made. There is also the possibility of performing X-rays of the lungs outside the body, inspecting them in bronchoscopes and clearing the airways.

It has been clinically demonstrated that with the STEEN Solution method, the time that the lung can be stored outside the body can in many cases be extended to approximately 24 hours from the standard method's six to ten hours. This will also give clinicians a better opportunity to find the right recipient and to plan and streamline their operations.

Today, only about 20% of all lungs donated are transplanted. Through EVLP using the STEEN Solution method, one can evaluate lungs initially assessed as non-transplantable and increase the utilization rate to about 40%.

Advantages of the STEEN Solution method

Most studies conducted with STEEN Solution show that patients who received lungs initially assessed as suboptimal, but after STEEN Solution treatment was assessed as acceptable, had equivalent results as those patients transplanted with optimal lungs.

Experience is that the majority of the centres that start up an EVLP program increase the number of lung transplants performed by one third without adversely affecting the organ function of the recipient.

New method of heart preservation during transport – Non Ischemic Heart Preservation (NIHP)

The standard method of storing donated hearts is as well as for lungs to cool down the organ. Cold preservation of the heart, however, poses a major challenge as the safe time for preserving a heart outside the body is limited to only 4 hours. The time outside the body is directly correlated with the survival of the recipient, a ratio that is even more evident if the donor is older - then the time outside the body should not exceed 2 hours. The time factor means that the distance that a heart can be transported is limited and reduces the ability to find the most suitable recipient.

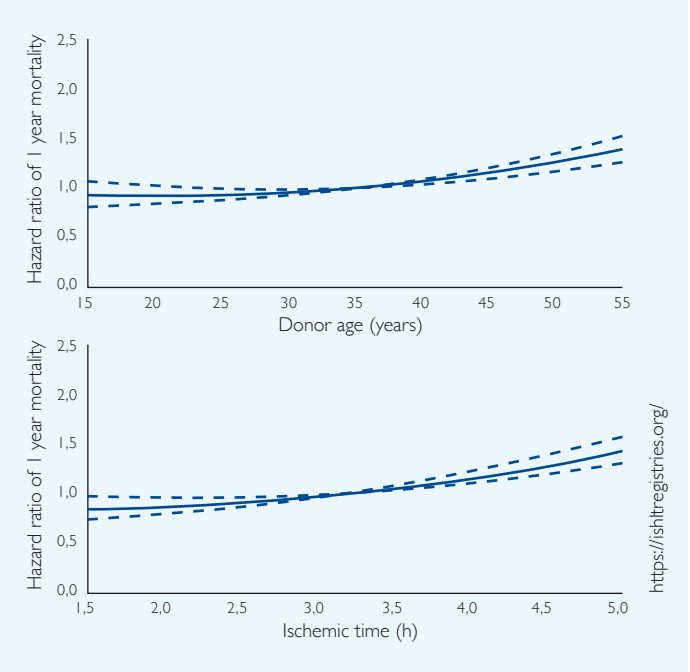
This time limit is costly and results in severe logistical problems, leading to the loss of transplantable organs, as they cannot be transplanted within the prescribed time frame. An analysis of ISHLT* statistics on survival after a transplant shows that the optimal donor is under 35 years of age and that an ischemic time (time without oxygen outside the body) above 3-3.5h carries a higher risk for the recipient. With a method that allows longer

XPS (XVIVO Perfusion System) is with its integrated Hamilton ventilator and MAQUET CardioHelp centrifugal pump the market's most flexible and complete platform for EVLP and gives the transplant team full control over the entire process. The XPS design means that X-ray and automatic measurement of weight, oxygen, carbon dioxide and pH can be done during EVLP evaluation. XPS has a user-friendly graphical interface with touch screen functionality and data recording of lung values throughout the EVLP procedure, providing the basis for analysis and evaluation before the final clinical decision is made, if the lung can be transplanted or not.

STEEN Solution is a unique patented solution used to perfuse donor lungs in connection with lung transplantation. EVLP with STEEN Solution is a clinically applicable method where perfusion of STEEN Solution at normal body temperature makes it possible to preserve and assess the function of lungs outside the body before transplantation.

THE REVENUE for XVIVO Perfusion for a transplant performed after cold preservation with PERFADEX Plus is approximately SEK 15,000. With the STEEN Solution method, which also includes PERFADEX and other disposable prod-ucts, the revenue increases to between SEK 80,000 and 200,000 per transplant depending on the equipment used.

storage time outside the body while waiting for transplantation, more hearts could be transplanted, while saving costs on logistics and transport. The new method increases the time a heart can be stored outside the body (Ex Vivo) from the four hours to up to about 12 hours, which significantly extends the time window when a heart transplant is possible.



XVIVO Perfusion has in collaboration with Igelösa Life Science and Professor Stig Steen developed a new method for storing and transporting the heart from a donor in an optimized way, through non-ischemic heart preservation. The new preservation method contains a machine that supplies the heart with important substances in an oxygenated solution for transplantation. If the new method is found to work as well in humans as in animals, it will be possible to use far more hearts for transplantation. The new method has shown in animal studies that the time a heart can be stored outside the body (Ex Vivo) can increase from the four hours to up to about 12 hours, which significantly prolongs the time window when a heart transplant is possible. A longer preservation time means that there is a better chance of finding the most suitable receiver with distance as a less limiting factor.

Pre-clinical and clinical experience with NIHP

In pre-clinical studies on pigs conducted by Professor Stig Steen and his research group, the new method for storing donated hearts up to 24h, has been proved safe.[1]

A research group in Munich has published data from experiments in xeno transplantation, using XVIVO Perfusion's non-ischemic heart preservation technology, has for the first time succeeded long-term survivors of baboons transplanted with the hearts of genetically modified pigs. In the future, the hope is to be able to use pig hearts in human heart transplantation and thus remedy the organ shortage.[2]

Skåne University Hospital in Lund has in its own study successfully conducted the first clinical heart transplants with the new technology. At the 2019 Annual Congress of the ISHLT in Orlando, the results of the first six heart transplant patients in Lund[3] indicating that the method is safe to use in humans. More than 10 patients have now received donated hearts preserved with the new method.

In 2019, XVIVO Perfusion received approval from several European Ethical Committes and Agencies to begin multicenter clinical studies with the new heart preservation products. A European clinical study is planned and involves eight heart implantation clinics in seven European countries. The clinical documentation from the planned studies will form the basis for the application for regulatory approval in all major markets.

*ISHLT: International Society for Heart and Lung Transplantation

Sources: 1. Steen S, et al. Safe ortwarmopic transplantation of hearts harvested 24 hours after brain death and preserved for 24 hours. Scand Cardiovasc J. 2016 May 3; 50(3): 193–200. 2. Längin M, et al. "Consistent success in life-supporting porcine heart xenotransplantation". Nature, i'm sorry. 2018 Dec;564(7736):430-433. 3. Nilsson J, Conference Paper in The Journal of Heart and Lung Transplantation 37(4):S13 · April 2018.


"THE NEW METHOD
INCREASES THE TIME
A HEART CAN BE
STORED OUTSIDE THE
BODY (EX VIVO) FROM
THE FOUR HOURS OF
THE DAY TO UP TO
ABOUT 12 HOURS"

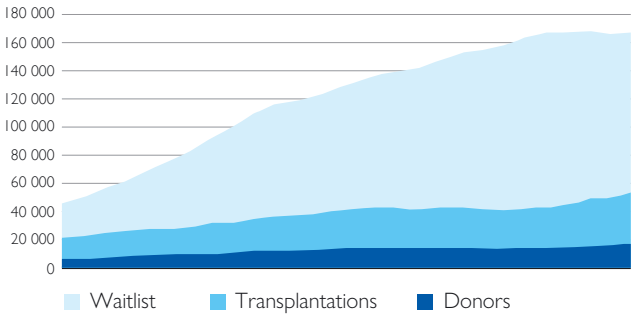
MARKET SIZE AND GROWTH

According to the Global Observatory on Donation and Transplantation (GODT), approximately 139,000 organ transplants were performed from more than 44,000 donors in 2018. Kidneys and liver account for the largest proportion, 65% and 23% respectively. In 2018, approximately 6,500 lung transplants were performed per year at more than 200 clinics, and about 8,000 heart transplants at approximately 350 clinics. North America is the largest market in the world and accounts for almost half of the number of transplants within both the lung and heart. Europe accounts for 30-35% of the market.

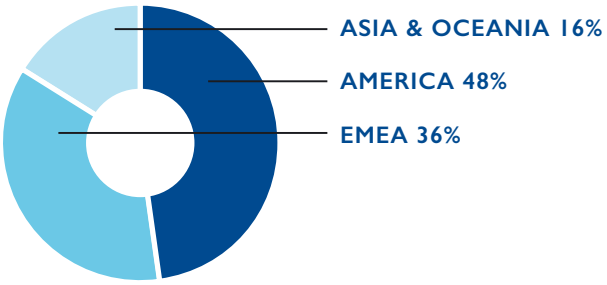
Approximately 6,500 lung transplants are performed a year at more than 200 clinics, and about 8,000 heart transplants at about 350 clinics. North America, which is the largest market in the world, accounts for almost half of the number of transplants within both the lung and heart.

Although the number of donors and transplants increases each year, it represents only 10% of the need. In the US and Europe alone, an estimated 250 000 people are waiting for a new organ, but the lack of donors means that many will never have the opportunity to undergo a transplant. It is therefore not the waiting list that determines the size and growth of the market, but how many organs are available for transplantation. One way to increase the number of available organs is to improve the frequency of donations, for example by introducing presumed consent (i.e. the population is presumed to be in favour of donation unless expressed otherwise), improving the infrastructure around the donation and transplantation process and raising public awareness. However, most agree that the greatest potential for increasing the number and quality of organs is the new methods of

THE WAITING LIST SITUATION IN THE UNITED STATES



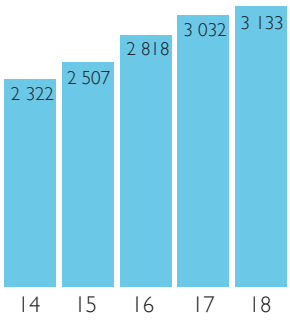
LARGEST MARKETS



DISTRIBUTION OF LUNG TRANSPLANTS PERFORMED 2014-2018

Source: GODT, OPTN and company's own analyses

AMERICAS



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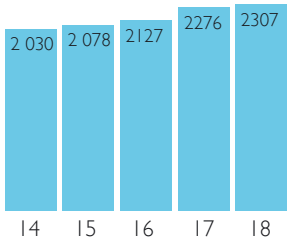
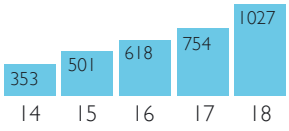


ASIA & OCEANIA



perfusion, preservation and reconditioning of organs, and lungs are no exception.

Market growth for heart and lung transplantation is estimated to be around 5%, with higher growth in North America and Asia than in Europe. In the US, growth is mainly driven by the increase in the number of people dying as a result of an opiod overdose, but also by the increasing use of organs from donors who have died of heart death and organs that do not meet stand-ard criteria for acceptance. In Asia, growth is driven by increased knowledge of organ donation, both among the general public and in health care, while there has been a change in attitude, especially among the younger generation. Many Asian countries have built up a larger and more efficient infrastructure for organ donation and transplantation, and the acceptance of brain death as a concept of death has become more accepted.

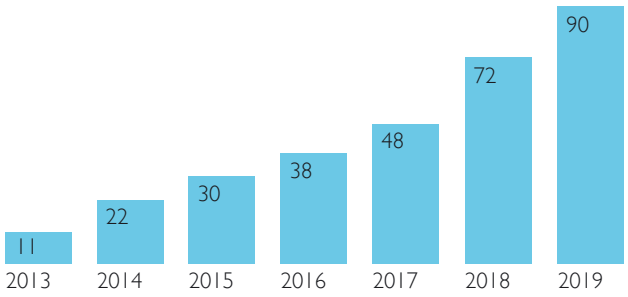
In large parts of the world, lung and heart transplants are not performed at all, due to a number of factors such as economic conditions, organ donation systems, and ethical and cultural barriers.

Donation after circulation standstill (DCD - Donation after Circulatory Death)

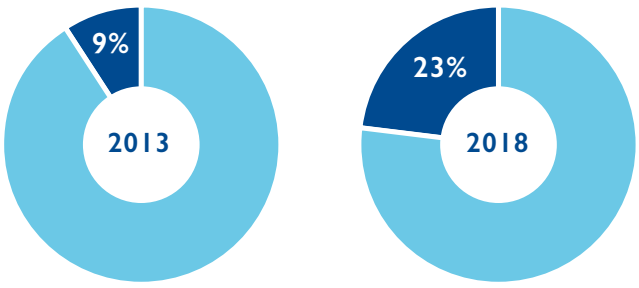
The acute shortage of suitable donors after brain death has led to an increasing number of countries starting to accept donation after circulatory death, i.e. after cardiac death. According to GoDT, DCD accounted for about 23% of the global number of donors in 2018, compared with about 9% in 2013. There is a wide variation between countries in the extent of use, with Spain being the country with the most DCD in relation to population. But in several other European countries too, it has become an established process, such as in the UK, the Netherlands and Belgium. Also Australia and the US have extensive experience from DCD donation. Several scientific articles as well as reports from national and international registries show that post-transplant results with a DCD organ are comparable to the results of brain-dead donors (DBD). At the same time, many countries have not yet started programmes for DCD. In Sweden, the first DCD donations were carried out in 2018, as part of a pilot project. A final report from the project is expected in 2020 to be decided on a possible broader introduction in Sweden.

In DCD donation, the lung is exposed to a warm ischemia (lack of oxygen), which risks damaging the lung. However, using EVLP, the transplant teams can evaluate a DCD lung outside the body to ensure its function.

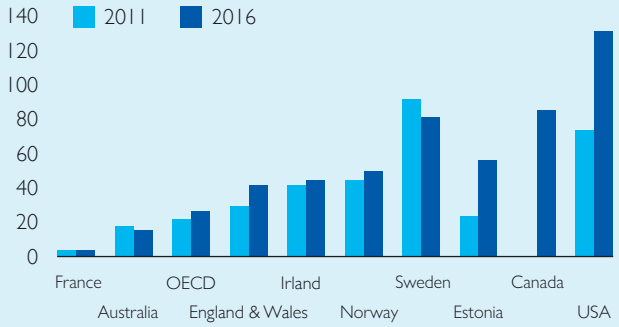
SALES WARM PERFUSION WITHOUT DURABLE GOODS*, MSEK



SHARE OF DONATION AFTER CIRCULATORY DEATH



OPOID-RELATED DEATHS PER MILLION INHABITANTS FOR SELECTED OECD COUNTRIES, 2011-2016**



THE OPOID CRISIS According to the U.S. Centers for Disease Control and Prevention(CDC), more than 70,000 people died as a result of overdose in 2017 in the United States, two-thirds of whom were related to opoid use. According to an OECD report from 2019, there is an increase in opoid-related deaths in Europe as well, and Sweden is one of the countries most affected. The number of opoid-related deaths in Sweden has more than doubled between 2011 and 2016. One effect of the opoid crisis is that more people become organ donors. The reason is that an overdose of opiodes can cause respiratory arrest and lead to suffocation and brain death. In 2017, one in eight donors in the United States had died as a result of opoid overdose compared to one in 100 in 2000.

* Sales warm perfusion without durable goods are the sale of STEEN Solution™ and other sterile disposables used in each lung evaluation. ** Source: EMCDDA and OECD (2019), Addressing Problemative Opoid USE in OECD Countries

GLOBAL FOCUS WITH LOCAL PRESENCE

The number of lung transplant clinics worldwide is just over 200, making it possible to reach a large part of the market with a relatively limited organization. Since 2012, XVIVO Perfusion has invested in building a strong commercial platform through its own sales organization in North America and Europe and most recently in Oceania. Through direct contact with our customers, we create a strong relationship and ensure that we provide the right equipment, training and suppor t.

In 2019, XVIVO Perfusion expanded its commercial organization to further accelerate market penetration. We have added field-based technical support staff to strengthen clinic support. We have also expanded our distributor network, especially in Asia. With a growing customer base in Australia and New Zealand, the need for closer customer contact has been strengthened. In 2019, XVIVO Perfusion therefore started a subsidiary in Sydney, Australia.

Marketing strategy

- Continued focus on established markets, increasing penetration of EVLP.
- Geographic expansion in markets outside Europe, North America and Oceania.
- Ensure reimbursement of our products in all key markets.
- Clinical studies to strengthen documentation and broaden the indication.

Competitors

Cold preservation of lungs

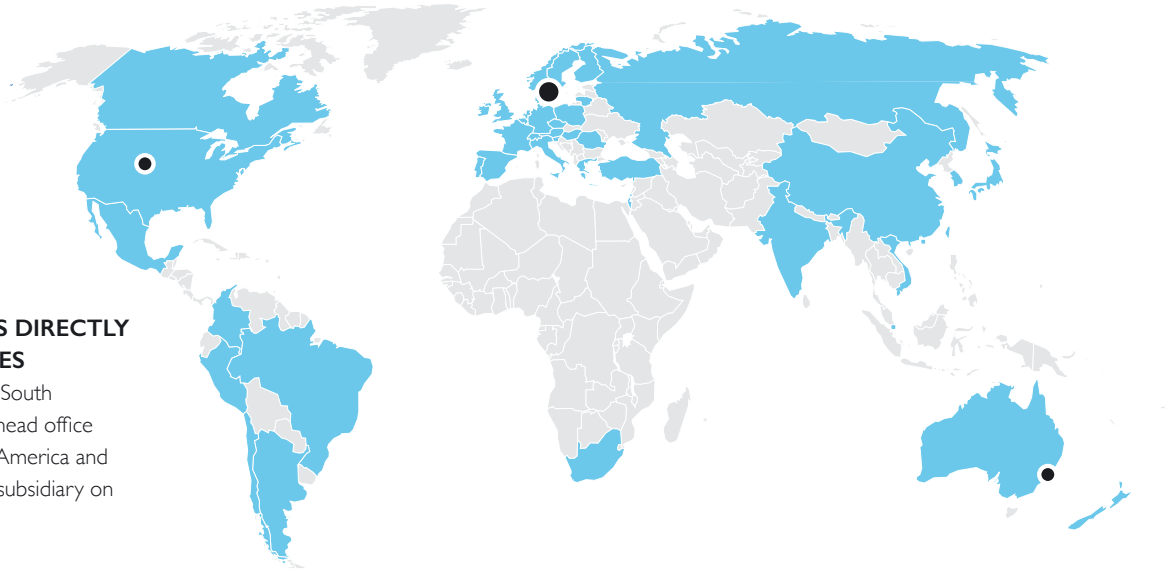
French Institute Georges Lopez (IGL) offers Celsior for cold preservation of several different organs, including lungs. In addition, there are two generic versions of PERFADEX, Servator P from Italian S.A.L.F. and LungProtect from Polish Carnamedica. In some mar-kets there are locally produced solutions, for example in China and Japan. These competitor products have a combined market share of 5-10%. None of these products are approved by the US FDA for the storage of lungs and none of them is a ready-to-use variant similar to PERFADEX Plus.

Warm perfusion of lungs

OCS Lung from US-based Transmedics is a CE marked and FDA approved machine with associated solution used for EVLP. OCS Lung is used with a different protocol than those developed in Lund and Toronto and includes warm transport of lungs between donor and recipient.

Machine perfusion of hearts

In machine perfusion of donated hearts, there are two US-based competitors. Transmedics OCS Heart for warm perfusion, as well as Paragonix SherpaPak Heart Transport System for cold static storage. OCS Heart is CE-marked and SherpaPak Heart System has in addition to CE marking also been approved for marketing by the FDA.



XVIVO PERFUSION SELLS DIRECTLY TO ABOUT 40 COUNTRIES

Sales to Europe, Asia, MEA and South America are handled from the head office in Gothenburg. Sales to North America and Australia are handled from the subsidiary on each continent.

"IN AUSTRALIA, MORE THAN **200 LUNG TRANSPLANTS ARE NOW PERFORMED ANNUALLY** AT FOUR CLINICS"

The number of transplants has increased sharply in Australia over the past decade and more than 200 lung transplants are now performed annually at four clinics. The increase is mainly due to innovations in donation, the use of DCD donors, the application of EVLP and increased organ use. We are seeing a growing interest in Australia for XVIVO Perfusion's organ preservation and organ evaluation products for both lung and heart. Three XPS systems have so far been installed in Australia and all heart transplant clinics have shown interest in participating in the planned clinical study of XVIVO Perfusion's heart preservation products. To support the growing interest in our technology, XVIVO Perfusion established a Sydney subsidiary in 2019 and hired Brett Goodbun as regional business and technical manager for Oceania (Australia and New Zealand). Physical presence in the region allows for closer contact with the clinicians as well as faster support when required.

RESEARCH IN NEW INDICATIONS

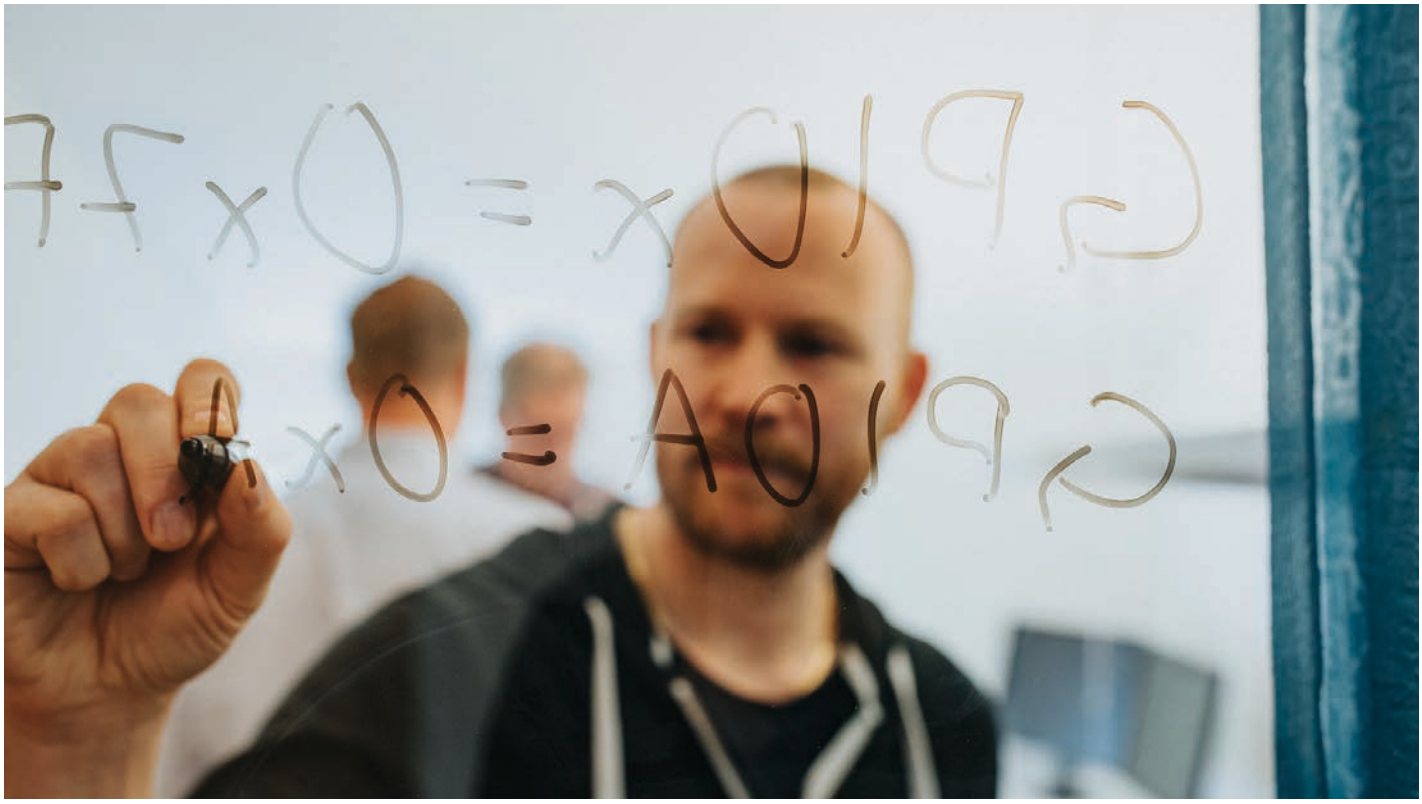
Research and development strategy for new indications

XVIVO Perfusion's main strategy is to develop solutions and machines for perfusion of donated lungs and hearts prior to transplantation in order to use more donated organs of good quality for transplantation. Most of the company's resources are allocated to research in heart and lung transplantation. In addition to thoracic transplantation, the company develops the use of STEEN Solution and similar solutions for new indications in areas where the company has cutting-edge expertise and experience. Examples of areas where the company develops the use of STEEN Solution for new indications are:

- warm perfusion with STEEN Solution when transplanting organs other than the lung, such as the liver and kidney.
- administration of medicines to isolated organs and tissues (isolated tissue therapy) in order to optimize dosages and reduce side effects – for example, in vivo treatment of metastatic cancer of the lung.

A recent example of developing a product within new indications is PrimECC, which is used to prepare the heart lung machine for open heart surgery. XVIVO Perfusion is looking to develop such new indications where there is great market potential and clear synergies with existing sales areas, and where the company can benefit from:

- company's extensive experience in research and in taking projects from research and development, through the process of obtaining regulatory approval (in all major markets including the FDA in the US and then different phases of market establishment
- company's established relationships with world-leading researchers and transplant centers
- company's global distribution and market presence



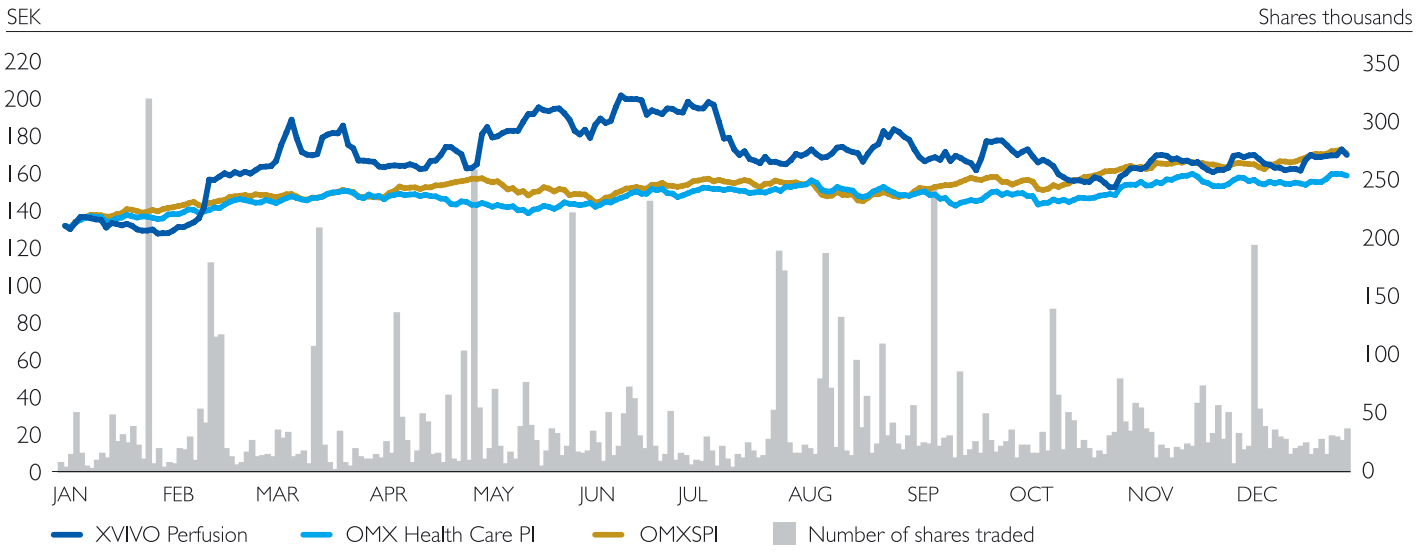
CURRENT RESEARCH PROJECTS WITHIN NEW INDICATIONS

The table briefly describes XVIVO Perfusion's current research project in new indications, underlying market needs they address and what phase they are in.

PROJECTS	DESCRIPTION AND UNDERLYING MARKET NEEDS	STATUS
Machine and solution at Ex Vivo preservation of heart during transplantation	The need for heart transplants is now far greater than the availability due to lack of transplantable hearts. At the same time, the user level of hearts is only about 30% (U.S.). That's why XVIVO Perfusion is collaborating with Professor Stig Steen and Igelösa Life Science to develop the next generation of heart storage products for transplantation. The products consist of both circulatory apparatus and solution, both of which will help to better preserve hearts outside the body and thus contribute to that more heart transplants can be performed and more patients can be given one last chance to a longer life with improved quality of life.	The products are in early phase clinical studies. The company is working to begin multicenter clinical studies and the application to the Swedish Medical Products Agency has been submitted. These studies will form the basis for the application for regulatory approval of the products.
PRIMECC	PrimECC is a fluid developed in collaboration with Professor Stig Steen in Lund to prepare heart lung machines that are used to drive blood circulation and take over the oxygenation of the blood from the heart and lungs during heart surgery. PrimECC is designed to prevent air bubbles from entering the patient's circulation when the heart lung machine is started, and to compensate for the blood volume present outside the patient during the operation, in the heart lung machine. Today, as a rule, simple saline solutions are used for this purpose. The expectation is that the use of PrimECC will reduce side effects related to the use of a heart lung machine. There are several hundred thousand surgeries where the heart lung machine is used per year.	XVIVO Perfusion has patents for PrimECC in the important markets USA, EU, China and Japan and the product is already CE-marked. In 2016 and 2017, a randomized clinical study was conducted on 80 patients at Sahlgrenska University Hospital in Gothenburg, which showed positive and interesting clinical results. In 2020, an expanded study is planned to further document the results and the company is awaiting product launch until the study result is analyzed.
STEEN Solution at Ex Vivo warm perfusion of liver during transplantation	The need for liver transplants is today far greater than the availability of transplantable livers. XVIVO Perfusion is looking to apply STEEN Solution in this area to help increase the number of liver transplants that can be performed so that more patients can be given one last chance to a longer life with improvedquality of life.	Is in exploratory clinical phase and the first study with liver transplantation using STEEN Solution has been conducted in Toronto, Canada. The focus is to start studies with STEEN Solution for liver transplantation of marginal livers.
STEEN Solution in isolated tissue therapy for cancer treatment	Side effects from cancer drugs are often serious and in some cases at high doses lethal. If oncologists can isolate the organ to be treated, side effects can be reduced and more treatments carried out. XVIVO Perfusion is exploring the possibility of using STEEN Solution as a carrier of cancer drugs (chemotherapy drugs) in the treatment of first-stage cancer that have spread to the lungs.	Is in exploratory clinical phase and the first drug administration to an isolated lung using STEEN Solution was performed in 2016 in Toronto, Canada.

THE SHARE

DEVELOPMENT OF SHARE PRICE DURING THE YEAR



XVIVO Perfusion's share is listed on Nasdaq Stockholm under the ticker symbol XVIVO, where it has been listed since November 28, 2016. The share has been listed on Nasdaq First North since October 8, 2012. One trading item comprises 1 share.

Share structure

As of December 31, 2019, the share capital of XVIVO Perfusion AB (publ) amounted to SEK 679,875, divided into 26,600,496 shares. Trading takes place on Nasdaq Stockholm, Mid Cap. All shares have equal voting rights and have equal rights to share in XVIVO Perfusion's assets and earnings.

Development of the share price and turnover

On December 31, 2019, the share price was SEK 170.00 per share last paid, which represents an increase of 29 percent compared to the closing price on December 31, 2018. The OMX Health Care index recorded a 22 percent rise and the OMX Stockholm index increased by 30 percent over the same period. At the end of 2019, XVIVO Perfusion's market capitalization was SEK 4,522 million based on the latest price paid. The highest note during the period was SEK 204.00 and was quoted on June 10. The lowest figure during the period was SEK 126.40, which was quoted on 25 January.

The number of XVIVO Perfusion shares amounted to 8,708,709 a value of SEK 8,708 million during the year. The number of trades were 73,125. The number of shares covered corresponds to 33 per cent of the average number of outstanding shares during the year.

SHARE PRICE INCREASE IN 2019

+29%

Dividend policy and dividend

XVIVO Perfusion's Board of Directors believes that the company should have a strong capital base to enable continued growth, both organically and through acquisitions. The Board of Directors and the CEO propose that no dividend be paid for 2019.

Ongoing information

XVIVO Perfusion's share is listed on Nasdaq Stockholm, Mid Cap. Continuous information about the company such as press releases, quarterly reports and annual reports can be found on the company's website www.xvivoperfusion.com.

Insiders

XVIVO Perfusion is obliged to notify the Swedish Financial Supervisory Authority which persons have insight into the company. These persons must notify their holdings of shares and any changes in the holdings. The Board members and the PRESIDENT and CFO are considered to have a position of transparency in XVIVO Perfusion. A full list of persons with a position of transparency and their holdings is reported on the company's website www.xvivoperfusion.com.

Warrant program

In total, there are 630 000 outstanding warrants in two programs. The 2018 Annual General Meeting resolved to issue a maximum of 315,000 warrants (series 2018/2020) with the accompanying right to subscribe for a maximum of 315,000 new shares to employees of the XVIVO Perfusion Group. Of these warrants, 279,000 have been subscribed for by employees. Warrant program 2018/2020 gives the option holder the right to subscribe for a new share at a price of SEK 146.02 in May 2020.

The 2019 Annual General Meeting resolved to issue a maximum of 351,000 warrants (series 2019/2021) with the accompanying right to subscribe for a maximum of 351,000 new shares to employees of the XVIVO Perfusion Group. Of these warrants, all 351,000 have been subscribed for by employees. The warrant program 2019/2021 entitles the option holder to subscribe for a new share at a price of SEK 278.91 in May 2021.

Analyses

Pareto Securities, Danske Bank and RedEye analyses XVIVO Perfusion regularly.

Ownership

According to Euroclear's official shareholder register, XVIVO Perfusion had 5,483 shareholders as of December 31, 2019. XVIVO Perfusion AB's (publ) ten largest shareholders as of December 31, 2019 are listed below:

	Shares	Percent
Bure AB Equity	4 205 504	15,8
Swedbank Robur	1 630 000	6,1
Eccenovo AB	1 500 000	5,6
Norron Funds	1 272 699	4,8
Fourth AP Fund	1 250 000	4,7
Oppenheimer	1 000 000	3,8
State Street bank & Trust Co	893 418	3,4
Leif Bergvall	412 147	1,5
SEB Life International Assurnace	410 000	1,5
Handelsbanken Life	404 150	1,5
Other shareholders	13 622 578	49,6
Sum	**26 600 496**	**100,0**

Source: Euroclear Sweden's share register on December 31, 2019.

FINANCIAL REPORTS 2020

Interim report January-March 2020:
Friday, April 17, 2020

Interim report January-June 2020:
Friday, 10 July 2020

Interim report January-September 2020:
Friday, 23
October 2020

Year-end report 2020:
Thursday, 28 January 2021

INVESTOR RELATIONS

Christoffer Rosenblad
CFO
Tel: +46 (0)735 192159
E-mail: christoffer.rosenblad@xvivoperfusion.com

Magnus Nilsson
Managing Director
Tel: +46 (0)31 788 2150
E-mail: magnus.nilsson@xvivoperfusion.com

WE EMPOWER
TRANSPLANT
TEAMS TO **SAVE**
MORE LIVES

ADMINISTRATION REPORT

The Board of Directors and the Managing Director of XVIVO Perfusion AB (publ), corporate identity number 556561-0424, may hereby issue annual and consolidated financial statements for the financial year 2019.

Business

XVIVO Perfusion AB is a medical technology company that develops solutions and systems to select useful organs and keep them in optimal condition while waiting for transplantation. The company's products PERFADEX® and PERFADEX® Plus currently have a market share of approximately 90 percent in traditional cold preservation of lungs prior to transplantation. The company's products XPS™ and STEEN Solution™ for warm perfusion are today the only products on the market that have FDA approval for warm perfusion of marginal lungs.

Lung transplantation

A major problem in transplant care is the lack of available lungs. Today, about 20 percent of available donor organs are used in the US, as it is deemed too risky to use other donated lungs for transplantation. With the help of XVIVO Perfusion's product – STEEN Solution – the organ is rinsed from harmful substances from the donor, creating a better environment for the organ's cells. The technique thus gives the organ the opportunity to "recover" if possible and that functional testing can be performed outside the body. In clinical use in the US, Europe, Australia and Canada, it has been found that many of the initially "rejected" organs after the STEEN Solution perfusion have been assessed as useful and used to transplant patients with lung disease. STEEN Solution use therefore has the potential to increase the total number of lung transplants worldwide.

Heart transplantation

Based on research done by Professor Steen and his research group, the Group's heart transplant competence center in Lund develops a portable machine and solutions for heart preservation. The products are designed to allow more donated hearts to be used in heart transplants and that more patients can thus be given one last chance at a longer life. The goal in 2020 is to start multi-centre clinical studies as a basis for applications for regulatory approvals for the products in all major markets.

Other indications

The company also invests resources in preclinical and clinical research in transplantation of the liver and kidney as well as in perfusion of organs that remain in the body, such as drug administration to isolated organs and priming solutions for heart lung machines.

Business concept

XVIVO Perfusion's business concept is to increase survival in patients who need a new organ by offering effective products and systems that increase the availability of organs with good survival potential during transplantation.

Vision

The company's vision is that "nobody should die waiting for a new organ".

Objective

The company's goal is to maintain its position as a market leader in lung transplantation and establish perfusion of organs with STEEN Solution and other advanced solutions such as standard treatment for transplantation of lungs and other organs.

Strategy

XVIVO Perfusion's strategy focuses on increasing the number of available organs for transplantation by providing products and technology that allow organs to be stored, evaluated and improved outside the body. The goal is to build on the scientific, regulatory and market competence in lung transplantation and expand to more organs.

Significant events

Major progress was made in 2019 in the field of lung transplantation. On April 26, 2019, XVIVO received Premarket Approval (PMA) approval from the FDA for the XPS™ and STEEN Solution for sale on the U.S. market. The PMA approval was the first of its kind and means that more lung transplants are possible without the limitations of the previous HDE approval, and that the clinics' reimbursement process (reimbursement) is facilitated. FDA marketing approval process began in 2009 and during the ten-year period clinical studies have been conducted to prove product and patient safety. XVIVO Perfusion will perform a Post Approval Study (PAS) required by the FDA to follow up the long-term results through an official registry in the US that compares traditionally donated lungs with those in which EVLP has been performed before transplantation. Costs for PAS will be capitalized on an ongoing basis while the study is expected to continue.

During the year, the company obtained European patent approval for the 'ready to use' product PERFADEX Plus for cold preservation of lungs. PERFADEX Plus was launched in Europe and the US in 2018 and patent applications for the new formulation have been filed in all key markets in 2019.

Reimbursement for the EVLP process has been obtained in France. This means that clinicians in France not only get compensation for the EVLP kits used in an EVLP treatment, but also get reimbursed for cost related to the time spent by the clinical team.

In 2019, important advances were also made in the field of heart transplantation. During April, ISHLT, this year's most important congress in heart and lung transplantation, was held, and at this congress Professor Johan Nilsson presented the good results from the first six heart transplant patients from the study that is taking place at Lund University Hospital, Sweden. The results of the study indicate that the method is safe to use in humans. This means that larger randomized studies can be initiated using the method. If the new method in larger studies shows the same effect on humans

as on animals, it will be possible to use significantly more donated hearts for transplantation, as well as to improve patient outcomes. XVIVO Perfusion, through its cooperation agreement with Igelösa Life Science, has the commercial rights to Professor Stig Steen's research in heart transplantation.

In 2019, great focus and resources have been focused on preparing for the upcoming heart preservation study in Europe. The study is a randomized study scheduled to involve eight centres in seven European countries. The goal of the study is to clinically demonstrate that the technology is safe and that it improves the preservation of the donated heart during transport. The study will form the basis for regulatory approval in Europe, so-called CE-mark. The company also plans to begin clinical studies in the US in 2020 to obtain regulatory approval and in Australia to expand the documentation of the products for heart preservation.

XVIVO Perfusion was granted the Breakthrough Device Designation from the FDA during the year for heart preservation technology, which ensures faster introduction to the US market. The Breakthrough Devices program is a voluntary program for certain medical devices that provides more effective treatment or diagnosis of life-threatening or irreversible debilitating diseases or conditions. The overall goal of the program is to provide patients and healthcare providers with quick access to these medical devices by accelerating their development, evaluation and review, while maintaining the statutory standards for the approval of premarket, 510(k), and De Novo marketing authorisations.
Finally, in the field of activity of heart transplantation, XVIVO Perfusion has received a patent for its heart preservation solution approved in the US and Europe. Canada has already approved this patent. XVIVO has also previously obtained patents for heart evaluation equipment in Europe, Australia, Canada and China. The patent application for heart evaluation equipment is pending in the US. Together, these patents strengthen XVIVO Perfusion's position in the heart transplant field in all major markets in the world.

Based on the growing interest in XVIVO Perfusion lung transplant products, as well as the high interest from all Australian clinics to participate in the heart preservation study, a subsidiary in Australia was started in the fourth quarter and a regional sales manager was hired.

As a result of the exercise of warrants attributable to the Company's employee warrant program, series 2017/2019, the number of shares and votes in XVIVO Perfusion AB (publ) during the period has increased by 198,000 shares and votes. As of December 31, 2019, there are thus a total of 26,600,496 shares and votes in the company. The company received approximately SEK 27 million through this rights issue. The Company's employee warrant program, series 2019/2021, of a maximum of 351,000 warrants was fully subscribed in 2019. Each warrant entitles the holder to subscribe for one new share in XVIVO at a subscription price of SEK 278.91 in May 2021.

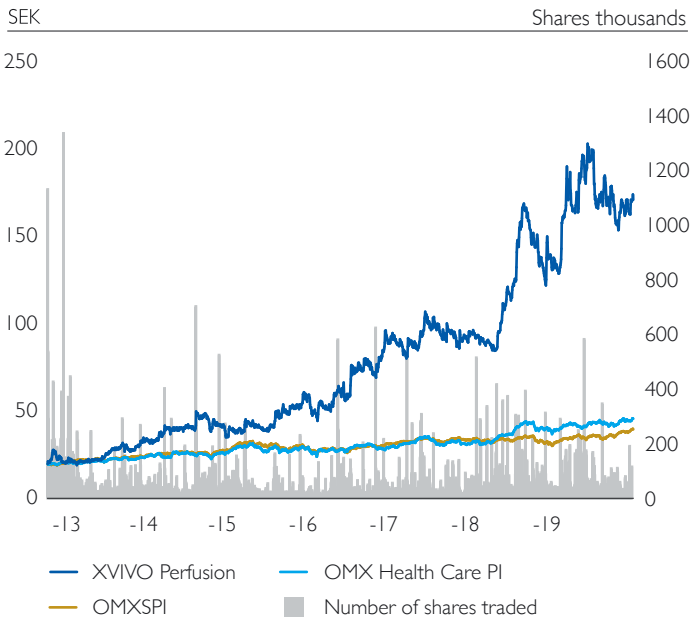
Development of the company's business

Since XVIVO Perfusion was founded as an independent company through the spin-off from Vitrolife in October 2012, the company has established itself as the leader in warm perfusion of organs prior to transplantation and has maintained its position as market leader in cold preservation of lungs. During these more than seven years, the company has built up market and research expertise on both sides of the Atlantic and become the first company in the world to receive an FDA approval for warm perfusion in the US and since 2019, XVIVO Perfusion is the only company in the world to hold PMA approval for warm perfusion of marginal lungs. During these seven years, XVIVO Perfusion has increased sales each year with a good gross and EBITDA margin. In 2019, a milestone was reached when sales without capital goods exceeded SEK 200 million for the financial year for the first time.

GROUP'S KEY RATIOS – 5-YEAR SUMMERY

	2019	2018	2017	2016	2015
Net sales, MSEK	221	188	148	138	120
Gross margin non-durable goods, %	77	77	78	80	78
Gross margin, %	74	72	76	74	71
EBITDA,%*	13	16	15	12	16
Operating margin,%	2	7	5	2	6
Net margin, %	2	7	4	1	4
Total assets, MSEK	634	587	539	350	204
Equity/asset ratio, %	91	92	94	90	91
Earnings per share, SEK	0,19	0,48	0,25	0,07	0,24
Equity per share, SEK	21,71	20,47	19,26	13,40	8,59
Share price at closing day, SEK	170	132,00	94,00	88,00	58,50
Average number of employees	46	35	29	24	18

SHARE PRICE DEVELOPMENT SINCE LISTING



* Reported EBITDA margin 2019 has been negatively affected by the cost of the share-based option program of SEK -7.0 million and positive effect of the introduction of IFRS 16 Leases of SEK 3.5 million. Adjusted for these two items, the EBITDA margin is 15% for the year. The comparative figures for 2018 have not been restated in relation to IFRS 16.

In order to maintain a high growth rate at the same time as a high degree of innovation, the company has focused on strategically important issues such as product development in collaboration with world-leading researchers, universities and clinicians, as well as building marketing organization and sales capacity. At the same time, the company has freed up resources by non-strategic parts such as production and administration, mostly outsourced to external parties.

In 2019, the positive trend for XVIVO Perfusion's main product area - warm perfusion of lungs continued. Five more clinics embraced the XPS technology. For example, the collaboration with United Therapeutics (an innovative player in lung evaluation) was expanded with an additional XPS machine. The use of EVLP increased in 2019 in several important European clinics.

With this path, the Group has also managed to generate good gross margin and profit in 2019, while strong investments in R&D, regulatory expertise and expansion of the customer support organization have been made during the year.

Research and development

XVIVO Perfusion mainly conducts product development inhouse, while research is mainly carried out in collaboration with world-leading institutions and researchers in all major markets in the world. Of the total operating expenses for the year of SEK 159 million (123), research and development expenses accounted for SEK 63 million (48), corresponding to 40 (39) percent. In addition, development expenses of SEK 69.8 million (47.2) were balanced as intangible assets during the period, of which SEK 10.0 million (19.0) is attributable to investments in the now completed NOVEL study with the intention of achieving PMA approval for STEEN Solution and XPS. The approval was obtained in the second quarter of 2019, which means that the study is now fully capitalized. SEK 52.7 million (26.9) of this year's capitalization is derived from investments in the heart transplant project with the intention of reaching market approval in the US and Europe, SEK 4.2 million (0.7) derived from PrimECC and SEK 2.9 million (0.6) related to expenses to reach regulatory approvals for the rest of the product portfolio.

In the field of lung transplantation, progress has been made in several areas. On the one hand, important upgrades have been launched for the company's XPS machine and, on the other hand, cooperation has been initiated with the Belgian company MyCartis, which specializes in quick diagnostics using biomarkers. In collaboration with MyCartis, the goal is to develop a rapid diagnostic tool to accurately assess the quality of donated organs in ex-vivo perfusion.

In the field of heart transplantation, development work has intensified with a larger organization. The production was ready for all products in 2019; preservation solution, machine and disposables and for the European multicenter study, applications have been submitted to the authorities of all the countries concerned.

Furthermore, the company continues to support research in the clinical phase to expand the use of warm perfusion with STEEN Solution to the liver and to drug administration to isolated organs. This is part of the long-term effort to become a global leader in organ perfusion, initially in the thoracic field, but later also in the transplantation of the liver and kidney. In the longer term, the goal is to treat isolated organs and tissues that remain in the body with adapted techniques, to avoid problems with side effects in other parts of the body. An example of this is cancer treatment. The competence in these areas is also used for the development of PrimECC.

Significant risks and uncertainty factors

There are several risk factors that affect and may affect the operations of XVIVO Perfusion AB.

The risks are presented in the following areas:

- Market risks
- Operational risks
- Legal and regulatory risks
- Financial risks

Market risks

Lung transplants are an expensive but life-saving procedure for which there are no medical treatment options. The cost of transplants is largely offset by the reduction in treatment costs otherwise associated with the patient. Today there is a shortage of organs which is usually the main problem for being able to perform more transplants. Other market risks include access to financial resources and medical resources in clinics around the world. XVIVO Perfusion currently believes that the business is not significantly affected by changes in the economic situation.

Operational risks

These include mainly risks that limit or prevent XVIVO Perfusion from developing, manufacturing and selling quality, efficient and safe products. The risks are identified and essentially reduced to manageable levels, including through the signing of agreements with suppliers, partners and customers. XVIVO Perfusion is a limited size company and the organization is still under construction. XVIVO Perfusion's future development is partly dependent on key people with specialist knowledge staying in the organization.

Legal and regulatory risks

The market for XVIVO Perfusion is affected by applicable laws and other regulations. Changes in legislation or policy decisions may affect the company's ability to conduct or develop the business. XVIVO Perfusion products need regulatory approvals in the markets where they are marketed. The market for medical devices is increasingly regulated in order to increase patient safety and reduce the risk of malpractice. This means increased product development costs for XVIVO but also increased barriers for new competitors who want to enter the market. Due to the nature of the business, there is a risk of claims for damages and liability. In order to protect the Group against the financial effects of any claims, XVIVO Perfusion is insured against general andelated claims for damages.

Financial risks

XVIVO Perfusion has most of its sales in a currency other than Swedish kronor, where the US dollar and Euro are the main currencies. The costs are mainly Swedish kronor, but a significant part is also US dollars. XVIVO Perfusion does not currently hedge its revenues in foreign currency, which means that there is a currency risk to the business (see Note 26 for further information).

Insurance
XVIVO Perfusion has regular reviews together with insurance brokers and advisors both locally and globally, ensuring that the business and area of responsibility are properly insured.

Environment and responsibility
The Board of Directors of XVIVO Perfusion has adopted a Code of Conduct which is anchored throughout the global organization. According to the Code, XVIVO Perfusion is to operate in accordance with important ethical guidelines such as the United Nations Universal Declaration of Human Rights (www. un.org), the International Labour Organisation Declaration on Fundamental Principles and Rights in the Workplace (www. ilo.org), the UN Global Compact (www.unglobalcompact.org) and the OECD Guidelines for Multinationational Enterprises (www.oecd.org).

XVIVO Perfusion and its employees shall comply with the laws of each country in all countries in which we operate. In situations where neither the legislation nor the Code of Conduct provides any direction, we apply XVIVO Perfusion's own standards based on our values and culture. Violations of the Code of Conduct may be reported anonymously and confidentially to the Chairman of the Board of XVIVO Perfusion and to the Chairman of the XVIVO Perfusion Audit Committee.

XVIVO Perfusion's activities do not pose any specific environmental risks and do not require any specific environmental permits or decisions from authorities. However, our operations affect the environment in several ways. Our customers are located all over the world, which means that our products are partly transported by air. The company strives to streamline processes in dialogue with customers and suppliers and tries to minimize the number of shipments as far as possible. Global product range and extended durability are examples of initiatives in recent years that reduce the company's environmental impact. XVIVO Perfusion has employees in North America, Europe and since 2019 also in Australia and for this reason internal meetings are held digitally as much as possible and travel within the company takes place only when necessary. The Company considers that the business is conducted in accordance with applicable health and safety regulations and offers its employees a safe and healthy working environment. Since lung transplantation is a life-saving treatment, the availability of products is regulated by regulatory authorities.

Legal disputes
In 2019, the company was not involved in any legal disputes.

Outlook for 2020
Since the number of lungs that can be transplanted using traditional cold perfusion is not predicted to increase more than the number of donated lungs in existing markets in North America and Europe, growth in these markets is expected mainly to come from evaluation using warm perfusion of the lungs. Emerging markets such as China and India, where lung transplant capacity is being expanded, are expected to show higher growth both through EVLP and traditional cold preservation with PERFADEX Plus. The focus in 2020 is therefore to continue to develop the market for warm perfusion with STEEN Solution with the goal that the method should be a standard treatment for lung transplantation. The focus is also to increase the company's investments in emerging markets in order to create the conditions for long-term global growth.

The team will intensify research and clinical development in heart transplantation with the aim of starting multicenter clinical studies in Europe, the USA and Australia, which will form the basis for regulatory approvals. Expenditure related to the development of heart transplantation will be capitalized on an ongoing basis.

In the framework of research and development, the company is investing in expanding the use of the STEEN Solution method for other organs and developing other uses for the company's solution technology, such as warm perfusion of organs that remain in the body and priming (preparation) of heart lung machines. An example of the latter is PrimECC, a patented and European approved product to prepare heart lung machines for open heart surgery that is developed with a view to reducing side effects in the use of this type of device. The company plans to expand the documentation of PrimECC through multicenter studies in 2020. Expenditure related to documentation of PrimECC will be capitalized on an ongoing basis until market launch.

Guidelines for remuneration of senior management
Principles for remuneration and other terms of employment for the President and senior executives and principles for remuneration to the Board of Directors are subject to a resolution at the 2020 Annual General Meeting. The following guidelines have been presented to the Annual General Meeting:

Remuneration to the President and other senior executives consists of basic salary, variable remuneration and pension. Pension benefits, including health insurance, shall be defined contribution stake, subject to mandatory collective agreement provisions. In addition, the Annual General Meeting may decide - and independently of these guidelines - on, for example, share and share price-related remuneration.

The group of other senior executives currently consists of five persons. The composition and size of this group may change over time as a result of the development of the business.

The distribution between basic salary and variable remuneration shall be proportionate to the executive's responsibilities and powers. The annual variable remuneration of the CEO is capped at six months' salary. For other senior executives, the annual variable remuneration is a maximum of three months' salary. The annual variable remuneration of the President and other senior executives is based on the outcome of various parameters compared to predetermined objectives and shall aim to promote the company's business strategy and long-term interests, including the company's sustainability. The parameters are attributable to the Company's sales, profit and individually set goals. The remuneration levels shall be market-based. The period of notice of the President shall be a maximum of six months and for other senior executives a maximum of six months. In the event of termination by the Company, severance pay of a maximum of twelve months' salary is paid to the CEO. No severance pay is paid to other senior executives in the event of termination of their employment.

A successful implementation of the company's business strategy and the exploitation of the company's long-term interests,

including its sustainability, requires that the company, through competitive and market-based remuneration, can recruit, motivate and retain qualified employees. These guidelines contribute to the Company's business strategy, long-term interests and sustainability by providing incentives to achieve the Company's goals regarding sales, results and for the individual set goals. Thus, the company can offer a competitive remuneration in the labour market the executive operates, as well as be related to the executive's responsibilities, powers and performance.

The remuneration and conditions of employment of the company's employees have been taken into account when the guidelines were established by taking into account the conditions of employment and historical development of employees. The Board of Directors has considered the proposal to be reasonable.

In accordance with the Swedish Code of Corporate Governance, the Board of Directors has established a remuneration committee whose tasks include preparing the Board's decision on draft guidelines for remuneration to senior executives and to carry out reviews and follow and evaluate their application. The Board of Directors prepares proposals for new guidelines at least every four years. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the company's management, the application of guidelines for remuneration to senior executives and current remuneration structures and levels of remuneration in the company.

In the case of employment relationships subject to rules other than Swedish, the necessary adjustments may be made to comply with such mandatory rules or local practices, in which case the overall purpose of these guidelines shall be met as far as possible.

The Board of Directors shall annually evaluate whether the Board of Directors shall propose to the Annual General Meeting any kind of share-based incentive program, such as warrant programs or share savings programs, or any kind of share price-related incentive program, such as synthetic option programs.

The company currently has two outstanding warrant programs. They have been decided by the General Meeting and are therefore not covered by these guidelines. For the same reason, the two alternative proposals for incentive programs proposed by the Board of Directors for the 2020 Annual General Meeting are also excluded.

In special cases, board members elected to the Board of Directors may be remunerated for positions in their respective areas of competence, which do not constitute board work. These services shall be subject to a market fee, which shall be approved by the Board of Directors, which may, however, amount to a maximum of SEK 300,000 excluding VAT per year per member.

The Board of Directors shall have the right to depart from these guidelines if it is deemed necessary in an individual case to satisfy the company's long-term interests and sustainability, or to ensure the company's financial viability.

Parent company

The business focuses on sales outside the Americas, global research and development and global marketing. Also costs attributable to the Board of Directors and to the fact that the company's shares are listed on Nasdaq Stockholm are borne by the parent company. During the year, SEK 75 (49) million was invested in the business, of which SEK 71 (48) million was invested in intangible assets and SEK 4 (1) million was invested in tangible assets.

Proposed allocation of profits

The following earnings are at the disposal of the Annual General Meeting:

Share premium reserve	501 241 727 SEK
Retained earnings	-102 648 867 SEK
Profit for the year	1 676 SEK
	398 594 536 SEK

The Board of Directs propose that the non-restricted equity is allocated as follows: 398 594 536 SEK

The financial statements were approved for issue by the Parent Company's Board of Directors on March 9, 2020.

As regards the company's performance and position in general, reference is made to subsequent profit and loss statements and balance sheets and related financial statements.

CORPORATE GOVERNANCE REPORT

"Good corporate governance is about ensuring that companies for shareholders are managed sustainably, responsibly and as efficiently as possible. The confidence of legislators and society in the companies' responsible behaviour is crucial to companies' freedom to realize their strategies for creating value. Trust among existing and potential investors that this will happen is crucial to their interest in investing in the companies. This ensures the freedom of industry to develop and its provision of risk capital and skills." (from the Swedish Code of Corporate Governance)

XVIVO Perfusion AB (publ) is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm's main list since 28 November 2016. The principles of corporate governance applied by XVIVO Perfusion are based on Swedish legislation, mainly the Swedish Companies Act and the Annual Accounts Act, as well as Nasdaq Stockholm's LEGAL REGULATIONS. The Company applies the Swedish Code of Corporate Governance (the "Code") from the date the shares were listed on Nasdaq Stockholm's main list. XVIVO Perfusion has deviated from the Code only in terms of the design of an alternative cash-based incentive program for participants in countries where the allotment of warrants is not appropriate. Two alternative cash-based incentive schemes exist which, as far as practicable, are designed in such a way as to meet the terms of the two outstanding warrant programmes. The duration of the incentive programmes is less than three years. The two outstanding warrant programs are further described in the Annual Report 2019 in Note 23. Further information on corporate governance in XVIVO Perfusion can be found on www.xvivoperfusion.com.

Shareholder structure

According to Euroclear's official shareholder register, XVIVO Perfusion had 5 483 shareholders as of December 31, 2019. XVIVO Perfusion AB's (publ) ten largest shareholders as of December 31, 2019 are listed below:

Shareholders	Number Shares	Shares And votes, %
Bure AB Equity	4 205 504	15,8
Swedbank Robur	1 630 000	6,1
Eccenovo AB	1 500 000	5,6
Norron Funds	1 272 699	4,8
Fourth AP Fund	1 250 000	4,7
Oppenheimer	1 000 000	3,8
State Street bank & Trust Co	893 418	3,4
Leif Bergvall	412 147	1,5
SEB Life International Assurnace	410 000	1,5
Handelsbanken Life	404 150	1,5
Other shareholders	13 622 578	49,6
Sum	26 600 496	100,0

Source: Euroclear Sweden's share register on December 31, 2019.

Shares

As of December 31, 2019, the share capital of XVIVO Perfusion AB (publ) amounted to SEK 679,876, divided into 26,600,496 shares. Trading takes place on Nasdaq Stockholm's main list. All shares have equal voting rights and have equal rights to share in XVIVO Perfusion's assets and earnings.

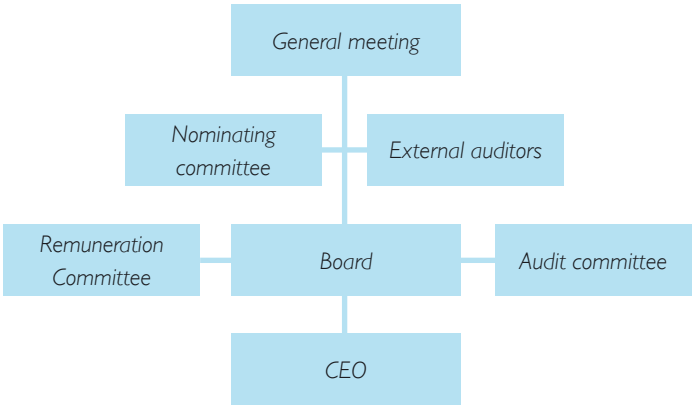
In June 2019, 198,000 warrants were exercised in the 2017/2019 program for subscription of the same number of shares and the company was granted SEK 27,424,980 in connection with the issue. The share capital increased by SEK 5,061 and the excess, SEK 27,419,919, was added to the premium fund.

At XVIVO Perfusion's Annual General Meeting on April 25, 2019, it was resolved that the Board of Directors was authorized to decide on a new issue of a maximum of 2,640,000 shares for the period until the next Annual General Meeting, corresponding to just under 10 percent of the total number of shares and votes in the company.

At the Annual General Meeting on April 25, 2019, a maximum issue of 351,000 warrants with the accompanying right to subscribe for shares was resolved. The warrants shall be offered to all employees of the two Swedish Group companies. Upon full exercise of the warrants, the share capital will increase by SEK 9,126, corresponding to a dilution of approximately 1.3 percent of the total number of shares and votes in the company.

Corporate governance

The figure below illustrates XVIVO Perfusion's corporate governance model and who appoints the central bodies.



Annual General Meeting

XVIVO Perfusion's highest decision-making body is the Annual General Meeting. The Annual General Meeting shall be held within six months of the end of the financial year. Notice of the Annual General Meeting will take place no earlier than six weeks and no later than four weeks before the Meeting. All shareholders who are included in the printing of the share register and who have notified participation in time, have the right to participate in the meeting and vote. Shareholders who are unable to attend themselves may be represented by representatives.

Annual General Meeting 2019

The last Annual General Meeting was held on April 25, 2019 in Gothenburg. At the Meeting it was decided to re-elect the board members Gösta Johannesson, Folke Nilsson, Camilla Öberg, Yvonne Mårtensson and Alan Raffensperger. The Meeting resolved on the re-election of Dag Andersson. Gösta Johannesson was elected Chairman of the Board. It was decided that board fees shall amount to a total of SEK 1,180,000, of which SEK 250,000 to

the Chairman of the Board and SEK 150,000 to each of the other board members and SEK 40,000 to the Chairman of the Audit Committee, SEK 40,000 to the Chairman of the Remuneration Committee and SEK 25,000 each to the other members of these committees.

The proposal that no dividend be paid for the 2018 financial year was approved.

The Board of Directors was authorized by decision to resolve on a new issue of a maximum of 2,640,000 shares for the period until the next Annual General Meeting. Corresponding to just under 10 percent of the total number of shares and votes in the company.

Proposed principles for remuneration and other terms of employment for company management were approved. The proposed issue of a total of 351,000 warrants with the accompanying right to subscribe for shares was approved.

Annual General Meeting 2020

The Annual General Meeting will be held on Tuesday, March 31, 2020 at 15:00 in the World Trade Center (on the floor below XVIVO Perfusion's premises) in Gothenburg, visiting address Mässans gata 10. Shareholders who wish to participate in the Annual General Meeting shall be registered in the share register kept by Euroclear Sweden AB on Wednesday, March 25, 2020.

Furthermore, XVIVO Perfusion wishes to notify the company by Thursday, March 26, 2020. Registration must be made to Kristoffer Nordström, either in writing at XVIVO Perfusion AB (publ), Box 53015, 400 14 Göteborg, by phone 031-788 21 64,
by fax 031-788 21 69 or e-mail kristoffer.nordstrom@xvivoperfusion.com. Upon notification, shareholders must provide their name, personal or corporate identity number, address, telephone number and number of shares. For shareowner represented by a representative, a power of attorney shall be sent together with the notification. The representative of a legal person shall produce a copy of the registration certificate or equivalent documents of jurisdiction showing the authorised signatory.

Shareholders who have registered their shares by bank or other nominee must register the shares in their own name in order to participate in the meeting. In order for this registration to be entered in the shareon Wednesday, 25 March 2020, shareholders should request re-registration with the nominee well in advance of that date.

Shareholders who wish to have matters dealt with at the Meeting shall request this in writing from the Board of Directors. Such request for consideration of the case is sent to XVIVO Perfusion AB (publ), That: The Chairman of the Board, Box 53015, 400 14 Gothenburg, and must appear before the Board no later than seven weeks before the meeting, or at least in sufficient time that the matter, if necessary, can be included in the notice of the Meeting.

In view of the composition of the company's ownership, it has not been considered justified and justifiable in view of the company's financial conditions to offer simultaneous interpretation in another language and translation of all or part of the meeting material, including the Minutes.

The Board

General

The Board of Directors is responsible for the company's management of the company's affairs and organization. At the Annual General Meeting in April 2019, six full members were elected with competence in both medical and biotechnology as well as the financial and strategy area. The company's CFO Christoffer Rosenblad has been the Board's secretary. During 2019, the Board held 11 (13) meetings, all of which were recorded.

The attendance of members at each meeting is shown in the following table:

Name	Dependent*	Presence board Meetings	Presence The replacement Committee	Presence Audit Committee
Gösta Johannesson	Yes	11/11	4/4	
Folke Nilsson		11/11		5/5
Camilla Öberg		11/11		5/5
Yvonne Mårtensson		11/11	4/4	
Alan Raffensperger		9/11		4/5
Dag Andersson		5/7	2/2	
Erik von Schenck		3/4	2/2	

* Dependent in relation to the company or the company's major shareholders

The President and CEO and the Company's CFO have been rapporteurs at board meetings. Remuneration and other benefits to the Board of Directors of XVIVO Perfusion are set out in the Annual Report 2019 Note 6.

The Board´s work

The Board of Directors shall meet at least seven ordinary meetings during the year and a constituent meeting. Meetings normally take place through physical coincidence at XVIVO Perfusion's head office in Gothenburg. If, for practical reasons, it is preferable, meetings take place by telephone or in special cases per capsulam.

The Chairman directs and organises the work of the Board. Before each meeting, proposals for the agenda and the basis for the issues to be dealt with at the meeting are sent out. The draft agenda is drawn up by the Executive Director in consultation with the President. Matters preferred to the Board are for information, discussion or decision. Decisions are taken only after discussion and after all members present have been given the opportunity to speak. The Board's broad experience in various areas provides a constructive and open discussion. During the year, no member has reserved his or her duty against any decision-making matter. Open questions are followed up on an ongoing basis.

One of this year's meetings was devoted in particular to strategy issues. In addition, parts of the Board have met on a number of occasions to discuss issues they have been instructed to investigate further. The rules of procedure for the Board of Directors were adopted at the inaugural Board meeting on 25 April 2019. The rules of procedure for the Board of Directors are revised at least once a year. It regulates areas such as division of responsibilities, number of compulsory meetings, form of notices, documents and minutes, conflict of interest, compulsory matters that the President shall submit to the Board of Directors and signature of the Board of Directors. The Board of Directors deals with current issues such as business situation, period financial statements, budget, strategies and external information.

In addition to the Board material, the CEO sends out monthly reports containing a financial report and a description of current events in the business and on the market. The aim is to keep the Board informed of the development of the company's operations in order for the Board to be able to make informed decisions. Once a year, the Board evaluates the work of the CEO whereby the management of the company is not present. The Board ensures the quality of financial reporting partly through its own work and partly through contact with the auditor. The company's auditor participated in this year's year-end meeting, where the audit was reported.

During the year, the Board evaluated its work through a self-evaluation where each member made an assessment of more than fifty allegations about the role and function of the Board, about the board meetings, the board material, the board members, the Chairman of the Board and the CEO. The board members and the CEO also weight the importance of each statement for the board's work and the company's longterm value growth. The responses are compiled by independent third parties who also compile the company's evaluation with a benchmark index consisting of listed companies in the Nordic region. The report is the basis for constantly developing the work of the Board.

Members of the Board

XVIVO Perfusion's Board of Directors consists of six members, including the Chairman. For personal information about the board members, including shareholdings, see the Annual Report 2019 page 64 company's website (www.xvivoperfusion.com).

Remuneration Committee

The Board of Directors of XVIVO Perfusion has appointed a remuneration committee at the inaugural Board meeting on April 25, 2019, which prepares proposals for remuneration issues. The responsibility of the Remuneration Committee is defined in the Board's rules of procedure and in the instructions of the Remuneration Committee. The Group's guidelines for remuneration to senior executives can be found in the Annual Report 2019 on the 38-39 company's website (www. xvivoperfusion.com). The Remuneration Committee consists of three board members: Gösta Johannesson (Chairman of the Remuneration Committee), Yvonne Mårtensson and Dag Andersson.

Audit committee

The Board of Directors of XVIVO Perfusion has appointed an audit committee at the inaugural Board meeting on April 25, 2019. The tasks of the Audit Committee are described in an instruction to the Audit Committee. The purpose of the Audit Committee's activities is to assist the Board of Directors of XVIVO Perfusion in matters relating to financial reporting, auditing and risk management. The Audit Committee is a preparatory body and the Board has overall responsibility for audit-related issues. The members of the Audit Committee shall consist of at least three board members appointed by the Board at the inaugural Board meeting or where otherwise required. Members of the Committee may not be employed by the Company. At least one member shall be independent of the company's major shareholders and should have accounting or audit competence. The Audit Committee consists of Camilla Öberg (Chairman of the Audit Committee), Alan Raffensperger and Folke Nilsson.

In particular, the Audit Committee shall monitor (i) the audit of the annual accounts and consolidated financial statements, (ii) related party transactions, material accounting principles and material correspondence between the Company's auditors and management, (iii) the effectiveness of the Company's internal control over financial reporting, (iv) the Company's procedures regarding the company's accounting, internal control and audit, (v) audit work with respect to scope, focus and quality including follow-up of auditperformed, (vi) budgeted and actual audit costs , (vii) the auditors' recommendations, conclusions, observations and proposals after the audit has been completed, (viii) the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the company with services other than audit services and (ix) assisting in the preparation of proposals for the general meeting's resolution on the election of auditors.

Management team

For personal information about members of the management team, including shareholdings, see the 2019 Annual Report page 65 and the company's website (www.xvivoperfusion.com). XVIVO Perfusion's management team consists of six members including the CEO who has expertise and experience in research and development, regulatory issues, quality assurance, marketing, production and distribution of medical devices. Furthermore, the members of the management team have the necessary competence in finance. The management team meets once a week. Since the members of the management team are represented in our three offices in Gothenburg, Lund or Denver, USA, these meetings take place through video conference. Three times a year, the entire management team meets for all-day meetings, which provides the opportunity to deal with issues of a more strategic nature. The rules of procedure for the Board and CEO were established at the statutory Board meeting on April 25, 2019 and govern the division of duties between the Board, the Chairman of the Board and the President. Operational management is based on the decision-making regime established by the Board of Directors.

Election of auditor

At the Annual General Meeting 2017, KPMG AB was appointed as an auditfirm, with authorized public accountant Jan Malm as auditor in charge, for the period until the end of the 2020 Annual General Meeting. Jan Malm has reported his observations to the Board of Directors from the audit work. In the framework of this work, the annual accounts, the accounts and the management of the Board of Directors and the Managing Director have been reviewed.

Nomination committee

The Nomination Committee for the 2020 Annual General Meeting has been appointed in accordance with the principles adopted at the 2018 Annual General Meeting. These means that the Chairman of the Board – no later than the end of the third quarter of 2019 – contacts the three largest shareholders in XVIVO Perfusion AB (publ) based on the holdings known at the end of August 2019 and asks them to appoint one member each to be a member of the Nomination Committee. In addition to these three members, the Chairman of the Board shall also be a member of the Nomination Committee. If one of the three shareholders waives his right to appoint a member to the Nomination Committee, or if a member resigns from the Nomination Committee without being replaced by a new member appointed by the same

shareholder, the next shareholder of the order of magnitude shall be given the opportunity to appoint a member of the Nomination Committee. The Chairman of the Nomination Committee shall, unless the members agree otherwise, be the member appointed by the largest shareholder. The term of office shall run until the new Nomination Committee has acceded.

If during the term of the Nomination Committee one or more of the shareholders who have appointed members of the Nomination Committee no longer belong to the three largest shareholders, members appointed by those shareholders shall make their seats available and the shareholder(s) of the three largest shareholders shall have the right to appoint their members. If there are no special reasons, there shall be no changes in the composition of the Nomination Committee if only marginal changes in the number of votes have taken place or if the change occurs later than three months before the Annual General Meeting.

The composition of the Nomination Committee has been published on the website no later than six months before the Annual General Meeting.

The Nomination Committee's assignments include proposing (i) the election of the Chairman of the Meeting for (ii) resolutions on the number of board members, (iii) the election and resolution of fees to the Chairman of the Board and the Members of the Board of Directors, (iv) the election and resolution of fees to the auditor, and (v) if the Nomination Committee so sees an appropriate decision on the new nomination committee procedure.

The Board's description of the key elements in the company's system for internal control, follow-up and risk management.

According to the Swedish Companies Act, the Board of Directors is responsible for internal control. This report is limited to a description of how internal control of financial reporting is organised and relates to the financial year 2019.

The objective of internal control over financial reporting within XVIVO Perfusion is to create an effective decision-making process in which the requirements, objectives and frameworks are clearly defined. Ultimately, the control is aimed at protecting the company's assets and thereby the shareholders' investment.

Control environment

The control environment is the basis for internal control. XVIVO Perfusion's control environment consists of sound values, integrity, competence, leadership philosophy, organizational structure, responsibilities and powers. XVIVO Perfusion's internal rules of procedure, instructions, policies, guidelines and manuals guide employees. XVIVO Perfusion ensures a clear division of roles and responsibilities for the effective management of the risks of operations, including through the Board's rules of procedure and through the instructions for the President. The President regu-larly reports to the Board of Directors. In day-to-day operations, the Managing Director is responsible for the system of internal controls necessary to create a control environment for significant risks. XVIVO Perfusion also includes guidelines and policies regarding financial governance and follow-up, communication issues and more. The Group's five companies have essentially the same structure and financial system with the same chart of accounts. XVIVO Perfusion is continuously reviewing this system.

Risk assessment and control activities

XVIVO Perfusion works continuously with risk analyses to identify potential sources of errors in financial reporting. The traceability of the accounts is ensured by good documentation. A system of detailed monitoring of various activities, etc. against budget is available. The follow-up ensures communication with the different parts of the company, so that the finance department will also be well-informed in future activities and any deviations towards the budget. Work to ensure those processes where it has been identified that the risk of material errors in financial reporting can be assumed to be relatively higher than in other processes is ongoing.

Normal control activities include monthly account reconciliations and support checks. The purpose of all control activities is to prevent, detect and correct any errors or deviations in financial reporting. The intention is to continue to develop and follow up selected control activities during the coming financial year. The company has a system for scanning supplier invoices that includes the associated automated certification control, which increases the security of internal control.

Follow-up

The Board of Directors continuously evaluates the information provided by the company's management, which includes both financial information and material issues related to internal control. The Board continuously monitors the effectiveness of internal control, which, in addition to ongoing updating in the event of deviations, is carried out, among other things, by ensuring that measures are taken regarding the proposed measures that may have come to light when auditing the external auditor.

Information and communication

Accurate information and clear channels of communication, both internally and externally, means that all parts of the business effectively exchange and report relevant material information about the business. To achieve this, XVIVO Perfusion has issued an information policy regarding the management of informa-tion in the financial process, as well as policies and guidelines for other types of information. These have been communicated from the management team to the employees and employees have taken note of the information policy. For communication with external parties, guidelines are set out on how such communi-cation should take place, who is authorized to provide certain types of information and when, for example, a logbook should be conducted. The ultimate purpose of these policies is to ensure that the obligation to provide information under law and listing agreements is complied with and that investors receive the right information on time.

Internal audit

XVIVO Perfusion has so far found no reason to establish a special internal audit function in the financial field. The reason is that the company's size is relatively small and the ongoing work on internal control has led to awareness of internal control in the Group being considered high and that a number of control activities are implemented. The question of a specific internal audit function will be examined as the company grows.

CONSOLIDATED STATEMENT OF NET INCOME

1 JANUARY - 31 DECEMBER

TSEK	Note	2019	2018
Net sales	2	220 837	187 868
Cost of goods sold		-58 024	-51 915
Gross income	3	**162 813**	**135 953**
Selling expenses		-60 786	-47 948
Administrative expenses		-24 739	-22 519
Research and development costs		-62 651	-47 931
Other operating reveneues	4	1 738	1 281
Other operating expenses	5	-12 435	-4 836
Operating income	6, 7, 8, 9, 11	**3 940**	**14 000**
Financial income		1 690	4 252
Financial expenses		-340	-754
Net financial income	10, 11	**1 350**	**3 498**
Income before taxes		**5 290**	**17 498**
Tax on income for the year	13	-351	-4 813
Net income for the year		**4 939**	**12 685**
Net income for the year attributable to:			
Parent Company shareholders		4 939	12 685
Earnings per share before dilution		0,19	0,48
Earnings per share after dilution		0,18	0,48
Average number of shares before dilution		26 518 546	26 302 385
Average number of shares after dilution*		26 799 996	26 302 385
Number of shares at closing day, before dilution		26 600 496	26 402 496
Number of shares at closing day, after dilution		26 879 496	26 402 496

* After dilution. See Note 23 for information on warrants program.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

1 JANUARY - 31 DECEMBER

TSEK	Note	2019	2018
Net income for the year		**4 939**	**12 685**
Other comprehensive income			
Items that have been or may be reclassified to the income statement			
Exchange-rate differences		3 721	4 875
Tax attributable to items that have been or may be transferred to the income statement	13	-514	-473
Total other comprehensive income for the year, net after tax	22	**3 207**	**4 402**
Total comprehensive income for the year		**8 146**	**17 087**
Total comprehensive income for the year attributable to:			
Parent Company shareholders		8 146	17 087

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TSEK	Note	2019-12-31	2018-12-31
ASSETS	26, 27		
Non-current assets			
INTANGIBLE ASSETS	14		
Capitalized development expenditure		266 517	210 460
Patents, licenses and trademarks		5 382	3 624
Goodwill		65 773	65 614
Software		837	-
PROPERTY, PLANT AND EQUIPMENT	15		
Machinery, equipment, fixtures and fittings		23 554	15 615
FINANCIAL ASSETS			
Deferred tax asset	13	12 316	13 548
Other financial assets		223	71
Total non-current assets		**374 602**	**308 932**
Current assets			
INVENTORIES	17	43 871	36 387
CURRENT RECEIVABLES			
Accounts receivable - trade	19	43 725	43 716
Tax assets		491	-
Other receivables		4 894	3 209
Prepaid expenses and accrued income	20	6 958	7 304
CASH AND CASH EQUIVALENTS	21	159 946	187 064
Total current assets		**259 885**	**277 680**
TOTAL ASSETS		**634 487**	**586 612**

TSEK	Note	2019-12-31	2018-12-31
SHAREHOLDERS`EQUITY	22, 23		
Shareholders´equity attributable to Parent Company shareholders			
Share capital		680	675
Other capital contributed		515 753	486 860
Reserves		16 228	13 021
Retained earnings incl. net income for the year		44 860	39 921
TOTAL SHAREHOLDERS` EQUITY		**577 521**	**540 477**
LIABILITIES			
Other provisions		1 314	1 329
Deferred tax liability	13	899	2 233
Interest-bearing liabilities, long-term part	9	2 154	-
Total long-term liabilities	26, 27, 28	**4 367**	**3 562**
Interest-bearing liabilities, short-term part	9	3 396	-
Accounts payable		14 406	16 333
Current tax liability		-	944
Other liabilities		1 765	1 100
Accrued expenses and deferred income	25	33 032	24 196
Total current liabilities	26, 27, 28	**52 599**	**42 573**
TOTAL LIABILITIES		**56 966**	**46 135**
TOTAL SHAREHOLDERS` EQUITY AND LIABILITIES		**634 487**	**586 612**

CONSOLIDATED CHANGES IN SHAREHOLDERS´EQUITY

	Attributable to the parent's shareholders				
TSEK	Share Capital	Other capital contributed	Reserves	Retained earnings incl. income for the year	**Total shareholder's equity**
Opening shareholders´equity on 2018-01-01	**670**	**467 661**	**8 618**	**27 237**	**504 186**
COMPREHENSIVE INCOME FOR THE YEAR					
Net income for the year	-	-	-	12 684	12 684
Other comprehensive income for the year	-	-	4 403	-	4 403
Total comprehensive income for the year	-	-	4 403	12 684	17 087
TRANSACTIONS WITH THE GROUP'S SHAREHOLDERS					
Contributions from and value transfers to shareholders					
New share issue minus transaction expenses, net after tax*	5	19 017	-	-	19 022
Premium paid upon issue of warrants	-	182	-	-	182
Total contributions from and value transfers to shareholders	5	19 199	-	-	19 204
Closing shareholders´equity on 2018-12-31	**675**	**486 860**	**13 021**	**39 921**	**540 477**
COMPREHENSIVE INCOME FOR THE YEAR					
Net income for the year	-	-	-	4 939	4 939
Other comprehensive income for the year	-	-	3 207	-	3 207
Total comprehensive income for the year	-	-	3 207	4 939	8 146
TRANSACTIONS WITH THE GROUP'S SHAREHOLDERS					
Contributions from and value transfers to shareholders					
New share issue less transaction expenses, net after tax*	5	27 296	-	-	27 301
Premium paid upon issue of warrants	-	1 597	-	-	1 597
Total contributions from and value transfers to shareholders	5	28 893	-	-	28 898
Closing shareholders´equity 2019-12-31	**680**	**515 753**	**16 228**	**44 860**	**577 521**

*Transaction costs in connection with new share issue amount to SEK 84 thousand (104).

CONSOLIDATED CASH FLOW STATEMENT

1 JANUARY - 31 DECEMBER TSEK	Note	2019	2018
Operating activities	30		
Income after financial items		5 290	17 497
Adjustment for non-cash items		28 862	16 072
Taxes paid		-2 945	628
		31 207	**34 197**
Increase (-)/Decrease (+) in inventories		-8 478	-2 976
Increase (-)/Decrease (+) in operating receivables		-542	-17 380
Increase (+)/Decrease (-) in operating liabilities		7 318	9 786
Cash flow from operating activities		**29 505**	**23 627**
Investing activities Investment			
Acquisition of intangible fixed assets		-73 190	-48 044
Acquisition of property, plant and equipment		-10 503	-6 662
Divestment of property, plant and equipment		-	1 508
Acquisition of financial fixed assets		-151	-
Cash flow from investing activities		**-83 844**	**-53 198**
Financing activities			
Warrants program		1 475	182
New share issue		27 425	19 022
Amortization of leasing debt		-3 349	-
Cash flow from financing activities		**25 551**	**19 204**
Cash flow for the year		**-28 788**	**-10 367**
Cash and cash equivalents at beginning of the year		187 064	195 322
Exchange-rate difference in cash and cash equivalents		1 669	2 109
Cash and cash equivalents at end of year	21	**159 946**	**187 064**

INCOME STATEMENT FOR THE PARENT COMPANY

1 JANUARY - 31 DECEMBER TSEK	Note	2019	2018
Net sales	2	169 608	152 332
Cost of goods sold		-50 677	-39 735
Gross income		**118 931**	**112 597**
Selling expenses		-35 842	-27 940
Administrative expenses		-18 485	-12 578
Research and development costs		-65 937	-46 074
Other operating revenue	4	4 034	1 443
Other operating expenses	5	-4 875	-4 086
Operating income	6,7,8,9,11	**-2 174**	**23 362**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Interest income and similar items		5 838	7 524
Interest expenses and similar items		-1 064	-1 064
Income after financial items	10,11	**2 600**	**29 822**
Appropriations	12	-2 300	-19 537
Tax on income for the year	13	-299	-2 487
Net income for the year		**1**	**7 798**

The parent company has no items to report as other comprehensive income, therefore a statement of comprehensive income is not presented.

BALANCE SHEET – PARENT COMPANY

TSEK	Note	2019-12-31	2018-12-31
ASSETS	26, 27		
Non-current assets			
INTANGIBLE ASSETS	14		
Capitalized development expenditure		200 672	146 427
Patents, licenses and trademarks		4 696	2 726
Software		837	-
PROPERTY, PLANT AND EQUIPMENT	15		
Machinery, equipment, fixtures and fittings		7 924	7 367
FINANCIAL ASSETS			
Participating interests in Group companies	16	161 174	161 174
Receivables from group companies	18	25 771	37 575
Deferred tax asset	13	1 677	1 402
Other financial assets		125	71
Total non-current assets		**402 876**	**356 742**
Current assets			
INVENTORIES	17	15 070	13 695
CURRENT RECEIVABLES			
Accounts receivable - trade	19	22 216	17 587
Receivables to Group companies		224	1 532
Current tax assets		1 275	-
Other receivables		5 266	3 375
Prepaid expenses and accrued income	20	5 371	5 194
CASH AND BANK BALANCES	21	150 362	178 248
Total current assets		**199 784**	**219 631**
TOTAL ASSETS		**602 660**	**576 373**

TSEK	Note	2019-12-31	2018-12-31
SHAREHOLDERS´EQUITY	22, 23		
RESTRICTED EQUITY			
Share capital		680	675
Statutory reserve		20	20
Reserve for development costs		148 855	84 348
NON-RESTRICTED EQUITY	29		
Share premium reserve		501 242	472 346
Retained earnings		-102 648	-45 939
Net income for the year		1	7 798
TOTAL SHAREHOLDERS` EQUITY		**548 150**	**519 247**
Untaxed reserves	24	**4 200**	**10 150**
PROVISIONS			
Other provisions		1 315	1 329
Total provisions		**1 315**	**1 329**
CURRENT LIABILITIES	21		
Accounts payable		11 552	10 212
Liabilities to Group companies	18	19 002	21 720
Current tax liability		-	350
Other liabilities		654	271
Accrued expenses and deferred income	25	17 787	13 094
Total current liabilities	26, 27, 28,	**48 995**	**45 647**
TOTAL LIABILITIES		**54 510**	**57 126**
TOTAL SHAREHOLDERS` EQUITY AND LIABILITIES		**602 660**	**576 373**

CHANGES IN SHAREHOLDERS`EQUITY FOR THE PARENT COMPANY

	Restricted shareholder's equity			Non-restricted shareholder's equity			
TSEK	Share capital	Statutory reserve	Development Expenditure Fund	Development Expenditure Fund	Retained earnings	Net income for the year	**Total shareholder's equity**
Opening equity 2018-01-01	**670**	**20**	**37 450**	**453 146**	**-6 883**	**7 842**	**492 245**
Net income for the year	-	-	-	-	-	7 798	7 798
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	7 798	7 798
Proposed appropriation of profits	-	-	-	-	7 842	-7 842	-
New share issue minus transaction expenses, net after tax*	5	-	-	19 017	-	-	19 022
Premium paid upon issue of warrants	-	-	-	182	-	-	182
Allocation to reserve for development expenditure	-	-	46 898	-	-46 898	-	-
Closing shareholders´equity 2018-12-31	**675**	**20**	**84 348**	**472 345**	**-45 939**	**7 798**	**519 247**
Net income for the year	-	-	-	-	-	1	1
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	1	1
Proposed appropriation of profits	-	-	-	-	7 798	-7 798	-
New share issue minus transaction expenses, net after tax*	5	-	-	27 336	-	-	27 341
Premium paid upon issue of warrants	-	-	-	1 561	-	-	1 561
Allocation to reserve for development expenditure	-	-	64 507	-	-64 507	-	-
Closing shareholders´equity 2019-12-31	**680**	**20**	**148 855**	**501 242**	**-102 648**	**1**	**548 150**

* Transaction costs in connection with new share issue amount to SEK 84 thousand (104).

PARENT COMPANY'S CASH FLOW STATEMENT

1 JANUARY - 31 DECEMBER

TSEK	Note	2019	2018
Operating activities	30		
Income after financial items		2 600	29 822
Adjustment for non-cash items		17 524	13 821
Taxes paid		-2 199	-504
		17 925	**43 139**
Increase (-)/Decrease (+) in inventories		-2 554	-7 056
Increase (-)/Decrease (+) in operating receivables		-5 563	-5 783
Increase (+)/Decrease (-) in operating liabilities		-4 355	-1 329
Cash flow from operating activities		**5 453**	**28 971**
Investing activities			
Acquisition of intangible fixes assets		-71 379	-48 043
Acquisition of property, plant and equipment		-4 053	-709
Divestment of property, plant and equipment		-	589
Change in loan to Group companies		11 804	3 933
Acquisition of other financial assets		-54	-
Cash flow from investment activities		**-63 682**	**-44 230**
Financing activities			
Warrants program		1 599	182
New share issue, net of transaction expenses		27 301	19 023
Cash flow from financing activities		**28 900**	**19 205**
Cash flow for the year		**-29 329**	**3 946**
Cash and cash equivalents at beginning of the year		178 248	173 421
Exchange-rate difference in cash and cash equivalents		1 443	881
Cash and cash equivalents at end of year	21	**150 362**	**178 248**

SUPPLEMENTARY DISCLOSURES AND NOTES TO THE FINANCIAL REPORTS

Notes to the financial statements for the full year 2019 for the XVIVO Perfusion Group and its parent company, XVIVO Perfusion AB (publ), corporate identity number 556561-0424, with registered office in Gothenburg, Sweden, visiting address Mässans gata 10, postal address Box 53015, SE-400 14 Göteborg. The parent company's shares are listed on NASDAQ Stockholm, Mid Cap.

NOTE 1. ACCOUNTING POLICIES

COMPLIANCE WITH NORMS AND LAW

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Financial Reporting Council Recommendation RFR 1 Supplementary accounting rules for groups has been applied.

The Parent Company's annual report is prepared in accordance with the Annual Accounts Act (1995:1554) and the application of Recommendation RFR 2 Accounting for Legal Persons from the Financial Reporting Council. This means that IFRS valuation and disclosure rules are applied with the deviations set out in the section "Parent Company Accounting Policies".

MEASUREMENT PRINCIPLES APPLIED IN PRESENTATION OF THE FINANCIAL STATEMENTS

All of the Group's assets and liabilities in the balance sheet are valued at amortised cost.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The parent company's functional currency is Swedish kronor, which also constitutes the reporting currency for the parent company and for the Group. This means that the financial statements are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded to the nearest thousand.

ASSUMPTIONS WHEN PRESENTING THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments in the application of the Group's accounting policies. The areas involving a high degree of assessment, which are complex or those areas where assumptions and estimates are of material importance for the consolidated financial statements are set out in Note 33.

NEW IFRS STANDARDS AND CHANGED ACCOUNTING PRINICPLES

As of January 1, 2019, the Group applies IFRS 16 Leases. The new standard replaces previous IFRS related to the recognition of leases such as IAS 17 "Leasing selection" and IFRIC 4 "Determining whether a contract contains a lease".

LESSEE

For the Group, the new standard means that rights of use such as leases for premises and equipment are recognised as an asset in the balance sheet and that a leasing liability is recognised, which represents an obligation to pay future leasing fees linked to the rights of use. A relief rule has been used, which means that short-term leases and low-value leasing contracts are not asset-fed but are expensed in the period of consumption. The company defines short-term leases as contracts whose remaining lease period is less than 12 months and with low value contracts refers to contracts whose cost is less than SEK 50 thousand. The Parent Company does not apply IFRS 16, as provided for in the exemption in RFR 2.

The Group has chosen to adopt a modified retroactive application of IFRS 16, which has had an impact on balance sheet items as of January 1, 2019. Comparative figures for previous periods have not been restated. As of January 1, 2019, an asset, plant and equipment of SEK 8,727 thousand, has been recognised. The corresponding amount has been owed as short-term leasing debt, SEK 3,363 thousand, and long-term leasing debt, SEK 5,364 thousand. Total leasing debt as of January 1, 2019 thus amounted to SEK 8,727 thousand, which is compared to the data in the last annual report for 2018, where future operating leasing commitments are reported to amount to SEK 8,500 thousand. The difference is due to discount ing 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 year, December 31, 2019, the Group reports the following book values of leased assets: Property, plant and equipment SEK 5,550 thousand (-). The effect of IFRS 16 in the Group's income statement 2019 is that depreciation of SEK 3,349 thousand and interest expense of SEK 161 thousand replaced operating leasing expense of SEK 3,510 thousand. The new standard has thus not had any impact on net profit or loss for the year compared to the application of IAS 17. However, the EBITDA ratio has been positively impacted in 2019 by the effect of the introduction of IFRS 16 Leases of SEK 3.5 million.

LESSOR

As of December 31, 2019, XVIVO Perfusion has entered into 4 (4) leases with customers for XPS machines and 1 (1) leases for LS machines. Due to the fact that XVIVO Perfusion bears all the risk regarding the residual value and service needs of the machines, it has been assessed that virtually all the economic risks and benefits associated with the machines are found at XVIVO Perfusion. Based on these qualitative factors, it is concluded that the leases are operational. Leasing fees under operating leases, including the first increase in rent but excluding expenses for insurance and maintenance services, are recognised as income on a straight-line basis over the lease period.

CLASSIFICATION

Fixed assets, long-term liabilities and provisions consist essentially solely of amounts expected to be recovered or paid after more than 12 months from the balance sheet date. Current assets and current liabilities consist essentially solely of amounts expected to be recovered or paid within 12 months of the balance sheet date.

CONSOLIDATION POLICIES

SUBSIDIARIES

The Group's financial statements include the parent company XVIVO Perfusion AB (publ), the wholly owned US subsidiary XVIVO Perfusion Inc, the wholly owned Swedish subsidiary XVIVO Perfusion Lund AB (former Vivoline Medical AB), the wholly owned French subsidiary XVIVO Perfusion SAS and the australian subsidiary XVIVO Perfusion Pacific Pty Ltd in 2019.

CONSOLIDATION POLICIES - GROUP

The acquisition of XVIVO Perfusion Inc. was a common control acquisition in which both buyers and objects had joint ownership with control. Assets and liabilities were taken over and recognised in the acquisition analysis at consolidated values. See XVIVO Perfusion's Annual Report 2012 for acquisition analysis.

The acquisition of Vivoline Medical AB (now XVIVO Perfusion Lund AB) was reported according to the acquisition method, which means that assets and liabilities are reported at fair values according to established acquisition analysis. The difference between the cost of the subsidiaries shares and the fair value of acquired assets, liabilities and contingent liabilities constitutes group goodwill. The purchase price also includes the fair value of all assets or liabilities resulting from a conditional purchase price agreement. Acquisitionrelated costs are expensed when they arise.

The financialporter of the subsidiary is included in the consolidated financial statements from the date of acquisition until the date on which the controlling interest ceases.

Intra-group receivables and liabilities, income and expenses, as well as unrealised gains or losses arising from intra-group transactions between group companies, are eliminated in full whenthe consolidated financial statements.

FOREIGN CURRENCY

Transactions in foreign currency are converted into the functional currency at the exchange rate that exists on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into thencurrency at the exchange rate that exists at the balance sheet date. Exchange differences arising from the translations are recognised in the income statement. Non-monetary assets and liabilities recognised at historical cost are recognised at the exchange rate in force at the time of the transaction.

Non-monetary assets and liabilities recognised at fair terms are translated into the functional currency at the rate prevailing at the time of fair value measurement. The exchange rate change is then reported in the same way as other value transfers relating to the asset or liability.

Functional currency is the currency in the primary economic environments in which the companies included in the Group carry out their business. The companies included in the group are parent companies and subsidiaries. The parent company's functional currency, also reporting currency, is Swedish kronor. The Group's reporting currency is Swedish kronor.

Assets and liabilities in foreign operations, including goodwill and other group surplus and lower values, are translated into Swedish kronor at the exchange rate prevailing at the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average price that constitutes an approxi-

mation of the prices prevailing at the respective transaction date. Translation differences arising from currency translation of foreign operations are reported in the statement of comprehensive income. The following exchange rates have been used in the financial statements:

	Average rate		Closing rate	
Currency	2019	2018	2019-12-31	2018-12-31
USD	9,4604	8,6921	9,3172	8,9710
EUR	10,5892	10,2567	10,4336	10,2753
AUD	6,5724	6,4933	6,5125	6,3245

Source: Riksbank

REVENUE
IFRS 15 Revenue from contracts with customers is applied. The Group's net sales are divided into three categories; goods sales without capital goods, revenue for the sale and rental of capital goods and revenue for freight, service and other sales (see Note 2). Goods sales without capital goods and revenues for freight, service and other sales consist of products and services that clearly represent separate performance commitments. Proceeds from the sale of goods are recognised in the profit and loss account when significant risks and benefits associated with the ownership of the goods have been transferred to the buyer, which normally occurs in connection with delivery.

For revenues from the sale and rental of capital goods, there may be several distinct performance commitments in a single contract. IFRS 15 deferred revenues related to some of these commitments (such as the installation of machinery and training in operations) against previous GAAP.

SEGMENT REPORTING
Operating segments are presented from the management perspective, which means that it is presented in the way it is used in internal reporting. The starting point for identifying reportable segments is the internal reporting as reported to and followed up by the chief executive decision maker. As the Chief Executive Officer, the Group has identified the Group's CEO. Internal reporting to the CEO uses two segments. See further in Note 3.

FINANCIAL INCOME AND EXPENSES
Financial income and expenses consist of interest income on bank funds, receivables and debt securities, interest expenses on loans, dividend income and foreign exchange differences.

FINANCIAL INSTRUMENTS
IFRS 9 Financial instruments are applied by the Group. Financial instruments recognised in the balance sheet include cash and cash equivalents, trade receivables, other receivables and other long-term securities holdings on the assets side. On the liabilities side are trade payables and other liabilities.

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual terms of the instrument. Trade receivables are recognised in the balance sheet when the invoice has been sent. Trade payables are entered when the invoice is received. A financial asset is removed from the balance sheet when the rights in the agreement are realised, mature or the company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise extinguished. The same applies to part of a financial liability. At each reporting date, the Group evaluates whether there is objective evidence that a financial asset or group of assets is in need of an impairment loss. Objective evidence consists, on the one hand, of observable circumstances that have occurred and which have a negative impact on the ability to recover the cost and, on the other hand, of significant or protracted reduction in the fair value of an investment in a financial investment classified as a available-for-sale financial asset.

Receivables and liabilities denominated in foreign currencies are valued at the closing rate. Exchange differences on operating receivables and liabilities are included in operating profit, while exchange differences on financial receivables and liabilities are reported among financial items.

Regarding impairment of financial assets, the Company uses a model based on expected credit loss model. The impairment model applies to financial assets valued at amortised cost or at fair value through other comprehensive income except investments in equity instruments (shares and units) and contract assets. No significant loan losses have taken place during the year and the Group's reserve for future loan losses at the balance sheet date does not amount to any significant amount.

TRADE ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES
For these types of receivables, accounting is made at amortised cost. Where the maturity of the receivables is short, recognition has been made at a nomi nal amount without discounting according to the amortised cost method. If the expected holding period is longer than 12 months, they constitute long-term receivables and, if they are shorter, other claims. Trade receivables are initially valued at fair value and then at amortised cost. When the expected maturity of the receivable is short, the value is recognised at the nominal amount without discounting. Bad debts are deducted, which are assessed individually. Impairment losses of trade receivables are reported in operating expenses.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash, immediately available bank balances and other money market instruments with an initial maturity of less than three months. Fixed-rate items are valued at amortised cost.

ACCOUNTS PAYABLE
Trade payables are initially recognised at fair value and then at amortised cost using the effective interest method.

INTANGIBLE FIXED ASSETS
The items reported in the Group's balance sheet are goodwill, retained expenditure on development work, patents, licenses, trademarks and computer programs.

GOODWILL
Goodwill represents the difference between the cost of the business combination and the group value of acquired assets, assumed liabilities and contingent liabilities. Goodwill is valued at cost less any accumulated impairment losses. Goodwill is allocated to a cash-generating unit and is not amortized, according to IFRS, but is tested annually for impairment.

CAPITALIZED DEVELOPMENT EXPENDITURE
Research costs refer to research expenditure aimed at obtaining new scientific or technical knowledge. Development expenditure refers to expenditure where research results or other knowledge are applied to achieve new or improved products or processes.

Research expenditure is expensed in the period in which they are incurred.
In the Group, development expenses are recognised as an intangible asset if the asset is deemed to be able to generate future economic benefits and then only on condition that it is technically and financially possible to complete the asset, the intention is and is provided that the asset can be used in the business or sold and the value can be calculated reliably.

In the Group's balance sheet, capitalized development expenses are included at cost less accumulated depreciation and write-downs.

ADDITIONAL EXPENSES
Additional expenditure on an intangible asset is added to the cost only if it increases the future economic benefits that exceed the initial assessment and the expenditure can be reliably calculated. All other expenses are expensed when they are incurred.

AMORTIZATION
Depreciation is recognised in the income statement on a straight-line basis of the estimated useful lives of intangible assets, unless such useful lives are indefinite. Goodwill is tested for impairment annually or as soon as indications arise that indicate that the asset in question has decreased in value in accordance with IFRS. Depreciable intangible assets are depreciated from the date they are available for use. The estimated useful lives are:

Capitalized development expenditure	10 years
Patent	10 years
Licenses and trademarks	10 years
Software	5 years

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment is recognised as an asset in the balance sheet if it is probable that future economic benefits will be included to the company and the cost of the asset can be reliably calculated. All property, plant and equipment is included at cost less depreciation. Cost includes expenses that can be directly attributable to the acquisition of the asset. Additional expenses are added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is likely that the future financial benefits associated with the asset will benefit the Group and the cost of the asset can be measured reliably. All other forms of repair and maintenance are recognised as costs in the income statement when they are incurred.

AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT
Depreciation according to plan on property, plant and equipment is based on established useful lives. Depreciation takes place on a straight-line basis over the estimated useful life of the assets and taking into account residual value. The estimated useful lives are:

Machinery and other technical facilities	10 years
Equipment, tools and installations	5 years
Hardware	3 years
Cars and means of transport	5 years

The residual value and useful life of an asset are assessed annually.

The residual values and useful life of the assets are tested at each balance sheet date and adjusted as necessary. The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its assessed recoverable amount. Gain or loss arising from the disposal or disposal of property, plant and equipment consists of the difference between the selling price and the carrying amount less direct selling costs. The profit and loss item is reported as other operating income and other operating expenses.

INVENTORIES
Inventories are taken up at the lowest of cost and net realisable value. In doing so, the risk of treatment has been taken into account, which is done by individual assessment. The cost is calculated according to weighted average prices. In self-manufactured semiand finished products, the cost consists of direct manufacturing costs and a fair share of indirect production costs based on normal capacity.

WRITE-DOWNS OF INTANGIBLE AND TANGIBLE ASSETS
At each reporting date, an assessment is made of whether there is any indication of a decrease in the value of the Group's tangible and intangible assets. Any impairment of goodwill and other intangible assets that are not amortised on an ongoing basis is tested annually or more frequently if there are indications that the asset may have decreased in value. If this is the case, the Group will assess the recoverable amount of the asset. The recoverable amount is the highest of the fair value of the asset, less selling expenses and value in use. Value in use refers to the present value of all cash-inpayments and payments attributable to the asset during the period it is expected to be used in the business, plus the present value of net realisable value at the end of the useful life.

If the estimated recoverable amount is less than the carrying amount, an impairment loss is made to the recoverable amount of the asset. A previous impairment loss is reversed when there has been a change in the assumptions on which the asset's recoverable amount was determined when it was written down and which means that the impairment loss is no longer considered as required. Reversals of previously made impairment scans are examined individually and reported in the income statement. Impairment losses on goodwill are not reversed in a subsequent period.

EARNINGS PER SHARE
The calculation of earnings per share is based on the group's profit for the year attributable to the parent company's shareholders and on the weighted average number of shares outstanding during the year. Potential ordinary shares are seen as dilutive only during periods when it results in a lower profit or greater loss per share.

PENSIONS
All employees' pension plans are defined contribution plans. Premiums are expensed on an ongoing basis and there are no obligations to pay additional fees. The Group's earnings are charged for expenses as benefits are earned. See further note 6.

PROVISIONS
Provisions are recognised in the balance sheet when XVIVO Perfusion has a legal or informal commitment as a result of an event that has occurred and when it is likely that an outflow of resources is required to settle the commitment. In addition, a reliable estimate of the amount shall be possible. Provision is recognised at the amount corresponding to the best estimate of the payment required to settle the commitment. When the outflow of resources is deemed to occur well into the future, the expected future cash flow is discounted and the provision is recognised at a present value. The discount rate corresponds to the market rate before tax and the risks associated with the liability.

SHAREHOLDERS´EQUITY
Transaction costs directly attributable to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the issue proceeds.

WARRANTS PROGRAMS
Share-based incentive programs are reported in accordance with IFRS 2. There are two outstanding warrant programs that are addressed to the company's employees. Employees who wished to participate in the option program have paid a premium equal to the market value of the warrant calculated through the Black & Scholes formula. As the market value has been paid, there is no effect on the company's performance for the period or on its financial position. A description of the warrant programs can be found under Note 23.

INCOME TAXES
The tax expense in question is calculated on the basis of the tax rules decided or de facto decided at the balance sheet date in the countries where parent companies and subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns in respect of situations where the applicable tax rules are subject to interpretation and, where appropriate, makes provisions for amounts likely to be paid to the tax authority.

Deferred tax is recognised in its entirety, using the balance sheet method, on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated using tax rates (and laws) decided or announced at the balance sheet date, which are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax is calculated on the basis of temporary differences arising from participations in subsidiaries, except where the date of reversal of the temporary difference can be controlled by the Group and it is likely that the temporary difference will not be reversed in the foreseeable future.

Total tax consists of current tax and deferred tax.

Taxes are recognised in the income statement except when the underlying transaction is recognised in other comprehensive income, whereby the associated tax effect is recognised in other comprehensive income. Current tax is tax payable or received in respect of the current year. This also includes adjustment of current tax attributable to previous periods. Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the carrying amount and tax able amounts of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset and using the tax rates and rules decided or announced at the balance sheet date. Temporary differences are not taken into account in group goodwill or normally in differences attributable to shares in subsidiaries that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only to the extent that they are likely to result in lower tax payments in the future.

CONTINGENT LIABILITIES
A contingent liability is recognised when there is a possible commitment arising from past events, the occurrence of which is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

PARENT COMPANY'S ACCOUNTING POLICIES
The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Financial Reporting Council Recommendation RFR 2 "Accounting for Legal Entities". Statements regarding listed companies are also applied by the Financial Reporting Board. RFR 2 means that the parent company in the annual accounts of the legal entity shall apply all IFRS adopted by the EU and statements as far as possible within the framework of the Annual Accounts Act, the Safeguarding Act and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made from IFRS.

DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING POLICIES
The differences between the Group's and the parent company's accounting policies are set out below. The accounting principles set out below for the parent company have been applied consistently to all periods presented in the parent company's financial statements.

CLASSIFICATION AND FORMAT
For the parent company, the term income statement is used, while in the Group the term 'profit report' is used. Furthermore, the parent company names the balance sheet and cash flow statement for the statements that the Group has the titles of financial position and statement of cash flows respectively. The income statement and balance sheet are prepared for the parent company according to the schedules of the Annual Accounts Act, while the report on profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 "Presentation of financial statements" and IAS 7 "Statement of cash flows". The differences with the Group's reports that apply to the parent company's income statements and balance sheets consist mainly of equity and the existence of provisions as own heading in the balance sheet.

SUBSIDIARIES
Units in subsidiaries are reported according to the cost method. This means that transaction expenses are included in the carrying amount of holdings in subsidiaries. In the consolidated financial statements, transaction expenses attributable to subsidiaries are recognised directly in profit or loss when they arise. Examination of the value of subsidiaries takes place when there is an indication of a decline in value

INCOME TAXES
In the parent company, untaxed reserves including deferred tax liability are recognised. In the consolidated financial statements, however, untaxed reserves are divided into deferred tax liability and equity.

LEASED ASSETS
In the parent company, all leases are classified as operating leases where the parent company is the lessee. Lease payments under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognized as expenses on a straight-line basis over the lease period.

NOTE 2. NET SALES

DISTRIBUTION OF NET SALES

	Group		Parent company	
	2019	2018	2019	2018
Sales of non-durable goods	198 271	164 412	159 292	142 579
Revenues from sales and leasing of durable goods	13 981	15 175	6 227	6 475
Revenues from freight, service and other sales	8 586	8 281	4 090	3 277
Total	220 837	187 868	169 608	152 332

In 2019 and 2018, the Group had no customer representing more than 10% of total sales.

Of the Group's and parent company's total revenue, SEK 2,208 thousand (2,144,000) relates to operating leasing income (see Note 9 Leases).

Revenue has been estimated to come from similar products and services.

GEOGRAPHICAL AREAS

	Group			
	Revenue from external customers		Non-current assets	
	2019	2018	2019	2018
Sweden	1 165	1 982	353 269	288 956
North and South America	137 603	121 521	8 795	6 357
EMEA without Sweden	65 097	54 881	-	-
Asia and Oceania	16 972	9 484	-	-
Total	220 837	187 868	362 063	295 313

Revenue from external customers has been allocated to individual countries by the country to which the sale was made. Fixed assets refer to all of the Group's intangible and property, plant and equipment.

NOTE 3. SEGMENTS

The Group's operations are divided into operating segments based on which parts of the business the company's chief executive decision makers follow up, so-called "management approach" or management perspective.

The Group's operations are organized in such a way that group management monitors sales and gross profit generated by the Group's various revenue streams. When group management monitors the sales and gross profit of the business, and decides on the allocation of resources based on the goods the Group develops and sells, these constitute the Group's operating segments.

The Group's internal reporting is therefore structured so that group management can monitor the performance of all goods. It is on the basis of this internal reporting that the Group's segments have been identified, as the different parts have undergone a process aimed at merging segments that are similar. This means that segments have been merged when they have similar economic characteristics, such as similar gross margins and sales trends.

The following operating segments have been identified:
- Capital goods: sales and rental income from XPS and LS.
- All activities other than capital goods: revenue streams from the sale of goods and services that are not a capital goods

GROUP SEGMENTS

	All operations except durable goods		Durable goods		Consolidated total	
	2019	2018	2019	2018	2019	2018
Revenue from external customers	206 857	172 693	13 981	15 175	220 837	187 868
Cost of goods sold	-47 439	-39 406	-10 585	-12 509	-58 024	-51 915
Gross profit	159 417	133 288	3 396	2 665	162 813	135 953

The gross profit for the operating segments has included directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. The reported items in the gross profit or loss of the operating segments are valued in accordance with the gross profit that group management monitors.

NOTE 4. OTHER OPERATING REVENUES

	Group		Parent company	
	2019	2018	2019	2018
Exchange-rate gains	1 369	1 281	1 354	1 270
Other revenues	369	-	2 680	173
Total	1 738	1 281	4 034	1 443

NOTE 5. OTHER OPERATING EXPENSES

	Group		Parent company	
	2019	2018	2019	2018
Exchange-rate losses	-1 342	-761	-1 260	-718
Other intra-Group services	-	-	- 128	-334
Cost of share-based loyalty program*	-7 046	-	-660	-
Loss on sale of non-current assets	-58	-	-	-
Depreciation of durable goods	-3 989	-4 075	-2 827	-3 034
Total	-12 435	-4 836	-4 875	-4 086

*See Notes 6 and 23 for details. In 2018, the cost for the Group amounted to SEK 2,800 thousand, but the cost was then reported in each function in the income statement and not under "Other operating expenses".

NOTE 6. EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND BOARD FEES DIRECTORS

AVERAGE NUMBER OF EMPLOYEES

	Total		Of which men	
	2019	2018	2019	2018
Parent company, Sweden	18	13	7	5
Subsidiary, Sweden	10	8	8	6
Subsidiary, USA	16	13	10	9
Subsidiary, France	1	1	-	-
Subsidiary, Australia	1	-	1	-
Total	46	35	26	15

PROPORTION OF WOMEN IN SENIOR POSITIONS

	2019	2018
Group		
Board	33 %	33 %
Senior managment	17 %	17 %

EMPLOYEE BENEFITS EXPENSES

Group	2019	2018
Salary and other renumeration	51 131	46 167
Pension costs, contribution-based plans	6 293	2 982
Social security contributions	13 359	8 335
Sum	70 783	57 484

Parent company	2019	2018
Salaries and allowances, etc.	23 025	12 926
Pension expenses, defined contribution plans	4 199	1 835
Social security contributions	7 908	4 308
Total	35 132	19 069

SALARY AND OTHER REMUNERATION DIVIDED UP BETWEEN BOARD MEMBERS/ CEO AND OTHER EMPLOYEES

	Board of Directors/ CEO		Other employees	
	2019	2018	2019	2018
The parent company,	8 784	1 143	15 467	12 945
- of which bonus payments and similar renumeration	(2 219)	(-125)	(1 358)	(1 620)
Subsidiaries	2 341	8 640	25 765	24 023
- of which bonus payments and similar renumeration	(719)	(2 913)	(10 267)	(4 569)
Total	11 125	9 783	41 232	36 968
- of which bonus payments and similar renumeration	(2 938)	(2 913)	(11 625)	(6 189)

BOARDMEMBERS

During the year, sek 1,035 thousand (1,000) was paid for remuneration to the Board of Directors in accordance with the 2018 AGM decision. Gösta Johannesson, Chairman of the Board, was SEK 205 thousand (195) and SEK 130 thousand (125) to each of the other board members and SEK 40 thousand (40) to the Chairman of the Audit Committee, SEK 40 thousand (40) to the Chairman of the Remuneration Committee and SEK 25 (25) thousand each to the other members of these committees. There are no pension costs or pension obligations to board members.

At the Annual General Meeting on April 25, 2019 in Gothenburg, it was resolved that board fees should amount to a total of SEK 1,180 thousand (1,035) to the next Annual General Meeting. Gösta Johannesson, Chairman of the Board, is SEK 250 thousand (205) and SEK 150 thousand (130) to each of the other board members and SEK 40 thousand (40) to the Chairman of the Audit Committee, SEK 40 thousand (40) to the Chairman of the Remuneration Committee and SEK 25 thousand (25) each to the other members of these committees.

CEO

During the financial year 2019, CEO Magnus Nilsson received compensation totalling SEK 9,173 thousand (8,666) including holiday allowances and benefits, of which SEK 2,219 thousand (2,651) in variable part. Car benefit to the CEO has been paid at SEK 84 thousand (-). The pension is defined contribution as long as the CEO is stationed in Sweden and pension premiums are normally paid with 35 percent of salary. Some of these pension contributions are paid into a company-owned endowment insurance, as explained below. Since the CEO served in the United States during the period January-February 2019 (and throughout 2018), no pension has been paid, but the CEO has received the corresponding compensation, 245 KSEK (1,560), in the form of salary. The company has a notice period of 6 months against the CEO, and the CEO also has a notice period of 6 months. In the event of termination by the company, severance pay of 12 months' salary is paid. The retirement age is 65 years. The position is governed by a CEO agreement.

OTHER SENIOR EXECUTIVES

During the 2019 financial year, senior executives, the Group's management team of 5 (5) persons excluding the CEO, paid salary of SEK 10,057 thousand (7,584) including holiday allowances, of which SEK 3,134 thousand (1,800) in variable salary. The variable salary is based on the outcome of different parameters compared to set targets. The parameters are attributable to the company's sales, profit and individually set goals. Premiums for the usual occupational pension have been paid. The retirement age is 65 years. In the event of notice on the part of the company, other senior executives have a notice period of 3-6 months and in the event of notice on their own side 3-6 months. No one is entitled to severance pay. There are no loans to senior executives.

DEFINED CONTRIBUTION PENSION PLANS

In Sweden, the Group has defined contribution pension plans for employees that are fully funded by the company. Abroad, there are defined contribution plans which are partly paid for by the subsidiaries and are partly covered by contributions paid by employees. Payment for these plans is made on an ongoing basis according to the rules of each plan.

ENDOWMENT INSURANCE

The company has a pension commitment to the CEO that is fully covered by the outcome of a company-owned endowment insurance. In accordance with IAS 19, the pension commitment has been classified as a defined contribution pension plan, which means that endowment insurance and pension commitments are recognised net. In 2019 and 2018, no payment has been made to the endowment insurance.

COSTS FOR SHARE-BASED OPTION PROGRAMS FOR FOREIGN EMPLOYEES

The Annual General Meeting in 2018 and 2019 has decided to approve a cash-based incitiment 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 programmes shall, as far as practicable, be designed to correspond to the Swedish option programmes but have a ceiling on maximum outcomes. The cost of these cash-based incentive programs is reported in the periods XVI-VO's share price exceeds the strike price for each Swedish option program. The Group's cost amounted to SEK 7,046 thousand (2,800) (see Notes 5 and 23) and is included in the item tantiem/variable remuneration above.

NOTE 7. AUDITORS´ FEES AND REIMBURSEMENT OF COSTS

	Group		Parent company	
KPMG	2019	2018	2019	2018
Auditing	420	290	250	250
Audit activities in addition to auditing	5	-	5	-
Tax consulting	8	36	8	36
Other services	67	437	67	437
Total	500	763	330	723

Audit assignments refer to the examination of the annual accounts and accounts, as well as the administration of the Board of Directors and the Managing Director, other duties that it is for the company's auditor to perform, and advice or other assistance arising from observations made in such review or the performance of such other duties. Audit activities in addition to the audit assignment are quality assurance services, including assistance in observations during such audits, which are to be carried out in accordance with the constitution, articles of association, statutes or agreements and which result in a report intended also for persons other than the client. Advice on tax matters is reported separately. Everything else is other services.

NOTE 8. OPERATING EXPENSES DIVIDED UP ACCORDING TO TYPE OF COSTS

	Group	
	2019	2018
Raw materials and consumables	-28 850	-23 550
Change in inventories of finished goods progress	-22 563	-12 338
Employee benefit expenses	-88 012	-63 285
Depreciation, amortization and impairment	-24 860	-16 923
Other external expenses	-52 950	-58 291
Other operating expenses	-1 400	-762
Total	-218 635	-175 149

NOTE 9. LEASING FEES FOR OPERATIONAL LEASES

The Group rents office space and warehouses in Gothenburg. The current lease for office premises runs until December 31, 2023. Lease for stock expires March 31, 2020 with an option for an extension. The Group also rents office and warehouse premises in Denver, Colorado. The current lease runs until August 1, 2022 with an option for an extension. The Group also rents office and warehouse premises in Lund. This lease runs until October 31, 2022 with an option for an extension.

Rental fees are linked to the CPI and vary with the market as a whole. Variable fees are invoiced 1:1 after annual reconciliation. There are no restrictions as a result of leases entered into. Where conversion and extension has been financed by the group, an individual examination is carried out as to whether the costs are reapperable or whether they should be expensed in their entirety. In addition, the Group has signed leases relating to three company cars and some office equipment.

Effect of modified retroactive application of IFRS 16

Leasing contracts	Group 2019
Operating leasing commitments as of December 31, 2018 as reported in the Annual Report	8 500
Discounted with marginal loan rate as of January 1, 2019	8 073
Additional - reasonably safe extension periods	815
Departs - exemption for short-term leases and leasing of low value assets	-161
Lease debt as of January 1, 2019	8 727

Cost information leasing	Group 2019
Depreciation of usufruct assets	3 349
- Of which buildings	3 166
- Of which cars	183
Interest expense leasing debt	161
Leasing costs related to short-term leases	142
Leasing expense sensieus for low-value assets	-
Variable leasing expenses	150
Total	3 802

Cash flow disclosures leasing	Group 2019
Amortization of leasing debt	3 349
Interest expense leasing debt	161
Leasing costs related to short-term leases	142
Leasing expense sensieus for low-value assets	-
Variable leasing expenses	150
Total	3 802

Additional rights of use	Group 2019
Cars	425
Total	425

Carrying amount of usufruct assets	Group 2019
Buildings	5 082
Cars	468
Total	5 550

Carrying amount of lease liabilities	Group 2019
Leasing liabilities	5 550
Total	5 550

Maturity analysis for agreed future minimum lease payments for non-retitable contracts is presented in Note 26.

Expensed fees for operating leases amount to the following:

	Parent company	
	2019	2018
Minimum leaseing fees	1 907	1 654
Total leasing expenses	1 907	1 654

The Group leases machines for pulmonary perfusion under operating leases. Revenues amounted to SEK 2,208 thousand (2,144,000). The future non-cancellable lease payments are due as follows:

	Group		Parent company	
	2019	2018	2019	2018
Year 1	2 208	2 144	2 208	2 144
Year 2	944	2 124	944	2 124
Year 3	-	-	-	-
Year 4	-	-	-	-
Year 5	-	-	-	-
Later than 5 years	-	-	-	-
Total	3 152	4 268	3 152	4 268

NOTE 10. NET FINANCIAL ITEMS

	Group		Parent company	
	2019	2018	2019	2018
Interest income	469	449	1 358	1 288
Exchange-rate gains	1 230	3 803	4 480	6 236
Financial income	1 699	4 252	5 838	7 524
Interest expenses	-285	-128	-120	-110
Exchange-rate losses	-	-540	-900	-885
Impairment, non-realized loss, endowment insurance	-64	-86	-44	-69
Financial expenses	-349	-754	-1 064	-1 064
Total	1 350	3 498	4 774	6 460

NOTE 11. EXCHANGE-RATE DIFFERENCES

	Group		Parent company	
	2019	2018	2019	2018
In operating profit	27	555	94	552
In financial items	1 230	3 263	3 580	5 350
Total	1 257	3 818	3 674	5 902

NOTE 12. YEAR-END ADJUSTMENTS

	Parent company	
	2019	2018
Change in tax allocation reserve	5 950	-1 237
Group contribution paid	-8 250	-18 300
Total	-2 300	-19 537

NOTE 13. INCOME TAXES

RECOGNIZED IN STATEMENT OF TOTAL COMPREHENSIVE INCOME AND INCOME STATEMENT

	Group		Parent company	
	2019	2018	2019	2018
Current tax expense (-)				
Tax expense for the year	-1 212	-2 816	-574	-2 367
Adjustment of tax pertaining to previous years	759	122	-	-
Total current tax expense	-453	-2 694	-574	-2 367
Deferred tax expense (-)				
Deferred tax on temporary differences	109	968	275	-120
Deferred tax in taxable value capitalized/utilized during the year in loss carry-forward	-7	-2 474	-	-
Effects from changed income tax rates	-	-613	-	-
Total deferred tax expense	102	-2 119	275	-120
Total tax expense recognized	-351	-4 813	-299	-2 487

	Group		Parent company	
	2019	2018	2019	2018
Reconciliation effective tax rate				
Profit before tax	5 290	17 497	301	10 285
Tax at the current tax rate for the parent company (21.4%)	-1 132	-3 849	-64	-2 263
Difference in foreign tax rates	17	5	-	-
Non-deductible expenses	-126	-356	-189	-102
Non-taxable income	180	5	3	5
Tax effect of flat-rate interest on accrual fund	-49	-7	-49	-7
Effect of change in tax rate	-	-733	-	-120
Difference in tax booked and paid in previous year	759	122	-	-
Total tax expense	-351	-4 813	-299	-2 487

Tax attributable to other comprehensive income

	Group					
	2019			2018		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Translation differences for the year when converting foreign operations	1 319	-	1 319	2 783	-	2 783
Translation difference for the year for the translation of foreign operations (extended investment)	2 402	-514	1 888	2 092	-473	1 619
Other comprehensive income	3 721	-514	3 207	4 875	-473	4 402

	Parent company					
	2019			2018		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Translation differences for the year when converting foreign operations	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-

RECOGNIZED DIRECTLY IN SHAREHOLDERS` EQUITY

	Group		Parent company	
	2019	2018	2019	2018
Tax items recognized directly in shareholders´ equity				
Tax expense (-)				
Current tax related to transaction expenses for new share issue	-	-	-	-
Total tax items recognized directly in shareholders´ equity	-	-	-	-

RECOGNIZED IN STATEMENT OF FINANCIAL POSITION AND BALANCE SHEET

	Group		Parent company	
	2019	2018	2019	2018
Deferred tax asset				
Deferred tax related to internal profit on inventories	2 875	4 375	-	-
Deferred tax related to pensions and similar obligations	1 677	1 402	1 677	1 402
Deferred tax related to capitalized loss carry-forwards	7 764	7 771	-	-
Total deferred tax asset	12 316	13 548	1 677	1 402
Deferred tax liability				
Deferred tax allocation reserve	899	2 233	-	-
Total deferred tax eliability	899	2 233	-	-

NOTE 14. INTANGIBLE NON-CURRENT ASSETS

	Group		Parent company	
	2019	2018	2019	2018
Goodwill				
Opening acquisition cost	65 614	65 273	-	-
Exchange rate differences for the year	159	341	-	-
Closing accumulated acquisition cost	65 773	65 614	-	-
Closing carrying amount	65 773	65 614	-	-

	Group		Parent company	
	2019	2018	2019	2018
Capitalized development expenditure				
Opening acquisition cost	266 390	219 202	190 227	143 039
Business combination	69 751	47 188	67 940	47 188
Capitalized expenditure for the year	336 141	266 390	258 167	190 227
Opening amortization	-55 930	-45 772	-43 800	-33 642
Business combination	-13 694	-10 158	-13 695	-10 158
Amortization for the year	-69 624	-55 930	-57 495	-43 800
Closing accumulated amortization	266 517	210 460	200 672	146 427
Patents, licenses and trademarks				
Opening acquisition cost	7 482	6 627	4 745	3 890
Business combination	2 556	855	2 557	855
Capitalized expenditure for the year	10 038	7 482	7 302	4 745
Opening amortization	-3 858	-3 155	-2 019	-1 590
Correction opening balances	-798	-703	-587	-429
Business combination	-4 656	-3 858	-2 606	-2 019
Amortization for the year	5 382	3 624	4 696	2 726
Software				
Opening acquisition cost	-	-	-	-
Capitalized expenses for the year	882	-	882	
Closing cumulative cost	882	-	882	-
Opening depreciation	-	-	-	-
Depreciation for the year	-46	-	-46	
Closing accumulated depreciation	-46	-	-46	-
Closing carrying amount	837	-	837	-
Amortization has been divided up per function in the income statement as follows:				
Cost of goods sold	-	-	-	-
Selling expenses	-	-	-	-
Administrative expenses	-46	-	- 46	-
Research and development costs	-14 493	-10 861	-14 280	-10 587
Other operating expenses	-	-	-	-
Total	-14 539	-10 861	-14 326	-10 587

The Group's goodwill is attributable to the acquisition of subsidiaries and its operations. The activities of the PERFADEX sales as a whole are considered as a cash-generating unit for the impairment testing.

Goodwill has been tested for impairment on the basis of budget and forecasts, the first year of the forecast being based on the company's budget and the subsequent four years based on historical growth rates adjusted for management's forecasts for the future. The forecasts have been developed internally by management based on historical data, management's overall experience and their best assessment of the company's development potential and market growth. The cash flows forecast after five years have been based on a growth rate of 6.0 percent per annum. The forecast cash flows have been calculated at present value at a discount rate of 9.1 per cent before tax. The most important variables in the forecast are market share and growth, gross margin, selling costs and investments. The calculation is based on continued good gross margin and the investment requirement to replace existing assets has been judged to be relatively low. Labour capital has been assumed to change in proportion to turnover and the debt/equity ratio is expected to remain unchanged when growth is assumed to take place within the framework of the existing business and with own resources. The recoverable amount, which is calculated in the Group as value in use, exceeds the carrying amount. Management considers that no reasonable changes in the important variables and assumptions result in the recoverable amount of the unit being lower than the carrying amounts.

In order to support the impairment tests carried out by goodwill, an overall analysis of the sensitivity of the variables used in the model has been carried out. An assumption of an increase in discount rates to 15% indicates that the recoverable amounts still exceed the carrying amounts. Other assumptions such as gross margin, investment needs and growth rate have been assumed to be constant. Reasonable changes to these assumptions over time are not assumed to give rise to any indication that the carrying amount of goodwill cannot be defended.

NOTE 15. MATERIAL FIXED ASSETS

	Group		Parent company	
	2019	2018	2019	2018
Machinery, equipment, fixtures and fittings				
Opening acquisition cost	32 872	27 923	16 160	17 219
Adjustment for changed accounting policy*	8 712	-	-	-
Acquisitions for the year	10 690	6 663	4 053	710
Sales for the year/disposals	-1 581	-2 173	-	-1 767
Exchange rate differences for the year	-940	459	-	-
Closing accumulated acquisition cost	49 753	32 872	20 213	16 160
Opening depreciation	-17 257	-11 646	-8 793	-6 506
Sales for the year/disposals	158	629	-	1 179
Depreciation for the year	-10 321	-6 063	-3 497	-3 466
Exchange rate differences for the year	1 221	-177	-	-
Closing accumulated depreciation	-26 199	-17 257	-12 290	-8 793
Closing carrying amount	23 554	15 615	7 924	7 367
Depreciation has been divided up per function in the income statement as follows:				
Cost of goods sold	-815	-528	-	-
Selling expenses	-1 215	-37	-	-
Administrative expenses	-2 170	-1 384	-670	-433
Research and development costs	-2 132	-39	-	-
Other operating expenses	-3 989	-4 075	-2 827	-3 033
Total	-10 321	-6 063	-3 497	-3 466

*Adjustment for amended accounting policy refers to the introduction of IFRS 16 Leasing contracts.

NOTE 16. PARTICIPATIONS IN GROUP COMPANIES

	Parent company	
	2019	2018
Opening acquisition cost	161 174	161 174
Acquisition of the year	-	-
Closing carrying amount	161 174	161 174

COMPANIES OWNED BY XVIVO PERFUSION AB (PUBL):

Company	Org. No.	Seat	Number	Percentage share	Book value 2019	Book value 2018
XVIVO Perfusion Inc.	45-5472070	Denver, United States	1 000	100	14 475	14 475
XVIVO Perfusion Lund AB	556761-1701	Lund, Sweden	11 402 818	100	146 651	146 651
XVIVO Perfusion SAS	531 229 219	Lyon, France	5 000	100	48	48
XVIVO Perfusion Pacific Pty Ltd	637303381	Melbourne, Australien	1	100	-	-
Total					161 174	161 174

NOTE 17. INVENTORIES

	Group		Parent company	
	2019	2018	2019	2018
Raw materials and consumables	21 131	16 321	8 670	6 024
Work in progress	2 899	527	-	-
Finished goods and goods for resale	19 841	19 539	6 400	7 671
Total	43 871	36 387	15 070	13 695

Write-downs for the exploration of inventories of SEK 3,016 thousand (2,134) are included in the Group's closing inventories. In the Parent Company, write-downs of SEK 1,179 thousand (666 KSEK) have been made.

NOTE 18. RECEIVABLES FROM AND LIABILITIES TO GROUP COMPANIES

The Parent Company has net receivables on the subsidiary XVIVO Perfusion Inc. amounting to SEK 25,750 thousand (37,575), liabilities to the subsidiary XVIVO Perfusion Lund AB amounting to SEK 17,379 thousand (19,386) and liabilities to the subsidiary XVIVO Perfusion SAS of SEK 1,399 thousand (804).

NOTE 19. TRADE ACCOUNTS RECEIVABLE

Trade receivables are reported after account of bad debt losses incurred during the year. For 2019, reported customer losses in the Group amounted to - TSEK (-) of which - TSEK (-) in the parent company. This year's reserved bad debt losses in the Group amount to SEK 272 thousand (319), of which SEK 82 thousand (175) in the parent company.

	Group		Parent company	
	2019	2018	2019	2018
Accounts receivable - trade	43 997	44 034	22 298	17 762
Minus provisions for doubtful receivables	-272	-319	-82	-175
Total	43 725	43 716	22 216	17 587
Age structure - accounts receivable				
Not due	27 866	29 338	13 160	9 687
Due 0-30 days ago	8 082	4 284	2 091	1 640
Due 31-90 days ago	5 390	5 510	4 428	3 414
Due 91-180 days ago	1 476	3 628	1 454	1 958
Due >180 days ago	1 183	1 274	1 165	1 063
Total	43 997	44 034	22 298	17 762

NOTE 20. PREPAID EXPENSES AND ACCRUED REVENUE

	Group		Parent company	
	2019	2018	2019	2018
Rent and other real estate costs	467	427	369	348
Prepaid insurance	2 860	2 545	2 370	2 080
Other prepaid expenses	3 631	4 332	2 632	2 766
Total	6 958	7 304	5 371	5 194

NOTE 21. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT FACILITY

In the cash flow statement, cash and cash equivalents consist of the following components:

	Group		Parent company	
	2019	2018	2019	2018
Cash and bank balanes	159 946	187 064	150 362	178 248
Total	159 946	187 064	150 362	178 248

Short-term investments have not occurred.

Cash and cash equivalents include blocked bank funds as collateral for issued bank guarantees of SEK 0.8 million (0.8) in both the parent company and the Group.

Utilized overdraft facilities amounted to SEK 0 million (0) in the Group and SEK 0 million (0) in the Parent Company. The amount granted on overdraft credit amounts to SEK 30 million (30) in the Group and sek 30 million (30) in the Parent Company.

NOTE 22. SHAREHOLDERS´ EQUITY

SHARE CAPITAL
Only one class of shares exists, all shares have the same right. As of December 31, 2019, the registered share capital comprised 26,600,496 (26,402,496) shares.

OTHER CAPITAL PROVIDED
Refers to equity contributed by the owners.

RESERVES
Reserves consist of reserve funds in the parent company and translation reserves that include all exchange differences arising from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

ACCUMULATED EXCHANGE RATE DIFFERENCE IN SHAREHOLDERS´ EQUITY

	Group	
	2019	2018
Opening value	13 021	8 618
Exchange rate difference for the year in foreign subsidiaries, net of tax	3 207	4 403
Total	16 228	13 021

The disclosure requirement under YEARL Chapter 5, Section 14, concerning the specification of changes in equity compared to the previous year's balance sheet is set out in the report Changes in equity.

RETAINED EARNINGS INCLUDING NET INCOME FOR THE YEAR
Retained earnings including profit for the year include earnings earned in the parent company and its subsidiaries.

RESTRICTED RESERVES
Restricted funds in the parent company may not be reduced by distribution of profits.

Statutory reserve
The purpose of the reserve fund has been to save part of the net profit, which is not used to cover balanced losses.

Development Expenditure Fund
The amount capitalised in respect of self-generated development expenditure shall be re-adjusted from free equity to a fund for development expenditure in tied-up equity. The Fund shall be reduced as capitalised expenditure is amortised or depreciated. It is handled in a similar way to a revaluation fund.

NON-RESTRICTED EQUITY
Retained earnings in the parent company, i.e. the previous year's retained earnings and profit after deduction of dividends paid during the year, together with profit for the year, constitute free equity, i.e. the amount available for distribution to shareholders.

XVIVO Perfusion is in an expansion phase and the company's policy is that the company's earnings are best used to finance the continued development and expansion of the business instead of dividends to shareholders.

NOTE 23. EARNINGS PER SHARE

Calculations have been made in accordance with IAS 33 Earnings per share. Earnings per share are based on the group's earnings for the year attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the year.

Earnings per share	2019	2018
Consolidated net income for the year	4 939	12 685
Weighted average number of shares before dilution	26 518 546	26 302 385
Dilution effect of warrants program	281 450	-
Weighted average number of shares after dilution	26 799 996	26 302 385
Earnings per share before dilution, SEK	0,19	0,48
Earnings per share after dilution, SEK	0,18	0,48

WARRANT PROGRAM
In total, there are 579,000 outstanding warrants in two programs. The 2018 Annual General Meeting resolved to issue a maximum of 315,000 warrants (series 2018/2020) with the accompanying right to subscribe for a maximum of 315,000 new shares to employees of the XVIVO Perfusion Group. Of these warrants, 279,000 have been subscribed for by employees. Warrant program 2018/2020 gives the option holder the right to subscribe for a new share at a price of SEK 146.02 in May 2020.

The 2019 Annual General Meeting resolved to issue a maximum of 351,000 warrants (series 2019/2021) with the accompanying right to subscribe for a maximum of 351,000 new shares to employees of the XVIVO Perfusion Group. Of these warrants, all 351,000 have been subscribed for by employees. The warrant program 2019/2021 entitles the option holder to subscribe for a new share at a price of SEK 278.91 in May 2021.

During the period January-December 2019, both the average share price for the period and the closing price at the closing date exceeded the exercise price for the 2018/2020 options program. The warrant program is calculated at redemption to have a total dilutive effect for existing shares of approximately 1.0%.

The Annual General Meeting in 2018 and 2019 has decided to approve a cash-based incitiment 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 programmes shall, as far as practicable, be designed to correspond to the Swedish option programmes but have a ceiling on maximum outcomes. The cost of these cash-based incentive programs is reported in the periods XVIVO's share price exceeds the strike price for each Swedish option program.

NOTE 24. UNTAXED RESERVES

	Parent company	
Accrual funds	2019	2018
Allocation, assessment of tax 2014	-	1 950
Allocation, assessment of tax 2015	-	4 000
Allocation, assessment of tax 2017	700	700
Allocation, assessment of tax 2018	3 500	3 500
Total	4 200	10 150

NOTE 25. ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	2019	2018	2019	2018
Vacation pay	5 977	4 685	4 259	2 735
Accrued social security contributions	2 705	2 284	1 812	1 626
Accrued special employer´s contribution for pension expenses	1 751	811	1 274	479
Accrued salary, and bonus	11 140	4 315	6 144	1 288
Board fees	1 551	1 035	1 551	1 035
Auditing	290	290	250	250
Other accrued expenses	7 840	9 064	2 247	5 208
Deferred income	1 778	1 712	250	473
Total	33 032	24 196	17 787	13 094

NOTE 26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in the company's earnings and cash flow as a result of changes in exchange rates, interest rates, refinancing and credit risks.

CAPITAL RISK

The Group's objective regarding the capital structure is to safeguard the Group's ability to continue its operations, so that it can continue to generate returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep the costs of capital down. In order to maintain or adjust the capital structure, the Group may make changes in dividends to shareholders, repay capital to shareholders, issue new shares, acquire own shares or sell/buy assets.

XVIVO Perfusion's Board of Directors believes that the company should have a strong capital base to enable continued high growth, both organically and through acquisitions. The aim is for the Group to be able to meet its financial commitments in upswings as well as downturns without significant unforeseeable costs and without jeopardising the Group's reputation. Liquidity risks are managed centrally for the entire Group by the Finance Department.

FINANCIAL POLICY

XVIVO Perfusion has a group policy for its financial operations, which defines financial risks and specifies how the company should manage these risks. In addition, the policy specifies which reports are to be prepared. According to this policy, the company shall always retain liquidity equivalent to at least three months of known future net cash payments.

MATURITY ANALYSIS

Maturity structure of financial liabilities:

	Within 1 year	2 years	3 years	4 years	5 years	>5 years	Total
2018-12-31							
Accounts payable	16 333	-	-	-	-	-	16 333
Other liabilities	26 240	-	-	-	-	-	26 240
2019-12-31							
Interest-bearing liabilities (leasing)	3 396	1 127	142	-	-	-	5 550
Accounts payable	14 406	-	-	-	-	-	14 406
Other liabilities	34 797	-	-	-	-	-	34 797

XVIVO Perfusion's total credit lines amounted to SEK 30 million (30), of which SEK 0 million (0) was utilized.

CREDIT RISKS

The Group's financial assets are reported at SEK 216 million (241), of which SEK 160 million (187) refers to cash and cash equivalents. The Group has traditionally had low loan losses and this also applies in 2019. The risk is limited by creditworthiness checks and advance payments of new customers and by close customer follow-up in cooperation between the financial and market functions. Furthermore, an individual examination of the accounts receivable was carried out in terms of ability to pay and creditworthiness at the balance sheet date.

CURRENCY RISKS

Currency risk is the risk of fluctuations in the value of a financial instrument due to changes in exchange rates. This risk is related to changes in ex-pected and contracted cash flows (transaction exposure), revaluation of foreign subsidiaries' assets and liabilities in foreign currencies (translation expo-sure) and financial exposure in the form of currency risks in cash flows in loans and investments. The company is affected by fluctuations in exchange rates. The aim is to minimize the impact of these changes where practi-cable.

Changes in EUR and USD have the greatest impact. The external sales made from the US subsidiary are made entirely in USD. The inflow is matched to the subsidiary's outflow in the form of costs that are mainly also in USD. External sales from the Swedish parent company are in EUR 85 percent (82), AUD 9 percent (7), SEK 2 percent (4) and other currencies that are USD, GBP and CAD 4 percent (7). The majority of the costs for the Swedish companies are in SEK, but there are also some costs in EUR. This output is matched as far as possible against the inflow in EUR. In the French and Australian subsidiaries, intra-group revenues in local currency are matched with costs that are essentially the same local currency.

SENSITIVITY ANALYSIS

In order to manage interest rate and exchange rate risk, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. In the long term, however, sustained changes in exchange rates and interest rates will have an impact on consolidated earnings.

An overall increase of SEK 4 percent towards all other foreign currencies has been estimated to reduce the Group's operating profit before tax by approximately SEK 4 million (4) for the year ended December 31, 2019.

NOTE 27. FAIR VALUE AND BOOK VALUE OF FINANCIAL ASSETS AND DEBT

GROUP

Financial assets and liabilities amounted to SEK 216 million (241) and SEK 55 million (43). There has been no forward hedging for the currency components included in the above amounts.

PARENT COMPANY

Financial assets and liabilities amounted to SEK 185 million (206) and SEK 49 million (46). There has been no forward hedging for the currency components included in the above amounts.

	Financial assets valued at amortised cost			
	Group		Parent company	
	2019	2018	2019	2018
Assets in the balance sheet				
Accounts receivable	43 725	43 716	22 216	17 587
Other short-term receivables	12 343	10 513	12 136	10 101
Cash and cash equivalents	159 946	187 064	150 362	178 248
Sum	216 014	241 293	184 714	205 936

	Financial liabilities valued at amortised cost			
	Group		Parent company	
	2019	2018	2019	2018
Liabilities in the balance sheet				
Interest-bearing liabilities (leasing)	5 550	-	-	-
Accounts payable	14 406	16 333	11 552	10 212
Other liabilities	34 797	26 240	37 443	35 435
Sum	54 753	42 573	48 995	45 647

All of the Group's assets and liabilities in the balance sheet are valued at amortised cost. The book value is an approximation of the fair value, so these records are not divided into levels according to the valuation hierarchy.

NOTE 28. COLLATERAL LODGED FOR: OWN LIABILITIES

	Group		Parent company	
	2019	2018	2019	2018
Company mortgages	30 000	30 000	27 000	27 000
Blocked bank funds as collateral for bank guarantee	770	762	770	762
Sum	30 770	30 762	30 770	30 762

NOTE 29. DISPOSITION OF COMPANY PROFIT

PROPOSED DISPOSITION OF THE COMPANY'S PROFITS

Premium fund	501 241 727
Balanced result	-102 648 867
Profit for the year	1 676
Earnings to dispose of	398 594 536
Balanced in new count	398 594 536

NOTE 30. CASH FLOW STATEMENT

	Group		Parent company	
	2019	2018	2019	2018
Interest paid and received				
Interest received	469	449	1 358	442
Interest paid	-281	-132	-120	-115
Sum	188	317	1 238	327
Adjustments for items not included in cash flow				
Depreciation and amortization of assets	24 860	16 923	17 823	14 053
Provision for doubtful accounts receivable	272	144	83	-
Lager kurans	2 678	665	1 179	665
Sales of fixed assets	1 440	36		-
Changes in provisions	-14	-22	-14	-22
Translation differences/exchange rates Difference	-374	-1 674	-1 547	-875
Sum	28 862	16 072	17 524	13 821

NOTE 31. TRANSACTIONS WITH RELATED PARTIES

RELATED RELATIONSHIP

The Parent Company has related parties with subsidiaries XVIVO Perfusion Inc., XVIVO Perfusion Lund AB, XVIVO Perfusion SAS and XVIVO Perfusion Pacific Pty Ltd. Of the parent company's total revenue and purchases, SEK 83,427 thousand (84,454) refers to income from subsidiaries and SEK 80,245 thousand (81,648) to purchases from the subsidiaries.

Transfer prices between the Group's companies are set on the basis of the principle of "arm's length" i.e. the distance between the group's companies. independent of each other, well-informed and with an interest in the transactions.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

In addition to the board fee, the board members of XVIVO Perfusion have not received any other remuneration in 2018 and 2019, except in one case: During 2019, Board member Folke Nilsson invoiced the company SEK 93 thousand (39) for consulting services in heart transplantation. The total remuneration is included in the note "Employees, personnel costs and fees to the Board of Directors" (see Note 6).

NOTE 32. EVENTS AFTER THE BALANCE SHEET DATE

No events after the balance sheet date have occurred which materially affect the assessment of the financial information contained in this report.

NOTE 33. CRITICAL ASSESSMENTS AND ESTIMATES

RECOVERY OF THE VALUE OF DEVELOPMENT COSTS

There are no indications of additional impairment as of December 31, 2019. The projects that have been asset-made can be assumed to generate revenue-generating products in the near future. For further information see Note 1 Accounting Policies.

IMPAIRMENT TESTING OF GOODWILL

When calculating the recoverable amount of cash-generating units for the assessment of any impairment of goodwill, several assumptions about future conditions and estimates of parameters have been made. A statement of these can be found in Note 14.

NOTE 34. RECONCILIATION OF ALTERNATIVE RATIOS

EBITDA

TSEK	2019	2018
Operating income	**3 940**	**14 000**
Depreciation and amortization of intangible assets	14 539	10 861
Depreciation and amortization of tangible assets	10 321	6 062
EBITDA (Operating profit before depreciation)	**28 800**	**30 923**

GROSS MARGIN

TSEK	2019	2018
Operating income		
Net sales	220 837	187 868
Operating expenses		
Cost of goods sold	-58 024	-51 915
Gross profit	**162 813**	**135 953**
Gross margin %	**74**	**72**
Gross margin without capital goods		
Operating income		
Net sales, all operations except durable goods	206 857	172 693
Operating expenses		
Cost of goods sold, all activities other than capital goods	-47 439	-39 406
Gross profit, without capital goods	**159 418**	**133 288**
Gross margin excluding capital goods %	**77**	**77**

SOLIDITY

TSEK	191231	181231
Equity	577 521	540 477
Total assets	634 487	586 612
Equity ratio %	**91**	**92**

CERTIFICATION

The Board of Directors and the Managing Director certify that the annual accounts have been prepared in accordance with GAAP in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual report and the consolidated financial statements give a true and fair view of the position and results of the parent company and the Group. The Annual Report for the Parent Company and the Group gives a true and fair view of the development of the parent company's and the Group's operations, position and results and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

As stated above, the Annual Report and consolidated financial statements have been approved for issue by the Board of Directors and the President on March 9, 2020. The Group's income statement and statement of income and other comprehensive income and balance sheet and the parent company's income statement and balance sheet will be settled at the Annual General Meeting on March 31, 2020.

Gothenburg, March 9, 2020

Gösta Johannesson
Chairman

Magnus Nilsson
Managing Director

Folke Nilsson
Director

Camilla Öberg
Director

Yvonne Mårtensson
Director

Alan Raffensperger
Director

Dag Andersson
Director

Our audit report was issued on 9 March 2020

KPMG AB
Jan Malm
Certified Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of XVIVO Perfusion AB (publ), corporate identity number 556561-0424

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have carried out an audit of the annual report and consolidated financial statements of XVIVO Perfusion AB (publ) for 2019 with the exception of the corporate governance report on pages 40-43. The Company's annual report and consolidated financial statements are included on pages 35-60 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view of the parent company's financial position as at 31 December 2019 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the Group's financial position as at 31 December 2019 and of its financial results and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our statements do not include the Corporate Governance Report on pages 40-43. The annual report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the parent company and for the Group.

Our statements in this report on the annual accounts and consolidated financial statements are consistent with the content of the supplementary report

BASIS FOR OPINIONS

We have carried out the audit in accordance with International Standards on Auditing (ISA) and good auditing practice in Sweden. Our responsibilities according to these standards are described in more detail in the Auditor's responsibility section. We are independent in relation to the parent company and the Group in accordance with good accounting practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements. This includes that, based on our best knowledge and beliefs, no prohibited services referred to in Article 5(1) of the Auditor's Regulation (537/2014) have been provided to the audited company or, where appropriate, its parent or its controlled company in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

KEY AUDIT MATTERS

Particularly important areas for the audit are the areas that, in our professional assessment, were the most important for the revision of the annual accounts and consolidated accounts for the period in question. These areas were addressed in the context of the audit of, and in our position on, the annual accounts and consolidated accounts as a whole, but we do not make separate statements on these areas.

REVENUE RECOGNITION

See Note 2 and accounting policies on page 52 of the annual report and consolidated financial statements for detailed information and description of the area.

Description of key audit matters

Revenue for 2019 in the Group amounted to SEK 220.8 million. Proceeds from the sale of goods are recognised in the profit and loss account when significant risks and benefits associated with the ownership of the goods have been transferred to the buyer, which normally occurs in connection with delivery. Normally, revenue is recognised when the buyer accepts delivery, and installation and verification has taken place. Revenue can also be recognised as soon as delivery has taken place but not installation, if it is established in contract that risks and benefits have been passed on to the buyer with delivery.

Turnover refers to revenue from the sale of goods and services and invoiced freight and is reported excluding VAT, returns and discounts. Invoicing is in connection with the issue. The income is recognised at the fair value of what has been or will be received for goods and services sold in the Group's current operations.

How the area has been taken into account in the audit

We have assessed the design of the company's controls regarding the revenue recognition of goods and services and how these controls have been implemented.

We have reviewed a selection of contracts to analyse the relevant contractual conditions and how these were accounted for and assessed the effectiveness of the applied revenue recognition. On a selection basis, we have examined sales transactions reported before and after year-end to assess whether correct terms have been applied to the contracts and that risks and benefits have been transferred to customers.

We have checked through sampling that the reported revenue is consistent with information in the pre-systems. We have also verified the security of IT systems and that checks exist between presystems and accounting so that revenue is accounted for in the accounting period when delivery has taken place.

VALUATION OF GOODWILL AND CAPITALIZED EXPENDITURE FOR DEVELOPMENT

See Note 14 and accounting principles on page 52 of the Annual account and consolidated accounts for detailed information and description of the matter.

Description of the area

As of December 31, 2019, the Group reported goodwill of SEK 65.8 million and retained development work expenses of SEK 266.5 million, which represents 42% of the balance sheet total. Goodwill shall be subject to at least one impair-ment test annually, which contains both complexity and significant elements of assessments from the management of the Group. An impairment test must be established for each of the cash-generating units, which for the Group is one unit.

Goodwill refers in its entirety to the business of PERFADEX sales.

Balanced expenditure on development work mainly refers to the activities of the heart transplant and sales of XPS and STEEN Solution in the US market.

In the Parent Company, shares in subsidiaries are reported for an amount of SEK 161.2 million, the value of which is largely affected by the assessment of goodwill and retained expenses for development work carried out in the Group.

According to the current regulations, the test must be carried out according to a certain technology where management must make projections of the business's both internal and external conditions and plans. Examples of such assessments are future cash and payment, which, among other things, require assumptions about future market conditions thus indirectly as to how competitors can be expected to act. Another important assumption is the discount rate that should be used to take into account that future assessed cash receipts are associated with risk and are therefore worth less than the cash available to the Group.

How the area has been taken into account in the audit

We have inspected the company's impairment tests to assess whether they have been completed in accordance with the technology prescribed. Furthermore, we have assessed the reasonableness of the future receipts and payments as well as the assumed discount rate by taking note of and evaluating the management's written documentation and plans. We have also interviewed the management and evaluated previous years' assessments in relation to actual outcomes.

We have involved our own valuation specialists in the audit team in order to ensure experience and expertise in the field, primarily with regard to assumptions related to external markets and competitors and assessment of the company's assumptions regarding future cash ins and outs.

An important part of our work has also been to evaluate how changes in assumptions can affect the valuation, i.e. to perform and take part in the Group's so-called sensitivity analysis.

We have also checked the completeness of the information in the annual accounts and assessed whether they are consistent with the assumptions that the Group has applied in its impairment review and whether the information is comprehensive enough to understand management's assessments

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual report and consolidated financial statements and can be found on pages 35-60. The Board of Directors and the Managing Director are responsible for this other information. Our statement regarding the annual accounts and consolidated financial statements does not include this information and we make no statement at testing for this other information.

In connection with our audit of the annual accounts and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. In this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatement.

If, based on the work done on this information, we conclude that the other information contains a material error, we are required to report this. We have nothing to report in that regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for preparing the annual accounts and consolidated accounts and providing a true and fair view in accordance with the Annual Accounts Act and, in the case of consolidated financial statements, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for the internal control that they deem necessary for the preparation of an annual report and consolidated financial statements that do not contain any material misstatement, whether due to irregularities or errors.

In preparing the annual report and consolidated financial statements, the Board of Directors and the President are responsible for assessing the company's and the Group's ability to continue operations. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation does not apply if the Board of Directors and the Ceo intend to liquidate the company, cease operations or have no realistic alternative to doing any of these. Without prejudice to the board's responsibilities and other tasks, the Audit Committee of the Board of Directors shall, among other things, monitor the company's financial reporting.

AUDITOR'S RESPONSIBILITIES

Our objective sits on achieving a reasonable degree of assurance as to whether the annual accounts and consolidated financial statements as a whole contain no material misstatement, whether due to irregularities or errors, and to provide an audit report containing our statements. Reasonable assurance is a high degree of certainty, but is no guarantee that an audit carried out under ISA and good auditing practice in Sweden will always detect a material error if one exists. Errors may arise as a result of irregularities or errors and are considered material if they can reasonably be expected to influence the financial decisions taken by users on the basis of the annual accounts and consolidated accounts individually or collectively.

As part of an audit under ISA, we use professional judgment and have a professionally skeptical attitude throughout the audit. Also:

- we identify and assess the risks of material misstatement in the annual accounts and consolidated financial statements, whether due to irregularities or errors, design and perform audit measures, including on the basis of these risks, and obtain audit evidence that is sufficient and appropriate to form the basis for our statements. The risk of not detecting material irregularity as a result of irregularities is higher than for a material error due to errors, as irregularities may include collusion, falsification, intentional omissions, misinformation or breach of internal control.

- we gain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit measures that are appropriate to the circumstances, but not to comment on the effectiveness of internal control.

- we evaluate the appropriateness of the accounting policies used and the reasonableness of the Board's and the Managing Director's estimates in the financial statements and related disclosures.

- we draw a conclusion on the appropriateness of the Board of Directors and the Ceo using the assumption of continued operation in the preparation of the annual accounts and consolidated financial statements. We also draw a conclusion, based on the audit evidence gathered, as to whether there is any material uncertainty related to such events or circumstances that could lead to significant doubts about the company's and the Group's ability to continue operations. If we conclude that there is a material uncertainty factor, we must draw attention in the auditor's report to the information contained in the annual accounts and consolidated financial statements about the material uncertainty factor or, if such disclosures are insufficient, to modify the statement on the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may mean that a company and group can no longer continue operations.

- we evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

- we obtain sufficient and appropriate audit evidence regarding the financial information for the entities or business activities within the Group to make a statement regarding the consolidated financial statements. We are responsible for the control, monitoring and execution of the group audit. We are solely responsible for our statements.

We must inform the Board of Directors of, among other things, the planned scope and direction of the audit and its timing. We must also provide information on significant observations during the audit, including the significant deficiencies in internal control that we have identified.

We must also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and address any relationships and other circumstances that may reasonably affect our independence, as well as, where applicable, related countermeasures.

Of the areas communicated with the Board of Directors, we determine which of these areas have been the most important for the audit of the annual accounts and consolidated accounts, including the most important assessed risks of material misstatement, and which therefore constitute the areas of particular importance for the audit. We describe these areas in the auditor's report unless laws, regulations or regulations prevent disclosure of the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual report and consolidated financial statements, we have also carried out an audit of the board's and the President's management of XVIVO Perfusion AB (publ) for 2019 and of the proposed dispositions regarding the company's profit or loss.

We recommend that the Annual General Meeting dispose of the profits as proposed in the Annual Report and discharge the Members of the Board of Directors and the President from liability for the financial year.

BASIS FOR OPINIONS

We have carried out the audit in accordance with good auditing practice in Sweden. Our responsibilities according to this are described in more detail in the auditor's responsibility section. We are independent in relation to the parent company and the Group in accordance with good accounting practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposed dispositions regarding the company's profit or loss. In the case of a dividend proposal, this includes, among other things, an assessment of whether the dividend is justifiable in view of the requirements that the company's and the Group's operating activities, scope and risks impose on the size of the parent company's and the Group's equity, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, the management of funds and the company's financial affairs are otherwise controlled in a satisfactory manner.

The Executive Director shall manage day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, inter alia, take the necessary measures to ensure that the company's accounts are carried out in accordance with the law and that the management of funds is carried out in a satisfactory manner.

AUDITOR'S RESPONSIBILITIES
Our objective regarding the audit of the administration, and thus our discharge statement, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any board member or the Managing Director in any material respect:

- any action or omissions which may give rise to liability to the company;
- otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the audit of the proposal for dispositions of the company's profit or loss, and thus our statement on this, is to assess with reasonable degree of certainty whether the proposal is compatible with the Companies Act.

Reasonable assurance is a high degree of certainty, but no guarantee that an audit carried out in accordance with good auditing practice in Sweden will always detect any measures or omissions that may give rise to liability to the company, or that a proposal for dispositions of the company's profits or losses is not compatible with the Swedish Companies Act.

As part of an audit according to good auditing practice in Sweden, we use professional judgment and have a professionally skeptical attitude throughout the audit. The audit of the management and the proposed dispositions of the company's profits or losses are mainly based on the audit of the accounts. The additional audit measures are based on our professional assessment based on risk and materiality. This means that we focus the review on such measures, areas and circumstances that are essential to the business and where deviations and violations would have a particular bearing on the company's situation. We review and examine decisions, decision-making, measures taken and other circumstances relevant to our discharge statement. As a basis for our statement on the Board's proposal for dispositions regarding the company's profit or loss, we have reviewed the Board's reasoned opinion and a selection of the supporting documents for this in order to assess whether the proposal is compatible with the Swedish Companies Act.

AUDITOR'S REVIEW OF THE CORPORATE GOVERNANCE REPORT
The Board of Directors is responsible for the corporate governance report on pages 40-43 and for its preparation in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with THE CEO's statement RevU 16 The Auditor's review of the Corporate Governance Report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and Good Auditing Practice in Sweden. We believe that this review provides us with sufficient grounds for our statements.

A corporate governance report has been prepared. Information in accordance with Chapter 6. 6 § second paragraph paragraphs 2-6 annual report and Chapter 7. Paragraph 31(2) of the same law is consistent with the other parts of the annual accounts and consolidated accounts and is in accordance with the Annual Accounts Act.

KPMG AB, Box 11908, 404 39, Gothenburg, was appointed xvivo Perfusion AB (publ)'s auditor by the Annual General Meeting on April 26, 2017. KPMG AB or auditors working at KPMG AB have been the company's auditor since 2013.

Gothenburg, March 9, 2020

KPMG AB

Jan Malm
Certified Public Accountant

BOARD OF DIRECTORS

Gösta Johannesson
Chairman of the Board

Born 1959, MBA from Uppsala University. Senior advisor at Bure Equity AB.

Other assignments: Deputy Chairman of interflora AB and Axiell Group, board member of Mentice AB, Scandinova Systems AB, Atle Investment Services AB and Yubico AB. Gösta Johannesson was previously a partner in Provider Venture Partners, before that in leading positions within Öhman Fondkommission and Handelsbanken Markets. Gösta Johannesson is dependent on the company's major owners. Gösta Johannesson has been a board member of the company since 2013.

Shareholding in XVIVO Perfusion: 2,000 shares.

Folke Nilsson

Born 1950, trained doctor and Thoracic surgeon.

Previously responsible for the Heart and Lung Transplant operations at Sahlgrenska University Hospital and is currently working as a general practitioner. No other board assignments. Folke Nilsson is independent of the company and the company's major owners. Folke Nilsson has been a board member of the company since 2013.

Shareholding in XVIVO Perfusion: 0 shares.

Camilla Öberg

Born 1964, MBA from the Stockholm School of Economics. CFO at Cybercom Group.

Other assignments: Board member of Instalco Intressenter AB. Former Chief Financial Officer at Logica Sweden, leading positions in WM-data, including Investor Relations, Treasury and Business Control, CFO at Swegro Group and Lexicon and accounting and reporting at SEB. Camilla Öberg is independent in relation to the company and the company's major owners. Camilla Öberg has been a board member of the company since 2016.

Shareholding in XVIVO Perfusion: 1,076 shares.

Yvonne Mårtensson

Born 1953, MSc from the Institute of Technology at Linköping University. Independent Board member and Business Advisor.

Other assignments: Chairman of the Board of Elos Medtech AB. Former CEO of CellaVision AB during the years 1998-2014. Yvonne Mårtensson is independent in relation to the company and the company's major owners. Yvonne Mårtensson has been a board member of the company since 2018.

Shareholding in XVIVO Perfusion: 3,000 shares.

Alan Raffensperger

Born in 1960, MBA from George Washington University and B.Sc. in Health Services Management from the University of Maryland Baltimore. CEO of Inceptua SA.

No other board assignments. Former COO of SOBI (Swedish Orphan Biovitrum AB) during the years 2012-2017 and before that CEO of Benechill Inc. 2010-2012. Alan Raffensperger is independ-ent of the company and the company's major shareholders. Alan Raffensperger has been a board member of the company since 2018.

Shareholding in XVIVO Perfusion: 0 shares.

Dag Andersson

Born 1961, MBA from INSEAD and a BA (Hons) in Business and Commerce from the Stockholm School of Economics.

Other assignments: Board member of Nolato AB (publ), GHP AB (publ) and Terveystalo Oy (publ). Extensive experience in medical technology through previous positions as CEO of Diaverum AB 2008-2018 and before its leading roles in Mölnlycke Health Care 1993-2007. Dag Andersson is inde-pendent of the company and the company's major owners. Dag Andersson is a board member of the company since 2019.

Shareholding in XVIVO Perfusion: 3,000 shares.

Shareholdings include those of spouses, minor children and related companies.

AUDITORS

The company's auditor is KPMG AB with authorized public accountant Jan Malm (born 1960) as principal.

KPMG AB Visiting address: Norra Hamngatan 22
404 39 Gothenburg
Tel +46 31 61 48 00

SENIOR MANAGEMENT

Magnus Nilsson
Managing Director

Born 1956, Doctor of Medical Science at Uppsala University. CEO of XVIVO Perfusion since 2011 and before that CEO of Vitrolife since 2003. Former project manager for preclinical and clinical drug development, KaroBio AB and Pharmacia & Upjohn AB.

Shareholding in XVIVO Perfusion: 200,000 shares and 82,000 warrants.

Pär-Ola Larsson
Marketing and Sales Manager Europe, Middle East, Africa and Pacific

Born 1969, MBA from the School of Business, Economics and Law at the University of Gothenburg and executive MBA degree from The Copenhagen School of Economics (CBS). Former Business Development Manager for Lung Diseases at Boston Scientific Inc. Prior to its senior positions in sales, marketing and business development at Johnson&Johnson.

Shareholding in XVIVO Perfusion: 1,800 shares and 39,000 warrants.

Christoffer Rosenblad
CFO and Deputy Managing Director

Born 1975, MSc from Chalmers University of Technology and MBA from the School of Business, Economics and Law at the University of Gothenburg. Former Business Controller Ciba Vision Nordic AB, before that in financial positions at LG Electronics.

Shareholding in XVIVO Perfusion: 54,392 shares and 46,000 warrants.

Katrin Gisselfält
Quality and Regulatory Manager

Born 1969, Born 1969, Tekn. Dr., Polymer Chemistry from Chalmers University of Technology. Former R&D and Regulatory Manager at Abigo Medical AB and before that head of research and development with responsibility for R&D, regulatory issues and clinical studies at Artimplant AB.

Shareholding in XVIVO Perfusion: 0 shares and 14,000 warrants.

Henrik Isaksson
Operations Director

Born 1971, MBA from Lund University. Former Senior Manager Sourcing and Supply Chain at Stryker and before that Product Manager and Supply Manager positions at Ericsson and Gambro.

Shareholding in XVIVO Perfusion: 0 shares and 36,000 warrants.

Emur Jensen
Development Manager

Born 1972, B.Sc.Chem. Eng., Professional engineer license for the state of Colorado. Former factory manager of Vitrolife Inc. and prior to technology and process development for C&MI Inc.

Shareholding in XVIVO Perfusion: 2,000 shares.

Shareholdings include those of spouses, minor children and related companies.

DICTIONARY

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

Preclinical study
Research that takes place before drugs or treatment method is sufficiently documented to be studied in humans. For example, testing of substances on tissue samples and subsequent testing on laboratory animals.

Clinical study/trial
A study on healthy or sick people to study the efficacy of a drug or method of treatment.

Medical technology
Includes aids used to diagnose disease, treat disease and as rehabilitation.

Obstructive pulmonary disease
Disease in which the flow of the airways is prevented.

Perfusion
Throughput of fluid in an organ's blood vessels.

Evaluation
Evaluation of the functioning of an organ.

Preservation
Storage and preservation of an organ outside the body for transplantation.

Ex vivo (Latin "outside the living")
Biological processes in living cells and tissues when they are in artificial environmentoutside the body. "The opposite" of in vivo.

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

EVLP (Ex Vivo Lung Perfusion)
Perfusion of a lung outside the body, which normally occurs to evaluate the lung prior to transplantation.

Hypothermic non-ischemic perfusion of the heart
Circulation of the chilled, dormant donated heart with supply of oxygen and necessary nutrients during transport to the recipient.

FDA or US Food and Drug Administration
The FDA is the U.S. Food and Drug Administration with responsibility for food, dietary supplements, pharmaceuticals, cosmetics, medical equipment, radioactive radiant equipment and blood products. In order to market a medical device on the U.S. market, you need FDA permission.

PMA or Premarket Approval
Premarket approval (PMA) is an FDA process in which companies scientifically and with the agency's review evaluate the safety and effectiveness of a Class III medical device. Class III are products that support or sustain human life, are essential for preventing deterioration of human health, or which may give unreasonable risk of disease or injury.

HDE or Humanitarian Device Exemption
An HDE application can be submitted to the FDA for a medical device that is intended to benefit patients by treating or diagnosing a disease or condition that affects or manifests in fewer than 4,000 people 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 efficiency requirements of a PMA.

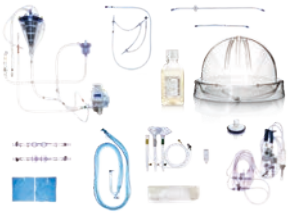
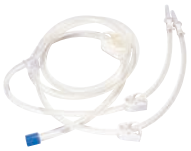
OPO or Organ Procurement Organization
In the United States, an Organ Procurement Organization (OPO) is a non-profit organization responsible for evaluating and treating deceased donor organs for organ transplantation. There are about 58 OPO's in the United States.

Reimbursement
Reimbursement Reimbursement or Reimbursement) is used in health insurance schemes to help healthcare providers be paid faster and more easily for costs incurred by a private or public insurance company (in the United States, such as Medicare).

DEFINITIONS

RATIOS	DEFINITION	JUSTIFICATION
Gross margin without capital goods, %	Gross profit for the period segment all operations without capital goods divided by net sales for the period segment all operations without capital goods.	The company believes that the ratio provides an in-depth understanding of the Company's profitability regarding its operations without capital goods. As the pricing strategy for capital goods differs from the pricing strategy from all other activities, the gross margin without capital goods is reported separately.
Gross margin, %	Gross profit for the period divided by net sales for the period.	The company believes that the ratio provides an in-depth understanding of the Company's profitability.
EBITDA margin, %	EBITDA (operating profit before depreciation) divided by net sales for the period.	The company believes that the ratio provides an in-depth understanding of the Company's profitability.
Operating margin, %	Operating profit for the period divided by net sales for the period.	The company believes that the ratio provides an in-depth understanding of the Company's profitability.
Net margin, %	Profit for the period divided by net sales for the period.	The company believes that the ratio provides an in-depth understanding of the Company's profitability.
Equity ratio, %	Equity divided by balance sheet total.	Equity ratio shows the proportion of the balance sheet total that consists of equity and has been included in order for investors to be able to create a picture of the Company's capital structure.
Equity per share, SEK	Equity in relation to the number of outstanding shares at the balance sheet date.	The ratio has been included so that investors will have an overview of how the Company's equity per share has developed.
Earnings per share, SEK	Profit for the period divided by the average number of shares, basic, for the period.	The ratio has been included so that investors will have an overview of each period's dividends.
Diluted earnings per share, SEK	Profit for the period divided by the average number of shares, diluted, for the period.	The ratio has been included so that investors can get an overview of how the Company's share price has developed.

XVIVO PERFUSION PRODUCTS

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

WWW.XVIVOPERFUSION.COM

XVIVO Perfusion AB (publ), Box 53015, SE-400 14 Gothenburg. Tel: +46 31-788 21 50. Fax: +46 31-788 21 69. XVIVO Perfusion Inc., 3666 South Inca Street, Englewood, CO 80110, USA, Tel: +1 303 395 9171, Fax +1 800 694 5897. XVIVO Perfusion Lund AB, Propellervägen 16, SE-224 78 Lund, Sweden. Tel: +46 46 261 05 50. Fax: +46 31-788 21 69. XVIVO Perfusion SAS, 3 Place Giovanni da Verrazzano, 69009 Lyon, France . Tel : +46 31-788 21 50. Fax: +46 31-788 21 69 XVIVO Perfusion Pacific Pty. Ltd., Level 18, 530 Collins Street, Melbourne, VIC 3000, Australia. Tel: +46 31-788 21 50. Fax: +46 31-788 21 69.