Annual Report 2023

XVIVO Perfusion AB (publ)

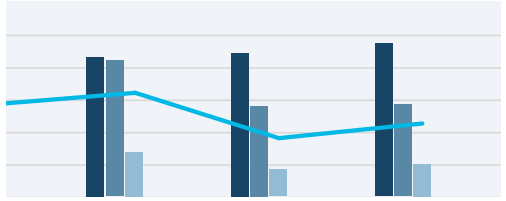
XVIVO

We believe in an extended life for all organs. Nobody should die waiting for a new organ.

At XVIVO, we have millions of reasons to go to work every day, namely all the people who desperately need new lungs, a new kidney, a new liver, or a new heart. We know that far too many people do not receive the help they need in time due to an acute shortage of donated organs. XVIVO is determined to change this and realize our vision: nobody should die waiting for a new organ. This is a huge challenge that we address alongside dedicated and highly-skilled transplantation teams around the world. They would all be able to save more lives if they could access more organs. Thanks to our innovative technology for transporting, preserving and assessing organs outside the body, this will be possible.

Content

Strategic focus areas
Five strategic focus areas will make us the leading operator in preserving organs outside the body during our strategy period 2023-2027. **Read more on page 15.**



Market drivers
There is an acute shortage of donated organs globally. According to the WHO, the number of transplants carried out only corresponds to 10 percent of the actual need. **Read more on page 22.**

Offering for all four major organs
XVIVO's technologies save organs so others can save lives. Our offering addresses 98% of the market. **Read more on page 26.**

Sustainability is a part of our DNA
During 2023, we developed our sustainability work. **Read more on page 44.**

This Annual Report is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation.

THIS IS XVIVO

Our technologies save organs so others can save lives.

According to the WHO, approximately 160,000 organ transplants are carried out annually worldwide, which unfortunately only corresponds to 10 percent of the total need. The shortage of organs means that many patients either die while waiting for an organ, or their health deteriorates so much that they are removed from the waiting list.

Founded in 1998, XVIVO is the only medical technology company dedicated to extending the life of all major organs so transplant teams around the world can save more lives. Our technologies and services allow leading clinicians and researchers to push the boundaries of organ transplantation.

Our vision is that "Nobody should die waiting for a new organ" and our name reflects our focus – to preserve organs outside the body.

The Company is active in all four major organ areas (lung, heart, liver and kidney) and the operations are conducted in three business areas: Thoracic (lung and heart transplantation), Abdominal (liver and kidney transplantation and perfusion services) and Services (organ recovery).

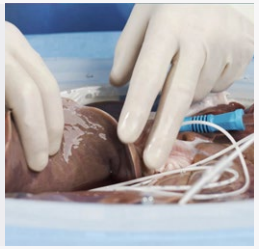
The XVIVO share is listed on Nasdaq Stockholm Mid-Cap. More information can be found on the website www.xvivogroup.com.

Follow us on

Business area

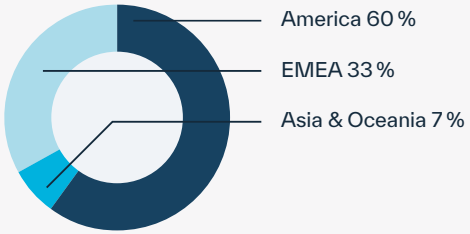
Thoracic

Abdominal



Services

Main markets 2023



Founded
1998

Employees
~160

HQ in Gothenburg
Sweden

The share is listed on
NASDAQ
Stockholm mid-cap

Significant events in 2023

1. Patient inclusion ended in European clinical trial using XVIVO's heart preservation technology
2. XVIVO strengthens it service offering in the US through the commercial integration of STAR Teams
3. XVIVO completes a directed share issue of 1,600,000 shares, raising gross proceeds of SEK 440 million
4. US FDA grants XVIVO approval to include DCD hearts in IDE Clinical Trial
5. The first heart transplant in the US as part of XVIVO's PRESERVE clinical trial
6. Centralized EVLP (hub) concept introduced in Europe in partnership with clinics in Paris, France
7. Results from Australian/New Zealand study using XVIVO's heart technology published; 100% survival rate at 30-days
8. XVIVO reaches significant milestone in Italy: 1,200 lifesaving organ perfusions performed using Liver Assist and a volume growth of 50% compared to previous year
9. First installation and perfusion of kidney using XVIVO's Kidney Assist Transport with a US Organ Procurement Organization (OPO)

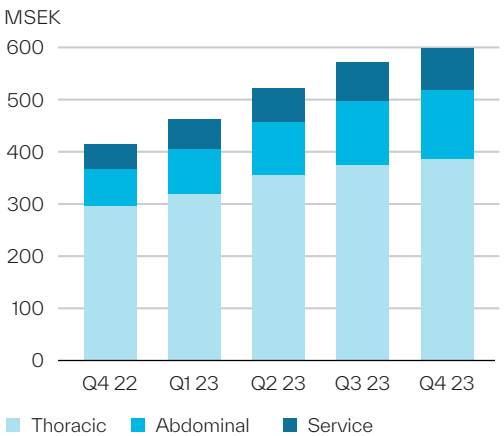
Outcome and key ratios 2023

Sales
SEK 598 M

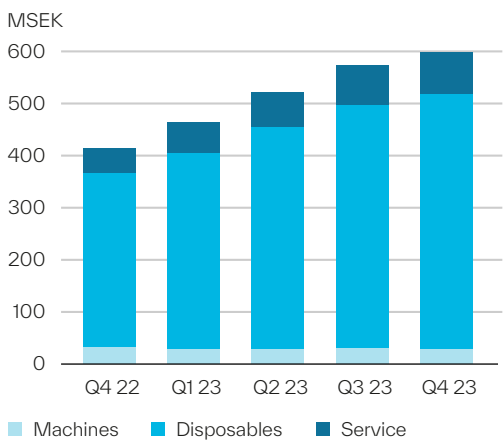
Organic growth
30 %

Adjusted EBITDA margin
17 %

Sales by business area (R12)



Sales by product category (R12)



Key ratios

	2023	2022
Gross margin, %	74	72
Gross margin non-durable goods, %	81	79
EBIT, %	1	2
EBIT (adjusted[1]), %	7	3
EBITDA, %	13	12
EBITDA (adjusted[2]), %	17	14
Net margin, %	15	4
Equity/assets ratio, %	89	83
Earnings per share, SEK	3.07	0.62
Shareholders' equity per share, SEK	61.75	47.94
Share price on closing day, SEK	330	183
Market cap on closing day, SEK M	10,379	5,459
Sales growth		
Organic growth in local currencies, %	30	30
Acquired growth, %	6	15
Exchange rate effects, %	8	16
Total growth, %	44	61

1) Adjusted for effect from non-recurring costs of SEK -16.9 million (-6.2) in the quarter, and SEK -38.5 million (-7.9) in the period.
2) Adjusted for effect from non-recurring costs of SEK -0.5 million (-6.2) in the quarter, and SEK -22.1 million (-7.9) in the period.

CEO INTERVIEW

2023 – Our strongest year to date

XVIVO's vision, that *'nobody should die waiting for a new organ'*, is deeply rooted in the company and serves as a natural guiding principle every day. 2023 was our strongest year to date, with total sales of SEK 598 million and organic growth of 30 percent. Profitability continued to increase, and we achieved adjusted EBITDA of 17 percent. The year was characterized by strengthening and improving our foundation to meet continuously growing demand for our products and services, while simultaneously reaching several important milestones. This has made us stronger and I am extremely proud of XVIVO's progress.

I am a strong believer in what individuals can achieve together, both internally and in collaboration with customers and partners. Our innovative power is what has brought us to where we are today, and while our current strength rests on a solid foundation of research and development, it also ensures that we will maintain a relevant and leading position for years to come.

How did XVIVO perform financially in 2023?

We have three business areas, Thoracic, Abdominal and Services, which all broke sales records during the year. Thoracic generated organic growth of 28 percent in disposables, mainly driven by increased transplant activity in our largest market; the US, with an increase in both the number of transplantations and the use of lungs from DCD donors. Abdominal saw organic growth of 53 percent, primarily as a result of consolidating and developing our leading position in liver transplantation in Europe. Our third business area, Services, comprised of our organ recovery offering in the US, expanded operations by 57% as a result of a strengthened customer offering and an expanded customer base.

Moreover, in 2023 we continued to improve gross margins despite operating in an environment with increased prices on input supplies, transport and freight. Thanks to our profitable core operations we are able to continue to develop and invest in operations.

Why did you raise capital in the year?
We are focusing sharply on minimizing the time to the US market for both heart and liver, at the same time as production capacity needs to be scaled up at an accelerated pace in order to meet strong demand. The capital raising is intended to secure these three key initiatives, while also allowing us to continue to invest in organic growth. I am delighted by the overwhelming support and confidence shown by our shareholders. The capital raise of SEK 440 million was completed without a discount and with strong interest from existing and new shareholders alike.

Which significant events drove your business during the year?
Another eventful year concluded, with success in several areas. Starting with our heart technology, the European clinical trial was completed in May with the finalization of patient inclusion. We are now awaiting the initial results which will be presented at the ISHLT conference in Prague in April 2024. The study forms the basis for regulatory approval in Europe. The US clinical trial started in October, and earlier in the year we gained approval from the FDA to include DCD heart in the study. In November, the results of the Australian/New Zealand clinical trial were published in the prestigious Journal of Heart and Lung Transplantation. The study showed that hearts that had previously been considered unsuitable for transplantation due to long distances between hospitals, could now be transplanted with a 100 percent survival rates at 30 days when transported using XVIVO Heart Assist Transport. During the year, approximately 30 percent of the heart transplants in Australia and New Zealand took place using our technology. The fact that we have reached all these positive milestones means that we have very high expectations for this technology.

With regard to our liver technology, where we are the leaders in Europe, we reached a significant milestone in Italy with 1,200 perfusions completed since the launch of XVIVO's Liver Assist. Italy is currently our largest market for liver. A study carried out by UMCG was recently published in the Netherlands, which showed that a liver can be preserved for up to 20 hours using machine perfusion with retained patient safety. These results allow transplantation clinics, for the first time, to schedule the timing of transplants to avoid nighttime surgery. Carrying out a majority of transplants during daytime hours, also results in time savings of approximately two hours per transplant. It is extremely pleasing to see these results now that we have initiated a PMA process for liver technology in the US.

In the lung area, we remain the global leader and driver of market developments. Experienced transplant teams and efficient infrastructure are key to increasing the number of lung transplants. A trend in the area involves the establishment of hubs in selected clinics which carry out perfusions on behalf of other hospitals in specific geographic regions. During the year, XVIVO participated in establishing two new hubs in Europe; one in Paris where perfusions have already been carried out, and one in Copenhagen that is about to start. As the market leader, it is our responsibility to create forums where globally leading clinics can meet to exchange experiences and discuss the latest trends. We enabled this in November by hosting another XVIVO Masterclass Lung Transplantation, which attracted some 80 delegates from 20 countries. This is a greatly appreciated event, and we will be offering the XVIVO Masterclass for all organs going forward.

The number of kidney transplants is growing steadily in the US, with approximately 27,000 transplants completed last year alone. Having said that, during the year we installed Kidney Assist Transport with our first OPO (Organ Procurement Organization). The launch rate will increase in 2024 as production capacity gradually increases. We are also seeing promising progress in the Netherlands, where Kidney Assist Transport is used for all DCD kidneys with favorable results. This is confirmed by clinical results from studies such as the one published in The Lancet (2020).

> "Another eventful year concluded, with success in several areas"

Different service concepts are becoming increasingly important – what are you doing in this sphere?
As previously outlined, there is a trend towards offering services alongside perfusion technology. Today, I would say that this is expected as part of a total offering in many countries, particularly the US. This is because transplantation clinics often do not operate at full capacity around the clock, in other words:

they need assistance. One good example is provided by our organ recovery service in the US, which grew by 57 percent last year. However, demand from clinics varies, and I believe it will be important to offer a flexible model that appeals to large and small clinics alike. In 2024, we will develop the concept in close collaboration with customers. During 2023, we implemented major logistical improvements to our offering, and have created a scaleable growth platform in collaboration with logistics partners.

In Italy, we provide a different service altogether. On that market, we offer a perfusion service where XVIVO staff manage organ perfusion during the transplantation process. This has proven very successful and is a reason as to why Italy has become our largest market for liver. The successful approach in Italy is being reviewed for application on other European markets.

What is XVIVO's strategy?

We have five well-defined areas to deliver on during the strategy period 2023-2027. These areas will take us to a market-leading position in organ transplantation. They will enable us to become the leading operator in the abdominal area (liver and kidney), lead a paradigm shift in heart transplantation, accelerate our market leadership in lungs, become our customers' preferred choice, and expand to new markets.

What were the key features of 2023?

Focus and building for the future. At XVIVO, we definitely do not lack in creativity and drive. As previously mentioned, we have a proud history of research and innovation, and this identity is something that we intend to preserve. The strategy period began in 2023, which means that during the year we focused sharply on communicating the significance of the strategy for us internally, and for our customers. At the same time, we produced a detailed plan for achieving our strategic targets.

2023 was also characterized by building for the future. We laid the foundation for increased production capacity, established a stable growth platform, and invested in recruitment, particularly in the US.

In summary, these initiatives have ensured a company-wide focus on the appropriate areas, while putting the right conditions in place to meet growing demand for our products and services.

What is your outlook for the future?

The outlook for the future is very bright. In 2024, we are set to capitalize on what we have built, strengthen our existing position, and continue to develop new, innovative solutions that are in demand by our customers.

Organ transplants are increasing globally, which is very pleasing. At the same time, we know that only approximately 10 percent of the global need can currently be met. XVIVO's technologies are key to increasing the rate of transplantation globally. This means that I am particularly grateful to be given the opportunity to play a part in changing the world for so many people in desperate need of new organs. The future does not rest on the shoulders of any single individual; collaboration is what creates the conditions for ensuring that *nobody should die waiting for a new organ*.

"At XVIVO, we definitely do not lack in creativity and drive"

OPERATIONS

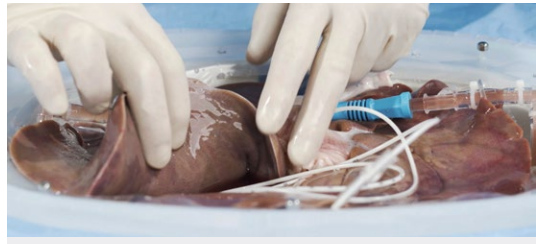
Our business is growing and is conducted in three business areas

XVIVO's operations are conducted in three business areas: Thoracic (lung and heart transplantation), Abdominal (liver and kidney transplantation and perfusion services) and Services (organ recovery).

Our business areas

Thoracic

The Thoracic business area comprises XVIVO's lung and heart transplantation business. In lung transplantation, XVIVO markets the product PERFADEX Plus for cold static preservation, and XPS, and STEEN Solution, for machine perfusion. In heart transplantation, we have a new pioneering preservation technology. Excellent efficacy has already been demonstrated in a study in Australia/New Zealand. Efficacy is currently being evaluated further in several ongoing studies, with the European study including the final patient in May 2023, and the start of a new US study in October. The technology includes a machine, disposables and a solution with supplements.



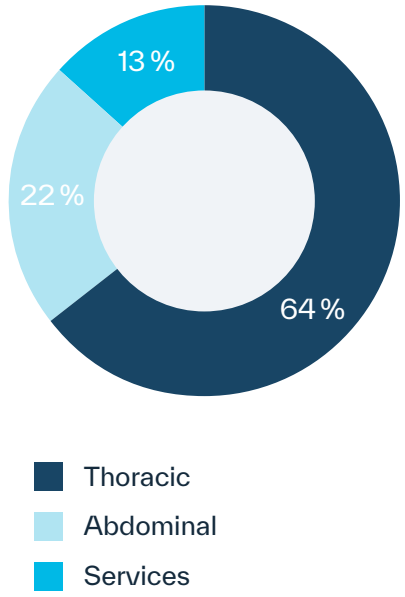
Abdominal

The Abdominal business area comprises XVIVO's operations in liver and kidney transplantation. In liver transplantation, XVIVO markets Liver Assist for machine perfusion. In kidney transplantation, Kidney Assist and Kidney Assist Transport are marketed for machine perfusion. In Italy, XVIVO offers a perfusion service as an integrated part of its product offering, with employed perfusionists providing assistance to transplant clinics relating to the use of XVIVO's technologies.

Services

The XVIVO Services business area comprises XVIVO's operations in organ recovery services. XVIVO' Organ recovery service in the US has surgeons available around the clock to remove donated hearts and transport them to the recipient's transplant clinic.

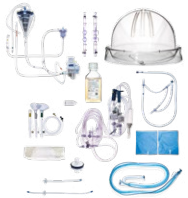
Sales by business area 2023



Thoracic business area

Lung

XPS™



XPS™ Disposable Lung Kit

STEEN Solution™

PERFADEX® Plus

Heart

Undergoing assessment in clinical trials

XVIVO Heart Assist Transport™
XVIVO Heart Assist Transport™ Perfusion Set
XVIVO Heart Solution™
XVIVO Heart Solution Supplement™

Abdominal business area

Liver

Liver Assist™

Kidney

Kidney Assist Transport™

Kidney Assist™

XVIVO Services business area

Organ recovery

BUSINESS CONCEPT, GOALS AND STRATEGIES

Nobody should die waiting for a new organ.

Business concept and goals

XVIVO's business concept is to develop and market effective, innovative technology for preserving, transporting and assessing organs outside the body while awaiting transplant, and to facilitate the transplant process by offering services in the form of organ recovery and organ perfusion.

Our goals

To become the global leader in the preservation of organs outside the body for all major organs (lung, heart, liver and kidney) and establish machine perfusion as the standard method for preserving, transporting and assessing donated organs ahead of transplantation.

Purpose and vision

We believe in an extended life of organs. Nobody should die waiting for a new organ.

Strategic focus areas

XVIVO believes in an extended life for all organs and that nobody should die waiting for a new organ. From that base, we have established five strategic focus areas that will make us the world leader in preserving organs outside the body during our strategy period 2023-2027.

Financial targets 2023-2027

EBIT	EBITDA
>20%	>30%

1	Market leader abdominal
2	Change the paradigm of heart preservation
3	Preferred partner in the transplant process
4	Accelerate market leadership lungs
5	New market expansion

1 Market leader abdominal

XVIVO shall be the fastest growing company in the transplantation of abdominal organs.

We continuously strive to challenge the boundaries of what is possible in organ transplantation. The compelling clinical evidence on our abdominal technologies confirms our strength in innovation, e.g. Kidney Assist Transport in The Lancet and Liver Assist in the NEJM. During the first part of the strategy period, we will accelerate the introduction of Kidney Assist Transport in our key markets and start the planning of a clinical multi-center trial in the US for our liver technology, while supporting initiatives to improve publicly funded reimbursement systems in many markets.

Strategic focus areas

2 Change the paradigm of heart preservation

XVIVO shall become market leader in heart preservation. Our heart technology is so revolutionary that it has the potential to change the entire process used today for heart preservation, in other words: change the paradigm. Our long-term goal is to establish cold oxygenated perfusion (HOPE) as standard for all heart transplants. Our innovative technology will make it possible to preserve hearts in optimal condition outside the body for significantly longer than today's limit of approximately four hours. This will open up possibilities for using more of the donated available organs, better matching organs with recipients and transporting hearts for longer distances. Within a clinical trial, today's record for preserving a heart outside the body is 12 hours 6 minutes using our technology, followed by a successful transplant.

When clinical trials in Europe and Australia/New Zealand are completed, we will introduce the technology on the first markets as soon as regulatory approval has been obtained. In 2023, the technology continued to be used in Europe and Australia/New Zealand for 'compassionate use' – an area where we have already, prior to full regulatory approval, reached penetration of approximately 30 percent in Australia/New Zealand. In 2023, we started a clinical multi-center study in the US – the world's largest transplant market – where recruitment is expected to be completed in 2025.

3 Preferred partner in the transplant process

Technologies for preserving and assessing organs outside the body are currently established in countless transplant clinics around the world. Despite this, these technologies are not used to the extent that these clinics want and have the capacity for. The clinics face some obstacles that they are unable to overcome on their own. There is a global trend for transplant clinics to request support from external operators to overcome these obstacles. XVIVO always works close to its customers and listens to the needs that arise in the market. Therefore, XVIVO does not only develop and offer products, but also provides services to increase the utilization rate of available organs and shorten hospitals' waiting lists. This makes us an even stronger partner, as we develop and refine the transplant process in collaboration with clinics.

XVIVO currently provides organ recovery and perfusion services as part of our offering on specific markets. XVIVO will focus on developing and expanding these services during the strategy period. We continuously develop services that complement and strengthen our product offering in order to minimize limiting factors for transplantation clinics.

Strategic focus areas

4 Accelerate market leadership lungs

With 25 years' experience in the field of lung transplantation, XVIVO is the clear market leader in both machine perfusion and cold static lung preservation. Lung transplantation is a complex process, which is reflected in the fact that only two in ten available lungs are used for transplantation. With ex vivo lung perfusion (EVLP), marginal lungs can be assessed, which creates potential for more lungs to be used for transplantation. Combining this technology with improved logistics there is an increased opportunity to transplant even more organs. Today, centralization of organ transplants is a global trend which is being driven by XVIVO, primarily within lungs. We have already taken significant steps in centralization by supporting and guiding transplant clinics in the establishment of EVLP hubs in collaboration with other clinics. Examples include a hub in Paris that is already operational, and another in Copenhagen scheduled for start-up. XVIVO is currently developing the next generation of XPS technology, which will enable the EVLP process to become less complex and more user-friendly.

More than 90 percent of the transplant clinics in the world use PERFADEX® Plus for cold static lung preservation. We will continue to grow this business during the strategy period by providing even clearer proof of its strong clinical results.

5 New market expansion

The need for organs is a global phenomenon. At XVIVO we believe that no one should have to die waiting for a new organ, wherever in the world they are. We will increase and strengthen our presence, primarily in South America and Asia, with a focus on fast-growing transplantation markets during the strategy period. We will pursue product registrations in key markets and continue to invest in strengthening our commercial infrastructure. When launching our technologies in selected markets, we will utilize our network of key opinion leaders to accelerate the introductions.

XVIVO believes in an extended life of organs and that nobody should die waiting for a new organ.

VALUE MODEL

From innovation to market – XVIVO's process

With 25 years of experience, XVIVO has built a unique position in the transplant industry by successfully transforming innovative ideas into approved, usable products. We continue to balance innovation and new research and development projects with the expansion of our commercial operations to ensure that our products and services are available for transplant teams around the world.

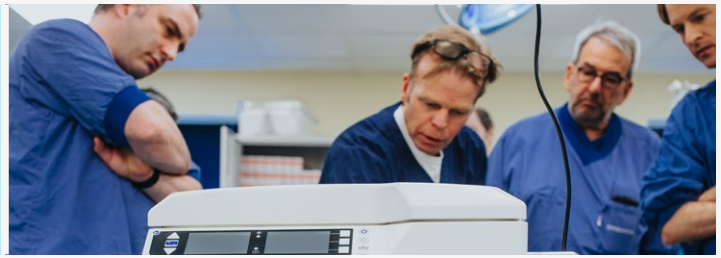
Research and development

Product development and manufacture

Clinical trials and regulatory work

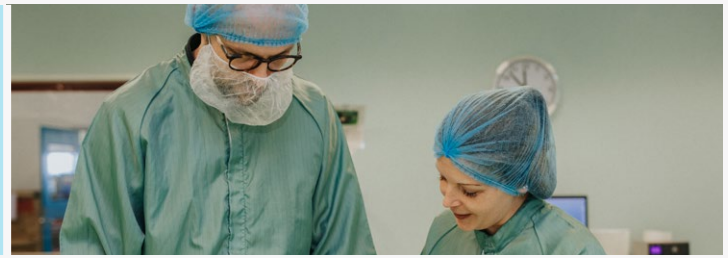
Commercialization

Value model driven by our core values



Research and development

- In order to remain at the leading edge of clinical development and challenge the status quo, much of XVIVO's research takes place in collaboration with world-leading institutions and researchers.
- All our research and development is done with our customers in focus and the patient at the center. By working closely with our customers during the innovation and development process, we can ensure that our products meet their needs and requirements, which streamlines the commercialization of our products and services.



Product development and manufacture

- Product development primarily takes place in-house at one of our four global development centers: Gothenburg, Sweden (solutions); Lund, Sweden (heart); Groningen, Netherlands (kidney and liver); Denver, US (lung).
- XVIVO's products are largely manufactured externally by carefully selected subcontractors. By working with experienced subcontractors, we avoid costly investments in production and can focus on our core business. With 25 years' experience in the industry we have built close partnerships with our manufacturers, who meet high quality standards.

Value model driven by our core values

Clinical trials and regulatory work

- Clinical trials are a major part of our process for bringing products to market. We collaborate closely with hospitals and universities worldwide to perform pre-clinical and clinical trials to prove safety and efficacy of our products.
- Clinical trials are of major significance to XVIVO, partly to obtain approval for products and partly to increase the products' indications. Results from clinical trials, which are often presented at internationally renowned scientific conferences or in scientific journals, are used by XVIVO to communicate the value of our products.
- Regulatory requirements for obtaining market approvals to commercialize our products have become more stringent and the processes increasingly complex. XVIVO's regulatory team works to create conditions that enable our products to reach the market in the shortest possible time by ensuring that they meet the requirements for approval.

Commercialization

- XVIVO's products are sold globally through our own sales organization and through a network of distributors in specific markets. Our products are usually distributed directly from our business units in Denver, USA and Groningen, the Netherlands.
- XVIVO's organization is responsible for installation, training, service and support for our products throughout their lifecycles. XVIVO offers customer training locally at the customer's premises or at one of our training facilities in Denver in the US, Lund in Sweden and Groningen in the Netherlands.
- By working closely with transplant clinics before, during and after installation, we can support the use of XVIVO's products. This enables us to continuously interact with our customers to ensure that their experience and expertise are taken into account in future innovation work, product development and marketing.

REVENUE MODEL

The rate of utilization of our products for machine perfusion drive revenue

Thoracic and Abdominal business area – revenue per installed machine

In the Thoracic and Abdominal business areas, XVIVO's revenue model for machine perfusion is based on the razor - razorblade model. This means that profitability is derived from sales and utilization of disposables, rather than from machines sold or installed in transplant centers.

Machine sales are recognized as sales of capital goods. The goal is to expand the installed base of machines for all organs, but the strategy is not to maximize profit on each machine sale. Instead, the strategy is to offer flexible and attractive financing solutions for customers to encourage and drive a high rate of utilization per installed machine. For each installed machine, regardless of whether it is intended for transport, preservation or assessment of organs, disposables are used for each handled organ. These disposables, usually expendable items and solutions, comprise the business areas' main source of income.

The gross margin is strong, and increased to 84 percent (80) for machine perfusion in Thoracic in 2023. In Abdominal, the gross margin increased to 66 percent (53). Given XVIVO's unique products, strong clinical data and growing service offering, there is significant potential for continued margin improvement in both business areas.

Services business area – revenue per recovered organ

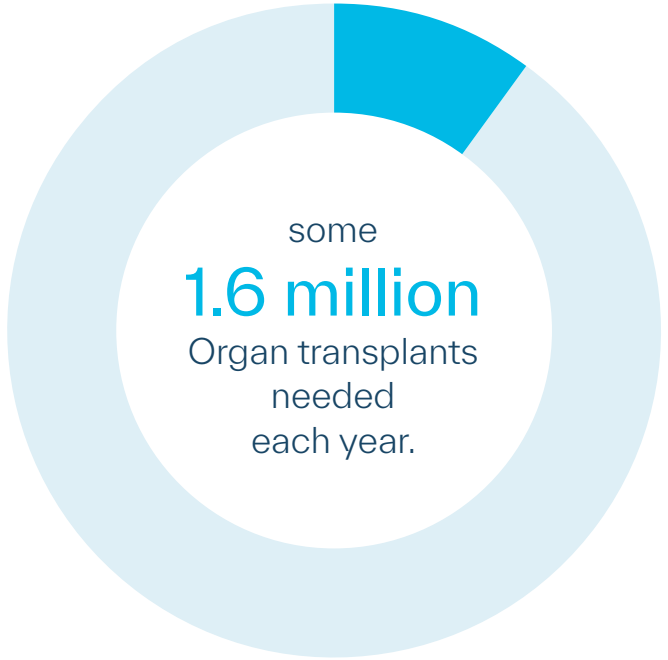
The revenue model in the Services business area for organ recovery has two components. XVIVO offers US customers (hospitals) a high-quality complete solution that involves coordinating between donor hospital, recipient hospitals and OPO (Organ Procurement Organization), clinical organ recovery by a surgical team, and ground and air transport offered in collaboration with logistics partners. XVIVO offers organ recovery for all donor types, such as DBD and DCD. In 2023, XVIVO also launched a pilot project in NRP (normothermic regional perfusion) alongside a US hospital, where the company sees promising business potential in the US given the significant interest in NRP as an organ recovery method.

XVIVO provides hospitals with flexibility in terms of the scope of the service. Most customers have opted for 24/7 access to the service, which means that XVIVO plays a key role in hospital transplant activities. XVIVO is also able to offer solutions providing selective access to organ recovery, as well as one-off recovery services where required.

Pricing is based on the hospital's transplant volume and is invoiced on a monthly basis. An adjustment is made at the end of the contract term to reflect actual volumes.

OUR MARKET

Organ shortages drive demand for machine perfusion



With only
160,000
organ transplants
each year, only

10% of total
global demand
is met

Organ transplantation – high and growing demand

Organ transplantation is the last option for patients with organ failure at the terminal stage, where all medical or surgical treatment alternatives are insufficient and the expected survival period is less than two years.

Approximately 160,000 transplants are performed per year globally[1]. Although the number of donors has increased, it is not enough – according to the WHO, the number of transplants performed only corresponds to 10 percent of the need.

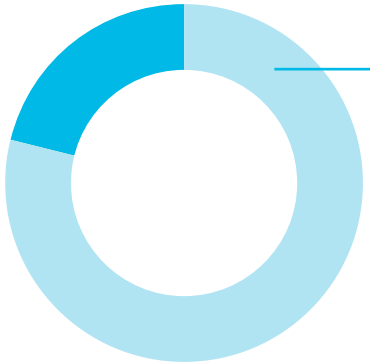
As a result of the shortage of donated organs, the number of patients on waiting list has increased steadily. The result of growing waiting lists is that patients die while waiting for an organ, or are removed from the waiting list because their health deteriorates to a degree where transplantation is no longer viable. In Sweden, an average of one person per week dies while awaiting a new organ, in the US the corresponding figure is 17 per day.

The shortage of donated organs is a global health crisis. The individuals included on a country's waiting list are only a small proportion of patients with organ disease at the terminal stage who would be able to live longer and healthier lives with a new organ. In the US alone, the world's largest transplantation market, nearly 114,000[2] patients were included on the waiting list for a new organ at the end of 2023. Only 45,600 transplants were carried out in the same year. This is to be compared to the just over 700,000 people who die of organ failure each year.

Reports show that the health economic benefits of replacing organs on-demand are in line with curing cancer[3].

1. https://www.transplant-observatory.org Statistics for 2023 are not yet available at global level.
2. https://optn.transplant.hrsa.gov/data/view-data-reports/national-data/# | 3. Giwa et al, Nat Biotechnol. 2017

Demand drivers



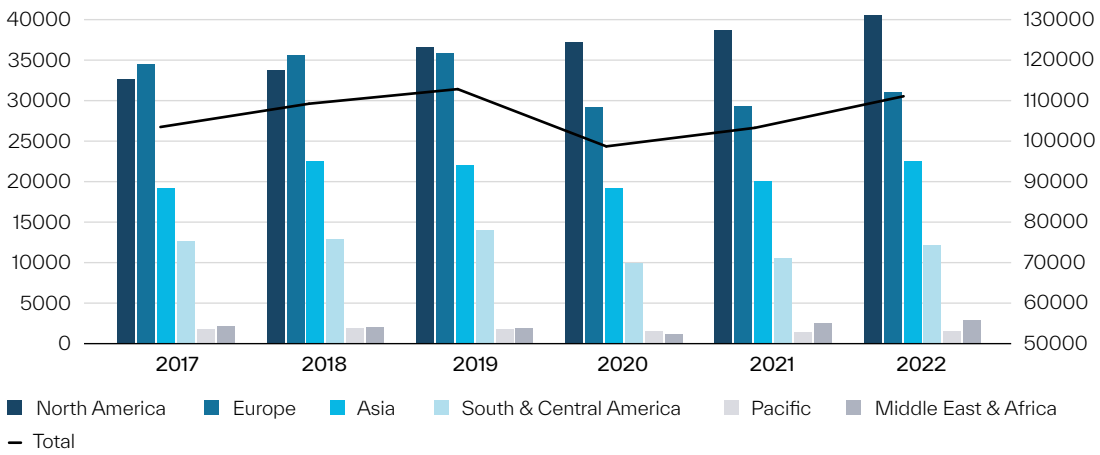
66-79%

of the expected healthcare costs over a 10-year period were avoided through kidney transplants,

resulting in cost savings of

EUR 380,000 per patient[1]

Transplants per region (2017–2022) from deceased donors



Transplantation offers lower alternative cost

Kidney transplants have been shown to generate significant cost savings for health-care providers. A Swedish study[1] showed that if a patient receives a transplant instead for attending dialysis for 10 years, this generates savings of between 66-79 percent per patient for healthcare services. This change should also impact positively on patient quality of life, as dialysis can impact a patient's day-to-day life.

A growing and aging population

The global population continues to grow, at the same time as the average life span and the proportion of elderly people is rising. An increased proportion of elderly people in the population is an important factor affecting supply and demand for organ transplantation. An increasing number of elderly people donate and receive donated organs – age is no longer a contraindication.

Increased health care costs

The global healthcre sector continues to grow faster than the world economy at large. Simultaneously, there is a shift ongoing in the financing of healthcare, with more funding coming from public rather than private payers. This shift is beneficial for transplantation as high transplant volumes tend to coincide with markets where there is high total healthcare expenditure, but with a low proportion of privately funded care.

More people suffer from chronic disease

An increasing number of people are affected by chronic disease (or noncommunicable diseases, NCD), mainly due to smoking, unhealthy diet, insufficient physical activity and dangerous alcohol use. Chronic disease is the main underlying cause of organ failure which leads to increased demand for transplants.

1 Jarl et al., Clinical Kidney Journal, 2018.

Organ donation – acute shortages

One of the biggest challenges in transplantation is the lack of suitable organ donors. If more donated organs were available, more patients would be able to receive a transplanted organ and thus have the opportunity to live a longer and better life. Machine perfusion is an important key to expanding the donor pool. An individual donor can save up to eight people by transplanting the heart, lungs, kidneys, liver, pancreas and small bowel.

Various types of donor

It is possible to transplant organs from donors that have died as a result of primary brain injury, DBD (Donation after Brain Death) and donors who have died as a result of circulatory death, DCD (Donation after Circulatory Death). Organ shortages have led to organs that were previously classed as unusable, also known as marginal organs, now being accepted for donation.

Donation after brain death (DBD)

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 introduction of the definition of brain death has been critical to organ donation and transplantation surgery. In connection with DBD, the heart is beating to maintain circulation while a respirator oxygenates the blood, which facilitates the donation process. There is also time to talk to relatives and take care of the organs.

Donation after circulatory death (DCD)

The shortage of organs has meant that in recent years donation after circulatory death, DCD, has increased, with good results. This has also meant that more people have been offered the opportunity to donate organs after their death.

For DCD donations, the donation process needs to be much faster from the time of death to the start of donation surgery. If the process takes too long, the organs become unusable, and generally speaking the uncertainty of the function of these donated organs is greater.

Extended/Expanded Criteria Donation (ECD)

Another possibility that an increasing number of clinicians are investigating is whether methods can be found to take advantage of organs that have previously been abandoned due to poor function that would risk making the recipient even sicker after a transplant. Marginal organs 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.

“An individual donor can save up to eight people”

A minority of deceased people are suitable as organ donors

Very few people die in a way that makes organ donation possible. To become an organ donor, the person needs to die in an intensive care unit while receiving respirator care. This is a prerequisite for the organs to be oxygenated and maintain function after death. However, many other factors also influence organ supply; see summary below.

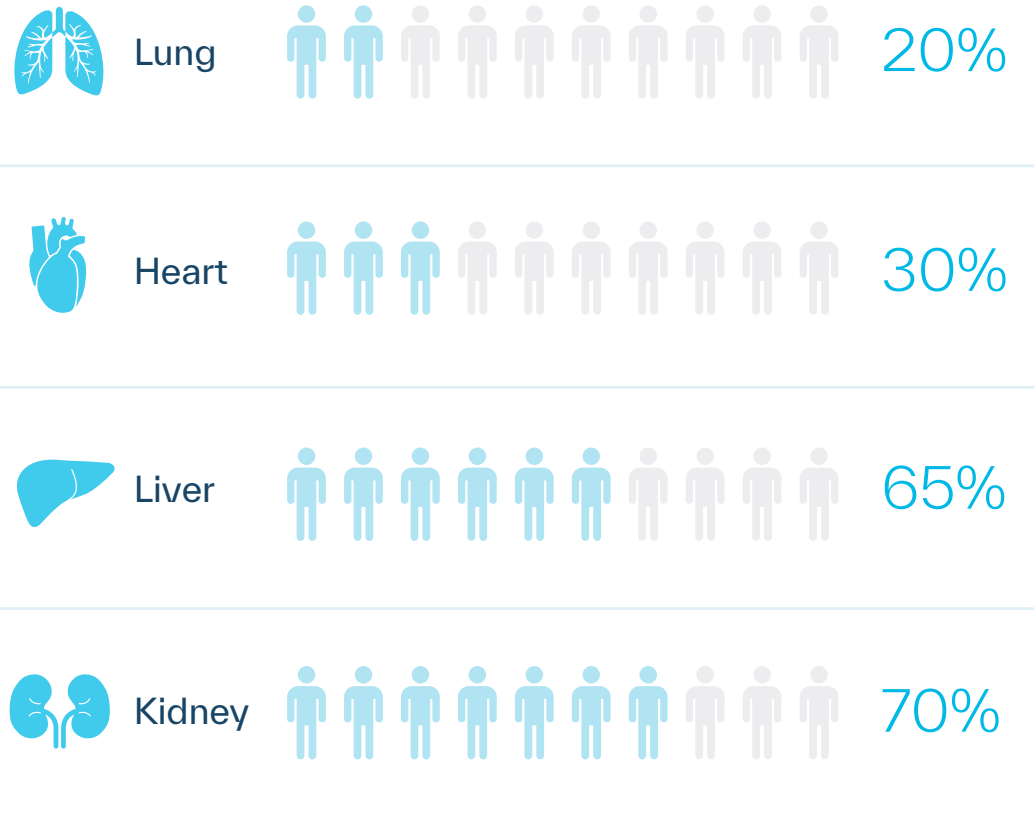
After a donor has been identified and accepted, the organs are offered to transplant clinics. Unfortunately all donated organs are rarely recovered for use in transplantation. The reasons for refraining from using an organ might include the donor's medical background and age, poor organ function, insufficient time, or that no matching recipient can be found in time. The rate of utilization varies depending on organ; see figure.

Factors that limit organ supply

The system	Donor not identified by healthcare services, brain death cannot be diagnosed (DBD), circulatory death does not occur within the right time frame (DCD), logistical problems (no surgical team available to recover organs).
Donor/organ	Not medically suitable, unstable donor/sudden cardiac arrest, anatomy or function of organs unsatisfactory, organs damaged during removal, insufficient circulation of organs.
Consent	The individual has expressed that they do not wish to donate organs, the family objects to donation.

Organ utilization rates

Global utilization rates of available organs 2015-2022 (average value)



OUR OFFERING

XVIVO's products and services enable utilization of more organs

XVIVO's technology saves organs so others can save lives. Our offering covers the four most transplanted organs – lung, heart, liver and kidney. We thereby address 98 percent of the market. Our proprietary perfusion solutions and technologies for machine perfusion improve organ preservation and allow more organs to be used. XVIVO's service offering currently includes organ recovery and organ perfusion.

Methods for preserving and assessing donated organs

Cold static storage – standard method for preservation of donated organs

For the last 50 years, the established preservation method has been based on cold static storage. The aim of cooling is to reduce metabolism, thereby decreasing the need for oxygen and nutrients. However, durability is limited with this method and the preservation period vary depending on organ. Also, the method does not enable the organs' suitability for transplantation to be assessed.

Machine perfusion – for preserving and/or assessment of donated organs

Machine perfusion refers to the process of circulating a specific perfusion solution through the blood vessels of an organ. Machine perfusion can be used to preserve organs during transport as an alternative to cold static storage. Additionally, machine perfusion can be applied after cold static storage in order to assess the viability of an organ for transplant.

Perfusion temperatures can vary depending on organ and purpose;

Cold or hypothermic perfusion, significantly below normal body temperature; 0–12°C

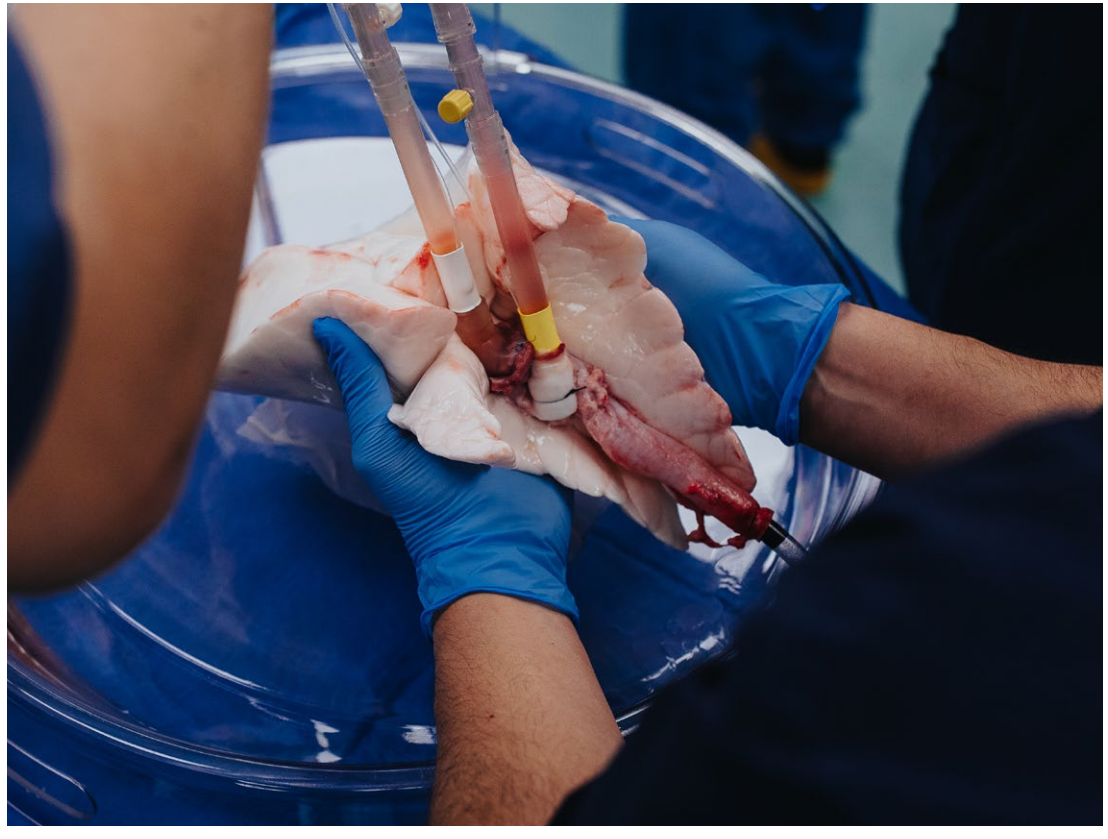
Sub-normothermic perfusion, below normal body temperature; 20–34°C

Warm or normothermic perfusion, at normal body temperature; 35–37°C

Service providers – a supportive resource

Transplantation is a complex process with many parties involved – from the donor hospital, to transplant coordinators, and the various transplantation teams and clinics that recover and carry out the implantation of donated organs. There are many obstacles in the form of human resources and logistics that mean that organs cannot be taken care of and therefore go to waste. For example, there may be limited availability of organ recovery surgeons, but also perfusionists who can carry out machine perfusion.

This means that a new market is currently emerging for services related to organ transplantation. XVIVO Services offers organ recovery for heart and lung as a service (read more on page 35). In Italy, our offering includes a service concept that uses XVIVO's machines alongside perfusionists who operate the machines during perfusion.



Thoracic business area

Lung transplantation

Products for cold static storage of donated lung

XVIVO's main product for cold static storage is the proprietary and patented solution PERFADEX Plus. The product has been the standard treatment in lung transplants for more than 25 years and is used by more than 90 percent of transplant clinics globally. PERFADEX Plus is approved in all major markets.

Cold static preservation means that the lungs are cooled by major blood vessels being perfused with a cold solution. Cooling slows metabolism and thus preserves organ function. In addition to lowering the temperature, PERFADEX Plus also flushes out donor blood that contains substances that can damage the lungs. Lungs are subsequently stored in PERFADEX Plus in bags on ice during transport to the recipient hospital and until transplantation. In a cooled state, lungs can be stored for up to twelve hours outside the body and transplanted with good results.

Cold preservation is an established and safe method. However, one limitation is that it is not possible to assess donated lungs in the cooled state. Since lung transplantation is a life-changing but complicated procedure for the patient, surgeons refrain from using lungs where they are uncertain of the quality of the donated organ. This means that up to 80 percent of donated lungs are rejected and not used for transplantation.

Products for warm perfusion of donated lungs

Normothermic Ex Vivo Lung Perfusion (EVLP) is a method used to assess donated lungs ahead of transplantation. Upon arrival at the transplant clinic, the lungs are connected to a machine and perfused with oxygenated STEEN Solution and warmed to body temperature. A pump provides circulation and a ventilator simulates breathing. The method using Normothermic EVLP recreates a non-harmful environment, similar to that in the body (in vivo), which gives the lung and its cells the opportunity to recover. In the period the lungs are outside the body, transplantation teams can assess lung function using various parameters that can be read from the machine.

XVIVO offers two systems for EVLP:

- XPS (XVIVO Perfusion System), an integrated machine with all components required for normothermic EVLP
- Products for manual EVLP where clinics put together their own system, using equipment available in the hospital

Both systems are used alongside XVIVO's proprietary STEEN Solution for warm perfusion of donated lungs and XVIVO Organ Chamber and XVIVO Lung Cannula. XPS and STEEN Solution are approved in all major markets.

Access to donated lungs increases with EVLP

Several studies show that patients who have received lungs initially judged to be suboptimal, but deemed to be acceptable after EVLP with STEEN Solution, achieve similar results to patients who receive standard lungs.

Combining static cold storage with EVLP and STEEN Solution can in many cases extend the preservation time of lungs outside the body beyond the current standard of 12 hours. This provides clinics with more opportunities to find the right recipient and to plan and streamline their work, as well as to transport lungs for longer distances.

Extensive studies of EVLP with the STEEN Solution method

HELP study

In 2012, Toronto published the results of 50 lung transplants performed after EVLP. The conclusion was that transplant of donated high-risk lungs is safe after 4 hours of EVLP and produces equivalent results to conventional transplant. EVLP also increased the utilization of donated lungs.

THE NOVEL/NOVEL Extension study

The first part of the NOVEL study was ongoing in the US between 2012 and 2014 and formed the basis of XVIVO'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 viable. The NOVEL study then continued (NOVEL Extension) and the inclusion of 220 patients was completed in 2017, which 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.

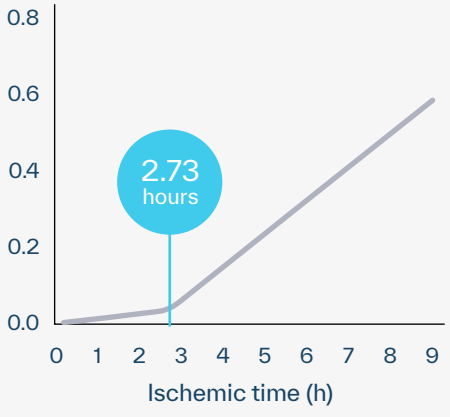
The Vienna study

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

Heart transplantation

One of the challenges associated with heart transplants is the period during which the heart is not supplied with oxygen. Of all organs, heart is the most sensitive to ischemia, a lack of oxygen in the tissues. The standard method for storing and transporting donated hearts is cold static preservation where no oxygen is supplied. Another challenge globally is that transplantation teams reject 70 percent of all donated hearts. Mainly due to reduced or uncertain organ function.

Impact of ischemic period on mortality rates



During conventional heart transplants, the lack of circulation and oxygen supply during transport of the donor heart can lead to poorer clinical results. This means that the period a heart is stored using cold static preservation should preferably not exceed three hours, see figure below. The heart's time outside the body is directly correlated to the survival of the recipient.

New technology in the pipeline – using cold, oxygenated perfusion (HOPE)

In collaboration with Professor Stig Steen at Igelösa Life Science, XVIVO has developed products for a new, non-ischemic preservation method, HOPE (hypothermic oxygenated perfusion). The new method means that the resting heart is circulated with a cold oxygenated solution by the help of a machine. Circulation provides the heart with oxygen and important substances, which preserves organ function. The new method can potentially improve results after transplantation and significantly extend the period a heart can be preserved outside the body. This would mean that more hearts could be used, and simultaneously facilitate the complex logistics involved in a heart transplant.

The new heart technology comprises a machine, a disposable item and a basic solution with supplements. Clinical trials have been completed in Europe and Australia/New Zealand, and a trial is currently underway in the US. The objective of the clinical trials is to investigate whether the new technology can improve clinical results and reduce complications after heart transplantation. The overarching purpose is to make more hearts available and to transplant them with good results. The clinical documentation from the studies will form the basis for an application for regulatory approval on all major markets.

During spring 2023, the final patient was included in the European study and the results from 30 days after transplantation are due to be presented at The International Society for Heart & Lung Transplantation (ISHLT) in April 2024. A total of 202 patients are included in the study, and will be monitored for 12 months after completed transplant.

The study in Australia and New Zealand was investigator-initiated and aimed to investigate

XVIVO will change the paradigm of heart preservation.

if the new preservation technology can extend the transport period for donated hearts beyond the current limit of four hours with retained high safety. The large geographical distances mean that the three to four hours a heart can survive without circulation limits the number of possible transplants in Australia and New Zealand. In November, the results of the study were published in The Journal of Heart and Lung Transplantation (JHLT), demonstrating 100% survival rates after 30 days, despite longer transport periods. The longest transport period was 8 hours 47 minutes.

In July 2023, the FDA approved inclusion of hearts donated after circulatory death in the US clinical trial. The US study intends to gather safety and efficacy data to support an application for product approval in the US, in this case premarket approval (PMA).

The study opened for registration in October, and the first patient was included three days later. US clinics have shown considerable interest, with a total of up to 20 transplant clinics participating and 141 patients included.

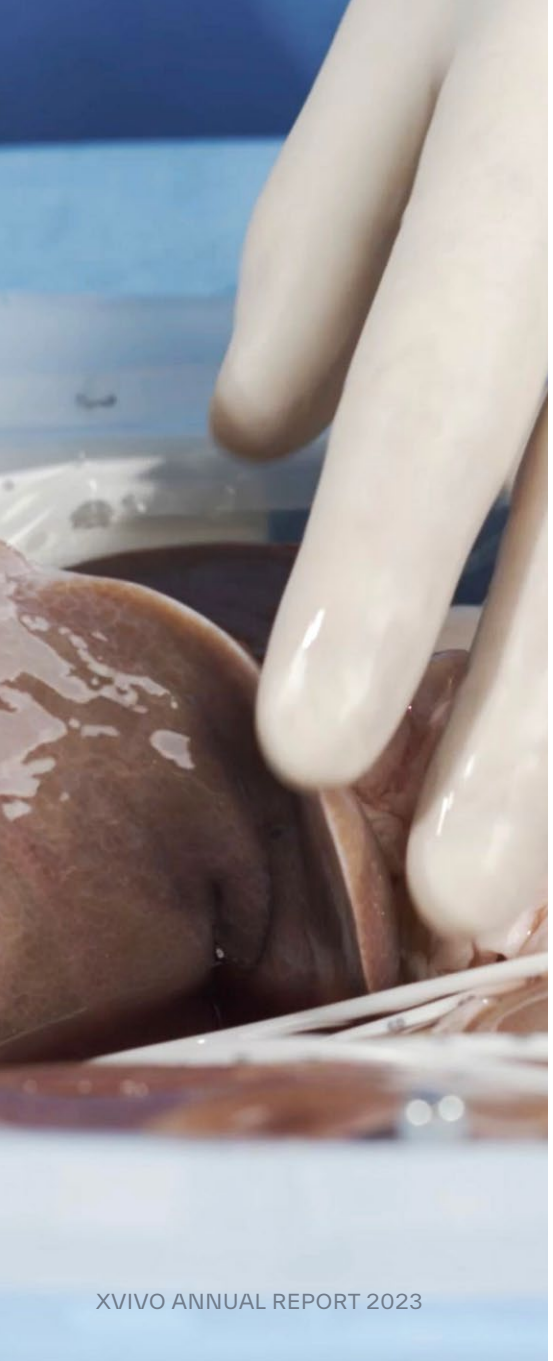
In 2023, XVIXO's heart technology was used in Australia/New Zealand and in Europe under a 'compassionate use' permit, i.e. a permit issued by a regulatory authority in each individual case.

XVIVO continues to drive research. In September 2023, leading surgeons at the University of Maryland School of Medicine in the US completed the world's second successful pig to human xenotransplant.

XVIVO's heart technology played an important role in preserving the heart following organ recovery and transportation.

The recipient of the pig heart was a severely ill 58-year-old man who underwent the surgery under a compassionate use permit from the FDA. The patient survived for six weeks after the transplant. The researchers remain optimistic and plan to continue their work in the hope that xenotransplantation will ultimately contribute to solving the global organ shortage.

Photo: University of Maryland School of Medicine, Baltimore, USA.



Abdominal business area

Liver transplantation

The standard method for storing donated livers is currently cold static preservation. The liver is sensitive to ischemia, i.e. lack of oxygen in the tissues and the maximum period for storing a liver outside the body is 12 hours. Utilization is better for liver than for lung and heart, but only two in three livers qualify for transplantation.

The risk of complications for patients transplanted with a liver donated after circulatory death are greater than if the liver comes from a donation after brain death. Bile ducts, in particular, are sensitive to damage from a lack of oxygen and bile duct strictures (constrictions) are a common complication in addition to reduced or delayed organ function.

Machine perfusion is increasingly used to improve the quality of donated livers, extend preservation in order to switch from night-time to day-time surgery, for example, and to enable assessment ahead of transplantation. Several clinical trials have been completed that show that machine perfusion leads to more livers being transplanted and reduces complications after transplantation. Machine perfusion of a liver can be carried out using various protocols, including different temperatures. The mapping of the respective methods' advantages and optimal areas of use continues in clinical trials.

Flexible products for machine perfusion of donated livers

XVIVO's offering in liver transplantation comprises the proprietary machine Liver Assist with related disposables. The machine includes a pump that handles perfusion of the organ, a heating unit that regulates temperature and an oxygenator.

Liver Assist is used at the recipient hospital, either for hypothermic (i.e. cold) perfusion or for normothermic (i.e. warm) assessment of donated livers. In addition, the machine can also be used for sub-normothermic perfusion, or for a combination of cold and warm perfusion. The temperature and protocol used depends on the organ and clinical preferences. Liver Assist is CE marked under MDR.

In 2021, the scientific publication the New England Journal of Medicine published an article that showed that cold oxygenated machine perfusion for 1 to 2 hours of a donated liver has a significant positive effect on post-transplant results. The study showed that the frequency of bile duct complications is reduced by two thirds, that circulatory instability decreases and that the prevalence of early liver dysfunction is almost halved. The randomized study was carried out in a large international consortium of liver transplant centers and included 156 patients and organs donated after circulatory death. The machine used in the study was Liver Assist.

A pioneering article was recently published that showed that it is possible to extend preservation of donated livers by adding up to 20 hours of cold oxygenated machine perfusion. The study showed that, for these livers, comparable results were obtained to livers transplanted after 1–2 hours of cold perfusion. For the first time, these results provide transplantation clinics with the opportunity to plan the timing of a transplantation and thus

avoid nighttime surgery. By extending the period for perfusion, a majority of liver transplants can be carried out during the day instead of at night. After the study concluded, it was also discovered that daytime surgery reduced the time required for liver transplants by an average of close to two hours compared to transplants carried out at night. This indicates that the presence of more alert personnel during daytime hours contributes to more efficient working methods.

Kidney transplantation

For patients with chronic kidney failure there are two treatment alternatives: transplantation or dialysis. Transplantation is the best option, primarily for the patient's quality of life and survival[1], but also from a socioeconomic perspective since the alternative, dialysis, is both costly and resource-intensive. An estimated 4 million patients receive dialysis globally. Of these, 800,000 are in the US alone, where the estimated cost is approximately 7,000 USD per month per dialysis patient.[2]

Kidney transplants are the most common form of transplant, although kidneys are also the organ where the need is the greatest. Kidneys can be transplanted from deceased donors and from living donors. Living donation is viable because it is possible to live a full life with only one kidney. In living donation the donor is often a family member or other closely related party, even if anonymous donation does occur.

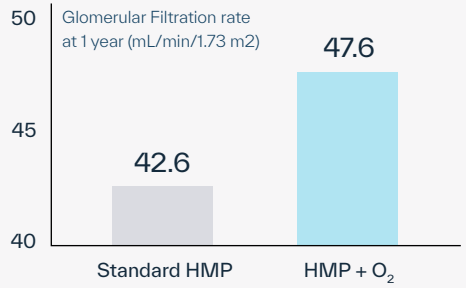
Cold static storage is the standard method for preservation of donated kidneys. Kidneys are the organ that can best tolerate cold ischemia, and can therefore be stored outside the body for up to 24 hours. However, the period of cold ischemia is correlated with reduced organ function after transplantation, i.e. the longer the period outside the body, the greater the risk that the kidney does not function after transplantation. This is even more pronounced when using ECD and DCD organs.

In order to extend the preservation period, reduce impact and enable assessment ahead of transplantation, machine perfusion is increasingly being used. Cold machine perfusion is better than preservation on ice in connection with transplantation of kidneys from deceased donors. This applies to both DBD and DCD kidneys[3].

XVIVO's offering in kidney transplantation consists of Kidney Assist Transport for machine perfusion during transport and Kidney Assist for stationary machine perfusion at the recipient hospital. XVIVO markets related disposables for both of these perfusion machines.

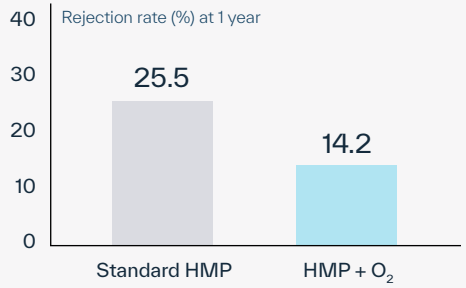
1 Chaudhry D, Chaudhry A, Peracha J, Sharif A. Survival for waitlisted kidney failure patients receiving transplantation versus remaining on waiting list: systematic review and meta-analysis BMJ 2022; 376 :e068769 doi:10.1136/bmj-2021-068769
2. https://usrds-adr.niddk.nih.gov/2022/end-stage-renal-disease/9-healthcare-expenditures-for-persons-with-esrd
3 Tingle SJ, Figueiredo RS, Moir JAG, Goodfellow M, Talbot D, Wilson CH. Machine perfusion preservation versus static cold storage for deceased donor kidney transplantation. Cochrane Database of Systematic Reviews 2019, Issue 3. Art. No.: CD011671. DOI: 10.1002/14651858.CD011671.pub2

Improved renal function at one year



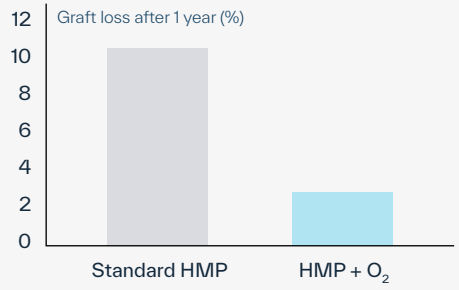
Significantly improved renal function by 11.7%

Reduction in acute rejection



44% reduced risk or biopsy proven acute rejection

Lower incidence of graft loss at one year



73.1% lower incidence of graft loss

Study with Kidney Assist transport demonstrates improved survival of transplanted kidneys

Source: Jochmans I, et al. The Lancet, 2020

Kidney Assist Transport – improved transplantation results

Kidney Assist Transport is a portable unit for cold oxygenated machine perfusion of kidney during transport. The machine includes a pump that manages circulation of the organ, an oxygenator for continuous oxygenated perfusion and an ice container for cooling. Kidney Assist Transport is available on the market in a version that has been CE marked since 2010. It will gradually be replaced with a new version which received CE marking under MDR and FDA market approval in early 2022.

Towards the end of 2020, the results from a randomized study were published that show improved survival rates for transplanted kidneys after cold machine perfusion with added oxygen. The results described in the study confirm that a lack of oxygen during preservation causes damage and that this can be reduced through oxygenated perfusion with Kidney Assist Transport.

Kidney Assist – the only option for warm machine perfusion of kidney

Kidney Assist is a machine that includes a pump that handles perfusion of the organ, a heating unit that regulates temperature and an oxygenator. The construction allows Kidney Assist to be used at different temperatures and using different protocols, depending on clinic preferences. Kidney Assist is CE marked under MDR.

Kidney Assist Transport™

Kidney Assist™

Services business area

Organ recovery as a service

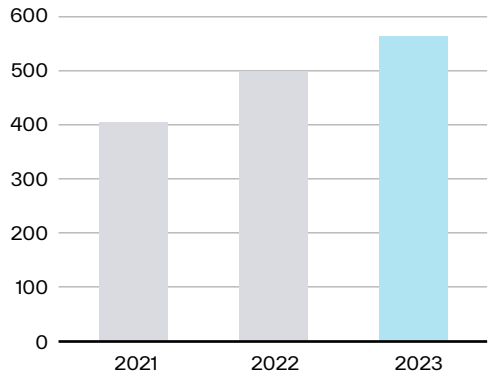
Since 2021, XVIVO offers organ recovery as a service on the US market. XVIVO is responsible for the removal of donor organs and for transporting them to transplant clinics where the implantation surgery is performed by the clinic's own surgeons. XVIVO's surgeons are on call around the clock and have experience of more than 1,500 organ recoveries. The current geographical service area covers the East Coast to Mid West where XVIVO currently is responsible for approximately 10% of all lung recoveries and 10% of heart DBD recoveries.

By allowing a third party to recover organs, transplant clinics can focus on their patients and increase the number of transplants. This leads to more lives being saved while reducing costs and saving time. Our customers are transplant clinics and OPOs (Organ Procurement Organizations) in the US. The offering currently covers heart and lung, and it is in the business plan to extend the organ recovery service in the coming years to include new geographical areas in the US, more organs, such as kidney and liver, as well as other services such as NRP (normothermic regional perfusion). In addition, XVIVO continuously reviews the potential for developing its services, including expanding its product-service offering to assist transplantation clinics in carrying out more transplants.

XVIVO's organ recovery process

Referral	Assessment*	Procurement	Delivery
Team notified of organ recovery	Team travels to donor hospital and assesses the organ	Surgical team removes and preserves the donated organ	Team delivers the organ to the transplant center
Team leaves transport hub	Team communicates and provides feedback to receiving surgeon	Team collaborates with the receiving hospital to ensure compliance with routines and preferences	Team follows up with the transplant center 24 hours after transplant to review the case
Journey coordinated with the transplant center			

Number of organ recoveries



* XVIVO provides organ recovery services. In such a capacity the team may provide an on-site assessment of the organ based on the experience of the team. The decision to transplant the organ and make a final viability assessment is the sole responsibility of the implanting surgeon.

Competitors

Machine perfusion – few market operators

The market for machine perfusion is made up of a number of small and medium sized enterprises, based on innovations often originating from within a university hospital.

US company TransMedics, listed on Nasdaq New York, has the Organ Care System (OCS) for lung, heart and liver. The products are CE marked and have FDA approval. The system is used to preserve and transport organs using warm machine perfusion from donor to recipient. They also have proprietary solutions for machine perfusion of heart, lung and liver. TransMedics offers a US national service program comprising machines, perfusion, assessment, technical and clinical support, procurement surgeons and transport logistics.

UK company OrganOx has the platform Metra, which is used for warm perfusion of donated livers, either during transport or after traditional transport on ice. Metra is CE marked and has FDA market approval. OrganOx does not have a proprietary perfusion solution.

US company Organ Recovery Systems (ORS) has LifePort Kidney Transporter for cold kidney perfusion during transport. LifePort Kidney is CE marked and has FDA market approval. The company also has LifePort Liver Transporter, which does not yet have regulatory approval. ORS also has KPS-1, a solution for cold machine perfusion of kidney.

US company Bridge to Life has VitaSmart, which is a multiorgan system for cold perfusion of kidney or liver. VitaSmart is CE marked, and a US study on liver is currently ongoing. Bridge to Life also owns the rights to the Belzer MPS brand, a solution for cold machine perfusion of kidneys.

French Institut Georges Lopez (IGL) has two machines for cold perfusion of kidneys: WAVES and RM4. WAVES is approved for sale in Europe and the US, RM4 is approved in the US. IGL does not have a solution for machine perfusion.

Cold static storage of lung

PERFADEX Plus is used by more than 90 percent of lung transplant clinics globally. Competing products include Celsior from French Institut Georges Lopez (IGL), Servator P from Italian company S.A.L.F., OCS Solutions from TransMedics and LungProtect from Carnamedica of Poland. Some countries also have locally produced solutions, such as China and Japan.

US company Paragonix has developed a technology for maintaining a stable temperature of 4–8°C in a system for cold static preservation. The product range includes SherpaPak Cardiac Transport System, LUNGguard and LIVERguard which are CE marked and have FDA approval. In addition, Paragonix has launched another product for lung, BAROguard, which has been approved by the FDA but does not have CE marking. Paragonix also has a system for kidney and pancreas which is CE marked and has FDA approval, but which has not yet been commercially launched. In addition to its products, Paragonix offers organ removal and transport logistics as a service.

XVIVO is the only company to offer machine perfusion products for all major organs: lung, heart, liver and kidney.

An extended offering with strong growth potential

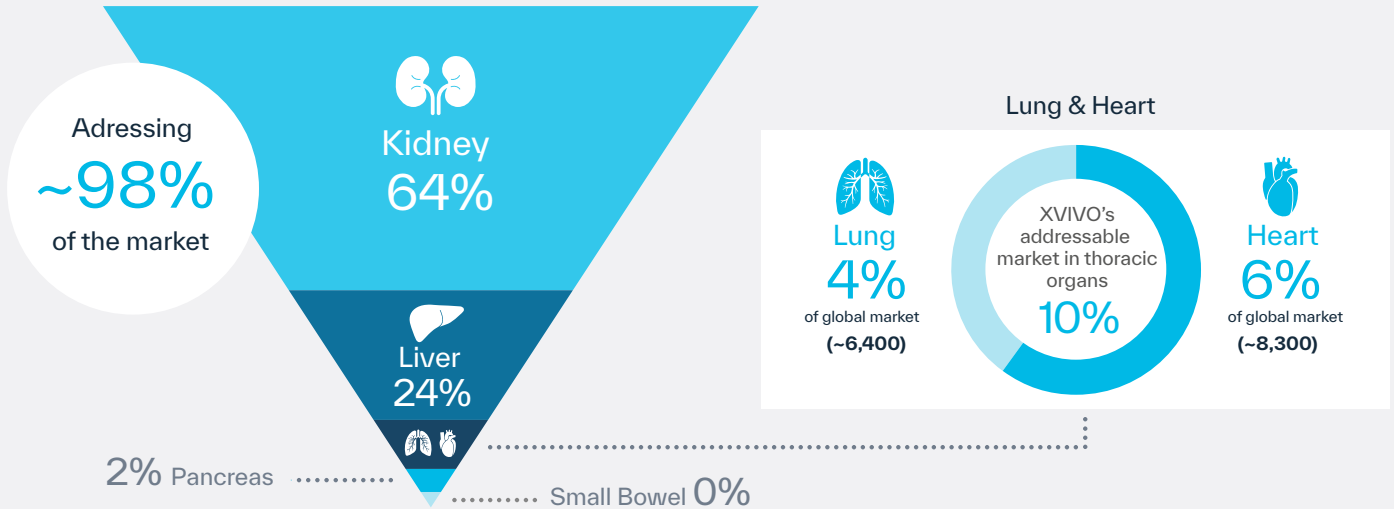
XVIVO - a strong brand

XVIVO currently has a strong brand with a strategic focus on becoming the global leader within all organs. Our clear vision is that "nobody should die waiting for a new organ" and our purpose, which is more organ-centered, is that "we believe in an extended life of organs". Our core values are a key part of the brand platform – research driven, customer centered, collaborative and purposeful. Our logo has a design that communicates precision, forward movement and technology but which is also warm and human.

Global focus with local presence

Organ transplantation is carried out at highly specialized clinics focused on the US and Europe, but with strong growth e.g. in Brazil. Our customers are mainly transplantation surgeons, perfusionists and organ procurement organizations (OPOs), but we also work to increase knowledge and awareness of machine perfusion amongst other stakeholders such as funding bodies (reimbursement), politicians and patient organizations. Since 2012, XVIVO has invested in establishing a strong commercial presence with a proprietary sales organization in Europe, North America, Oceania, Asia and South America. We work closely with our customers to ensure that we can predict their needs and meet, or even exceed, their expectations. In 2023, XVIVO continued to expand its commercial organization in Europe and North and South America by adding resources in sales, clinical support and technical service.

Our offering addresses 98 percent of the market



Significant growth potential

The number of donors and transplantations are increasing, and the global market is expected to grow by an average of 5–7 percent annually over the coming five years. However, this only covers 10 percent of the need for donated organs, and the shortages are acute. This means that it is not the waiting list that determines the scale of market growth, but the number of available organs. We want to contribute to closing the gap between supply and demand, and make more organs available for transplantation. This will save lives, have socioeconomic benefits and strengthen XVIVO's position and results of operations.

XVIVO can contribute to market and company growth by increasing usage of machine perfusion and by expanding within new markets.

More donations

Organ shortages can be addressed by increasing the number of available organs to improve the frequency of donations. This is possible by introducing presumed consent (the population is presumed to be in favor of donation unless expressly stating otherwise), improving the infrastructure and logistics surrounding donation and the transplant process, and raising public awareness.

Transplanting more donated organs

However, the greatest potential lies in increasing actual utilization of donated organs. In practice, this means that organs from older donors and marginal organs will need to be accepted for transplantation. With regard to marginal organs, there is significant potential in DCD donation, i.e. taking organs from people who have died due to circulatory death. DCD is expected to increase significantly more than DBD, 10–15 percent annually for DCD (with much higher growth for all organs in the US), compared to 3 percent for DBD. To use marginal organs, new technologies are needed for preservation and assessment of organs – this is where we have our great opportunity.

Machine perfusion has a higher value

Products for machine perfusion have a higher value than products for cold static storage, and simultaneously provide clear healthcare benefits. The market potential for disposables, including perfusion solutions in connection with machine perfusion, is significant.

Disposables are used in connection with every machine perfusion. Annual growth in cold preservation, which comprises PERFADEX Plus, has been at 6–7 percent, which is in line with market growth. Machine perfusion is growing faster than the average volume increase in transplants, largely due to increased use of rapidly expanding donor pools such as DCD and marginal organs.

Right to reimbursement – an important pre-requisite

A distinct reimbursement system is a pre-requisite for XVIVO's products and services. An increasing number of countries are strengthening their reimbursement models for transplantations, including machine perfusion, based on health economic analyses. Health benefits are mainly proven with clinical data, and reimbursement systems are decided at national level. Each country, particularly in Europe, therefore carries out its own analysis of clinical data to find the right reimbursement level to satisfy clinical practice.

XVIVO is directly or indirectly involved in several initiatives that will open up the possibility of reimbursement for machine perfusion in EU countries. Transplantation is

An increasing number of countries are strengthening their reimbursement models for transplantations, including machine perfusion, based on health economics.

reimbursed throughout the EU, although machine perfusion of organs is only reimbursed in some EU countries. Very positive developments are now taking place in France, Belgium, the Netherlands, Germany and the UK.

Reimbursement is approved for machine perfusion of lung and kidney in France, and in 2023 it was also introduced for liver. The Netherlands pays compensation for kidney, liver and lung, with DCD kidneys receiving higher compensation compared to DBD kidneys for cold oxygenated machine perfusion. In the UK, NICE (the National Institute for Health and Care Excellence) has issued guidance that recommends ex vivo lung perfusion (EVLP) for the preservation of lung.

In the US, machine perfusion is covered both by Medicare/Medicaid and private insurance as part of the organ acquisition cost.

Growth on new markets

One of our strategic focus areas is geographical expansion, as we see market potential for our machine perfusion technologies on growth markets in Asia, Middle East and South America.

Service providers – a supportive resource

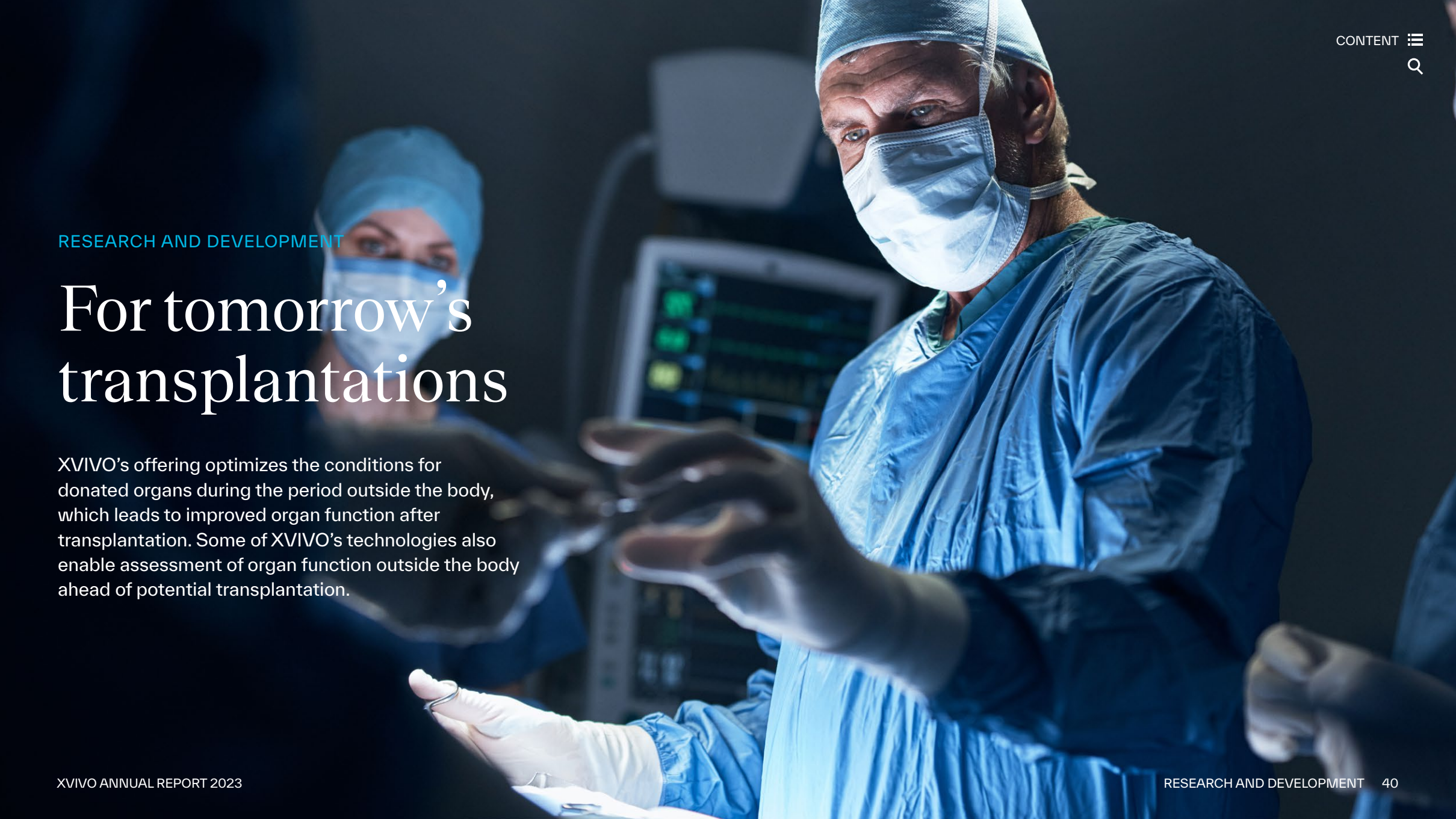
We also see a growing need for transplantation services in order to facilitate the process for clinics, such as organ recovery and organ perfusion.

A service that is growing, mainly in the US, is the provision of surgeons for recovery and transport of organs. This type of service has come from the strong demand for specialized surgeons responsible for the recovery and transport process. XVIVO is offering this service for heart and lung (read more about organ recovery on page 35).

As previously mentioned, service providers in organ perfusion is another service that has emerged from the logistical challenges faced by transplant teams. In Italy, this is an integrated part of our offering. One of XVIVO's largest customers in the US, Lung Bioengineering, provides EVLP (ex vivo lung perfusion; read more on page 28) as a service in facilities that are staffed around the clock. They provide several lung transplant clinics with lungs that have undergone EVLP. Today, they have four XPS machines for which they purchase disposable items and perfusion solution.

One of XVIVO's largest customers in the US, Lung Bioengineering, provides EVLP as a service in facilities that are staffed around the clock.

XPS (XVIVO Perfusion System). An integrated machine with all components required for normothermic EVLP.



RESEARCH AND DEVELOPMENT

For tomorrow's transplantations

XVIVO's offering optimizes the conditions for donated organs during the period outside the body, which leads to improved organ function after transplantation. Some of XVIVO's technologies also enable assessment of organ function outside the body ahead of potential transplantation.

Collaborations relating to early research and development

Professor Stig Steen's research relating to perfusion solutions and machine perfusion forms the basis for XVIVO's heart and lung technologies. The collaboration with Professor Stig Steen has been ongoing since 1998, with research carried out at Igelösa Life Science, a medical research center in Lund, Sweden. The focus is on developing new clinical methods and innovations in organ transplantation for the benefit of patients.

For the abdominal (liver and kidney) technologies, Dr Arjan van der Plaats, XVIVO's R&D Director Abdominal, in collaboration with University Medical Center Groningen, carried out the fundamental development. The development work in abdominal has been ongoing since 1999 and is focused on the implementation of oxygenated machine perfusion and generating clinical data that supports the innovative technology and methods used.

XVIVO's research is mainly done in collaboration with world-leading institutions and researchers. The technology attracts major interest from external clinics and researchers, who initiate pre-clinical and clinical research. By conducting different research projects alongside partners in the US, Canada and Europe, we can secure competence and remain at the forefront of clinical development.

In-house product development

Product development is multidisciplinary and based on collaboration between our specialists in mechanics, biochemistry, electronics and software development. The lead times for development and assessment in pre-clinical and clinical trials are long. Apart from being competent and creative, this means that we also need to be persistent and goal-oriented.

Product development mainly takes place in-house at our head office in Gothenburg (solutions), at the subsidiaries in Lund (heart), in Denver (lung) and Groningen (kidney and liver). As a result of sound knowledge of product development and manufacturing, and the relevant regulatory demands, we are able to streamline the process and shorten the time to launch.

Clinical evidence

In order to document the safety and efficacy of our products, we conduct pre-clinical and clinical trials in collaboration with leading researchers and clinics. Clinical data is the foundation for obtaining market approval for the products, but is also critical for demonstrating their value to our target groups.

The collaboration with Professor Stig Steen has been ongoing since 1998 and research is carried out at Igelösa Life Science.

Demanding processes for product approval

To introduce products on different markets, regulatory approvals are necessary. The regulatory demands have become more stringent, and the approvals processes more complex. We emphasize coordination between the various parts of the organization: research & development, clinical trials and quality & regulatory affairs.

The approvals processes vary, not just depending on product, but also which market and associated authorities and regulatory framework is involved. The focus is on increasing patient safety, but also on clinical evidence, i.e. proof of the products' efficacy and safety. Once a machine or a solution has been approved and introduced on a market, follow-up including documentation and reporting to the relevant authorities continues.

R&D portfolio

Development projects

Project	Description	Status
Heart transplantation 	Current technology and limited time a donated heart can survive outside the body restricts the number of available and usable organs for transplant. In collaboration with Professor Stig Steen, XVIVO has developed a comprehensive solution comprising of fluids and machinery that better preserve the function of the donated heart during transport, which contributes to improved outcomes after heart transplantation as well as enabling longer transport. In the ongoing clinical trials, the results from the transplant of donated hearts transported and preserved using XVIVO's method are assessed and compared to the results with preservation using the conventional ice-box method.	XVIVO has a program of clinical multi-center studies. These will form the basis for the application for regulatory approval for the products in all major global markets. During 2023, several important milestones were reached in clinical trials using XVIVO's heart technology. Data from the Australia/New Zealand clinical trial has now been published, showing that patients receiving heart transplants using XVIVO's technology had a 100 percent survival rate after 30 days, with only one patient treated with mechanical circulation support. This was despite extreme transport periods for these hearts of up to 9 hours. In the second quarter, the final patient was included in XVIVO's European multi-center study with 15 participants. The data gathered is used in the application process for regulatory approval and will be presented in its entirety in 2024. In the second quarter, the FDA approved XVIVO's IDE application for the planned clinical trial with up to 20 clinics, as well as approving the inclusion of DCD hearts in the study. The first participating centers were trained in the fall, and the first patients were included in the trial at the end of the year.
Kidney transplantations 	As with other organs, there is a shortage of transplantable kidneys. Studies have demonstrated that transporting kidneys with ongoing oxygenated perfusion improves post-transplant outcomes. New areas that are being explored include the role of warm perfusion for purposes of assessment.	An international study published in *The Lancet* in 2020 illustrates the advantages for the recipient when the kidney is transported perfused with an oxygenated solution. This is the technology that is unique to XVIVO and is currently being launched in the US. This step has taken kidney technology into a more mature phase. The combination of new perfusion technology with warm perfusion and new solutions is the focus of research in the field of organ transplantation and several investigator-initiated studies have started or are in the start-up phase.

R&D Portfolio (cont'd)

Development projects

Project	Description	Status
Liver transplantation 	As with other organs, there is a shortage of transplantable livers. By optimizing the process for preserving and assessing the function of the donated liver, more organs with good function potentially become available for transplant. Studies show that cold oxygenated perfusion of liver before transplantation clearly reduces the risk of serious complications in many cases. The use of warm perfusion with XVIVO's technologies with the aim of assessing liver function outside the body ahead of transplant has attracted significant interest over the past year.	The results of a study after using XVIVO's technology were published in *The New England Journal of Medicine* in 2021 and demonstrate significant benefits of cold oxygenated machine perfusion of livers prior to transplantation with donation after circulatory death (DCD). Numerous clinical trials and an extensive Cochrane review demonstrate proven clinical benefits associated with using XVIVO's cold perfusion technology (HOPE); these have not been replicated in studies using warm perfusion. As XVIVO's Liver Assist allows for both warm and cold perfusion through one or two vessels, the technology is used in several ongoing studies in different clinical scenarios. In order to gain approval for the liver technology in the US, XVIVO is preparing clinical trials in the US and has initiated discussions with the FDA.

Research projects

Project	Description	Status
Xenotransplantation 	Xenotransplantation involves the use of non-human organs in transplantation. The method is currently at the research stage for several organs.	The first successful transplantation to a human was performed in January 2022, with a further transplant performed in September 2023. In both cases, XVIVO's heart technology to preserve the heart before transplantation. XVIVO will continue to support groundbreaking research in the area and our technology for preserving heart function is currently used by three world-leading research teams in xenotransplantation.

SUSTAINABILITY REPORT

Sustainability is a part of our DNA

Sustainability is a natural part of our operations. Our products and services enable more lives to be saved, increases quality of life and improves health economics.

Our products and services make a difference.

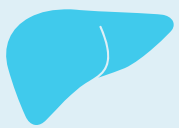
In 2023 XVIVO contributed:

620* lungs
perfused allowing for increased organ utilization

9,500** lungs
preserved using static cold storage

900* kidneys
perfused allowing for optimal patient outcome

1,270* livers
perfused allowing for optimal patient outcome



1/3 of all heart
preserved in Australia using XVIVO Heart Assist Transport™***

560 hearts & lungs
recovered by XVIVO Organ Recovery Service

* Based on the number of products sold for clinical use. ** Based on the number of products sold for clinical use, assuming required use of 8 liters per acquisition. *** XVIVO Heart Assist Transport™ is not yet a commercial product.

In 2022, XVIVO completed a materiality analysis to identify key sustainability areas related to current operations, focusing on opportunities and risks. Three main areas were identified. In 2023, our sustainability work focused on improving and developing these areas.

XVIVO's three main areas in sustainability:

- Ethical and responsible business
- Employee commitment
- Innovative, accessible and high quality products

Ethical and responsible business

Good business ethics and compliance with laws and rules are the basis of XVIVO's Code of Conduct. Unethical business practices, such as corruption and actions that limit competition, prevent sustainable economic and social development. The negative effects of unethical business practices can affect innovations, customers and, ultimately, patients' health.

Employee commitment

Employee commitment is key in order for XVIVO to contribute to saving more lives and improving health. Engaged employees are key to XVIVO being able to fulfill its business goals and act responsibly as a company. XVIVO wants its employees to have a healthy, inclusive working environment where they are treated with respect. It is also important for our employees to develop as individuals and that their work contributes to XVIVO's development.

Innovative, accessible and high quality products

Our greatest contribution to sustainability is creating opportunity to save more lives, increase quality of life and improve health economics. Our core business is based on our vision that nobody should die waiting for a new organ. XVIVO's profit is largely reinvested in research and development. In 2023, some 40 percent of sales were reinvested in various research, development and maintenance projects with the aim of developing transplant care by bringing new lifesaving products to the market in future. The high quality and safety of our products is critical to our operations. We ensure quality and safety through compliance with applicable laws and regulations and our process-based quality management system.

UN Sustainable Development Goals

In 2015, all UN member states adopted the Agenda for Sustainable Development. As part of this process, 17 sustainability goals were developed to ensure peace and prosperity for the planet and humans. *By working with our three main areas at XVIVO, we primarily contribute to furthering Sustainable Development Goals 3, 5, 8 and 9.*

Our product offering contributes to more lives saved and improved health

The health, safety and development of our employees are critical, in parallel with sustainable economic growth

Gender equality and workplace inclusion

We are making substantial investments in innovation and leading technologies to create long-term value for society

Overview of XVIVO's ESG work

Environment	Renewable energy use Strong partnerships ensure compliance with environmental regulations in production Responsible travel policy Collaboration for efficient logistics Plannable distribution
Social responsibility	Purpose and value driven organization Employee commitment Safe & inclusive working environment Equal opportunities in the workplace Social responsibility
Corporate Governance	Global quality processes Clinical trials according to GCP* principles Strong relationships with suppliers Proactive and continuous training of internal and external partners

* Good Clinical Practices

Environment

XVIVO is committed to supplying safe, sustainable products and ensuring compliance with laws, regulations and standards where the environment plays a key role. Due to strict sterility requirements, a prerequisite for guaranteeing patient safety, the reuse of materials is prohibited, as clearly stipulated by the WHO. Because our disposable products cannot be reused due to biological contamination, this means that using our products has a degree of environmental impact.

Our environmental work focuses on 3 areas where we have the opportunity to influence our environmental impact through responsible decisions: facilities, partners and logistics.

Facilities

XVIVO seeks to reduce energy consumption wherever possible. Production of the company's products takes place through external specialized partners, which means that XVIVO's facilities refer to office premises and development centers. Globally, 79 percent of XVIVO's power supply is derived from renewable energy sources.

In 2023, XVIVO's head office relocated to GoCo Health Innovation City, a development region in Gothenburg with a focus on innovation in healthcare. The office is powered by 100 percent renewable energy. XVIVO's North American office is located in Philadelphia, US, and also operates on 100 percent renewable energy. The office in Philadelphia is located in Cira Centre, which won the "Green Building Groundbreaker Award" for "Sustainable Building Operations" for its environmental work in 2022.

In addition to XVIVO's administrative offices, the company operates three development centers: Groningen, the Netherlands; Lund, Sweden; Denver, US. Our European development centers in the Netherlands and Sweden operate on 100 percent renewable energy. In 2023, 42% of total energy consumption at our US facility came from renewable energy sources.

Partners

All production of commercial products is carried out by external suppliers. Before XVIVO initiates a collaboration with a partner or supplier, the company carries out a review to ensure that the partner satisfies the demands of XVIVO's Code of Conduct for Suppliers. We require suppliers to comply with the demands of applicable environmental legislation and stipulations, and that suppliers continuously and systematically strive to reduce their environmental impact. By working closely with our partners we ensure that our standards are met and strive to achieve improvements together wherever possible.

Logistics

Business travel

XVIVO is a global company with employees and customers located around the world. Building strong relationships internally and externally require our employees to travel. Our travel policy, which all XVIVO employees are required to sign, ensures that travel only takes place when it has a clear purpose and other alternatives such as telephone or video conferences are not possible. In addition, XVIVO's travel policy stipulates that when necessary travel is required, employees should strive to combine meeting or events to avoid additional journeys. Train and other ground transportation should always be considered before travel by air. When an airline offers the opportunity to climate compensate, XVIVO's policy states that this shall be included in the booking.

XVIVO is a company that wants to change the world for all those in need of a new organ.

In 2023, XVIVO's employees flew 3.4 million km according to data collected from our two travel agents. 2023 is the first year that these figures have been collected.

Services – Organ recovery

Time is a critical factor for organ transplants. For XVIVO's organ recovery service in the US, surgical teams and organs are frequently transported by air as other forms of transport are not possible given the time constraints associated with the period that hearts and lung can remain outside the human body. In order to increase the efficiency of logistics relating to organ recovery transports (air & ground transport), XVIVO has entered into partnerships with MTJ Aviation and NORA. The aim of the partnerships is to limit each organ recovery to three flights: air transport to the donor, air transport of the organ to the hospital (customer), and air transport back to the surgical team's base. At present, an organ recovery case can occasionally result in more than three flights due to non-strategically positioned aircraft or unavailability of flight personnel. The partnerships reduce the complexity of the organ recovery process and improve planning and efficiency, which means we can acheive a reduced environmental impact per organ recovery as a result of fewer flights. In 2024, XVIVO will continue its work with improving efficiency alongside partners in order to ensure that our partnerships contribute to improving the environmental and financial sustainability of the organ recovery process for our customers.

Distribution

Upon distribution of our products we proactively choose suppliers that seek to reduce their environmental impact. Planning and effective collaborations ensure that we minimize the need for air transportation.

Social responsibility

XVIVO wants to change the world for all those in need of a new organ. Committed employees are key to XVIVO being able to contribute to saving more lives and improving health, as well as our business goals and continuing to act as a responsible company. An inclusive atmosphere where all employees are met with respect is central to ensuring a positive working environment where our employees are able to develop and can contribute to XVIVO's vision. Our business culture is strongly characterized by our vision that "nobody should die waiting for a new organ". XVIVO's culture is also extensively shaped by Swedish corporate culture, which is based on trust, participation and personal responsibility, with a strong foundation in human rights. This is simultaneously linked to the ability to operate in different cultures.

Through our Supplier Code of Conduct, we expect our suppliers to treat their employees with the same respect and to provide safe and healthy working conditions in line with those at XVIVO.

Attractive workplace

XVIVO carried out its second employee survey during the fall of 2023. Employee participation rate in the survey was 78 percent (82). The survey questions covered areas including work situation, appreciation, communication, cooperation, commitment, inclusion, goals and customers. Employee commitment was 4.3 of 5, which represented an increase over 2022 survey results (4.0). In addition, for the first time, an eNPS score (net promoter score) was recorded to provide greater detail of XVIVO's employee commitment. eNPS is measured between -100 and +100, where a result of between +10-30 is considered favorable. XVIVO's eNPS result of

Our business culture is strongly characterized by our vision that "nobody should die waiting for a new organ".

Employee commitment, index

4.3

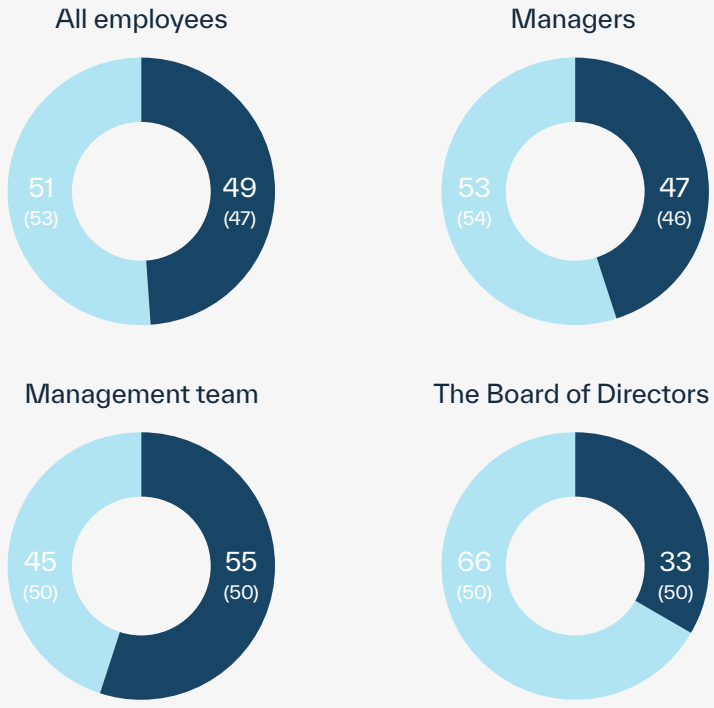
Response options from 1 (= very dissatisfied) to 5 (= very satisfied)

Increase in number of employees

2023	2022
12%	19%

Gender distribution at the end of 2023, percent

Men Women (2022 percentage in parentheses)



42 indicates that our employees are committed to the company and intend to continue working with us.

Safe and secure working environment

No work-related accidents were reported for 2023. All employees are covered by insurance policies intended to secure their and their families' health, wellbeing and safety. Arrangements vary slightly between countries. XVIVO also provides extensive health benefits, including rehabilitation plans when needed.

XVIVO respects human rights. Respect for individuals and their integrity and dignity is fundamental to all relations, both within XVIVO and in relation to our customers, partners and other external stakeholders.

XVIVO's employees are entitled to join or establish any form of association and to organize themselves and negotiate collectively and individually in accordance with local legislation and regulations.

Social responsibility

We engage with patient organizations to raise awareness of the shortage of donated organs and our products and their contribution to solving this shortage. Our partnerships vary locally. In Sweden we collaborate with, for example, MOD (More Organ Donation, Mer organdonation). We provide financial support to various research projects carried out by clinics, academic institutions and other external parties that contribute to addressing the shortage of donated organs.

XVIVO's core values

Research-driven	Drive progress and challenge the status quo
Customer-focused	Create outstanding customer experiences
Collaborative	Connect and work together to achieve more
Meaningful	Make a difference for the transplant community

Whistleblower function

In 2022, we established an external independent whistleblower function that employees and partners can contact anonymously to report violations of the Code of Conduct or unlawful behavior. The function can be accessed via XVIVO's website (www.xvivo-group.com). All reported cases are investigated. If a violation is found to have taken place, corrective measures are carried out. In 2022-2023, zero incidents were reported through the whistleblower function.

Corporate Governance

Sustainability management

XVIVO's management is ultimately responsible for our sustainability efforts. XVIVO's Board of Directors monitors and participates in the sustainability efforts and receives regular reports on the current situation and future plans. Our sustainability efforts are based on relevant laws, leading global standards and principles. The Code of Conduct is the basis for our sustainability work and is supplemented with specific policies as needed.

Quality work

XVIVO has established, documented and implemented a global process-based quality management system. We are dedicated to maintaining the efficiency of the system and to continuous improvement. In 2023, our development center in Groningen transitioned from a local quality system to XVIVO's global system.

Our quality management systems are certified according to the standards that apply to the products we manufacture. XVIVO complies with the regulations that apply in markets where our products are sold. Our certifications include ISO 13485 (requirement for organizations that supply medical devices to have a quality management system) and MDSAP (Medical Device Single Audit Program) for compliance with standards and legal requirements in markets for medical devices.

Product development and clinical trials

Our product development process ensures that customer needs are satisfied and that safety standards are met. All ideas are thoroughly evaluated and potential design risks identified and eliminated or minimized.

All our suppliers are evaluated to ensure they meet our quality standards.

We limit the use of animal testing and actively work to develop alternative test methods. We test our products on animals only when it is legally required.

We carry out clinical trials to test our products. All clinical trials where XVIVO is involved are planned and completed in accordance with the ethical principles indicated in the Helsinki declaration and follow GCP principles (Good Clinical Practice) and applicable legislation and guidelines.

XVIVO carries out clinical trials in accordance with applicable local regulations and international legal requirements. These include EU directives 2007/47/EG and 95/46/EG (on the protection of individuals with regard to the processing of personal data and on the free movement of such data) and ISO standard 14155 (Clinical investigation of medical devices for human subjects — Good clinical practice).

To ensure that patient rights, safety and wellbeing are protected, that reported data is reliable and robust and that the conduct of clinical trials corresponds to MDR 2017/745, XVIVO ensures continuous and detailed oversight of all clinical operations. The extent of such oversight is determined on the basis of assessments that include all the characteristics of the clinical trial.

Follow-up

The quality control system is reviewed on a management level and is applied throughout the organization.

XVIVO monitors processes and products during the production phase to ensure that our products satisfy quality requirements. We implement continuous improvements in our CAPA process (Corrective and Preventive Action) and conduct extensive investigations of root causes. This is followed up with corrective measures aimed at solving problems and preventing repeat occurrences.

All our suppliers are evaluated to ensure they meet our quality standards. When required, we carry out inspections on site, based on a risk assessment. We require all suppliers to accept and follow our supplier demands. After a product has been launched, we continue to monitor it through our clinical follow-up, risk management and aftermarket review processes. We measure and consider all customer complaints related to our products. Customer satisfaction is measured regularly through surveys to ensure that our products live up to customer expectations. We use this feedback and the lessons learned from it to continuously adapt and improve our products.

Training aimed at our customers and distributors ensures the safe and effective use of our products. We offer training and workshops at our customers' clinics and in our premises.

ESG risks

Unethical organ sourcing

There are reports indicating that in a few markets where XVIVO has very limited sales, transplants occur using organs donated involuntarily and without consent. Such cases may involve organ donation that was ostensibly voluntary but actually occurred as a result of economic coercion, systematic illegal organ trade and/or human trafficking for the purpose of organ removal. These are extremely grave violations of human rights. Under no circumstances may XVIVO's products be used in operations where organs are sourced in violation of global human rights. Our distributors undertake to ensure that all buyers of our

products comply with ethical standards relating to organ use for transplantation as stated in the Convention on Human Rights and Biomedicine (European Council). Our distributors are required to report any violations to XVIVO. If any violations come to our attention, our relationship and business with the distributor will be terminated immediately.

Bribes and corruption

In the global healthcare sector, business relationships are established between private and public operators and there is an inherent risk of corruption, including improper payments made in good faith. It is therefore important to have clear and detailed guidelines on how business should be conducted. XVIVO's Code of Conduct and XVIVO's Supplier and Distributor Code of Conduct set out guidelines for avoiding bribes and corruption. In 2023, 85 percent of XVIVO's employees signed the Code of Conduct. In 2023, 88 percent of suppliers signed XVIVO's Code of Conduct, or shared their Code of Conduct with XVIVO.

The US is the market where XVIVO has the most sales and plans to invest the most financial resources over time. In the US, there is established legislation aimed at ensuring that financial relationships and transactions with the healthcare sector are reported to the authorities. This takes place through the Open Payments Program (the Sunshine Act). The information is public, and publication of XVIVO's data enables the company's financial transactions with the sector to be assessed with full transparency by an external party. Similar legislation exists in many of our major markets, primarily in the EU, which ensures transparency in our transactions.

Employees and external stakeholders can report suspected or detected misconduct to an external whistleblower function via our website.

Data integrity and IT security

Cyberthreats have become a serious problem for companies, and can impact significantly both on the organization and on personal privacy. XVIVO works actively with security related to IT systems and sensitive data. We collect patient data in our clinical trials. We do our utmost to ensure that this data is processed confidentially and that personal privacy is always protected. Our clinical trials are conducted in accordance with ISO14155 and GCP and all data processing takes place in accordance with the GDPR. Data from our clinical trials are collected and stored in electronic data collection systems that are certified for or compatible with relevant certifications (ISO27001, ISO9001) and/or national or international standards (HIPAA, NEN7510) for data processing and security.

ESG work continues in 2024

In 2023, XVIVO laid the foundation for more strategic and systematic sustainability work, on the basis of material sustainability risks and opportunities for having a positive impact on the surrounding world. In 2024, a leading Nordic sustainability partner, XVIVO will carry out a double materiality analysis (DMA), and the outcome will serve as the basis for our sustainability focus in the short and long term. The analysis, which will be updated annually, is a key component of XVIVO's long-term corporate strategy. In 2024, XVIVO will also carry out a GAP analysis to ensure that the company satisfies the standards and disclosure requirements under ESRS (The European Sustainability Reporting Standards) as issued by CSRD (The Corporate Sustainability Reporting Directive). XVIVO assesses that the requirements of the Directive will affect the company from the 2025 financial year, onwards, and will be included for the first time in the Annual Report for 2025, due to be presented in spring 2026.

In 2023, XVIVO laid the foundation to more strategic and systematic sustainability work.

An investment with considerable growth potential that contributes to saving lives

1	Market potential for machine perfusion is 10x larger than current standard of care
2	XVIVO's offer increases the availability of transplantable organs
3	History of continuous profitable growth and high margins
4	Future secured product portfolio and track-record of successfully bringing innovation to market

1 Market potential for machine perfusion is 10x larger than current standard of care

The growth potential in organ transplantation is significant. Despite the number of transplants increasing with a market growth of 5-7 percent per year, the demand for an organ remains ten times higher than supply. The market for machine perfusion is expected to grow significantly, as the technology is key to increasing the donor pool and organ utilization - unlocking an untapped potential.

2 XVIVO's offer increases the availability of transplantable organs

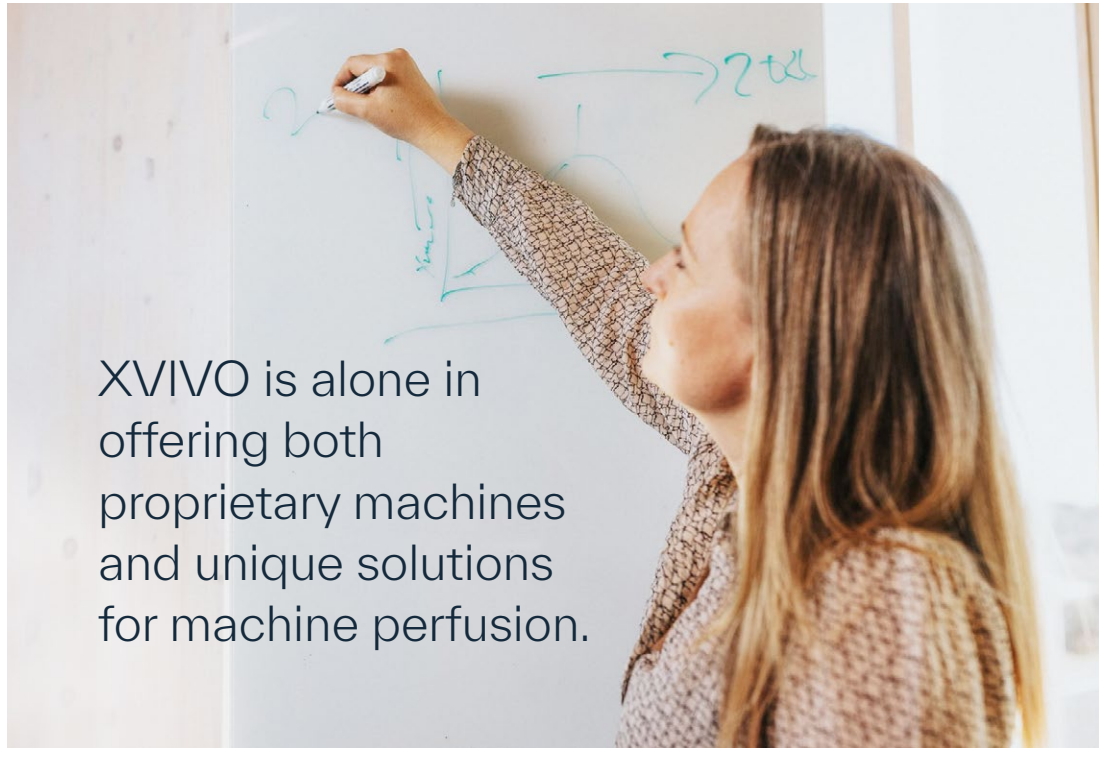
Traditional preservation of organs on ice has many limitations, and all too often this results in only standard organs being transplanted. The greatest potential lies in increased utilization of so-called marginal organs, e.g. organs from older donors or donors who have died due to circulatory death. Our technology – machine perfusion – together with our service offer in organ recovery and organ perfusion, can realize this potential.

3 History of continuous profitable growth and high margins

Our average annual growth (until end 2022) is approximately 30 percent. With the exception of the year of the IPO (2012) and the pandemic (2020) we generated positive EBITDA every quarter. Our products achieve positive gross margins and sales growth is expected to be strong in coming years.

4 Future secured product portfolio and track-record of successfully bringing innovation to market

XVIVO is alone in offering both proprietary machines and unique solutions for machine perfusion. We bring innovations to markets that address a real need. Our technologies are well-documented and published, e.g. Kidney Assist Transport in The Lancet and Liver Assist in The New England Journal of Medicine. The commercialization of our heart preservation technology will mark the start of a new era, not just for XVIVO but for heart transplantation as a whole. The fact that our technologies are crucial to continued development in xeno-transplants for both heart and kidney provides further confirmation that our portfolio is future-proofed.



The share

The XVIVO share has been listed on Nasdaq Stockholm under the ticker XVIVO since 2016. The share was listed on Nasdaq First North between 2012 and 2016. One trading block comprises one (1) share.

Share structure

As of December 31, 2023, the share capital of XVIVO Perfusion AB (publ) amounted to SEK 805,087, divided into 31,499,470 shares. Trading takes place on Nasdaq Stockholm's main list. All shares have equal voting rights and have equal rights to a share in XVIVO's assets and earnings.

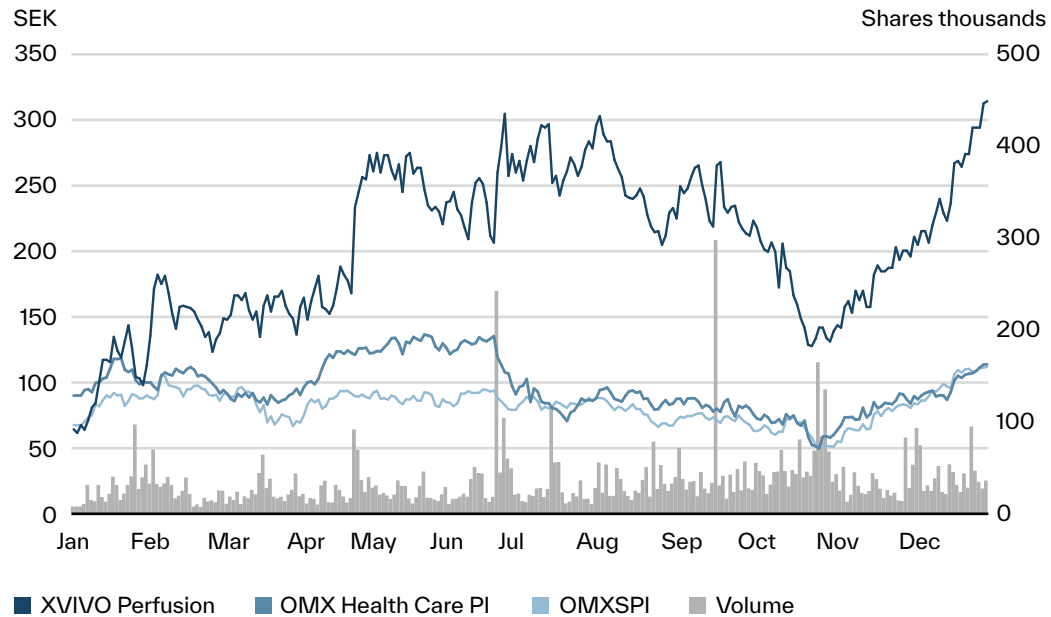
Share price and turnover

On December 31, 2023, the share price was SEK 329.50 (183.00) per share last paid, which represents an increase of 80 (-34) percent compared to the closing price on December 31, 2022. The OMX Health Care index recorded an increase of 7 (-21) percent and the OMX Stockholm index increased by 15 (-25) percent over the same period. At the end of 2023, XVIVO's market capitalization was SEK 10,379 million (5,459). The highest price quoted in the year was SEK 337.00 (312.50) and was quoted on December 31. The lowest price quoted in the year was SEK 182.40 (127.80), which was quoted on January 2.

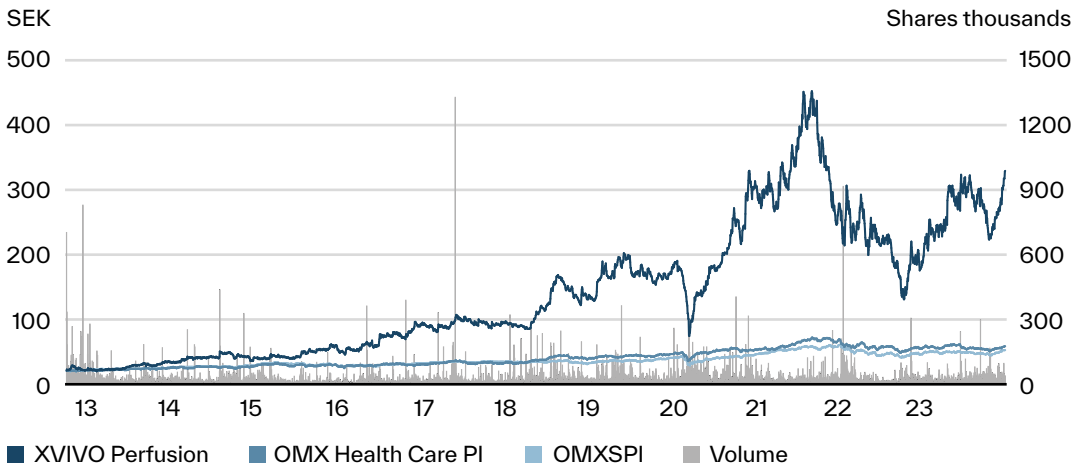
Share price 2023

+80 %

The XVIVO share in 2023



The XVIVO share since listing in 2012



XVIVO's ten largest shareholders as of December 31, 2023 are listed below

Shareholder	Number of shares	Shares and votes, %
Bure Equity	4,493,504	14.27%
Fourth AP Fund	2,842,553	9.02%
Swedbank Robur Fonder	2,450,000	7.78%
Eccenovo AB	1,875,000	5.95%
Capital Group	1,261,000	4.00%
Handelsbanken Funds	1,189,246	3.78%
Premier Miton Investors	1,019,581	3.24%
Deka Investments	555,392	1.85%
Invesco	577,463	1.83%
Nordnet Pensionsförsäkring	492,777	1.56%
Other	14,742,954	46.72%
Total	31,499,470	100%

Source: Monitor's figures as of December 31, 2023.

The number of XVIVO shares in the year amounted to 8,302,540 (8,906,840) at a value of SEK 2,230 million (1,964). The number of trades was 131,725 (111,641). Total share turnover corresponds to 28 (30) percent of the average number of outstanding shares during the year.

Dividend policy and dividend

XVIVO's Board of Directors considers that the company should have a strong capital base in order to enable continued growth, organically and through acquisitions. The Board of Directors and the CEO propose that no dividend be paid for 2023.

Continuous updates

The share is listed on Nasdaq Stockholm, Mid Cap. Continuous updates about the company such as press releases, quarterly reports and Annual Reports can be found on the company's website www.xvivogroup.com.

Insiders

XVIVO is obliged to notify the Swedish Financial Supervisory Authority of persons that have insight into the company. These individuals must notify their holdings of shares and any changes in the holdings. The Board members and the CEO and CFO are considered to have an insider position. A full list of individuals with an insider position and their holdings is presented on the company's website ww.xvivogroup.com.

Share-based incentive programs

In total, there are 121,500 outstanding stock options under two programs (warrants programs) and 66,000 outstanding stock options in one program (performance-based subscription rights program).

The 2021 Annual General Meeting resolved to issue a maximum of 148,000 stock options (series 2021/2024) with the accompanying right to subscribe for a maximum of 148,000 new shares to employees of the XVIVO Group. Of these warrants, all 76,000 have been subscribed for by employees. The stock option program 2021/2024 gives the stock option holder the right to subscribe for a new share at SEK 489.26 during May 2024.

The 2022 Annual General Meeting resolved to issue a maximum of 130,000 stock options (series 2022/2025) with the accompanying right to subscribe for a maximum of 130,000 new shares to employees of the XVIVO Group.

Of these warrants, all 45,500 have been subscribed for by employees. The stock option program 2022/2025 gives the stock option holder the right to subscribe for a new share at SEK 336.01 during May 2025.

During the period January-December 2023, both the average share price for the period and the closing share price as of December 31 exceeded the strike price of the stock option programs.

The 2023 Annual General Meeting resolved to issue a maximum of 72,000 stock options (series 2023/2026) with the accompanying right to subscribe for a maximum of 72,000 new shares to employees of the XVIVO Group. Of these stock options, all 66,000 have been subscribed for by employees.

The stock options program 2023/2026 gives the stock option holder the right, in May 2026, to convert warrants to an equal number of newly issued shares provided that certain performance targets have been met during the 3-year term of the program.

Analysts

During the year, Carnegie, Pareto Securities, SEB, DNB and Bryan & Garnier regularly covered XVIVO.

Ownership structure

According to Monitor's shareholder register, XVIVO had 8,826 verified shareholders as of December 31, 2023, an increase of 7 percent year-on-year.

Financial calendar and contacts

Financial Reports 2024

Interim Report January-March 2024:	April 24, 2024
Interim Report January-June 2024:	July 12, 2024
Interim Report January-September 2024:	October 24, 2024
Year-End Report 2024:	January 28, 2025

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Financial statements

Administration Report

The Board of Directors and the CEO of XVIVO Perfusion AB (publ), corporate registration number 556561-0424, hereby submit the Annual Report and Consolidated Financial Statements for the financial year 2023.

Operations

XVIVO is a medical technology company that develops and markets machines and perfusion solutions for assessing usable organs and maintaining them in optimal condition pending transplantation. XVIVO is the only medical technology company dedicated to extending the life of all major organs so transplant teams around the world can save more lives. The business is conducted in three business areas: Thoracic (heart and lung), Abdominal (liver and kidney) and Services (organ recovery).

XVIVO employs around 150 people globally at its headquarters in Gothenburg, Sweden, its offices in Lund, Sweden, Groningen, Netherlands, Denver and Philadelphia in the US and Milan in Italy. XVIVO's share has been listed on NASDAQ Stockholm since 2016 and trades under the XVIVO ticker. The number of shares and votes were 31,499,470.

Thoracic

XVIVO's operations started in lung transplantation and have expanded to include more organs in recent years. The company's product PERFADEX Plus is used by 90 percent of clinics in traditional static preservation of lungs ahead of transplantation. A major problem in transplant care is the lack of available organs. Today, just over 20 percent of available donation lungs are used in the company's largest market, the US, as it is deemed too risky to use other donated lungs in transplantation. By using XVIVO's product – STEEN Solution – vital parts of the lung are kept viable outside the body at body temperature, which enables assessment of important functions. In clinical use in the US, Europe, Australia and Canada it has become apparent that once EVLP with STEEN Solution has been carried out, many of the organs that were initially "rejected" are assessed as being usable and have been successfully transplanted into patients with terminal stage lung disease. The use of STEEN Solution therefore has the potential to increase the total number of lung transplants in the world. The company's products for warm perfusion, XPS and STEEN Solution, have regulatory approval in all major markets in the world, and were the first products to receive regulatory approval in the US for warm perfusion of marginal organs outside the body ahead of transplantation.

Based on the research of Professor Stig Steen and his research, XVIVO's heart transplantation competence center in Lund (Sweden) has developed a machine and disposable items for heart preservation. The products have been developed to increase the availability of donated hearts so that more heart transplants can be performed and more patients can be given a last chance of a longer life. In 2023, XVIVO reached several important milestones in heart preservation. In Australia and New Zeeland, XVIVO's technology was used in over 30 percent of heart transplants nationwide. This was made possible by special authorization prior to full regulatory approval. In spring 2023, the final of 202 patients was included in the company's European multi-center study involving some 15 clinics in eight countries. The initial results from the study are expected to be presented at the ISHLT conference in April 2024. In 2023, XVIVO also started up a clinical multi-center study in the US, following IDE approval by the FDA. The study has obtained approval to include up to 20 US clinics and 141 patients. Clinics have shown extensive interest in participating in the study. Another key milestone in the US study, was the FDA's decision to accept DCD (donation after circulatory death) as an inclusion criteria – a donor

classification that is currently heavily underutilized in the area of heart transplantation. An additional number of pre-clinical and clinical initiatives are underway or have been started by leading researchers in heart transplantation.

Abdominal

Like for the thoracic organs lung and heart, there is also a severe shortage of transplantable abdominal organs, liver and kidney. Studies have demonstrated that transport of kidneys with continuous circulation of oxygenated perfusion significantly improves post-transplant outcomes. In 2020, a high-quality international study was published in The Lancet that shows significant benefits for the recipient when the kidney is transported with continuous oxygenated perfusion. Oxygenated machine perfusion is unique to XVIVO, and in 2022-2023 the company selectively launched the technology in the US and on selected markets in Europe and Australia.

Ahead of liver transplant, cold oxygenated machine perfusion has been shown to outperform cold static preservation. At the start of 2021, the New England Journal of Medicine published a high-quality study that demonstrated significant advantages with cold oxygenated machine perfusion of liver ahead of transplantation. The technology highlighted in the study is the technology used in XVIVO's product Liver Assist. XVIVO's technology, research and development in combined warm and cold perfusion of liver is used in both pre-clinical and clinical investigator-initiated studies. In 2022, XVIVO obtained "Breakthrough Device Designation" from the US Food and Drug Administration (FDA) for its Liver Assist technology, and in 2023 the company started planning an application for IDE (Investigational Device Exemption) from the FDA, in order for clinical trials to begin.

Services

The Services business area comprises the company's thoracic organ recovery operations in the US.

Organ recovery means the removal of organs from the donor body, the preservation of organs in cold fluid during transport, and logistics and coordination ahead of and during organ recovery. XVIVO has played a pioneering role on the US market, and provides around 15 US thoracic clinics with its services. Services in organ recovery, preservation and transport add significant value to transplantation clinics, and the efficiency and quality of these processes can contribute to increased transplantation volumes with clinics and improved transplant results for patients.

Business concept

XVIVO's business concept is to develop and market effective innovative technology for preserving, transporting and assessing organs outside the body while awaiting transplant.

Vision

Nobody should die waiting for a new organ.

Purpose

We believe in an extended life of donated organs.

Target

Establish machine perfusion as a standard method for preserving, assessing and transporting donated organs before transplantation.

Strategy

XVIVO's strategy focuses on increasing the number of organs available for transplantation. By developing products and services for perfusion of organs and conducting clinical studies with these on all major markets globally, XVIVO demonstrates that perfusion of organs makes more organs available for transplantation, meaning that more patients gain access to this lifesaving treatment.

Impact of external factors on operations

Although XVIVO and the transplantation industry in general are showing significant growth, there is unfortunately uncertainty in the wider world. The geopolitical uncertainty has shifted away from regional to global concerns, and an overall impact on global trade cannot be ruled out. XVIVO currently has very limited sales exposure to countries affected by conflict and the procurement chain is not exposed to these markets. Our manufacturing takes place either in Western Europe or the US. Accordingly, we currently do not assess that geopolitical conflicts and war in our surrounding world are having a direct negative impact on XVIVO's operations.

In 2023, we can conclude that the global healthcare sector has recovered from the Covid-19 pandemic, which significantly impacted transplant operations over the last few years. The US reached record numbers of completed transplants for all organs in 2023. Transplantation is a life-saving treatment and

waiting lists remain long. Accordingly, XVIVO assesses that the number of transplants, and thereby demand for XVIVO's products and services, will continue to increase.

Significant events during the year

Successful integration of Avionord M&P

The integration of our Italian distributor was completed as planned in the first quarter. Avionord M&P was acquired at the end of 2022 and the business now operates under the name XVIVO S.r.l. The company markets XVIVO's technologies in combination with a perfusion service and is the leading operator on the Italian market for organ perfusion.

Significant interest in XVIVO's heart technology in Australia and New Zealand

The last patient in the investigator-initiated heart preservation study in Australia and New Zealand received a transplant towards the end of 2022. Pending regulatory approval for these geographies, which is dependent on CE marking under MDR, special permits have been granted that allow hearts to be treated with products that have not received regulatory approval. There is very strong interest in continuing to use XVIVO's technology. Four out of five trial centers purchased and used our products during the year, and the fifth center is expected to follow suit shortly. Approximately 30 percent of these countries' heart transplants were performed using our technology during the year.

Benefits of XVIVO's heart preservation technology after DCD donation have also been demonstrated

The Journal of Heart and Lung Transplantation published an article by a research team led by professor H Eiskjaer, Aarhus, Denmark in the first quarter of the year. In a large animal model, the team successfully showed the potential for using XVIVO's heart preservation technology for hearts from DCD donors. The study shows that DCD hearts can successfully be transplanted both after direct procurement and after normothermic regional perfusion (NRP) of the donor organ if XVIVO's technology is used.

Strengthened proof of the benefits of cold oxygenated perfusion of liver after DBD donation

XVIVO's liver perfusion technology, Liver Assist, offers hypothermic oxygenated perfusion (HOPE) for the liver. The advantages of the technology over traditional static cold storage for DCD livers were highlighted in The New England Journal of Medicine in 2021. During the first quarter, The Journal of Hepathology published the results of a randomized multi-center trial showing positive effects if HOPE is also used for livers from DBD donors. Today the majority of transplanted livers in the world are DBD donations.

XVIVO's IDE application for its heart preservation technology gained FDA approval in the US

The US Food & Drug Administration (FDA) has approved XVIVO's Investigational Device Exemption (IDE) application for its heart preservation technology. The approval allows XVIVO to start the "PRESERVE Clinical Trial: A Prospective, Multi-center, Single-Arm, Open-Label Study of Hearts Transplanted after Non-Ischemic Heart PRESERVation from Extended Donors".

The PRESERVE multicenter clinical trial will assess safety and effectiveness to be used in support of Pre-Market Approval (PMA). The trial will enroll 141 patients across 20 leading transplant centers in the US. The inclusion criteria for the trial allow transplant centers to include donor hearts from older donors (defined as aged 50+), DCD-donors and hearts from long-distance donors. By including long-distance donors, XVIVO's goal is to further validate the findings from the investigator-initiated NIHP study in Australia and New Zealand which was presented at ISHLT in April, 2023 – that non-ischemic preservation of donor hearts using XVIVO's innovative technology can enable uncompromised organ preservation quality, despite significantly extended transport times.

Patient inclusion completed in European clinical trial with XVIVO's heart preservation technology

XVIVO's innovative heart technology is currently being investigated in a randomized controlled clinical trial across 15 leading transplant centers in 8 European countries. 202 patients have gone through a transplantation in the trial which means inclusion of all planned participants has now been completed. The next step is a one-year follow-up phase where patient outcomes will be collected and monitored before the trial is closed and data presented.

XVIVO strengthens it service offering in the US through the commercial integration of STAR Teams

XVIVO acquired STAR Teams, an organ recovery service in the US, in November 2021. To meet rapidly growing demand for recovery services in the US and to strengthen the organization's operations and commercial offering, XVIVO integrated STAR Teams into the XVIVO brand in the period. Non-recurring costs associated with the integration totaled approximately SEK 22 million. The integration strongly supports XVIVO's strategic objective of becoming the "preferred partner in the transplant process".

Directed new share issue raised SEK 440 million.

XVIVO carried out a directed share issue of 1,600,000 shares at a subscription price of SEK 275 per share, raising gross proceeds of SEK 440 million before transaction costs of approximately SEK 10 million for the company. The subscription price was determined in an accelerated book-building procedure. Investors in the directed issue include existing and new shareholders such as Bure Equity AB, the Fourth AP Fund, Swedbank Robur Fonder, Eccenovo, Handelsbanken Fonder AB through the investment fund Hälsovård Tema, the Third AP Fund and a tier-one global international investor.

The net proceeds from the Directed Issue are intended to be used as follows: 1) Increased investments in US clinical trial infrastructure and support to create an efficient FDA PMA regulatory approval process for the heart preservation technology; 2) Fast-track the preparation and start of the clinical trial and FDA PMA regulatory approval process for Liver Assist; and 3) Scale-up of disposable production to ensure delivery capacity and reduced cost of goods sold.

XVIVO's heart preservation technology enabled a second successful xenotransplant (heart from pig to human)

On September 20, 2023, the world's second heart xenotransplant from pig to human was completed. Like for the first transplantation, which was performed in January 2022, a team of researchers at University of Maryland School of Medicine in the US were behind the achievement. After removing the heart from the pig, XVIVO's preservation technology and patented solution was used to preserve the heart in optimal condition before transplant. The patient was a 58-year old critically ill man with terminal heart failure who did not qualify for conventional treatment methods.

XVIVO initiates strategic collaboration with MTJ Aviation to strengthen organ retrieval services in the US

XVIVO has signed a strategic collaboration agreement with MTJ Aviation, a US company specializing in healthcare transport. The agreement is a positive consequence of the decision to integrate STAR Teams with the XVIVO brand. Reliable organ transports have become increasingly important for transplantation clinics in the US following recent changes to US organ allocation policy. Escalating logistics complexity and ensuing increased costs to clinics have led to the emergence of a more customized and efficient transportation process. Alongside MTJ Aviation, XVIVO will address this need by establishing shared flight hubs on the US East Coast and in the Mid West.

XVIVO has decided to conclude further patient inclusion in the PrimECC® study

PrimECC is a solution used to prepare heart-lung machines ahead of heart surgery. The product is both CE marked and patent protected, and has been developed with the aim of reducing complications after surgery. A clinical trial in PrimECC was initiated in 2020, with the aim of expanding and strengthening existing clinical data. Unfortunately, the rate of patient inclusion did not live up to expectations, and the study is not expected to be completed within a reasonable time frame. XVIVO has therefore decided to halt further patient inclusion in the study. XVIVO's product potential assessment resulted in the decision to write down the asset in accordance with IFRS accounting standards. The write-down totaled SEK 17 million in the fourth quarter, not affecting cashflow or EBITDA.

First transplant completed in the US heart preservation trial

On October 14, Duke University Hospital in Durham, N.C., performed the first heart transplant in the U.S. using XVIVO's Non-Ischemic Heart Preservation (NIHP) device and solution as part of the PRESERVE clinical trial.

Results from Australian/New Zealand study using XVIVO's heart technology published

In October, the results of the Australia/New Zealand study were published in the prestigious Journal of Heart and Lung Transplantation. The study used XVIVO's heart technology. The study concluded that donor hearts previously considered unsuitable for transplantation due to long distances between hospitals, can be transplanted with a 100% survival rate at 30-days when transported with XVIVO Heart Assist Transport.

Milestone reached in Italy with 1,200 lifesaving perfusions performed with Liver Assist

In 2014, XVIVO introduced an innovative liver technology to the Italian market, designed for oxygenated perfusion prior to transplantation. We have now reached a significant milestone in Italy, with 1,200 perfusions completed using XVIVO's Liver Assist device. Machine perfusion improves outcomes after transplantation, and more donated organs can be used, saving numerous lives. Currently, 16 of 22 liver transplant centers in Italy use XVIVO's technology, including the major high-volume hospitals.

Financial income of SEK 69 million from fair value of financial liabilities

Write-downs of financial liabilities relating to contingent consideration for acquired businesses had a positive impact of SEK 69.0 million (0.0) on the Income Statement in the quarter. The change was recognized under financial income and expenses, and did not affect operating income (EBIT), EBITDA or cashflow. Nor did the assessment result in any need for write-downs of intangible assets associated with acquisitions.

Merger of XVIVO Perfusion Lund AB

On 30 October 2023, XVIVO Perfusion Lund AB was merged with the parent company XVIVO Perfusion AB. The merger had no impact on the Group, although parent company equity was affected by the merger difference of SEK -65 million.

Change in number of shares and votes in XVIVO Perfusion AB (publ)

The number of shares and votes in XVIVO Perfusion AB (publ) increased by 67,551 in the second quarter as a result of the new share issue in relation to the contingent consideration received for the acquisition of XVIVO S.r.l. The contingent consideration totaling SEK 27.2 million was paid in 40 percent cash and the remaining 60 percent in the form of shares in XVIVO. The right to subscribe for the shares was transferred to Avionord S.r.l. - the seller of the shares in XVIVO S.r.l.

Through the Directed Issue, the number of shares and votes in XVIVO Perfusion AB (Publ) increased by 1,600,000 in the third quarter, as announced on September 29, 2023. As of December 31, the total number of shares and votes was 31,499,470.

Research and development

XVIVO mainly conducts product development on its own, while research is mainly carried out in collaboration with world-leading institutions and researchers in all major markets in the world. Considerable resources are spent on research and development and the company is one of the leading innovators in the industry. Of the total operating expenses of SEK 445 million (293), research and development costs accounted for SEK 136 million (69), corresponding to 31 (24) percent. During the year, development expenses of SEK 100 million (112) were capitalized as intangible assets.

In lung transplantation, there is ongoing development together with our customers to ensure that the company's products remain market leaders. During 2023, the company focused on developing an updated version of its current machine platform.

Within heart transplantation, the company's technology is used in several clinical multi-center studies with the aim of obtaining regulatory approval on the company's key markets. In liver transplants, in 2023 the company started planning its application for an IDE (Investigational Device Exemption) from the FDA in order for clinical trials to begin.

Group's key ratios - 5 year summary

	2023	2022	2021	2020	2019
Net sales, SEK M	598	415	258	180	221
Gross margin, %	74	72	73	72	74
Gross margin disposables, %	81	79	76	75	77
EBITDA, %	13	12	5	-9	13
EBITDA, adjusted%*	17	14	11	11	16
EBIT (Operating margin),%	1	2	-7	-25	2
EBIT, adjusted (Operating margin), %*	7	3	-1	-6	5
Net margin, %	15	4	3	-24	2
Total Assets, SEK M	2,196	1,733	1,543	1,150	634
Equity/assets ratio, %	89	83	83	88	91
Earnings per share, SEK	3.07	0.62	0.28	-1.61	0.19
Shareholders' equity per share, SEK	61.75	47.94	43.58	35.11	21.71
Share price on closing day, SEK	330	183	279	314	170
Average number of employees	130	114	92	63	46

* Adjusted for effects from non-recurring costs

Significant risks and uncertainties

There are several risk factors which impact XVIVO's business, and which may do so in the future.

The risks are presented in the following areas:

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

Market risk

Lung transplantations are a life-saving procedure for which there are no medical treatment alternatives. At present, the main obstacles to carrying out more transplants are a lack of organs plus the need for improved healthcare system efficiency. The cost of transplantation is largely offset by lower overall patient treatment costs, although hospitals frequently remain partly dependent of government reimbursement in order for transplantation to be financially sustainable. Other market risks are access to funding and medical resources at clinics in the world. In the assessment of XVIVO, the business is not currently significantly impacted by changes in the world economy. Organ transplantation is a prioritized treatment by health authorities around the world.

Operational risks

These primarily comprise risks that limit or prevent XVIVO from developing, manufacturing and selling qualitative, efficient and safe products. The risks have been identified and essentially reduced to manageable levels, among other things by signing agreements with suppliers, partners and customers. XVIVO is a company of limited size and the organization is still in the process of being built up. XVIVO's future development is partly dependent on key personnel with specialist knowledge remaining in the organization

Legal and regulatory risks

The market for XVIVO is impacted by applicable legislation and other regulations. Changes in legislation or political decisions may impact the company's ability to run or develop the business. XVIVO's products need regulatory approval on the markets where they are marketed. The market for medical technology products is being regulated to an increasing extent with a view to increasing patient safety and reducing the risk of incorrect treatment. This means increased product development costs for XVIVO, but also greater barriers for new competitors who want to break into the market.

Due to the nature of the business, there is a risk of claims for damages and liability. To protect the Group against the economic effects of any claims, XVIVO is insured against general and business-related claims for damages. XVIVO performs regular reviews with brokers and insurance advisors and the applicable insurance cover is presented to the Board annually.

Financial risks

XVIVO has most of its sales in other currencies than SEK. The US dollar and the Euro are the most important currencies.
Expenses are largely in SEK but a considerable portion is in USD. XVIVO does not currently hedge its revenues in foreign currency, which means there is a currency risk for the business (see Note 25 for further information).

Sustainability and responsibility

The Board of Directors of XVIVO adopted a Code of Conduct that has been agreed throughout the global organization. The Code of Conduct is based on the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights in the Workplace, the UN's Global Compact and the OECD Guidelines for Multinational Enterprises. The Code is reviewed and approved annually by the Board. The Code applies to all employees and sets the standard for professionalism and integrity, with the aim of ensuring that all employees act legally and appropriately in relation to the company's stakeholders.

XVIVO's management of personnel-related matters is based on a number of policies and routines. The most important are our Code of Conduct, anti-corruption policy, the HSEQ policy and our information policy.

The high quality and safety of our products is critical to patient benefit and our operations. We continuously analyze and review quality throughout the product lifecycle. Our quality management systems are certified according to the standards that apply to the products we manufacture. XVIVO complies with the regulations that apply in markets where our products are sold. Since transplantations are life-saving treatments, the products are governed by regulatory authorities.

XVIVO's business does not entail any specific environmental risks and does not require any special environmentally related permits or decisions from authorities. However, our business impacts the environment in several ways. Our customers are to be found all over the world, which means that our products are partly transported by air. The company strives to make its processes efficient in dialog with customers and suppliers and tries to minimize the amount of air transportation as far as possible. Global product ranges and extended shelf-life for products are examples of initiatives in recent years which reduce the company's impact on the environment. XVIVO has employees in most continents, so internal meetings are held digitally to as great extent as possible and travel within the company only takes place when necessary. The company assesses that the business is run in accordance with the applicable health and safety rules and offers its employees a safe and healthy environment.

Legal disputes

The company was not involved in any legal disputes in 2023 that had any significant impact on the company's finances or business.

Outlook for 2024

There is a constantly growing need for new organs globally and XVIVO assesses that demand is currently ten times greater than the supply of transplantable organs. One solution for increasing the number of transplantable organs is using machine perfusion, which is increasingly becoming the standard procedure. We also see growing demand for service models, in terms of both scope and significance, in line with transplantation clinics sharpening their focus on increasing the number of transplants. This trend is reflected in the progress made in 2023 with positive sales growth across all business areas to date. Due to growing interest in our product and service offering across all organ areas, we anticipate continued long-term sustainable growth.

The priorities ahead of 2024 are clear and follow our strategic plan: continued investment in machine perfusion and service models for existing products on the market, launch our heart technology in Europe, successfully carrying out our clinical multi-center studies in the US (heart and liver), and investment in new production facilities to secure future delivery capacity of disposables at a level ten times higher than today.

We estimate that the number of transplantations globally will continue to grow, which is driven by increased machine perfusion and service models that facilitate the operations of transplantation clinics. XVIVO will continue to invest in the significant market potential that exists.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives cover the management of XVIVO Perfusion AB (publ) ("XVIVO") and the Board of Directors, insofar as remuneration other than that decided by the general meeting is paid to Board members. The executive management includes the CEO and other members of executive management. Other members of the executive management refer to senior managers and those who report directly to the CEO. Managers reporting directly to the CEO are the CFO, COO, CCO, CMO, Global QA&RA Director, Vice President

Clinical and Regulatory Affairs (US) and Global HR Director.

The current guidelines were approved by the Annual General Meeting 2021 and the Board will present proposed new guidelines at least every four years. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

For employment terms governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

XVIVO is a medical technology company that develops and markets solutions and systems for selecting usable organs and maintaining them in optimal condition pending transplantation. The company is active in all of the major organ areas: heart, lung, liver and kidney.

The company is currently the market leader in lung transplantation and liver transplantation and provides transplant clinics all over the world with high-tech products for storing and assessing lungs and livers. XVIVO employs around 150 people. The head office is located in Gothenburg, Sweden and our subsidiaries are located in the US, Italy, France, Brazil, China, Australia and the Netherlands. XVIVO also has employees based in several other countries in Europe. For further information about the company's business strategy, see www.xvivogroup.com.

Successfully implementing the company's business strategy and pursuing the company's long-term interests, including sustainability, require the company to have the ability to recruit, motivate and retain skilled employees. For this, the company needs to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

The company has established three long-term share-related incentive programs. They have been resolved by the General Meeting and are therefore not covered by these guidelines. For the same reason, the long-term share-related incentive program proposed by the Board for the 2024 Annual General Meeting is also not covered. The programs include key employees in the Group as well as senior executives in the company. The programs have a clear connection to the business strategy and thus to the company's long-term value creation, including its sustainability. The programs also impose requirements regarding longer periods of holding. For further information about these programs, see www.xvivogroup.com.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The fixed cash salary shall be determined with consideration of the concerned individual's responsibilities and experience. The fixed salary shall be reviewed annually.

The satisfaction of criteria for awarding variable cash remuneration shall be measurable over a period of one year. The variable cash remuneration may amount to a maximum of 50 percent of the fixed annual cash salary for the CEO and 30 percent of the fixed annual cash salary for other members of management.

Additional variable remuneration may be awarded in extraordinary circumstances, provided such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

For the CEO of the company, pension benefits, including health insurance, shall be defined-contribution. Variable cash remuneration shall not qualify for pension benefits.

The pension premiums for defined-contribution pension shall amount to a maximum of 35 percent of the fixed annual cash salary. For other senior executives, pension benefits, including health insurance, shall be defined-contribution less the individual concerned is subject to defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for defined-contribution pension for other senior executives, shall amount to a maximum of 31.5 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance and company cars. Such benefits shall be determined based on the criteria of marketability and competitiveness. For executives stationed in another country than their home country, additional remuneration and other benefits may be awarded to a reasonable extent with consideration of the special circumstances that are associated with such foreign stay, whereby the general purpose of these guidelines shall be satisfied to the furthest extent possible.

Termination of employment

The notice period may not exceed six months if notice of termination of employment is made by the company. If notice of termination of employment is made by the company, severance pay corresponding to no more than the same amount as twelve monthly salaries shall be awarded to the CEO. No severance pay shall be awarded to other members of executive management upon termination of employment. The period of notice may not to exceed six months when termination is made by the executive, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid insofar as the previously employed executive is not entitled to severance pay. Remuneration shall be based on the fixed cash salary at the time of termination of employment, and be payable during the period that the non-compete undertaking applies, subject to a maximum of 12 months following termination of employment.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial and be individualized quantitative or qualitative targets. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment terms for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment terms for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate of the remuneration over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The gap between remuneration to senior executives and remuneration to other employees is disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. Current guidelines were adopted by the Annual General Meeting 2021 and the Board will present proposed new guidelines at least every four years. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The

Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The ordinary members of the Remuneration Committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Board of Directors' service assignments

Directors elected by the General Meeting shall in special cases be eligible for remuneration for services in their respective area of expertise, which is not Board work. Remuneration for such services shall be made on market terms and approved by the Board of Directors and may not exceed SEK 300,000 excluding VAT per year and director.

Derogation from the guidelines

The Board of Directors may resolve to temporarily derogate from the guidelines, in whole or in part, if in a specific case there is special cause for such action and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes resolutions to derogate from the guidelines.

Parent Company

The business focuses on sales of lung transplant products outside of North America, global research and development and global marketing. During the year, research and development expenses totaled SEK 93 million (52). In addition, SEK 90 million (90) was invested in development projects constituting intangible assets.

Proposal for profit appropriation

The following equity is at the disposal of the Annual General Meeting:

Share premium reserve	SEK 1,749,455,381
Retained earnings	SEK -445,622,996
Net income for the year	SEK -5,063,990
	SEK 1,298,768,395

The Board of Directors proposes that the non-restricted equity is allocated as follows:

To be carried forward SEK 1,298,768,395

The financial reports were approved for issuance by the Board of the Parent Company on April 4, 2024.

Regarding the company's results and financial position, please refer to the following Income Statements and Balance Sheets, together with the accompanying Notes to the Financial Statements.

Corporate Governance Report

"Good corporate governance means ensuring that companies are run sustainably, responsibly and as efficiently as possible on behalf of their shareholders. The confidence of legislators and the public that companies act responsibly is crucial if companies are to have the freedom to realize their strategies to create value. The confidence of existing and potential shareholders that such is the case is crucial to their interest in investing in companies, thus securing corporate Sweden's freedom to develop and its supply of competence and venture capital." (Extract from the Swedish Corporate Governance Code)

XVIVO Perfusion AB (publ) is a Swedish public limited company listed on Nasdaq Stockholm's main market since November 28, 2016. The corporate governance policies applied by XVIVO are based on Swedish legislation, primarily the Swedish Companies Act and the Swedish Annual Accounts Act, and NASDAQ Stockholm AB's regulations. The company has applied the Swedish Corporate Governance Code ("the Code") as from the day the company's shares were listed on Nasdaq Stockholm's main market. Further information on corporate governance in XVIVO is to be found at www.xvivogroup.com.

Ownership

According to Monitor's shareholder register, XVIVO had 8,826 verified shareholders as of December 31, 2023, an increase of 7 percent year-on-year.

Shares

As of December 31, 2023, the share capital of XVIVO Perfusion AB (publ) amounted to SEK 805,087, divided into 31,499,470 shares. Trading takes place on Nasdaq Stockholm's main list. All shares have equal voting rights and have equal rights to a share in XVIVO's assets and earnings.

XVIVO's Annual General Meeting on April 25, 2023 decided to authorize the Board, for the period until the next Annual General Meeting, on one or more occasions, to decide to complete new share issues of a maximum of 10 percent of the total number of shares and votes in the company, corresponding to 3,149,947 shares based on the number of shares as of December 31, 2023.

XVIVO's ten largest shareholders as of December 31, 2023 are listed below

Shareholder	Number of shares	Shares and votes, %
Bure Equity	4,493,504	14.27%
Fourth AP Fund	2,842,553	9.02%
Swedbank Robur Fonder	2,450,000	7.78%
Eccenovo AB	1,875,000	5.95%
Capital Group	1,261,000	4.00%
Handelsbanken Funds	1,189,246	3.78%
Premier Miton Investors	1,019,581	3.24%
Deka Investments	555,392	1.76%
Invesco	577,463	1.83%
Nordnet Pensionsförsäkring	492,777	1.56%
Other	14,742,954	46.8%
Total	31,499,470	100%

Source: Monitor's figures as of 31 December 2023.

The AGM on April 25, 2023 resolved to issue a maximum of 94,622 performance-based shares, of which 72,000 shares can be allocated to participants and 22,622 utilized by the company to cover social security contributions attributable to the program. The vesting period for these warrants is May 15, 2023 to May 15, 2026. Each warrant confers the holder the right to obtain, free of charge, a performance-based share after the end of the vesting period. Allocation is conditional on partly or fully satisfying the performance-based target as set by the Board. The offering is aimed at senior

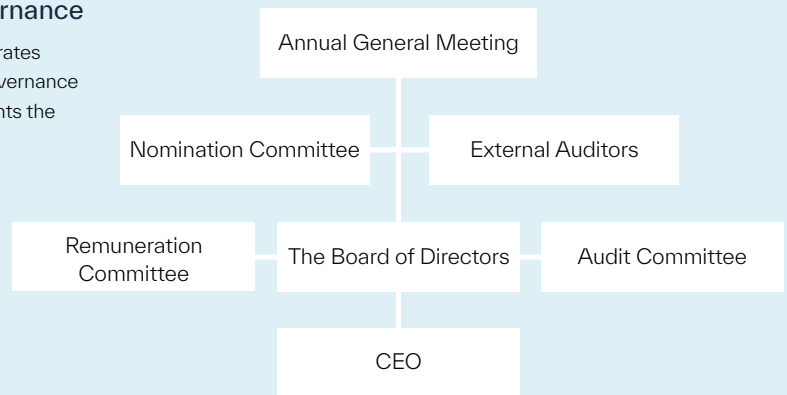
executives and key personnel in the XVIVO Group. The program is expected to generate a dilution effect of 0.3 percent of the total number of shares and votes in the company.

In May, the company completed a directed new issue as payment of contingent consideration in connection with the acquisition of Avionord Srl (XVIVO Srl), whereupon the company issued shares with a total value of SEK 16,319,002. Payment for the shares was obtained in the form of offsetting the debt to the seller (offset issue). Issue expenses totaled SEK 37,500. Share capital increased by SEK 1,727 and the surplus, SEK 16,317,275, was posted to the share premium reserve. As a result of the new issue, the number of shares and votes increased to 29,899,470. The new issue resulted in a dilution effect of approximately 0.2 percent of the number of shares and votes in the company.

In September, the company completed a successful new issue, raising SEK 440,000,000 before issue expenses. Issue expenses totaled SEK 10,712,500. The net proceeds will be used for investments in production capacity to meet growing demand for the company's products and investments in clinical trials in the US. The number of shares and votes increased by 1,600,000. After the new share issue, there were a total of 31,499,470 shares and votes in the company. Share capital increased by SEK 40,894 and totaled SEK 805,087 after the new share issue. The surplus, SEK 439,959,106, was posted to the share premium reserve. Dilution was approximately 5.4 percent of the number of shares and votes in the company.

Corporate Governance

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



Annual General Meeting

XVIVO's highest decision-making body is the general meeting of shareholders. The Annual General Meeting (AGM) shall be held within six months of the end of the financial year. A notice convening the AGM is issued no earlier than six and no later than four weeks prior to the meeting. All shareholders entered in the shareholders' register and who have notified their intent to attend in time are entitled to participate in and vote at the meeting. Shareholders who are unable to attend may be represented by a proxy.

Annual General Meeting 2023

The most recent Annual General Meeting was held on April 25 in Gothenburg. The AGM re-elected Board members Gösta Johannesson, Camilla Öberg, Lena Höglund, Göran Dellgren and Lars Henriksson, and elected Erik Strömqvist as a new Board member. Gösta Johannesson was elected Chairman of the Board. A resolution was passed to adopt Board fees totaling SEK 1,985,000 SEK, of which SEK 480,000 to the Chairman, SEK 230,000 to each of the other Board members and SEK 100,000 to the Chairman of the Audit Committee, SEK 50,000 to each of the other members of the Audit Committee, SEK 75,000 to the Chairman of the Remuneration Committee and SEK 40,000 to each of the other members ofthe Remuneration Committee.

The proposal not to pay any dividend for the financial year 2022 was approved.

The Board was authorized, for the period up until the next Annual General Meeting, to decide on one or more occasions to issue new shares in the company, corresponding to maximum 10% of the total number of shares and votes in the company.

The AGM authorized the proposed issue of a maximum of 94,622 performance-based shares, of which 72,000 can be allocated to participants and 22,622 can be utilized by the company to cover social security contributions attributable to the program. The Board's remuneration report was presented. The Annual General Meeting decided, in accordance with the Board's proposal, to authorize the remuneration report for the financial year 2022.

Annual General Meeting 2024

The AGM will be held on Thursday, April 25, 2024 at 2:00 p.m. CEST at the Swedish Exhibition & Congress Centre (Svenska Mässan), visiting address: Mässans gata 24, in Gothenburg, Sweden. Advance voting by postal ballot will be allowed in accordance with information in the notice. Shareholders who wish to participate in the AGM shall be registered in the share register kept by Euroclear Sweden AB no later than Thursday, April 17, 2024.

Shareholders who wish to attend the AGM shall notify the company no later than Tuesday April 18, 2024. Either by writing to XVIVO Perfusion AB (publ), the Annual General Meeting 2024, c/o Advokatfirman Vinge KB, Box 110 25, 404 21 Gothenburg, Sweden, by e-mail to xvivoperfusion@vinge.se, or by sending their postal vote in accordance with the instructions in the notice.

The Board of Directors

General

The Board is responsible for the company's administration of its affairs and organization. At the Annual General Meeting in 2023, six Board members were elected, with competencies in both medical devices and biotechnology as well as in the areas of finance and strategy. In 2023, the Board held 17 meetings (20), and minutes were kept at all meetings.

The CEO has participated at all the Board meetings. Other senior executives have attended dependent on the addressed issues. The company's CFO acted as secretary at all meetings. Remuneration and other benefits paid to the Board of XVIVO are detailed in Note 7 of the 2023 Annual Report.

The Board's work

Each year, the Board is to convene for a minimum of seven scheduled meetings, equally distributed over the year, and one statutory Board meeting. Meetings are normally held in the form of physical attendance at XVIVO's headquarters in Gothenburg. If it is preferable for practical reasons, the meetings are held digitally or in special cases per capsulam.

The Chairman leads and organizes the Board's work. A proposed agenda and decision data regarding the items to be addressed at the meeting are sent ahead of each meeting. The proposed agenda is drawn up by the CEO in consultation with the Chairman. Items presented to the Board are for information purposes, discussion, or decision. Decisions are only taken following discussion and after all members present have been given the opportunity to be heard. The Board's extensive experience in various areas generates constructive and open discussion. During the year, no Board member registered dissent with regard to any Board decision. Any open issues are followed up on an ongoing basis.

Board members' attendance at each meeting is presented in the following table

Name	Dependent*	Attendance Board meetings	Attendance Remuneration Committee	Attendance Audit Committee
Gösta Johannesson	Yes	15/17	6/6	
Göran Dellgren		14/17		5/5
Camilla Öberg		16/17		5/5
Yvonne Mårtensson		6/6		3/3
Lena Höglund		17/17	6/6	
Erik Strömqvist		11/11		2/2
Lars Henriksson		17/17	6/6	

*Dependent in relation to the company's major shareholders

During the year, the Board reviewed and assessed management's sales and cost forecasts, and closely monitored the progress of clinical trials and management's preparations ahead of product registration. Furthermore, the company's investment plan for scaling-up production was assessed and approved.

One of the meetings held during the year focused on strategic matters, and surrounding world factors and market outlook were discussed. The work resulted in the strategic decision to raise capital aimed at reduce the time to the US market for the company's heart and liver technologies, and to invest in production capacity. A successful capital raising was completed in September, raising some SEK 440 million before expenses.

In 2023, the Board ensured that the company and management took further steps in its sustainability work. The company's sustainability work and focus areas have been discussed at several Board meetings, and the Board adopted a new anti-corruption and gifts policy in the year, as well as strengthening the content of key policies such as the Code of Conducts for employees and suppliers.

The rules of procedure for the Board of Directors were adopted at the statutory Board meeting on April 25, 2023. The Board's rules of procedure are reviewed at least once a year.

The rules of procedure regulate areas such as the allocation of responsibilities, the number of scheduled meetings, the form of notifications, decision data and minutes, conflicts of interest, mandatory items to be submitted by the CEO to the Board and authorized signatories. The Board addresses ongoing matters such as business conditions, interim reports, budgets, strategies, and external information.

In addition to the Board material, the CEO distributes monthly reports containing a financial report and a description of current events in operations and in the market. The aim is to keep the Board informed about the development of the company's operations to enable the Board to take well-founded decisions. Once each year, the Board holds a meeting that evaluates the work of the CEO, which the executive management does not attend. The Board ensures the quality of the financial reporting through its own work and through contact with the auditor. The company's auditor participated at the meeting addressing the annual accounts, where the audit results were reported.

In the fall of 2023, the Board evaluated its work by hiring an external board evaluation provider. This led to a self-evaluation procedure where each Board member assessed statements about the Board's role and function, Board meetings, Board material, Board members, the Chairman of the Board and the CEO. The Board members also weighted the importance of each statement for the Board's work and the company's long-term value growth. The responses were compiled by independent third parties and were presented to the Board, CEO and Nomination Committee. The evaluation is a part of constantly developing the Board work. The Nomination Committee carried out interviews with all the Board members in 2023.

Members of the Board

XVIVO's Board comprises six members, including the Chairman. For details about the Board members and their shareholdings, please refer to the 2023 Annual Report, page 118, and the company's website (www.xvivogroup.com).

Remuneration Committee

At the inaugural Board meeting, the Board of XVIVO appoints a Remuneration Committee, which prepares proposals concerning questions of remuneration. The Remuneration Committee's areas of responsibility are defined in the Board's Rules of Procedure and in the Remuneration Committee's instructions. The Group's guidelines for remuneration of executive management are included in the Administration Report on pages 66-69 of the 2023 Annual Report and on the company's website (www. xvivogroup.com). The Remuneration Committee comprises three Board members: Gösta Johannesson (Chairman of the Remuneration Committee), Lars Henriksson and Lena Höglund.

Audit Committee

At the inaugural Board meeting, the Board of Directors of XVIVO appoints an audit committee. The tasks of the Audit Committee are described in a set of instructions for the Audit Committee. The purpose of the Audit Committee's activities is to assist the Board of Directors of XVIVO in questions regarding financial reporting, auditing and risk management. The Audit Committee is a preparatory body and the Board has overriding responsibility for the questions related to auditing. The members of the Audit Committee shall consist of at least three Board members appointed by the Board at the inaugural Board meeting or whenever otherwise necessary. The members of the Committee may not be employed by the company. At least one member shall be independent in relation to the company's major shareholders and should have accounting or audit experience. The Audit Committee consists of Camilla Öberg (Chairman of the Audit Committee), Göran Dellgren and Erik Strömqvist.

The Audit Committee shall in particular monitor (i) the audit of the Annual Report and the Consolidated Financial Statements, (ii) transactions with related parties, important accounting principles and important correspondence between the company's auditors and management, (iii) the effectiveness of the company's internal controls regarding financial reporting, (iv) the company's routines concerning comments on the company's accounts, internal control and auditing, (v) the scope, focus and quality of auditing work, including follow-up of the audit performed, (vi) budgeted and actual auditing expenses, (vii) the auditors' recommendations, conclusions, observations and proposals after an audit has been performed, (viii) the auditor's impartiality and independence and in this connection pay particular attention to whether the auditor provides the company with other services than auditing work and (ix) assist in the drawing up of proposals for adoption by the Annual General Meeting regarding election of an auditor.

Management

For information on members of management and their respective shareholdings, please refer to page 120 of the 2023 Annual Report and the company's website (www.xvivogroup.com). XVIVO's management team comprises eight members including the CEO. The management team has competence and experience relating to research and development, regulatory matters, quality assurance, marketing,

production and distribution of medical device equipment. Furthermore, members of management have the necessary competencies in finance and HR. The management team meets every other week. Three to four times a year, management convenes for all-day meetings, which provides the opportunity to address issues of a more strategic nature. The rules of procedures for the Board of Directors and the CEO was determined on the statutory Board meeting on April 25, 2023 and regulates the segregation of duties between the Board of Directors, the Chairman of the Board and the CEO. The operative management is based on the decision-making process determined by the Board.

Election of auditor

At the Annual General Meeting 2023, KPMG AB was appointed as the company's audit firm. During the year, KPMG AB have appointed authorized public accountant Daniel Haglund as auditor in charge up until the Annual General Meeting 2024. Daniel Haglund has reported his observations from the audit to the Board. The annual report, accounts and the administration of the Board and the CEO were examined within the scope of the above work.

Nomination Committee

The Nomination Committee for the 2024 Annual General Meeting has been appointed in accordance with the principles adopted at the 2018 Annual General Meeting. These principles stipulate that the Chairman of the Board – no later than the end of the third quarter of 2023 – shall contact the three largest shareholders of XVIVO on the basis of known shareholdings at the end of August 2023 and ask them to appoint one member each to be included in the Nomination Committee. In addition to these three members, the Chairman of the Board shall also be part of the Nomination Committee. If any of the three shareholders waives their right to appoint a member of 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 in order of size shall be afforded the opportunity to appoint a member of the Nomination Committee. Unless otherwise agreed by the members of the Committee, the Chairman of the Nomination Committee shall be the Committee member appointed by the largest shareholder. The mandate period shall run until a new Nomination Committee has taken over.

If during the mandate period of the Nomination Committee one or more shareholders who have appointed Nomination Committee members are no longer one of the three largest shareholders, committee members appointed by these shareholders shall step down and the shareholder or shareholders who have become one of the three largest shareholders shall be entitled to appoint their committee members. Except in special circumstances, there shall be no changes in the composition of the Nomination Committee if only marginal changes in the number of votes have occurred or if the change occurs later than three months before the Annual General Meeting.

The composition of the Nomination Committee was published on the website at least six months before the Annual General Meeting.

The following have been appointed to be part of XVIVO Perfusion AB's (publ) Nomination Committee for the 2024 Annual General Meeting:
Henrik Blomquist, appointed by Bure Equity AB
Thomas Ehlin, appointed by Fourth AP Fund
Fredrik Stenkil, appointed by Swedbank Robur Fonder AB
Gösta Johannesson, Chairman of the Board

The work of the Nomination Committee includes making proposals before the Annual General Meeting regarding (i) election of a Chairman for the meeting, (ii) a resolution regarding the number of Board members, (iii) election of and a resolution regarding fees for the Chairman of the Board and the Board members, (iv) election of and a resolution regarding the fees for the auditor, and (v) a resolution regarding a new Nomination Committee procedure, if the Nomination Committee deems this appropriate.

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

The Board is responsible for internal control pursuant to the Swedish Companies Act. This report is limited to a description of how the internal control regarding financial reporting is organized. It pertains to the 2023 financial year.

The objective of internal financial control regarding financial reporting at XVIVO is to create an efficient decision making process in which requirements, targets and frameworks are clearly defined. Ultimately, the controls aim to protect the company's assets and, thereby, the shareholders' investments.

Control environment

The control environment forms the basis for the internal control. XVIVO's control environment includes healthy values, integrity, competence, leadership philosophy, organizational structure, responsibility and authorities. XVIVO's internal

work procedures, instructions, policies, guidelines and manuals provide guidance to employees. At XVIVO, a clear allocation of roles and responsibilities for efficient management of operational risks is ensured through measures including the Board's rules of procedure and the instructions for the CEO. The CEO reports regularly to the Board. The CEO is responsible, in terms of the operating activities, for the system of internal controls required to construct a control environment for significant risks. XVIVO also has guidelines and policies for financial governance and follow-up as well as for communication issues, etc. The Group's companies essentially have the same structure, financial system and accounting plan. XVIVO continually reviews this system.

Risk assessment and control activities

XVIVO works with risk analysis on an ongoing basis to identify potential sources of error in the financial reporting. Traceability in the financial statements is ensured by good documentation. A system has been developed which follows up various activities in detail and compares them with the budget. The follow-up ensures communication with the different parts of the company, so that the Finance Department is also well acquainted with future activities and any deviations from the budget. The work on securing the processes where it has been identified that the risk of material error in the financial reporting may be assumed to be relatively higher than in other processes is continuously ongoing.

Normal control activities comprise monthly reconciliation of accounts and supplementary checks. The aim of all control activities is to prevent, detect and correct any errors or deviations in the financial reporting. The company intends to continue developing and following up selected control activities during the coming financial year. The company has a system for scanning invoices from suppliers which includes automatic approval control, and this raises the level of security in the internal control.

Follow-up

The Board continuously evaluates the information submitted by the executive management, which comprises both financial information and material issues pertaining to the internal control. The Board continuously follows up the effectiveness of the internal control, which, in addition to ongoing updates in the event of deviations, is carried out, inter alia, by ensuring that measures are implemented in respect of the proposed actions that may have arisen after external audits.

The operations are followed up on the basis of three business areas: Thoracic, Abdominal and Services, and progress can be monitored in the company's Interim and Annual Reports.

Acquisitions and integration of operations

Over the past four years, XVIVO acquired three international companies. In 2021, management produced, and the Board approved, an internal framework relating to processes for acquisitions and business development. The aim is to work in a structured and methodical manner with these issues. The Board also continuously follows up the progress of the integration work after an acquisition. In 2023, the company completed the integration of Avionord M&P and its latest US acquisition, STAR Teams Inc., and consequently changed the company name to XVIVO Services Inc. This means that all the company's acquired operations have now been integrated into the Group in terms of branding, organization and operational management.

Information and communication

Proper disclosures and clear lines of communication, both internal and external, mean that all parts of operations exchange and report relevant, significant operational data in an efficient manner.

To achieve this, XVIVO has issued a communication policy regarding information management in the financial process, as well as policies and guidelines for other types of information. The executive management has communicated these to employees and employees are acquainted with the communication policy. Guidelines have been set out for how communication with external parties should take place, who is authorized to provide certain types of information and when a logbook should be kept. The ultimate aim of the aforementioned policies is to ensure compliance with disclosure requirements pertaining to legislation and listing agreements, and that investors receive the correct information in time.

Internal auditing

XVIVO has so far not had reason to set up a special internal audit function in the financial area. This is because the company is relatively small in size and the constantly ongoing work on internal control has led to awareness of internal control in the Group being perceived as high and to a number of control activities being in place. The issue of a financial internal audit function will be reviewed as the company grows. On the other hand, XVIVO has an internal audit function focused on quality management.

Consolidated Income Statement

January 1 – December 31

SEK 000	Note	2023	2022
Net sales	2	597,542	415,292
Costs of goods sold		-152,431	-118,336
Gross profit	3	**445,111**	**296,956**
Selling expenses		-232,261	-152,398
Administration expenses		-76,944	-70,979
Research and development expenses		-135,942	-69,343
Other operating income	5	9,337	4,712
Other operating expenses	6	-5,114	-2,539
Operating profit	7, 8, 9, 10, 12	**4,187**	**6,409**
Financial income		136,617	71,598
Financial expenses		-46,283	-55,693
Net financial items	11, 12	**90,334**	**15,905**
Profit before tax		**94,521**	**22,314**
Tax on income for the year	13	-2,701	-3,887
Net income for the year		**91,820**	**18,427**
Net income for the year attributable to:			
Parent Company's shareholders		91,820	18,427
Earnings per share before dilution, SEK		3.07	0.62
Earnings per share after dilution, SEK*		3.07	0.62
Average number of outstanding shares before dilution		29,935,147	29,525,946
Average number of outstanding shares after dilution*		29,935,147	29,525,946
Number of shares on the record date before dilution		31,499,470	29,831,919
Number of shares on the record date after dilution*		31,499,470	29,831,919

*After dilution. See Note 23 for information about stock option programs.

Consolidated Statement of Total Comprehensive Income

January 1 – December 31

SEK 000	Note	2023	2022
Net income for the year		91,820	18,427
Other comprehensive income			
Items that can be reversed to the income statement			
Exchange rate differences on foreign operations for the year		-26,897	65,693
Total other comprehensive income for the year	22	**-26,897**	**65,693**
Total comprehensive income for the year		**64,923**	**84,120**
Total comprehensive income for the year attributable to:			
Parent Company's shareholders		64,923	84,120

Consolidated Statement of Financial Position

SEK 000	Note	12/31/2023	12/31/2022
ASSETS	25, 26		
Non-current assets			
Intangible fixed assets	14		
Capitalized development expenditure		598,505	544,510
Patents, licenses and trademarks		5,885	6,228
Goodwill		591,392	625,319
Customer contracts		22,889	-
Computer programs		1,688	2,257
Property, plant and equipment	15		
Machinery, equipment, fixtures and fittings		97,552	47,579
Financial non-current assets			
Deferred tax asset	13	50,713	39,272
Other financial assets		582	411
Total non-current assets		**1,369,206**	**1,265,576**
Current assets			
Inventories	17	141,604	106,566
Current receivables			
Account receivables	19	98,127	94,500
Tax receivables		7,209	4,439
Other receivables		13,036	5,320
Prepaid expenses and accrued income	20	20,341	10,138
Cash and cash equivalents	21	546,088	246,545
Total current assets		**826,405**	**467,508**
TOTAL ASSETS		**2,195,611**	**1,733,084**

SEK 000	Note	12/31/2023	12/31/2022
Shareholders' equity	22, 23		
Equity attributable to Parent Company shareholders			
Share capital		805	762
Other capital contributions		1,763,782	1,313,839
Reserves		60,885	87,782
Retained earnings incl. net income for the year		119,573	27,753
Total shareholders' equity		**1,945,045**	**1,430,136**
LIABILITIES			
Other provisions		1,201	701
Deferred tax liability	13	29,293	25,766
Other non-current liabilities	25	64,415	137,130
Interest-bearing liabilities, non-current	10	21,169	4,455
Total non-current liabilities	25, 26, 27	**116,078**	**168,052**
Interest-bearing liabilities, current	10	10,268	5,550
Accounts payable		36,053	38,469
Current tax liability		11,871	1,284
Other liabilities		3,663	33,774
Accrued expenses and deferred income	24	72,633	55,819
Total current liabilities	25, 26, 27	**134,488**	**134,896**
TOTAL LIABILITIES		**250,566**	**302,948**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,195,611**	**1,733,084**

Consolidated Changes in Shareholders' Equity

	Attributable to Parent Company shareholders				
SEK 000	Share capital	Other capital contributions	Reserves	Retained earnings incl. net income for the year	Total share-holder's equity
Opening shareholders' equity at 01/01/2022	**754**	**1,253,330**	**22,089**	**9,277**	**1,285,450**
Total comprehensive income for the year					
Net income for the year	-	-	-	18,427	18,427
Total other comprehensive income for the year	-	-	65,693	-	65,693
Total comprehensive income for the year	-	-	65,693	18,427	84,120
Transactions with Group's shareholders					
Contributions from and value transfers to shareholders					
New share issue minus transaction expenses, net after tax*	8	59,694	-	49	59,751
Premium paid upon issue of stock options	-	815	-	-	815
Total contributions from and value transfers to shareholders	8	60,509	-	49	60,566
Closing shareholders' equity at 12/31/2022	**762**	**1,313,839**	**87,782**	**27,753**	**1,430,136**
Total comprehensive income for the year					
Net income for the year	-	-	-	91,820	91,820
Total other comprehensive income for the year	-	-	-26,897	-	-26,897
Total comprehensive income for the year	-	-	-26,897	91,820	64,923
Transactions with Group's shareholders					
Contributions from and value transfers to shareholders					
New share issue minus transaction expenses, net after tax*	43	447,540	-	-	447,583
Premium paid upon issue of stock options	-	2,403	-	-	2,403
Total contributions from and value transfers to shareholders	43	449,943	-	-	449,986
Closing shareholders' equity at 12/31/2023	**805**	**1,763,782**	**60,885**	**119,573**	**1,945,045**

* Transaction costs in connection with new share issue amount to SEK 10.750 million (0.368).

Consolidated Cash Flow Statement

January 1 – December 31

SEK 000	Note	2023	2022
Operating activities	29		
Income after financial items		94,521	22,314
Adjustment for non-cash items		-1,993	27,510
Tax paid		-7,017	199
		85,511	**50,023**
Increase (-) / decrease (+) in inventories		-33,481	-6,325
Increase (-) / decrease (+) in operating receivables		-25,034	-26,860
Increase (+) / decrease (-) in operating liabilities		19,291	11,018
Cash flow from operating activities		**46,287**	**27,856**
Investing activities			
Acquisition of intangible fixed assets		-100,921	-112,761
Acquisition of property, plant and equipment		-43,015	-18,185
Acquisition of subsidiaries		-17,680	-67,447
Divestment of property, plant and equipment		174	-
Acquisition/divestment of other financial assets		-177	769
Cash flow from investment activities		**-161,619**	**-197,624**
Financing activities			
Stock options program		-	815
New share issue		429,250	-368
Amortization of lease liability		-10,703	-7,289
Cash flow from financing activities		**418,547**	**-6,842**
Cash flow for the year		**303,215**	**-176,610**
Opening cash and cash equivalents		246,545	398,696
Exchange rate differences in cash and cash equivalents		-3,672	24,459
Cash and cash equivalents at the end of the year	21	**546,088**	**246,545**

Income Statement for the Parent Company

January 1 – December 31

SEK 000	Note	2023	2022
Net sales	2	276,937	243,737
Costs of goods sold		-73,128	-54,599
Gross profit		**203,809**	**189,138**
Selling expenses		-69,418	-59,489
Administration expenses		-68,948	-55,691
Research and development expenses		-92,793	-52,355
Other operating income	5	3,731	4,020
Other operating expenses	6	-4,234	-1,696
Operating profit	7,8,9,10,12	**-27,853**	**23,927**
Profit from financial items			
Interest income and similar items		70,969	74,597
Interest expenses and similar items		-45,820	-54,615
Income after financial items	11, 12	**-2,704**	**43,909**
Tax on income for the year	13	-2,360	-9,177
Net income for the year		**-5,064**	**34,732**

The Parent Company has no items to be recognized in other comprehensive income and therefore no statement of comprehensive income has been presented.

Parent Company Balance Sheet

SEK 000	Note	12/31/2023	12/31/2022
ASSETS	25, 26		
Non-current assets			
Intangible fixed assets	14		
Capitalized development expenditure		477,581	355,904
Patents, licenses and trademarks		5,531	5,619
Computer programs		1,407	1,874
Property, plant and equipment	15		
Machinery, equipment, fixtures and fittings		23,040	10,775
Financial non-current assets			
Participating interests in Group companies	4, 16	546,772	752,242
Receivables from Group companies	18	230,670	171,418
Deferred tax asset	13	29,194	5,871
Other financial assets		2,605	1,106
Total non-current assets		**1,316,800**	**1,304,809**
Current assets			
Inventories	17	56,965	27,549
Current receivables			
Account receivables	19	26,185	22,896
Receivables to Group companies	18	2,260	2,175
Current tax receivables		1,391	1,367
Other receivables		4,847	2,586
Prepaid expenses and accrued income	20	12,804	7,865
Cash and cash equivalents	21	447,778	196,281
Total current assets		**552,230**	**260,719**
TOTAL ASSETS		**1,869,030**	**1,565,528**

SEK 000	Note	12/31/2023	12/31/2022
SHAREHOLDERS' EQUITY	22, 23		
Total equity			
Share capital		805	762
Statutory reserve		20	20
Development expenditure reserve		422,161	335,462
Non-restricted equity	28		
Share premium reserve		1,749,455	1,299,347
Retained earnings		-445,623	-328,756
Net income for the year		-5,064	34,732
Total Shareholders' Equity		**1,721,754**	**1,341,567**
PROVISIONS			
Deferred tax liability	13	12,698	-
Other provisions		2,258	1,374
Total provisions		**14,956**	**1,374**
NON-CURRENT LIABILITIES			
Liabilities to Group companies	18	4,351	-
Other non-current liabilities	25	64,415	137,130
Total non-current liabilities		**68,766**	**137,130**
CURRENT LIABILITIES	26		
Accounts payable		19,568	18,802
Liabilities to Group companies	18	4,706	8,656
Other liabilities		1,638	34,405
Accrued expenses and deferred income	24	37,642	23,594
Total current liabilities	25, 26, 27	**63,554**	**85,457**
TOTAL LIABILITIES		**147,276**	**223,961**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,869,030**	**1,565,528**

Parent Company changes in shareholders' equity

	Total equity			Non restricted equity			
SEK 000	Share capital	Statutory reserves reserve	Development expenditure fund	Share premium reserve	Retained earnings	Net income for the year	Total shareholder's equity
Opening shareholders' equity at 01/01/2022	**754**	**20**	**253,622**	**1,238,837**	**-245,850**	**-1,066**	**1,246,317**
Total comprehensive income for the year							
Net income for the year	-	-	-	-	-	34,732	34,732
Total other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	34,732	34,732
Proposed appropriation of profits	-	-	-	-	-1,066	1,066	-
New share issue minus transaction expenses, net after tax*	8	-	-	59,695	-	-	59,703
Premium paid upon issue of stock options	-	-	-	815	-	-	815
Allocation to reserve for development expenditure	-	-	81,840	-	-81,840	-	-
Closing shareholders' equity at 12/31/2022	**762**	**20**	**335,462**	**1,299,347**	**-328,756**	**34,732**	**1,341,567**
Total comprehensive income for the year							
Net income for the year	-	-	-	-	-	-5,064	-5,064
Total other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-5,064	-5,064
Proposed appropriation of profits	-	-	-	-	34,732	-34,732	-
New share issue minus transaction expenses, net after tax*	43	-	-	447,740	-	-	447,783
Accounting effect from incentives program according to IFRS 2	-	-	-	2,368	-	-	2,368
Merger difference	-	-	-	-	-64,900	-	-64,900
Allocation to reserve for development expenditure	-	-	86,699	-	-86,699	-	-
Closing shareholders' equity at 12/31/2023	**805**	**20**	**422,161**	**1,749,455**	**-445,623**	**-5,064**	**1,721,754**

* Transaction costs in connection with new share issue amount to SEK 10.750 million (0.368).

Parent Company Cash Flow Statement

January 1 – December 31

SEK 000	Note	2023	2022
Operating activities	29		
Income after financial items		-2,704	43,909
Adjustment for non-cash items		26,088	18,521
Tax paid		317	1
		23,701	**62,431**
Increase (-) / decrease (+) in inventories		-19,946	-1,695
Increase (-) / decrease (+) in operating receivables		-9,152	-15,529
Increase (+) / decrease (-) in operating liabilities		9,780	12,844
Cash flow from operating activities		**4,383**	**58,051**
Investing activities			
Acquisition of intangible fixed assets		-90,949	-91,090
Acquisition of property, plant and equipment		-15,118	-4,136
Sales of property, plant and equipment		-	12
Acquisition of subsidiaries		-17,680	-82,245
Cash flow from investment activities		**-123,747**	**-177,459**
Financing activities			
Stock options program		-	815
Change in loan to Group company		-60,506	-75,112
New share issue, net after transaction expenses		429,250	-368
Cash flow from financing activities		**368,744**	**-74,665**
Cash flow for the year		**249,380**	**-194,073**
Opening cash and cash equivalents		196,281	369,479
Merger of subsidiaries		1,680	-
Exchange rate differences in cash and cash equivalents		437	20,875
Cash and cash equivalents at the end of the year	21	**447,778**	**196,281**

Supplementary disclosures and Notes to the Financial Statements

Notes to the financial statements for the full year 2023 for the XVIVO Group and its Parent Company, XVIVO Perfusion AB (publ), corporate identity number 556561-0424, with its registered office in Mölndal, Sweden, visiting address: Entreprenörsstråket 10, postal address: Gemenskapens gata 9, SE-431 53 Mölndal, Sweden. The Parent Company share is listed on the Mid Cap list of NASDAQ Stockholm.

Note 1. Accounting principles

Compliance with standards and regulations

The Consolidated Financial Statements have been prepared in accordance with the Annual Accounts Act, RFR 1 "Supplementary Accounting Rules for Groups", and IFRS Accounting Standards as published by the International Accounting Standards Board (IASB) such as they have been adopted by the EU.

The Parent Company Annual Report has been prepared pursuant to the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 of the Swedish Financial Reporting Board, "Accounting for Legal Entities", has been applied. This means that IFRS measurement and disclosure requirements are applied. Deviations are presented in the "Parent Company accounting policies" section.

Classification

Non-current assets, long-term liabilities and provisions essentially consist only of amounts that are expected to be recovered or paid more than 12 months after the record date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within 12 months of the record date.

Consolidation policies

The Group consists of the Parent Company XVIVO Perfusion AB (publ) and the subsidiaries the Parent Company has direct or indirect control over. Subsidiaries' financial reporting is included in the consolidated financial statements as from the acquisition date until the date when the controlling interest ceases.

Intra-Group receivables and liabilities, income and expenses, and unrealized profits or losses arising from intra-Group transactions are eliminated in their entirety in the presentation of the consolidated financial statements.

Mergers

Mergers are recognized in accordance with BFNAR 2020:5 Reporting of Mergers. The cost of the shares is distributed over the identifiable assets and liabilities in the transferring company, and over any goodwill arising from the acquisition of the shares. Values are adjusted on the basis of conditions prevailing on the merger date. This means that depreciation and amortization relating to identified surplus value and goodwill from the date of acquisition, for example, are considered. Assets and liabilities arising after the acquisition of the shares are valued at book value.

Functional currency and reporting currency

The functional currency is the currency in the primary economic environments where the companies included in the Group conduct operations. The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All figures, unless otherwise stated, are rounded off to the nearest thousand.

Assets and liabilities in foreign subsidiaries, including goodwill and other Group surpluses and deficits, are translated to SEK at the exchange rate prevailing on the record date. Income and expenses in foreign subsidiaries are translated to SEK at the average exchange rate for the relevant year. Translation differences that arise upon translation of foreign subsidiaries are reported under Other comprehensive income.

Foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing on the record date. Exchange rate differences arising on translation are recognized in the Income Statement. Non-monetary assets and liabilities that are recognized at historical cost are translated at the exchange rate applicable on the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the exchange rate applicable on the date of fair-value measurement.

The following exchange rates have been applied in these statements:

	Average exchange rate		Closing rate	
Currency	2023	2022	12/31/2023	12/31/2022
USD	10.6128	10.1245	10.0416	10.4371
EUR	11.4765	10.6317	11.0960	11.1283
AUD	7.0468	7.0135	6.8228	7.0892
BRL	2.1263	1.9619	2.0694	1.9746
CNY	1.4982	1.5020	1.4133	1.5017

Source: Sweden´s Riksbank

Revenue

Revenue from sales of goods and services is recognized when control has been transferred to the purchaser. Control is either transferred over time or at a point in time. Within the framework for the relevant customer contract, the performance commitments that XVIVO has undertaken to deliver are identified. A contract can include one or several performance commitments. The agreed price is in turn distributed to the the relevant performance commitment.

The Group's net sales are divided into three categories for reporting purposes: disposables, machines and services (see Note 2). An overwhelming majority of XVIVO's sales comprise products, which clearly represent separate performance commitments. Sales of products are recognized at the time the customer gains control over the products, which is assessed to be in connection with delivery to the customer. In connection with sales of machines, an assessment is made of the various performances: delivery, installation and training, and income is reported according to the performance delivered. XVIVO also provides services relating to machines. These services are largely invoiced in advance, and are recognized at a pace with the term of service contracts. These services are assessed to constitute separate performance commitments. The Group's services in organ recovery are invoiced and recognized continuously over the term of agreements.

Segment reporting

Operating segments are presented according to a management approach, which means that they are presented in the way they are used in internal reporting. The basis for identification of reportable segments is the internal reporting such as it is reported to and followed up by the chief operating decision maker. The Group has identified the Group's CEO as the chief operating decision maker. Three segments are used in internal reporting to the CEO. For further information, see Note 3.

Leasing

Lessees

Lease assets such as leases for premises and equipment are recognized as right-of-use assets with an obligation to make future lease payments, such as a lease liability in the Balance Sheet. Short-term leases and lease contracts of low value are not recognized in the Balance Sheet but are expensed in the period consumption takes place. The company defines short-term leases as contracts where the remaining lease term is less than 12 months and by contracts of low value is meant contracts whose cost is less than SEK 50,000.

Lessors

As of December 31, 2023, XVIVO had entered into 5 (2) leases with customers regarding XPS machines, 6 (-) leases regarding Kidney Assist machines and 13 (2) leases regarding Liver Assist machines. Due to the fact that XVIVO is liable for all risk regarding the machines' residual value and service needs, it has been assessed that by and large all financial risks and benefits associated with the machines relate to XVIVO. Based on these qualitative factors, the conclusion is drawn that that the leases are operating leases. Lease payments, including an initial higher rent payment but excluding expenses for services that are insurance and maintenance, are recognized as revenue on a straight-line basis over the term of the lease.

Financial instruments

Financial instruments recognized in the Balance Sheet include cash and cash equivalents, accounts receivable, other receivables, accounts payable and other liabilities.

A financial asset or a financial liability is recognized in the Balance Sheet when the company becomes a party to the contractual provisions of the instrument. Accounts receivable are normally recognized in the Balance Sheet when an invoice has been sent. Accounts payable are normally recognized when an invoice has been received. A financial asset is removed from the Balance Sheet when the contractual rights are realized or expire or when the company loses control over them. The same applies to part of a financial asset. A financial liability is removed from the Balance Sheet when

the contractual obligation is fulfilled or in some other way expires. The same applies to part of a financial liability. At each reporting date, the Group evaluates whether there is objective evidence that that there is an impairment requirement for a financial asset or group of assets. Objective evidence comprises observable events that have occurred and which have a negative impact on the ability to recover the cost of acquisition as well as a considerable or extensive decline in the fair value of a financial investment classified as a financial asset that can be sold.

Receivables and liabilities in foreign currency are measured at the exchange rate prevailing on the record date. Exchange rate differences for operating receivables and operating liabilities are included in operating income while exchange rate differences for financial receivables and liabilities are included in financial income and expenses.

Regarding impairment of financial assets, the company uses a model based on expected future credit losses, the "expected credit loss model". The impairment model is applied to financial assets measured at amortized cost or at fair value via other comprehensive income, except for investments in equity instruments (shares and participations) and contract assets. There were not any significant credit losses during the year and the Group's provisions for future credit losses as of the record date do not total a significant amount.

All financial instruments, with the exception of commitment to pay contingent consideration, are valued and recognized at accrued cost. All recognized amounts in this case correspond to the fair value of the items. Level 3 liabilities include contingent considerations and these have been valued at fair value and changes in these values are recognized in the Income Statement. The calculation has been performed by future expected payments being discounted by current market rates in line with the term of the liabilities.

Interest-bearing financial assets

Accounts receivable and other receivables are included in interest-bearing financial assets. These financial assets are recognized and valued at accrued cost. In cases where the term of the receivables is short, nominal amounts are recognized without discounting. If the expected period of holding is longer than 12 months, they are recognized as long-term receivables. Accounts receivable are initially valued at fair value and subsequently at accrued cost.

XVIVO uses the simplified model for expected credit losses for customer receivables, under which provisions for expected credit losses are made at an amount corresponding to expected credit losses over the term of the receivable and is considered at the first reporting date. This effect is not considered to be material for the financial year. Indications that a receivable is at risk of impairment might include that the customer is in financial difficulty, that corporate reconstruction or bankruptcy is probable, delayed payments, disputes or other events that indicate that the customer will be unable to pay. Impairment of accounts receivable are recognized as selling expenses.

Intangible assets

The items recognized in the Consolidated Balance Sheet are goodwill, capitalized development expenditure, customer contracts, patents, licenses, trademarks and computer programs.

Goodwill

Goodwill represents the difference between cost and the net assets acquired including contingent liabilities. Goodwill is valued at cost less potential accumulated impairment. Goodwill is distributed to the relevant cash-generating unit and is not amortized, but is tested annually for impairment.

Capitalized development expenditure

Research costs are expenditure for research with the aim of gaining new scientific or technical knowledge. Development expenditure is expenditure where research results or other knowledge are applied to achieve new or improved products or processes.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. In the Group, development expenditure is recognized as an intangible asset if it is assessed that the asset is able to generate future financial rewards, but only if it is technically and financially possible to complete the asset, the aim is and it is possible that the asset can be used in the business or sold, and the value can be estimated in a reliable way.

Capitalized development expenditure is recognized in the Consolidated Balance Sheet at cost minus accumulated amortization and write-downs.

Additional expenses

Additional expenses for an intangible asset are added to cost only if they increase the future financial rewards that exceed the original assessment and the expenses can be estimated in a reliable manner. All other expenses are expensed when they arise.

Amortization of intangible assets

Straight-line amortization is applied in the Income Statement over intangible assets' estimated useful life, unless the useful life is indefinite. Intangible assets that can be amortized are amortized from the date when they are available for use. The estimated useful life of the assets is as follows:

Goodwill	10 years
Capitalized development expenditure	5-10 years
Customer contracts	5 years
Patents	10 years
Licenses and trademarks	10 years
Computer programs	5 years

Property, plant and equipment

Property, plant and equipment is recognized as an asset in the Balance Sheet if it is probable that future financial rewards will accrue to the company and the cost of the asset can be estimated in a reliable manner. All tangible fixed assets are booked at cost, with a deduction for depreciation. Cost includes expenses that are directly attributable to acquisition of the asset.

Additional expenses

Additional expenses are added to the carrying amount of the asset or are recognized as a separate asset, depending on which is appropriate, only when it is probable that the future financial rewards associated with the asset will accrue to the Group and the cost of the asset can be measured in a reliable manner. All other forms of repairs and maintenance are recognized as expenses in the Income Statement when they arise.

Depreciation of property, plant and equipment

Depreciation according to plan of property, plant and equipment is based on a determined useful life. Straight-line depreciation is applied over the assets' estimated useful life and taking residual value into account. The estimated useful life of the assets is as follows:

Plant and machinery	5–10 years
Equipment, tools, fixtures and fittings	5 years
Computer equipment	3 years
Cars and means of transport	5 years

The useful life of assets is assessed annually.

Profit or loss that arises when divesting or disposing of property, plant and equipment comprises the difference between the sales price and the carrying amount less direct selling expenses. The item is recognized as other operating revenues or as other operating expenses in the Income Statement.

Impairment of intangible and tangible assets

On each record date, an assessment is made as to whether there is any indication of a decrease in the value of the Group's tangible and intangible assets. Goodwill that is not amortized on an ongoing basis is tested for impairment at least once annually. The asset is impaired if its recognized value exceeds the recoverable amount which in turn comprises the higher of the fair value of the asset, less deductions for selling expenses, and its value in use. Value in use is defined as the present value of future cash flow attributable to the asset including the present value of the amount a sale at the end of the useful life would raise.

Inventories

Inventories are recognized at cost or net realizable value, whichever is the lower. The risk of obsolescence is taken into account, and this is assessed on an individual basis. Cost is estimated in accordance with weighted average prices. The cost of in-house produced semi-finished products and finished products consists of direct manufacturing costs and a reasonable share of indirect manufacturing costs based on normal capacity. Internal gains arising from intra-Group sales are deducted from the value of inventories.

Earnings per share

Calculation of earnings per share is based on the Group's net income for the year attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. Potential ordinary shares are only seen as diluting in periods when they lead to a lower profit or a greater loss per share.

Pensions

All employees' pension plans are defined contribution plans. The premiums are expensed on an ongoing basis and there are no commitments to pay further fees. Expenses are charged against income in the Group as and when benefits are earned. For further information, see Note 7.

Shareholders' Equity

Transaction costs that are directly attributable to an issue of new shares or stock options are recognized, net after tax, in shareholders' equity as a deduction from the funds raised through the share issue.

Stock option programs

There are a total of three outstanding programs targeted at senior executives and other key personnel in the Group. Two are warrants programs, and one is a performance-based stock option program. A description of the stock option programs can be found in Note 23.

Income tax

The current tax expense is calculated on the basis of the tax rules that are in force on the record date or de facto in force in countries where the Parent Company and the subsidiary operate and generate taxable revenues. Management regularly evaluates claims made in tax returns regarding situations where applicable tax rules are subject to interpretation and, when it is assessed appropriate, provisions are made for amounts that will probably be paid to the tax authority.

Deferred tax is recognized in its entirety, pursuant to the Balance Sheet method, for all temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in

the consolidated accounts. Deferred income tax is estimated by applying tax rates (and laws) which are in force or will be in force on the record date and which are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax is estimated for temporary differences that arise in participations in subsidiaries, except where the time for 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 is current tax and deferred tax.

Taxes are stated in the Income Statement except when the underlying transaction is stated in Other comprehensive income, in which case the accompanying tax effect is stated in Other comprehensive income. Current tax is tax that is to be paid or received regarding the current year. This also includes adjustment of current tax attributable to earlier periods. Deferred tax is estimated in accordance with the Balance Sheet method on the basis of temporary differences between recognized and taxable values for assets and liabilities. The amounts are estimated on the basis of how the temporary differences are expected to be settled and by applying the tax rates and tax rules that are in force or will be in force on the record date. Temporary differences are not taken into consideration in consolidated goodwill and normally not in differences attributable to participations in subsidiaries which are not expected to be taxed in the foreseeable future. In the consolidated accounts untaxed reserves are divided up into a deferred tax liability and shareholders' equity.

Deferred tax assets regarding tax deductible temporary differences and tax loss carry forwards are recognized only to the extent that it is likely that these will entail lower tax payments in the future.

Parent Company accounting policies

The Parent Company has prepared its Annual Report pursuant to the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 of the Swedish Financial Reporting Board, "Accounting for Legal Entities". The pronouncements that the Swedish Financial Reporting Board has published regarding listed companies have also been applied. Under RFR2 the Parent Company shall apply in the annual financial statements for the legal entity all the IFRS and pronouncements adopted by the EU as far as is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and taking into account the connection between accounting and taxation. The recommendation states which exceptions and additions shall be made in respect of IFRS.

Differences between the Group and the Parent Company's accounting policies are presented below. The accounting principles stated below for the Parent Company have been applied consistently in all periods presented in the Parent Company's financial reports.

Shares and participations

Participations in subsidiaries are recognized in accordance with the cost method. This means that transaction expenses are included in the carrying amount for holdings in subsidiaries. In the Consolidated Financial Statements, transaction expenses attributable to subsidiaries are recognized directly against income when they arise. Adjustments of contingent considerations reduce or increase the value of shares and participations in the Parent Company. This is recognized as an expense or income in the Group. Testing of the value of subsidiaries is carried out when there is an indication of a decrease in value.

Income tax

In the Parent Company, untaxed reserves are recognized including a deferred tax liability. In the consolidated accounts, however, untaxed reserves are divided up into a deferred tax liability and shareholders' equity.

Leased assets

The Parent Company applies the exemption rule under RFR 2 whereby legal entities are not required to apply IFRS 16. This means that in the Parent Company all lease agreements are classified as operating leases in cases where the Parent Company is the lessee. Lease payments pursuant to operating lease contracts, including an initial higher rent payment but excluding expenses for services that are insurance and maintenance, are recognized as an expense on a straight line basis over the term of the lease.

Note 2. Net sales

Distribution of Net Sales	Group		Parent Company	
	2023	2022	2023	2022
Revenue from sales of disposables	490,860	336,466	271,687	233,578
Revenue from sales of machines	20,882	28,938	4,036	8,349
Revenue from services	79,140	48,078	-	-
Total	590,882	413,482	275,723	241,927
Revenue from operational leasing	6,660	1,810	1,214	1,810
Total	597,542	415,292	276,937	243,737

XVIVO has one customer where sales exceeded 10 percent of total revenue in 2023. Sales to this customer totaled SEK 73 million and were recognized in the Thoracic segment.

Distribution between segments - the Group

	Thoracic		Abdominal		Services		Consolidated total	
SEK 000	2023	2022	2023	2022	2023	2022	2023	2022
Disposables	372,518	276,589	118,342	59,877	-	-	490,860	336,466
Machines	9,485	17,954	11,397	10,984	-	-	20,882	29,534
Services	-	-	-	-	79,140	48,078	79,140	48,078
Total	382,003	294,543	129,739	70,861	79,140	48,078	590,882	413,482
Revenues from operational leasing	2,360	1,810	4,300	-	-	-	6,660	1,214
Total	384,363	296,353	134,039	70,861	79,140	48,078	597,542	415,292

Note 3. Operating segments

The Group's business is divided up into operating segments on the basis of what parts of the business the company's chief operating decision maker follows up in a management approach.

Group management follows up the sales and gross margin of the business and makes decisions regarding the distribution of resources on the basis of the goods and services the Group develops and sells in the respective segments.

The Group's internal reporting is thus constructed so that Group management can follow up all goods' performance. It is on the basis of this internal reporting that the Group's segments have been identified, as the various parts have undergone a process that has aimed at combining segments that are similar.

The following operating segments have been identified:

- Thoracic: Sales of lung and heart transplant products.
- Abdominal: Sales of liver and kidney transplant products.
- Services: Revenue from sales of services in organ recovery

The segments' gross profit includes directly attributable costs and costs that can be divided up into segments in a reasonable and reliable manner. The items recognized in the segments' gross income are measured in accordance with the gross margin that Group management follows up.

Consolidated operating segments

	Thoracic		Abdominal		Services		Consolidated total	
	2023	2022	2023	2022	2023	2022	2023	2022
Net Sales	384,363	296,353	134,039	70,861	79,140	48,078	597,542	415,292
Costs of goods sold	-62,486	-60,677	-45,951	-33,128	-43,994	-24,531	-152,431	-118,336
Gross profit	321,877	235,676	88,088	37,733	35,146	23,547	445,111	296,956

Note 3. Operating segments (cont'd.)

Parent company operating segments

	Thoracic		Abdominal		Services		Consolidated total	
	2023	2022	2023	2022	2023	2022	2023	2022
Net Sales	276,937	243,737	-	-	-	-	276,937	243,737
Costs of goods sold	-73,128	-54,599	-	-	-	-	-73,128	-54,599
Gross profit	203,809	189,138	-	-	-	-	203,809	189,138

Geographical areas - Group

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
Sweden	4,218	1,670	578,396	505,659
The US	308,101	224,874	292,861	288,263
The Netherlands	30,222	25,989	320,252	311,770
Italy	58,926	21,481	126,349	120,128
North and South America, excl. the US	25,621	25,485	-	-
EMEA excl. Sweden, Netherlands and Italy	128,280	96,985	12	6
Asia/Pacific and Oceania	42,175	18,808	40	66
Total	597,542	415,292	1,317,910	1,225,893

Revenues from external customers have been allocated to individual countries according to the country sales were made to. Non-current assets refer to all of the Group's intangible non-current assets and property, plant and equipment.

Geographical areas - Parent Company

Sales	2023	2022
Sweden	2,634	981
The US	120,987	123,548
The Netherlands	12,144	13,258
Italy	8,918	4,892
North and South America, excl. the US	15,187	15,718
EMEA excl. Sweden, Netherlands and Italy	78,203	73,266
Asia/Pacific and Oceania	38,864	12,074
Total	276,937	243,737

Note 4. Business acquisitions

On November 30, 2022, XVIVO acquired 100 percent of the shares in Avionord S.r.l's machine and perfusion business, which was transferred to the new start-up XVIVO S.r.l. The acquisition analysis was still preliminary as of December 31, 2022, but has now been completed in connection with this Year-end Report. The difference between the preliminary and final acquisition analysis relates to the identification of intangible assets in the form of customer relations totaling SEK 28 million and deferred tax liabilities of SEK 6 million. Preliminary goodwill decreased by SEK -22 million. Customer relations are amortized over five years, starting January 1, 2023. The table below presents the final acquisition analysis.

Transferred compensation	**Fair value (SEK 000)**
Cash and cash equivalents	45,889
New share issue	60,071
Conditional consideration	26,224
Total	132,184
Acquired Net Assets	
Intangible assets	28,320
Property, plant and equipment	4,829
Inventories	5,532
Accounts receivable and other receivables	10,937
Cash and cash equivalents	6,442
Accounts payable and other liabilities	-13,748
Fair value of acquired net assets	42,312
Goodwill	89,872
Total	132,184

Note 5. Other operating income

	Group		**Parent Company**	
	2023	**2022**	**2023**	**2022**
Exchange rate gains	3,905	4,494	3,589	3,662
Other operating income	5,432	219	142	358
Total	9,337	4,712	3,731	4,020

Note 6. Other operating expenses

	Group		**Parent Company**	
	2023	**2022**	**2023**	**2022**
Exchange rate losses	-4,113	-2,277	-3,824	-1,688
Capital loss, sale of non-current asset	-1,001	-262	-409	-8
Total	-5,114	-2,539	-4,234	-1,696

Note 7. Employees, personnel costs and Board fees

Average number of employees

	Total		Percentage of women	
	2023	2022	2023	2022
Parent Company, Sweden	53	40	57%	65%
Subsidiary, Sweden	-	8	-	38%
Subsidiaries, USA	43	40	42%	38%
Subsidiary, Netherlands	21	20	29%	20%
Subsidiary, Italy	7	1	71%	100%
Subsidiary, France	3	2	67%	50%
Subsidiary, China	1	1	0%	0%
Subsidiary, Brazil	1	1	100%	100%
Subsidiary, Australia	1	1	0%	0%
Total	130	114	48%	45%

Percentage of women in senior positions

Group	2023	2022
The Board of Directors	33%	50%
Management Team	56%	44%

Personnel costs

Group	2023	2022
Salary and other remuneration	200,599	135,858
Pension expenses, defined contribution plans	13,083	10,066
Social security contributions	33,318	22,380
Total	247,001	168,303

Parent Company	2023	2022
Salary and other remuneration	58,516	45,950
Pension expenses, defined contribution plans	8,614	6,899
Social security contributions	18,030	13,480
Total	85,159	66,329

Of the Group's pension expenses, SEK 0.983 million (0.968) relate to the Board and CEO, of which SEK 0.983 million (0.968) to the CEO.

Salary and other remuneration divided between Board members/CEO and other employees

	The Board of Directors/ CEO		Other employees	
	2023	2022	2023	2022
Parent Company	6,971	6,159	51,545	39,791
- of which bonus payments and similar remuneration	(2,041)	(1,173)	(10,284)	(3,487)
Subsidiaries	-	-	142,083	89,908
- of which bonus payments and similar remuneration	(-)	(-)	(16,863)	(14,089)
Total	6,971	6,159	193,628	129,699
- of which bonus payments and similar remuneration	(2,041)	(1,173)	(27,147)	(17,576)

Note 7. Employees, personnel costs and Board fees (cont'd.)

The Board of Directors

Board fees of SEK 1,850,000 (1,710,000) were paid during the year, in accordance with the resolution adopted at the 2022 Annual General Meeting. SEK 440,000 (400,000) was paid to Gösta Johannesson and SEK 220,000 (200,000) each to other Board members, as well as SEK 75,000 (75,000) to the Chairman of the Audit Committee, SEK 75,000 (75,000) to the Chairman of the Remuneration Committee and SEK 40,000 (40,000) each to other members of these committees. There are no pension expenses or pension obligations for the Board members.

The Annual General Meeting on April 25, 2023 in Gothenburg resolved to pay Board fees totaling SEK 1,985,000 (1,850,000) in the period until the next Annual General Meeting. SEK 480,000 (440,000) is payable to Gösta Johannesson and SEK 230,000 (220,000) each to other Board members, as well as SEK 100,000 (75,000) to the Chairman of the Audit Committee, SEK 50,000 (40,000) each to other members of the Audit Committee, SEK 75,000 (75,000) to the Chairman of the Remuneration Committee and SEK 40,000 (40,000) each to members of the Remuneration Committee.

CEO

During the financial year 2023, CEO Christoffer Rosenblad was paid renumeration totaling SEK 5,031,000 (782,000) including vacation allowance and other benefits of which SEK 2,041,000 (130,000) was variable renumeration. A car allowance and health-insurance benefit of SEK 3,000 (-) was paid.

As long as the CEO is based in Sweden, his pension follows a defined contribution plan and pension premiums of 30% of his salary are paid by the company. If the company terminates the CEO's employment, notice of 6 months shall be given. If the company terminates the CEO's employment, severance pay of 12 months' salary shall be paid. The CEO's retirement age is 65. His employment is regulated by a CEO agreement.

Other senior executives

Salary of SEK 19,338,000 (15,552,000) was paid during the 2023 financial year to senior executives, Group management comprising 8 (8) people excluding the CEO, including a vacation allowance, of which SEK 5,636,000 thousand (2,393,000) was variable remuneration. The variable remuneration is based on the outcome of various parameters compared with set objectives. The parameters relate to the company's sales and results as well as individually set objectives. Premiums for normal occupational pension were paid. The retirement age is 65 for these senior executives. If the company terminates the senior executives' employment, notice of 3-6 months shall be given. No senior executives are 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. The entire cost of these is met by the company. Outside Sweden there are defined contribution plans which are partly paid for by the subsidiaries and partly covered by fees paid by the employees. Payment for these plans is done on an ongoing basis according to the rules of each individual plan.

Costs for defined contribution pension plans

	2023	2022
Group	13,083	10,066
Parent Company	8,614	6,899

Endowment insurance

The company has a pension obligation to the CEO, Christoffer Rosenblad, that is covered by the outcome of endowment insurance owned by the company. Pursuant to IAS 19, the pension obligation has been classified as a defined contribution pension plan. During 2023, SEK 562,000 (-) was paid into this endowment insurance policy.

Costs for stock option program

The 2023 Annual General Meeting resolved to issue a maximum of 72,000 stock options (series 2023/2026) with the accompanying right to subscribe for a maximum of 72,000 new shares to employees of the XVIVO Group. Of these stock options, 66,000 have been subscribed for by employees. The stock options program 2023/2026 gives the stock option holder the right, in May 2026, to convert warrants to an equal number of newly issued shares provided that certain performance targets have been met during the 3-year term of the program.

In accordance with IFRS 2, fair value of stock options was calculated when issued. The cost was estimated to approximately SEK 10.9 million (-) and has been recognized as a cost on a straight-line basis over the 3-year period. Any allocation of shares from the program at the end of the term constitutes a taxable asset for the warrants holder, resulting in social security contributions. The valuation of the cost of social security contributions is carried out continuously during the period and expensed on an ongoing basis. The total cost of the program in 2023, including social security contributions, amounted to SEK 2.9 million (-) and was charged to operating profit.

The company's other incentive programs did not affect the Income Statement for the year. See Note 23 for more information.

Note 8. Auditor's fees and reimbursement of costs

	Group		Parent Company	
KPMG	2023	2022	2023	2022
Auditing	1,005	943	422	443
Auditing activities in addition to auditing	145	132	145	132
Tax consulting	131	58	131	58
Other services	160	114	160	114
Total	1,440	1,248	858	748

Auditing involves review of the Annual Report, of the accounting records, and of the management of the Board of Directors and CEO, and other tasks that the company's auditors are required to undertake, as well as advice and other assistance that arise from observations as a result of this review or the carrying out of these other tasks. Auditing activities in addition to auditing involve quality assurance services, including assistance as a result of such review as shall be carried out in accordance with national statutes, the articles of association, company statutes or agreements and which result in a report intended for other parties than the client. Tax consulting is recognized separately. Anything else is other services.

Note 9. Operating expenses by type of cost

	Group	
	2023	2022
Raw materials and consumables	-97,490	-106,507
Change in inventories of finished goods and products in progress	286	2,110
Personnel costs	-224,552	-140,071
Depreciation/amortization and impairment	-76,350	-42,167
Other external expenses	-199,472	-124,421
Other operating expenses	-5,114	-2,539
Total	-602,692	-413,595

Note 10. Leases

The Group rents office premises in Gothenburg. The current lease for office premises expires on January 31, 2026. The Group also rents office premises and warehouse facilities in Denver, Colorado in the US. The current rental agreement expires on September 30, 2025 with an option for extension. The agreement period for warehouse premises terminates on September 30, 2025, and June 30, 2030 respectively. The Group also rents office premises and warehouse facilities in Lund, Sweden. The current lease expires on October 31, 2025 with an option for extension. The Group also rents office premises and warehouse facilities in Groningen, The Netherlands. The current lease expires on December 31, 2028 with an option for extension. The Group also rents office premises in Philadelphia, in the US, which expires November 30, 2024.

Rental payments are linked to CPI and vary with the market as a whole. Variable payments are invoiced 1:1 in arrears after an annual review. There are no restrictions as a result of lease agreements already entered into. Where rebuilding or extension work has been paid for by the Group, individual testing is carried out to ascertain whether the costs can be included in the Balance Sheet or whether they are to be expensed in their entirety. Otherwise, the Group has entered into lease agreements for three company cars and some office equipment.

Cost disclosures, leases:

	Group	
	2023	2022
Depreciation of right-of-use assets	10,650	6,380
- Of which buildings	10,065	6,351
- Of which cars	585	28
Interest expense, lease liabilities	800	165
Lease expense for short-term leases	1,356	152
Variable lease expenses	802	-
Total	13,609	6,696

Note 10. Leases (cont'd.)

Cash flow disclosures, leases

	Group	
	2023	2022
Amortization of lease liability	10,703	7,290
Interest expense, lease liabilities	800	165
Lease expense for short-term leases	1,356	152
Variable lease expenses	802	-
Total	13,661	7,607

Additional right-of use assets

	Group	
	2023	2022
Buildings	29,282	3,921
Cars	3,152	541
Total	32,434	4,462

Carrying amount of right-of-use asset

	Group	
	2023	2022
Buildings	47,628	10,064
Cars	3,838	675
Total	51,466	10,739

Carrying amount of lease liabilities

	Group	
	2023	2022
Lease liabilities	31,437	10,005
Total	31,437	10,005

A lease analysis for agreed minimum future lease payments payable pursuant to non-reversible contracts is presented in Note 25.

Expensed fees relating to operating leases are as follows:

	Parent Company	
	2023	2022
Minimum lease charges	5,236	2,205
Total lease charges	5,236	2,205

Lease analysis

	Parent Company	
	2023	2022
Year 1	4,616	3,399
Year 2	3,875	2,363
Year 3	420	2,342
Year 4	-	193
Year 5	-	-
Later than year 5	-	-
Total	8,911	8,297

The Group leases machines for lung perfusion under operating leases. Revenue amounted to SEK 6,660 million (1,810). Future non-cancelable lease payments become due as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Year 1	5,294	1,236	305	17
Year 2	2,078	-	-	-
Year 3	1,506	-	-	-
Year 4	940	-	-	-
Year 5	-	-	-	-
Later than year 5	-	-	-	-
Total	9,818	1,236	305	17

Note 11. Net financial income

	Group		Parent Company	
	2023	2022	2023	2022
Interest income	8,850	2,123	16,192	5,317
Exchange rate gains	54,986	69,475	54,777	69,280
Other financial income*	72,781	-	-	-
Financial income	136,617	71,598	70,969	74,597
Interest expenses	-1,190	-605	-287	-458
Exchange rate losses	-45,093	-54,599	-44,783	-53,618
Other financial expenses		-489	-750	-539
Financial expenses	-46,283	-55,693	-45,820	-54,615
Total	90,334	15,905	25,149	19,982

* See Note 26, Contingent consideration

Note 12. Exchange rate differences

	Group		Parent Company	
	2023	2022	2023	2022
In operating income, net	-208	2,217	-236	1,974
In financial items, net	9,893	14,876	9,994	15,662
Total	9,685	17,093	9,758	17,636

Note 13. Income tax

Recognized in Statement of Total Comprehensive Income and Income Statement

	Group		Parent Company	
	2023	2022	2023	2022
Current tax expense (-)				
Tax expense for the year	-11,051	-896	-	-
Adjustment of tax pertaining to previous years	-3,371	-19	-	-
Total current tax expense	-14,422	-915	-	-
Deferred tax expense (-)				
Deferred tax on temporary differences	-6,239	1,312	593	-1,299
Deferred tax in taxable value capitalized/utilized during the year in loss carry-forwards	15,936	-5,030	-2,952	-7,878
Deferred tax on acquired excess value	2,025	746	-	-
Total deferred tax expense	11,721	-2,972	-2,360	-9,177
Total tax expense recognized	**-2,701**	**-3,887**	**-2,360**	**-9,177**
Reconciliation effective tax rate				
Profit before tax	94,521	22,314	-2,704	43,909
Tax pursuant to current tax rate for Parent Company (20.6%)	-19,471	-4,597	557	-9,045
Difference in foreign tax rates	-1,507	-1,439	-	-
Non-deductible expenses	-12,358	-2,805	-3,526	-1,600
Non-taxable income	23,803	4,614	5,871	1,369
Non-capitalized losses	-	-62	-	-
Capitalized losses and utilization of previously non-capitalized losses	10,123	328	-5,266	-
Difference in recorded and paid tax previous year	-3,371	-19	-	-
Other	80	94	4	99
Total tax expense	**-2,701**	**-3,887**	**-2,360**	**-9,177**
Effective tax rate %	3%	17%	-87%	21%

Note 13. Income taxes (cont'd)

Tax attributable to other comprehensive income

	Group					
	2023			2022		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Translation differences for the year after translation of foreign businesses	15,340	-	15,340	12,844	-	12,844
Translation differences for the year after translation of foreign businesses (extended investment)	11,557	-	11,557	52,849	-	52,849
Other comprehensive income	26,897	-	26,897	65,693	-	65,693

Recognized directly in Shareholders' Equity

	Group		Parent Company	
Tax items recognized directly in Shareholders' Equity	**2023**	**2022**	**2023**	**2022**
Tax expense (-)				
Current tax related to transaction expenses for new share issue	-2,214	-96	-2,214	-96
Current tax relating to employee stock options	-103	-	-66	-
Total Tax items recognized directly in Shareholders' Equity	-2,317	-96	-2,280	-96

Recognized in Statement of Financial Position and Balance Sheet

	Group		Parent Company	
Deferred tax asset	**2023**	**2022**	**2023**	**2022**
Deferred tax related to internal profit on inventories	2,365	6,137	-	-
Deferred tax related to pensions and similar obligations	465	283	465	283
Deferred tax related to capitalized loss carry-forwards	47,330	32,675	28,318	5,588
Deferred tax relating to employee stock options	411	-	411	-
Deferred tax relating to leases	142	177	-	-
Total deferred tax asset	50,713	39,272	29,194	5,871

	Group		Parent Company	
Deferred tax liability	**2023**	**2022**	**2023**	**2022**
Deferred tax on acquired excess value Intangible assets	29,293	25,393	12,698	-
Deferred tax on other temporary differences	-	373	-	-
Total deferred tax liability	29,293	25,766	12,698	-

Note 14. Intangible assets

	Group		Parent Company	
Capitalized development expenditure	**2023**	**2022**	**2023**	**2022**
Capitalized expenditure				
Opening acquisition cost	460,406	376,816	459,785	372,941
Capitalized expenditure for the year	91,118	87,437	90,256	89,966
Disposals for the year	-409	-	-409	-
Reclassification in the year	-	-3,876	-	-3,122
Exchange rate differences for the year	-30	29	-	-
Closing accumulated acquisition cost	551,084	460,406	549,632	459,785
Opening amortization	-103,874	-88,419	-103,881	-88,419
Amortization for the year	-15,764	-15,468	-15,764	-15,462
Reclassification in the year	-	13	-	-
Exchange rate differences for the year	-	-	-	-
Closing accumulated amortization	-119,638	-103,874	-119,645	-103,881
Opening impairment	-	-	-	-
Impairment losses for the year	-16,439	-	-16,439	-
Closing accumulated impairments	-16,439	-	-16,439	-
Closing carrying amount	415,007	356,532	413,548	355,904

	Group		Parent Company	
Capitalized development expenditure	**2023**	**2022**	**2023**	**2022**
Acquired development projects				
Opening acquisition cost	217,811	186,071	-	-
Capitalized expenditure for the year	9,022	21,069	-	-
Mergers	-	-	76,162	-
Exchange rate differences for the year	-710	10,672	-	-
Closing accumulated acquisition cost	226,123	217,811	76,162	-
Opening amortization	-29,833	-17,917	-	-
Mergers	-	-	-12,129	-
Amortization for the year	-13,284	-10,896	-	-
Exchange rate differences for the year	492	-1,019	-	-
Closing accumulated amortization	-42,625	-29,833	-12,129	-
Closing carrying amount	183,499	187,979	64,033	-
Closing balance, recognized value of capitalized expenditure	**598,505**	**544,510**	**477,581**	**355,904**

Note 14. Intangible non-current assets (cont'd.)

	Group		Parent Company	
Patents, licenses and trademarks	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	13,566	12,637	10,525	9,717
Capitalized expenditure for the year	695	915	607	808
Mergers	-	-	2,736	-
Disposals for the year	-1,886	-	-1,896	-
Exchange rate differences for the year	-4	14	-	-
Closing accumulated acquisition cost	12,371	13,566	11,972	10,525
Opening amortization	-7,338	-6,406	-4,906	-4,058
Amortization for the year	-1,035	-932	-999	-848
Mergers	-	-	-2,432	-
Disposals for the year	1,886	-	1,896	-
Exchange rate differences for the year	1	-	-	-
Closing accumulated amortization	-6,486	-7,338	-6,441	-4,906
Closing carrying amount	5,885	6,228	5,531	5,619

	Group		Parent Company	
Goodwill	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	625,319	460,228	-	-
Acquired assets for the year	-	112,242	-	-
Reclassification in the year	-22,370	-	-	-
Exchange rate differences for the year	-11,557	52,849	-	-
Closing accumulated acquisition cost	591,392	625,319	-	-
Closing carrying amount	591,392	625,319	-	-

	Group		Parent Company	
Customer contracts	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	-	-	-	-
Reclassification in the year	28,174	-	-	-
Exchange rate differences for the year	437	-	-	-
Closing accumulated acquisition cost	28,611	-	-	-
Opening amortization	-	-	-	-
Amortization for the year	-5,918	-	-	-
Exchange rate differences for the year	196	-	-	-
Closing accumulated amortization	- 5,722	-	-	-
Closing carrying amount	22,889	-	-	-

	Group		Parent Company	
Computer programs	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	3,336	2,921	2,837	2,521
Capitalized expenditure for the year	86	380	86	316
Reclassification in the year	-	-	-	-
Exchange rate differences for the year	-1	35	-	-
Closing accumulated acquisition cost	3,421	3,336	2,923	2,837
Opening amortization	-1,079	-494	-963	-474
Amortization for the year	-657	-574	-553	-490
Reclassification in the year	-	-5	-	1
Exchange rate differences for the year	3	-6	-	-
Closing accumulated amortization	-1,733	-1,079	-1,516	-963
Closing carrying amount	1,688	2,257	1,407	1,874

Note 14. Intangible non-current assets (cont'd.)

Amortization has been divided by function in the Income Statement as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Costs of goods sold	-90	-	-	-
Selling expenses	-5,992	-	-23	-
Administration costs	-430	-574	-430	-490
Research and development expenses	-30,146	-27,297	-16,863	-16,310
Total	-36,659	-27,871	-17,316	-16,800

The Group's goodwill is attributable to acquisitions of subsidiaries and their businesses. Goodwill primarily consists of synergy effects that do not meet the requirements for accounting as intangible assets at the time of the acquisition. Primary synergies are potentially increased sales values per client as well as increased sales potential for new clients, which can be achieved by utilizing XVIVO's knowledge and experience within global marketing and regulatory issues in acquired operations. Synergies which could contribute to future net sales is also to be found within research and development.

Goodwill and capitalized expenditure have been tested for impairment on the basis of budgets and forecasts, where the first year of the forecast is based on the company's budget and the subsequent four years on the basis of the historical growth rate adjusted by the company management's forecasts for the future. The forecasts have been produced internally by the company management on the basis of historical data, management's cumulative experience and their best assessment of the company's development potential and market growth. The present value of forecast cash flows has been calculated using a discount rate of 12.2 percent before tax for assets in lung operations, 14.3 percent before tax for heart operations, 15.2 percent before tax for assets in liver operations, 14.3 percent before tax for assets in kidney operations, and 14.2 percent for assets linked to organ recovery operations. The main variables in the forecast are market share and growth, gross margin, sales costs and investments. The calculation is based on continued good gross margin and the investment need to replace existing assets has been deemed to be relatively low. Working capital has been assumed to change in proportion to turnover and the debt/equity ratio is expected to remain unchanged as growth has been assumed to take place within the framework of the existing operations and with own resources. The recoverable amount, which is calculated in the Group as value in use, exceeds the carrying amount for all impairment tested assets. Management believes that no reasonable changes in the important variables and assumptions result in the entity's recoverable amount being lower than the carrying amounts.

In order to support the impairment testing of goodwill that has been carried out, a comprehensive analysis has been made of the sensitivity of the variables used in the model. An assumed increase in the discount rate of an additional 2–5 percent demonstrates that the recoverable amounts are still greater than the carrying amounts. Other assumptions, such as the gross margin, capital expenditure requirements and the growth rate, have been assumed to be constant. Conceivable changes in these assumptions over time are not expected to lead to any indication that the carrying amount for goodwill cannot be defended.

Capitalized expenditure was subject to impairment in the year. The cost of impairment was recognized under Research and development expenses. The asset value before impairment comprised internally and externally accumulated costs attributable to clinical trials for the product PrimECC. Following analysis of the study data, in 2023 management assessed that the likelihood that production could be commercialized was low, and the asset value was written down to zero.

Note 15. Property, plant and equipment

	Group		Parent Company	
Machinery, equipment, fixtures and fittings	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	98,516	68,041	27,887	24,313
Acquisitions for the year	68,022	28,389	12,632	4,136
Acquired assets for the year	-	5,209	6,951	-
Reclassification in the year	-2,168	469	1,667	-142
Sales/disposals for the year	-8,355	-7,608	-140	-420
Exchange rate differences for the year	-2,407	4,015	-	-
Closing accumulated acquisition cost	153,607	98,516	48,997	27,887
Opening depreciations	-52,036	-42,453	-17,112	-15,333
Sales/disposals for the year	7,166	7,201	140	412
Depreciations for the year	-18,044	-13,794	-3,350	-2,333
Reclassification in the year	280	-490	-1,667	142
Acquisitions for the year	-	-	-6,371	-
Exchange rate differences for the year	1,159	-2,500	-	-
Closing accumulated depreciations	-61,473	-52,036	-28,360	-17,112
Closing carrying amount	92,134	46,480	20,637	10,775

	Group		Parent Company	
Leasing assets	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	4,573	3,529	1,667	1,667
Acquisitions for the year	7,427	730	2,486	-
Reclassification in the year	2,168	-	-1,667	
Exchange rate differences for the year	-97	315	-	-
Closing accumulated acquisition cost	14,071	4,573	2,486	1,667
Opening depreciations	-3,474	-2,820	-1,667	-1,667
Depreciations for the year	-5,208	-502	-83	-
Reclassification in the year	-280	-	1,667	
Exchange rate differences for the year	309	-152	-	-
Closing accumulated depreciations	-8,653	-3,474	-83	-1,667
Closing carrying amount	5,418	1,099	2,403	-
Closing balance, recognized value of property, plant and equipment	**97,552**	**47,579**	**23,040**	**10,775**

Depreciation has been divided by function in the Income Statement as follows:

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Costs of goods sold	-635	-744	-477	-
Selling expenses	-13,009	-6,997	-1,210	-956
Administration costs	-4,017	-2,828	-1,295	-878
Research and development expenses	-5,591	-3,727	-451	-499
Total	-23,252	-14,296	-3,433	-2,333

Note 16. Participations in Group companies

	Parent Company	
	2023	2022
Opening acquisition cost	752,242	611,702
Mergers in the year	-146,651	-
Acquisitions for the year	-	140,540
Adjustments related to contingent consideration in the year	-58,819	-
Closing carrying amount	546,772	752,242

Companies owned by XVIVO Perfusion AB (Publ):

					Book value	
Company	**Corp. ID No.**	**Domicile**	**No. of shares**	**Participation in %**	**2023**	**2022**
XVIVO Perfusion Inc.	45-5472070	Denver, USA	1,000	100	14,475	14,475
XVIVO Perfusion Lund AB	556761-1701	Lund, Sweden	-	-	-	146,651
XVIVO Perfusion SAS	531,229,219	Lyon, France	5,000	100	48	48
XVIVO Perfusion Pacific Pty Ltd	637303381	Melbourne, Australia	1	100	-	-
XVIVO Holding B.V.	02082540	Groningen, Netherlands	1,035,170	100	222,307	222,307
XVIVO B.V.	01135421	Groningen, Netherlands	18,000	100	-	-
Shanghai XVIVO Life Technology Co. Ltd.	91310000MA1 GF1MR9N	Shanghai, China	-	100	340	340
XVIVO Latin America Ltda	40.481.062/0001-87	Sao Paulo, Brazil	320,000	100	504	504
XVIVO Services Inc.	83-4562983	Philadelphia, USA	5,000	100	168,558	227,377
XVIVO S.r.l.	0979077151	Milan, Italy	-	100	140,540	140,540
Total					546,772	752,242

Note 17. Inventories

	Group		Parent Company	
	2023	2022	2023	2022
Raw materials and consumables	39,495	39,216	17,627	7,867
Work in progress	6,679	2,562	4,384	1,686
Finished goods and goods for resale	95,430	64,788	34,954	17,996
Total	141,604	106,566	56,965	27,549

The Group's closing inventories include impairment of SEK 1.613 million (3.820) for obsolescence of inventories. In the Parent Company there is impairment of SEK 1.613 million (1.973).

Note 18. Receivables from and liabilities to Group companies

The Parent Company has net receivables from the subsidiary XVIVO Perfusion Inc. in the amount of SEK 90.380 million (51.281) and receivables on XVIVO Holding B.V. of SEK 124.236 million (104.937), receivables on XVIVO Services Inc. of SEK 16.094 million (16.083) and receivables from subsidiary XVIVO S.r.l. Of SEK 2.220 million (0.236). The Parent Company has net liabilities to the subsidiary XVIVO Perfusion Pacific Pty Ltd of SEK 0.308 million (0.868), liabilities to the subsidiary XVIVO Perfusion SAS of SEK 4.351 million (3.238), liabilities to the subsidiary Shanghai Xvivo Life Technology Co. Ltd of SEK 0.278 million (0.341), liabilities to the subsidiary XVIVO Latin America LTDA of SEK 1.249 million (1.082) and liabilities to the subsidiary XVIVO B.V. of SEK 2.871 million (1.176).

Note 19. Account receivables

Trade accounts receivable are recognized after bad debt losses that have arisen during the year have been taken into account. Recorded bad debt losses in the Group for 2023 amounted to SEK 0 (0), of which SEK 0 (0) in the Parent Company. Bad debt losses in the Group for which provisions were made during the year amount to SEK 73,000 (30,000), of which SEK 73,000 (30,000) in the Parent Company.

	Group		Parent Company	
	2023	2022	2023	2022
Account receivables	98,984	95,478	27,041	23,874
Minus provisions for doubtful receivables	-856	-978	-856	-978
Total	98,127	94,500	26,185	22,896

	Group		Parent Company	
Age structure – trade accounts receivable	2023	2022	2023	2022
Not due	48,164	63,055	12,429	10,968
Due in 0-30 days	29,278	8,717	6,750	9,149
Due in 31-90 days	12,358	15,368	4,722	426
Due in 91-180 days	5,781	4,101	2,048	859
Due in > 180 days	3,404	4,237	1,091	2,472
Total	98,984	95,478	27,041	23,874

Note 20. Prepaid expenses and accrued income

	Group		Parent Company	
	2023	2022	2023	2022
Rent and other property costs	-	-	777	346
Prepaid insurance	4,643	4,188	4,089	3,473
Other prepaid expenses	15,698	5,950	7,938	4,046
Total	20,341	10,138	12,804	7,865

Note 21. Cash and cash equivalents and bank overdraft facility

Cash and cash equivalents in the cash flow statement comprise the following subcomponents:

	Group		Parent Company	
	2023	2022	2023	2022
Cash and cash equivalents	246,088	175,234	147,778	124,970
Short-term investments	300,000	71,311	300,000	71,311
Total	546,088	246,545	447,778	196,281

Short-term investments in the form of fixed income securities in SEK were added during the year. In the full-year financial statements as of December 31, 2023, the amount in fixed-income securities was SEK 300 million (71.311). With regard to fixed-income securities, accrued interest is recognized as interest income in the Income Statement. The return was 3.65% for SEK.

Cash and cash equivalents include bank balances frozen as security for bank guarantees of SEK 0.3 million (0.3) in both the Parent Company and the Group. A bank overdraft facility was utilized in the amount of SEK 0 million (0) in the Group and SEK 0 million (0) in the Parent Company. The bank overdraft facility granted is in the amount of SEK 30 million (30) in the Group and SEK 30 million (30) in the Parent Company.

Note 22. Shareholders' Equity

Share capital

There is only one class of shares and all shares carry the same rights. At December 31, 2023 the registered share capital comprised 31,499,470 (29,831,919) shares.

Other capital contributions

This is equity contributed by shareholders.

Reserves

Reserves consist of a statutory reserve in the Parent Company and translation reserves including all exchange rate differences that arise when translating financial reports from foreign businesses that have prepared their financial reports in another currency than the currency that the Group's financial reports are presented in. The Parent Company and the Group present their financial reports in SEK.

Accumulated exchange rate difference in shareholders' equity	Group	
	2023	2022
Opening value	87,782	22,089
Exchange rate difference for the year in foreign subsidiaries, net after tax	-26,897	65,693
Total	60,885	87,782

The disclosure requirement according to Chapter 5 §14 of the Annual Accounts Act relating to specification of change in equity compared to the previous year's Balance Sheet is presented in the report on Change in Equity.

Retained Earnings incl. net income for the year

Retained earnings including net income for the year include profits earned in the Parent Company and its subsidiaries.

Restricted reserves

Restricted reserves in the Parent Company may not be reduced by the distribution of profit.

Statutory reserve

The purpose of the statutory reserve has been to save part of net profits. These are not to be used to cover an accumulated loss.

Development expenditure reserve

The amount capitalized regarding development expenditure shall be transferred from non-restricted equity to a development expenditure reserve in restricted equity. The reserve shall be reduced as and when the capitalized expenditure is amortized or written down. It is managed in a similar way to a revaluation reserve.

Non restricted equity

Retained earnings in the Parent Company, that is the previous year's retained earnings and income minus dividend paid during the year, together with net income for the year, constitute non-restricted equity, which is the amount that is available for dividend to the shareholders.

XVIVO is in an expansion phase and the company's policy is that the company's profits are best used to finance continued development and expansion of the business rather than as dividend to the shareholders.

Note 23. Earnings per share

Earnings per share	2023	2022
Consolidated net income for the year	91,820	18,427
Weighted average number of shares before dilution	29,935,147	29,525,946
Dilution effect of stock option program	-	-
Weighted average number of shares after dilution	29,935,147	29,525,946
Earnings per share before dilution, SEK	3.07	0.62
Earnings per share after dilution, SEK	3.07	0.62

Calculations have been made in accordance with IAS 33 Earnings per share. Earnings per share are based on net income for the year in the Group attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding during the year.

Stock option programs

In total, there are 121,500 outstanding stock options under two programs (warrants programs) and 66,000 outstanding stock options in one program (performance-based stock option program). Accordingly, there are a total of three programs outstanding.

The 2021 Annual General Meeting resolved to issue a maximum of 148,000 stock options (series 2021/2024) with the accompanying right to subscribe for a maximum of 148,000 new shares to employees of the XVIVO Group. Of these warrants, all 76,000 have been subscribed for by employees. The stock option program 2021/2024 gives the stock option holder the right to subscribe for a new share at SEK 489.26 during May 2024.

The 2022 Annual General Meeting resolved to issue a maximum of 130,000 stock options (series 2022/2025) with the accompanying right to subscribe for a maximum of 130,000 new shares to employees of the XVIVO Group. Of these stock options, all 45,500 have been subscribed for by employees. The stock option program 2022/2025 gives the stock option holder the right to subscribe for a new share at SEK 336.01 during May 2025.

During the period January-December 2023, both the average share price for the period and the closing share price per December 31 exceeded the strike price of the stock option programs. The 2023 Annual General Meeting resolved to issue a maximum of 72,000 stock options (series 2023/2026) with the accompanying right to subscribe for a maximum of 72,000 new shares to employees of the XVIVO Group. Of these stock options, 66,000 have been subscribed for by employees. The stock options program 2023/2026 gives the stock option holder the right, in May 2026, to convert warrants to an equal number of newly issued shares provided that certain performance targets have been met during the 3-year term of the program.

Upon maturity, the stock option program is estimated to entail a total dilution effect for existing shares of approximately 0.6 percent.

Note 24. Accrued expenses and deferred income

	Group		Parent Company	
	2023	2022	2023	2022
Vacation pay	9,836	8,266	7,133	5,294
Accrued social security contributions	6,152	5,029	3,121	2,352
Accrued special employer's contribution for pension expense	2,001	1,876	2,001	1,646
Accrued salary, pension and bonus	31,238	22,436	12,298	6,954
Board fees	2,550	1,621	2,550	1,621
Auditing	625	400	575	350
Other accrued expenses	16,537	13,022	7,271	3,486
Deferred income	3,694	3,169	2,693	1,891
Total	72,633	55,819	37,642	23,594

Note 25. Financial instruments and financial risk management

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

Capital risk

The Group's aim regarding the capital structure is to secure the Group's ability to continue operations, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down. The Group can change the dividend to shareholders, repay capital to shareholders, issue new shares, buy back its own shares or sell/buy assets with the aim of maintaining or adjusting the capital structure.

XVIVO'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 that the Group will be able to meet its financial obligations in good times and bad without significant unforeseen costs and without risking the Group's reputation. Liquidity risks are managed centrally for the entire Group by the Finance Department.

Financial policy

XVIVO has a Group policy for its financial operations, which defines financial risks and states how the company should manage these risks. Furthermore, the policy states which reports must be prepared. Under this policy, the company must always maintain liquidity corresponding to known future net cash outflows over a period of not less than three months.

Lease analysis

Maturity structure of financial liabilities:

	Within 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
12/31/2022							
Interest-bearing liabilities (leases)	5,550	3,186	1,269	-	-	-	10,005
Other non-current liabilities (non interest-bearing)	-	-	137,130	-	-	-	137,130
Accounts payable	38,469	-	-	-	-	-	38,469
Other liabilities	89,593	-	-	-	-	-	89,593
12/31/2023							
Interest-bearing liabilities (leases)	10,268	8,431	3,602	3,371	3,333	2,432	31,437
Other non-current liabilities (non interest-bearing)	-	64,415	-	-	-	-	64,415
Accounts payable	36,053	-	-	-	-	-	36,053
Other liabilities	88,167	-	-	-	-	-	88,167

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

Note 25. Financial instruments and financial risk management (cont'd.)

Credit risks

The Group's financial assets are recognized at SEK 685 million (361), of which SEK 546 million (247) is cash and cash equivalents. Historically, the Group has had low credit losses and this was also true for 2023. Risk is limited through the use of credit assessments and advance payments from new customers, as well as through close customer monitoring by the finance and marketing functions conjunctively. Furthermore, individual testing is performed of accounts receivable in terms of solvency and credit rating on the record date.

Currency risks

Currency risk is the risk of fluctuations in the value of financial instruments due to exchange rate fluctuations. This risk is related to changes in expected and contracted payment flows (transaction exposure), the revaluation of foreign subsidiaries' assets and liabilities in foreign currencies (translation exposure) and financial exposure in the form of currency risks in payment flows for loans and investments. The company is impacted by variations in exchange rates. The aim is to minimize the impact of these changes wherever practically possible.

Changes in EUR and USD have the greatest impact. External sales from the US subsidiary are entirely in USD. Inflows are matched with the subsidiary's outflows in the form of costs, which are also primarily in USD. External sales from the Dutch subsidiary are entirely in EUR. Inflows are matched with the subsidiary's outflows in the form of costs, which are also primarily in EUR. External sales from the Swedish Parent Company during 2023 was primarily in EUR, 72 percent (80). Most of the costs for the Swedish units are in SEK, but there are some costs in EUR. These outflows are matched as far as possible with inflows in EUR. In the other subsidiaries intra-Group revenues in local currency are matched with costs, which are essentially in the same local currency.

Sensitivity analysis

In order to manage interest and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's results. However, in the long term lasting changes in exchange rates and interest rates will have an impact on the consolidated results.

It has been calculated that a general increase of 5 percent in SEK against all other foreign currencies reduced the Group's operating income before tax by approximately SEK 8 million (8) for the year that ended on December 31, 2023.

Note 26. Fair value and carrying amounts of financial assets and liabilities

Group

Financial assets and liabilities amounted to SEK 685 million (361) and SEK 156 million (106), respectively. There has been no forward cover for the currency components included in the above figures. The carrying amount is an approximation of the fair value, and these items are thus not divided into levels in accordance with the measurement hierarchy.

Parent Company

Financial assets and liabilities amounted to SEK 495 million (233) and SEK 68 million (48), respectively. There has been no forward cover for the currency components included in the above figures.

Financial assets measured at amortized cost

	Group		Parent Company	
	2023	2022	2023	2022
Balance Sheet assets				
Account receivables	98,127	94,500	26,185	22,896
Other current receivables	40,586	19,897	21,302	13,993
Cash and cash equivalents	546,088	246,545	447,778	196,281
Total	684,801	360,942	495,265	233,170

Financial liabilities measured at amortized cost

	Group		Parent Company	
	2023	2022	2023	2022
Balance Sheet liabilities				
Interest-bearing liabilities (leases)	31,437	10,005	-	-
Accounts payable	36,053	38,469	19,568	18,802
Other liabilities	88,167	57,591	48,337	29,156
Total	155,657	106,065	67,905	47,958

Financial liabilities measured at fair value

	Group		Parent Company	
	2023	2022	2023	2022
Balance Sheet liabilities				
Other liabilities	64,415	170,416	64,415	170,416
Total	64,415	170,416	64,415	170,416

The Group's assets and liabilities in the Balance Sheet are measured at amortized cost except for liabilities for contingent considerations related to acquisition of businesses, which are measured at fair value. Contingent considerations are classified under Level 3 and valued at fair value with changes recognized in the Income Statement. The fair value of the Group's contingent considerations has been calculated as the present value of the amount expected to be paid under each agreement. The calculation of fair value relating to financial liabilities in level 3 affected the Income Statement by SEK 71.998 million in the year (-21.515) and was recognized in financial items. The calculation has taken place in accordance with the Accounting principles indicated in Note 1.

	Group		Parent Company	
	2023	2022	2023	2022
Closing carrying amount	170,416	150,676	170,416	150,676
Contingent consideration	-	26,224	-	26,224
Discounting of contingent consideration	751	-	751	-
Impairment of contingent consideration [1)]	-69,036	-	-69,036	-
Payment of contingent consideration	-34,003	-27,999	-34,003	-27,999
Currency remeasurement [1)]	-3,713	21,515	-3,713	21,515
Closing carrying amount	64,415	170,416	64,415	170,416

1) Recognized in net financial items

Note 26. Fair value and carrying amounts of financial assets and liabilities (Cont'd.)

XVIVO has outstanding commitments for contingent considerations relating to acquisitions of subsidiaries. The valuation of commitments attributable to contingent considerations is based on the assumption that acquired operations will meet certain sales and profit targets during a set time period. The subsidiary XVIVO Services Inc. (previously STAR Teams Inc.) was acquired in 2021. In connection with preparing the financial statements, management updated its forecast for the acquired operations based on factors such as organic growth and budgets. Contingent consideration based on sales and profit targets likely to be met totaled USD 6.88 million.

Note 27. Pledged assets for own liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Chattel mortgages	30,000	30,000	30,000	30,000
Blocked funds as collateral Bank guarantees	250	250	250	250
Total	30,250	30,250	30,250	30,250

Note 28. Appropriation of non-restricted equity

Proposed allocation of non-restricted equity

Share premium reserve	1,749,455,381
Retained earnings	-445,622,996
Net income for the year	-5,063,990
Earnings at the disposal of the AGM	1,298,768,395
To be carried forward	SEK 1,298,768,395

Note 29. Cash flow statement

	Group		Parent Company	
Interest received and paid	**2023**	**2022**	**2023**	**2022**
Interest received	8,850	2,123	16,192	5,317
Interest paid	-1,190	-605	-287	-458
Total	7,660	1,518	15,905	4,859

	Group		Parent Company	
Adjustment for non-cash items	**2023**	**2022**	**2023**	**2022**
Depreciation, amortization and impairment of assets	76,350	42,167	37,187	19,133
Inventory obsolescence	-2,220	-1,218	-360	-927
Impairment, account receivables	-122	30	-122	30
Capital gain from sales of fixed assets	1,001	416	409	-4
Changes in provisions	512	-1,237	882	-125
Impairment, contingent consideration	-72,963	-	-	-
Employee stock options	2,302	-	2,302	-
Merger	-	-	-1,461	-
Translation differences/exchange rate differences	-6,853	-12,648	-12,749	414
Total	- 1,993	27,510	26,088	18,521

Changes in liabilities attributable to financing activities	**2023**	**2022**
Lease liabilities		
Closing carrying amount	**10,005**	**5,721**
Cash items	-10,703	-7,289
Non-cash items		
- new agreements	29,827	4,462
- remeasured contracts	2,640	6,975
- disposals	-423	-146
- translation differences	91	282
Closing carrying amount	**31,437**	**10,005**

Note 30. Related party transactions

Related parties

The Parent Company is closely associated with the subsidiaries. Of the Parent Company's total revenues and purchases, SEK 131.274 million (126.080) are revenues from the subsidiaries and SEK 103.919 (110.151) purchases from the subsidiaries. Internal pricing within the Group is based on the arm's length principle, that is between parties that are independent of each other, well-informed and with a vested interest in the transactions.

Transactions with key personnel in senior positions

There were no related-party transactions during the period. Total remuneration paid is presented in the Note "Employees, personnel costs and Board fees" (see Note 7)

Note 31. Merger

On 30 October 2023, XVIVO Perfusion Lund AB was merged with the parent company XVIVO Perfusion AB. The merger had no impact on the Group, although parent company equity was affected by the merger difference of SEK -65 million.

The accounts were transferred as of October 30, 2023. Net sales and operating profit of SEK 143,000 and SEK -18,399,000 for the period before registration of the merger were included in XVIVO Perfusion AB's Income Statement. Assets and liabilities were included in the acquiring entity at Group value. Goodwill arising from the acquisition of the shares was amortized from the acquisition date, which means that it was fully amortized as of the merger date.

Company name	Corporate ID no.	Merger date
XVIVO Perfusion Lund AB	556761-1701	10/30/2023

Balance sheet XVIVO Perfusion Lund AB, (SEK 000)	10/30/2023
Intangible assets	2,626
Property, plant and equipment	577
Total non-current assets	3,203
Inventories	14,081
Accounts receivable and other receivables	911
Cash and cash equivalents	660
Total current assets	15,652
Total assets	18,855
Shareholders' Equity	1,865
Accounts payable and other liabilities	16,990
Total equity and liabilities	18,855

Note 32. Events after the record date

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

Note 33. Critical assessments and estimates

Recovery of value of development expenditure

There are no indications of further impairment requirements as of December 31, 2023. The projects that have been entered as assets can reasonably be assumed to lead to products that will generate revenues in the near future. For further information, see Note 1, Accounting Policies.

Impairment testing of Goodwill

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

Note 34. Reconciliation of alternative performance measures

For definitions of performance measures, see page 124

EBITDA

SEK 000	2023	2022
Operating profit	**4,187**	**6,409**
Amortization and impairment of intangible assets	53,098	27,871
Depreciation and impairment of Property, Plant and Equipment	23,252	14,296
EBITDA (Operating income before depreciation and amortization)	**80,537**	**48,576**

EBITDA (adjusted)

SEK 000	2023	2022
EBITDA (Operating income before depreciation and amortization)	**80,537**	**48,576**
Acquisition costs	-	8,146
Integration costs from acquisition	22,103	6,102
Incentive program for foreign employees	-	-6,372
EBITDA (adjusted)	**102,640**	**56,452**

EBIT (adjusted)

SEK 000	2023	2022
EBIT (Operating income)	**4,187**	**6,409**
Acquisition costs	-	8,146
Integration costs from acquisition	22,103	6,102
Impairment, intangible fixed assets	16,439	-
Incentive program for foreign employees	-	-6,372
EBIT (adjusted)	**42,729**	**14,285**

Gross margin

SEK 000	2023	2022
Operating income		
Net sales	597,542	415,292
Operating expenses		
Costs of goods sold	-152,431	-118,336
Gross profit	**445,111**	**296,956**
Gross margin, %	**74**	**72**
Gross margin, disposables		
Operating income		
Net sales	490,859	336,466
Operating expenses		
Costs of goods sold	-95,932	-71,585
Gross profit	**394,927**	**264,881**
Gross margin, %	**81**	**79**

Equity/assets ratio

SEK 000	231,231	221,231
Shareholders' Equity	1,945,045	1,430,136
Total assets	2,195,611	1,733,084
Equity/assets ratio, %	**89**	**83**

Certification

The Board of Directors and the CEO hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and have been drawn up in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts provide a fair representation of the Parent Company's and the Group's position and performance. The Administration Report for the Parent Company and the Group provides a true and fair overview of the development of the company's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

As indicated above, the annual accounts and the consolidated annual accounts were approved for release by the Board of Directors and the CEO on April 4, 2024. The Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income and the Consolidated Statement of Financial Position, as well as the Parent Company Income Statement and Statement of Financial Position are subject to adoption by the Annual General Meeting on April 25, 2024.

Gothenburg, Sweden, April 4, 2024

Gösta Johannesson
Chairman of the Board CEO

Christoffer Rosenblad

Göran Dellgren
Board member

Camilla Öberg
Board member

Erik Strömqvist
Board member

Lars Henriksson
Board member

Lena Höglund
Board member

Our audit report was issued on April 4, 2024

KPMG AB

Daniel Haglund
Authorized public Accountant, Auditor in charge

Auditor's report

To the general meeting of the shareholders of Xvivo Perfusion AB (publ), corp. id 556561-0424

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Xvivo Perfusion AB (publ) for the year 2023, except for the corporate governance statement on pages 70-75. The annual accounts and consolidated accounts of the company are included on pages 60-110 in this document.

In our opinion, the annual accounts have been prepared In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 70-75. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

See disclosure 2 and accounting principles on page 84 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Revenue for 2023 in the Group amounted to 597,5 MSEK. Revenue for sale of consumables and services is reported in the income statement when significant risks and benefits associated with the ownership of the goods have been transferred to the buyer, which normally occurs in connection with the loan loss. Normally revenue from machine sale is reported when the buyer accepts delivery, and installation and control have been made. Revenue can also be reported as soon as delivery has taken place but not installation, if it is stipulated in the agreement that risks and benefits with delivery have passed to the buyer.
Sales refers to revenue from sales of goods and services and invoiced freight, adjusted for returns and discounts and is reported excluding VAT. Billing takes place in connection with delivery. Revenue is reported at the fair value of what has been received or will be received for goods and services sold in the Group's ongoing operations.

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

We have reviewed a selection of contracts to analyze the relevant contractual relationships and how these have been reported, as well as the assessment of the profitability of the applied income statement. We have examined, on a selection basis, sales transactions reported before and after the year-end to assess whether correct terms have been applied to the contract and that risks and benefits have been transferred to customers.

We have checked by sampling that reported revenues are consistent with information in the delivery system. We have also verified the security of the systems and that there are controls between the systems and accounts to verify that revenue is recognized in the accounting period when delivery has taken place.

Valuation of goodwill capitalized expenditure for development

See disclosure 14 and accounting principles on page 85 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
As of 31 December 2023, the Group reported goodwill of SEK 591,4 million and capitalized development costs of SEK 598,5 million, representing 54 % of total assets. Goodwill will be subject to at least one so-called impairment test, which contains both complexity and significant elements of assessments from the management of the Group. An impairment test must be prepared for each of the cash-generating units, where goodwill and balanced expenses for development work are reported.

Goodwill refers to operations in perfadex sales and the acquired XVIVO B.V, XVIVO Services Inc and XVIVO S.r.l. Capitalized expenditures for development work mainly refers to the operations within heart transplantation, regulatory approval for XPS and STEEN Solution in the US market as well as acquired assets relating to the kidney and liver areas identified in connection with the acquisition of XVIVO BV.

In the Parent Company, shares in subsidiaries are reported at an amount of SEK 546,8 million, whose value is largely affected by the assessment of goodwill and capitalized expenses for development work carried out in the Group.

The test should be carried out according to the applicable regulations according to a certain technique where management must make future assessments of the company's internal and external conditions and plans. Examples of such assessments are future payments, which requires assumptions about future market conditions and thus indirectly about how competitors can be expected to act. Another important assumption is which discount rate should be used to take into account that future assessed payments are associated with risk and are therefore are worth less than liquid funds that are directly available to the Group.

Response in the audit
We have reviewed the company's impairment tests to assess whether they are implemented in accordance with the technology prescribed. In addition, we have assessed the fairness of future payments and the assumed discount rate by taking part in and evaluating management's written documentation and plans. We have also interviewed management and evaluated previous years' assessments in relation to actual outcomes. We have involved our own valuation specialists in the audit team to ensure experience and expertise in the field, primarily regarding assumptions related to external markets and competitors.

An important part of our work has also been to evaluate how changes in assumptions can affect the valuation, that is, performing and taking part in the Group's so-called sensitivity analysis.
We have also checked the completeness of the disclosures in the annual report and assessed whether they are consistent with the assumptions applied by the Group in its impairment test and if the information is sufficiently comprehensive to understand manage-ment's assessments.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-59. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.
In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information other-

wise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. .

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting.

The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit

findings during our audit, including any significant deficiencies in internal control that we identified. We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Xvivo Perfusion AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain

professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts.

Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Xvivo Perfusion AB (publ) for year 2023.
Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Xvivo Perfusion AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corpThe Board of Directors is responsible for that the corporate governance statement on pages 70-75 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 11908, SE-404 39 , Gothenburg, Sweden was appointed auditor of Xvivo Perfusion AB (publ) by the general meeting of the shareholders on the 25th of April 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2013.

Gothenburg, Sweden

KPMG AB

Daniel Haglund
Authorized Public Accountant, Auditor in charge

Board of Directors and Auditors

Gösta Johannesson
Chairman of the Board

Göran Dellgren

Camilla Öberg

Lena Höglund

Lars Henriksson

Erik Strömqvist

Gösta Johannesson
Chairman of the Board

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

Other assignments: Board member of Mentice AB (publ), Yubico AB, Scandinova Systems AB and others. Gösta Johannesson was previously a partner in Venture Partners, before that in leading positions in Öhman Fondkommission and Handelsbanken Markets. Gösta Johannesson is dependent on the company's major shareholders. Gösta Johannesson has been a Board member of the company since 2013.

Shareholding in XVIVO: 4,700 shares

Göran Dellgren

Born 1961. Thoracic surgeon and a leader in research and development in transplantation nationally and internationally for the past 15 years. Currently Chief Physician and Professor of thoracic surgery and transplantation at Sahlgrenska University Hospital and Gothenburg University, recently resigned as Head of Operations at the surgical clinic at Blekinge Hospital.

Other assignments: Göran Dellgren holds and has held several assignments, including as Chairman of the Swedish Association for Cardiothoracic Surgery, President of the European Society for Heart and Lung Transplantation (ESHLT), and Director of the International Society for Heart and Lung Transplantation (ISHLT). Göran Dellgren is independent in relation to the company and the company's major shareholders. Göran Dellgren has been a Board member of the company since 2022.

Shareholding in XVIVO: 0 shares

Camilla Öberg

Born 1964, MBA from the Stockholm School of Economics.

Other assignments: Board member of Instalco AB (publ). Chief Financial Officer at Yubico AB. Former CFO at Cybercom Group AB and Logica Sweden, leading positions in WM-data, Swegro Group and Lexicon. Camilla Öberg is independent in relation to the company and the company's major shareholders. Camilla Öberg has been a Board member of the company since 2016.

Shareholding in XVIVO: 1,076 shares

Lena Höglund

Born 1960, management training at The Centre for Outstanding Leadership AB, Stockholm and Management Centre Europe, Brussels. 35 years' experience from leading commercial positions with Medical technology company Elekta.

Other assignments: Board member at Bergvik Group AB and Ceditech AB and Industry Mentor for Sting - Stockholm Innovation & Growth AB. Lena Höglund is independent in relation to the company and the company's major shareholders. Lena Höglund has been a Board member of the company since 2020.

Shareholding in XVIVO: 1,300 shares

Lars Henriksson

Born 1955. DDM at Gothenburg University. Thirty years' experience from medtech companies such as Nobel Biocare, Astra Tech and and Dentsply Sirona.

Other assignments: –. Lars Henriksson is independent in relation to the company and the company's major shareholders. Lars Henriksson has been a Board member of the company since 2020.

Shareholding in XVIVO: 1,900 shares

Erik Strömqvist

Born 1970, M.Sc. (Chem. Eng.), Chalmers University of Technology. A range of senior positions in GE Healthcare Group, most recently as General Manager of Cyclotrons & TRACERcenter, GE Healthcare.

Other Board assignments: Chairman of MedTrace Pharma A/S and Board member of Atley Solutions AB and Studsvik AB (publ.). Erik Strömqvist is independent in relation to the company and major shareholders, and has been a Board member since 2023.

Shareholding in XVIVO: 0 shares

Auditors

The company's Auditor is KPMG AB. The principal auditor is Authorized Public Accountant Daniel Haglund (born 1974).

KPMG AB
Visiting Address: Vikingsgatan 3
SE-411 06 Gothenburg
Tel no. +46 31 614800

Shareholdings include the holdings of spouses, minor children and related companies.

Senior Management

Christoffer Rosenblad
CEO

Katrin Gisselfält
Global Quality Assurance &
Regulatory Affairs Director

Lena Hagman
COO

Johan Holmström
CCO

Kristoffer Nordström
CFO

Jaya Tiwari
Vice President Clinical and
Regulatory Affairs (US)

Ylva Vihöj
Global Human Resources Director

Andreas Wallinder
CMO

Christoffer Rosenblad
CEO
Born 1975. M.Sc. (Mech. Eng.) Chalmers Institute of Technology and B.Sc. (Econ.) Gothenburg School of Economics. Formerly Business Controller at Ciba Vision Nordic AB and various financial positions at LG Electronics.

Other assignments: Board member of Sedana Medical AB (publ.)

Shareholding in XVIVO: 55,623 shares and 17,500 stock options and 12,000 performance-based stock options.

Katrin Gisselfält
Global Quality Assurance & Regulatory Affairs Director
Born 1969. Ph.D., Polymer Chemistry, Chalmers University of Technology. Formerly R&D and Regulatory Affairs Director at Abigo Medical AB and before that VP R&D with responsibility for R&D, Regulatory and clinical trials at Artimplant AB.

Shareholding in XVIVO: 2,708 shares and 3,000 stock options and 6,000 performance-based stock options.

Lena Hagman
COO (Chief Operating Officer)
Born 1965. B.Sc. Chemistry and Textile Engineering, Chalmers University of Technology. Formerly Executive Vice President, Quality Compliance, Regulatory & Medical Affairs Getinge AB, and many other leading positions at Getinge Group, in quality, R&D and operations. Previously also held leading positions at Capio, Neoventa Medical AB and Mölnlycke Health Care.

Shareholding in XVIVO: 2,000 shares and 6,000 performance-based stock options.

Johan Holmström
CCO (Chief Commercial Officer)
Born 1970, M.Sc. Business Administration and Finance at University of Gothenburg. Formerly Executive VP Marketing at Permobil, before that various senior management positions in sales, marketing and business development at Lohmann & Rauscher and Mölnlycke Health Care.

Shareholding in XVIVO: 3,708 shares and 10,000 stock options and 6,000 performance-based stock options.

Kristoffer Nordström
CFO (Chief Financial Officer)
Born 1985, M.Sc. Business and Economics from University of Borås. Previously Head of Accounting and Controlling at XVIVO. 10 years of experience as Authorized Public Accountant and Senior Manager at KPMG Sweden.

Shareholding in XVIVO: 2,665 shares and 5,000 stock options and 6,000 performance-based stock options.

Jaya Tiwari
Vice President Clinical and Regulatory Affairs (US)
Born 1987. B.Sc. (Neural Science) New York University, and PICTOR (Pulmonary & Intensive Care Translational Outcomes Research) scholar at Columbia University. Formerly North American Clinical Affairs Director and Clinical Research Program Manager with XVIVO, before that Senior Research Program Manager at University of Pennsylvania and Columbia University for studies in organ perfusion, transplantation and oncology.

Shareholding in XVIVO: 0 shares and 2,500 stock options and 6,000 performance-based stock options.

Ylva Vihöj
Global Human Resources Director
Born 1970. M.Sc. (Econ.), Gothenburg School of Economics. Previously: Vice President HR & Internal Communications, TitanX, and a range of senior positions as HR consultant and interim manager over 8 years in various sectors and companies, including Mölnlycke Health Care, RO-Gruppen, Sigma ITC, Jeppesen. Previously also leading global positions in AB Volvo, Volvo Group and Volvo Cars over 19 years.

Shareholding in XVIVO: 0 shares and 6,000 performance-based stock options.

Andreas Wallinder
CMO (Chief Medical Officer)
Born 1977. Doctor of Medicine from Karolinska Institute. Board exam in Cardiothoracic surgery. PhD in Lung Transplantation at University of Gothenburg. Previously Consultant Cardiothoracic Surgeon at Sahlgrenska University Hospital and before that Cardiothoracic Surgery Fellow at Alfred Health, Melbourne.

Shareholding in XVIVO: 3,407 shares and 5,000 stock options and 6,000 performance-based stock options.

Shareholdings include the holdings of spouses, minor children and related companies.

Glossary

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

DBD	Donation after brain death.
DCD	Donation after circulatory death.
Assessment	Assessment of the function of an organ.
Ex vivo (Latin for "outside a living organism")	Biological processes in living cells and tissues when they are in an artificial environment outside the body. The opposite of in vivo.
EVLP (Ex Vivo Lung Perfusion)	Perfusion of a lung outside the body. The procedure is normally carried out to assess a lung before transplantation.
FDA or US Food and Drug Administration	The FDA is the US food and drug authority with responsibility for food, dietary supplements, drugs, cosmetics, medical equipment, radiology equipment, and blood products. FDA approval is required to market a medical device on the US market.
HDE or Humanitarian Device Exemption	A humanitarian device exemption (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 is manifested in fewer than 8,000 individuals in the United States per year. A HDE is similar in both form and content to a Premarket Approval (PMA) application but is exempt from the efficacy requirements of a PMA.
Hypothermic non-ischemic perfusion of heart	Circulation of the cooled, dormant donated heart with a supply of oxygen and necessary nutrients during transport to the recipient.
In vivo	Biological processes in living cells and tissues when they are in their natural place in intact organisms.
Machine sales	Revenues from the sale or leasing of machinery for mechanical perfusion and preservation of organs.
Clinical study/trial	A study in healthy or sick people to study the effect of a drug or treatment method.
Machine perfusion	New technology that improves preservation and assessment of organs, which means more organs can be used for transplants. In the Thoracic business area this includes XPS™, STEEN Solution™, XVIVO Heart Assist Transport™, XVIVO Heart Solution™ and XVIVO Heart Solution Supplement™ as well as other products and services related to the use of those products. In the Abdominal business area this includes Kidney Assist Transport™, Kidney Assist™ and Liver Assist™ as well as other products and services related to the use of those machines.
Medical device	Comprises devices used to diagnose a disease or treat a disease and as rehabilitation.
OPO or Organ Procurement Organization	In the United States, an organ procurement organization (OPO) is a non-profit organization responsible for the assessment and procurement of deceased-donor organs for organ transplantation. There are approximately 58 such organizations in the United States.
Perfusion	Passage of a fluid through an organ's blood vessels.

PMA or Premarket Approval	Premarket approval (PMA) is the FDA - process of scientific and regulatory review to assess the safety and efficacy of a medical device.
Preclinical study	Research performed before a drug or method of treatment is sufficiently documented to be studied in humans.
Preservation	Storage and maintenance of an organ outside the body before transplantation.
Reimbursement	Reimbursement Reimbursement is used in the health insurance system in order for healthcare providers to be reimbursed faster and more easily for accrued expenses from a private or public insurance company (in the United States, e.g. Medicare).
Static preservation	Static preservation refers to preservation methods where the organ is cooled during transport and before transplantation. In the Thoracic business area, this refers to Perfadex® Plus as well as other products and services related to the use of that product.
Xenotransplantation	Transplantation of cells, tissues or organs from one species to another.
Other sales	The Other sales product category refers to revenues relating to freight, service and training.

Definitions

Key ratios	Definition	Purpose
Gross margin non-durable goods, %	Gross profit for disposables during the period divided by net sales for disposables during the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability. Since the pricing strategy for machines differs from the pricing strategy from all other operations, the gross margin is presented separately for machines and disposables.
Gross margin, %	Gross profit for the period divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
EBITDA margin, %	EBITDA (operating income before depreciation and amortization for the period) divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Adjusted EBITDA margin,%	EBITDA (operating income before depreciation and amortization for the period) adjusted for items affecting comparability and divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability. The company also considers that adjusted EBITDA provides a more true and fair view of the company's EBITDA for the core operations.
Adjusted EBIT margin,%	EBIT (operating income for the period) adjusted for items affecting comparability, divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability. The company also considers that adjusted EBIT provides a more true and fair view of the company's EBIT for the core operations.

Key ratios	Definition	Purpose
Operating margin, %	Operating income for the period divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Net margin, %	Operating income for the period divided by net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
Equity/ assets ratio, %	Shareholders' equity divided by total assets.	The ratio indicates what percentage of total assets consists of shareholders' equity and it has been included to help provide investors with an in depth understanding of the company's capital structure.
Shareholders' equity per share, SEK	Shareholders' equity in relation to the number of shares outstanding on the balance sheet date.	The key ratio has been included to give investors an overview of how the company's equity per share has evolved.
Earnings per share, SEK	Earnings for the period in relation to the average number of outstanding shares before dilution for the period.	The key ratio has been included to give investors an overview of how the company's earnings per share have evolved.
Earnings per share after dilution, SEK	Earnings for the period in relation to the average number of outstanding shares after dilution for the period	The key ratio has been included to give investors an overview of how the company's earnings per share after dilution have evolved.

Key ratios	Definition	Purpose
Organic growth	Organic growth refers to sales growth compared to the same period the previous year, adjusted for currency translation effects and acquisitions. Acquisitions are adjusted for by excluding net sales during the current year for acquisitions made during the current or previous year where the net sales relate to the period when the acquisition did not contribute to sales in both years. Effects of acquiring a distributor (e.g. acquisition of XVIVO S.rl. in 2022) are adjusted for by omitting the distributor margin added to the Group's sales in connection with acquisition and recognizing it as acquired growth. Currency effects are calculated by recalculating the period's and previous period's sales in local currencies in SEK at the same exchange rate.	Organic growth enables comparison of net sales over time, excluding the impact of currency translation effects and acquisitions.

Extending horizons

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