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# Interim report January – June 2022

XVIVO Perfusion AB (Publ)

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# XVIVO

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# Interim report January – June 2022

## Second quarter 2022 (Apr 1 - Jun 30)

- Net sales amounted to SEK 94.3 million (59.3), corresponding to an increase of 59 percent in SEK and 44 percent in local currencies.
- All business areas delivered underlying organic growth adjusted for currency effects; Thoracic 24 percent, Abdominal 51 percent and Services 40 percent. Acquired growth amounted to 16 percent.
- Gross margin for disposables increased to 78 percent (76). Total gross margin was 72 percent (75) due to the segment mix.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 14.4 million (-1.5) corresponding to an EBITDA margin of 15 percent (-3). Adjusted operating profit before depreciation and amortization (EBITDA) amounted to SEK 11.3 million (8.4), corresponding to an adjusted EBITDA margin of 12 percent (14).
- Operating profit (EBIT) amounted to SEK 4.1 million (-9.3). Adjusted EBIT amounted to SEK 1.1 million (0.6).
- Net profit increased in the period and amounted to SEK 7.5 million (-8.9). Earnings per share amounted to SEK 0.26 (-0.31).
- Cash flow from operating activities increased to SEK -1.6 million (-13.4) and comprised payments attributable to the share based incentive program for employees abroad of SEK 5.8 million. Total cash flow amounted to SEK -36.6 million (-36.1) impacted by investments in R&D projects of SEK -30.5 million.

## Significant events during the quarter

- The first Kidney Assist Transports were delivered to US hospitals
- An IDE application for the heart preservation study in the US was submitted to the US FDA. Additional documentation being prepared
- Entered into partnership with the Cleveland Clinic for advanced analytics of perfusion data
- The number of shares and votes in XVIVO Perfusion AB (publ) increased by 63,301 following exercise of warrants under incentive program 2020/2022

## Key ratios

TSEK	January-June 2022	January-June 2021	April - June 2022	April - June 2021	Full year 2021
Net sales	186,943	117,588	94,289	59,263	258,386
Gross margin, %	71	74	72	75	73
Gross margin disposables %	78	76	78	76	76
EBIT	8,762	-6,167	4,138	-9,350	-18,498
EBIT (adjusted) <sup>1)</sup>	6,397	-1,171	1,086	585	-2,716
EBITDA	29,092	9,674	14,399	-1,533	13,759
EBITDA (adjusted) <sup>1)</sup>	26,727	14,670	11,347	8,402	29,541
Cash flow from operating activities	-10,904	-3,042	-1,557	-13,366	-12,059
Earnings per share, SEK	0.42	-0.10	0.26	-0.31	0.28
Changes in net sales					
Organic growth in local currency, %	30	38	28	81	27
Acquired growth, %	15	30	16	34	22
Currency effect, %	14	-15	15	-21	-5
Total growth, %	59	53	59	95	44

<sup>1)</sup> Adjusted for effect from cost provision attributable to cash-based incentive program for employees outside of Sweden and integration costs. Net adjustment totals SEK -3.1 (9.9) million for the quarter. Net adjustment for the period totals SEK -2.4 (5.0) million.

## The period 2022 (Jan 1 - Jun 30)

- Net sales amounted to SEK 186.9 million (117.6), corresponding to an increase of 59 percent in SEK and 45 percent in local currencies.
- All business areas delivered underlying organic growth adjusted for currency effects; Thoracic 29 percent, Abdominal 53 percent and Services 46 percent. Acquired growth amounted to 15 percent.
- Gross margin for disposables increased to 78 percent (76). Total gross margin was 71 percent (74) due to the segment mix.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 29.1 million (9.7) corresponding to an EBITDA margin of 16 percent (8). Adjusted operating profit before depreciation and amortization (EBITDA) amounted to SEK 26.7 million (14.7), corresponding to an adjusted EBITDA margin of 14 percent (12).
- Operating profit (EBIT) amounted to SEK 8.8 million (-6.2). Adjusted EBIT amounted to SEK 6.4 million (-1.2).
- Net profit increased and totaled SEK 12.3 million (-2.9). Earnings per share amounted to SEK 0.42 (-0.10).
- Cash flow from operating activities was SEK -10.9 million (-3.0). Total cash flow amounted to SEK -100.2 million (-46.3), and included a final additional purchase consideration payment relating to the acquisition of Organ Assist (XVIVO B.V.) of SEK -21 million and investments in R&D projects of SEK -57.5 million.

## Significant events in the reporting period

- XVIVO's heart technology used in the world's first ever successful heart xenotransplantation (pig to human)
- Kidney Assist Transport receives 510(k) clearance by US FDA
- XVIVO obtains its first certificate under EU Medical Device Regulation (MDR) for Kidney Assist Transport
- XVIVO gains regulatory approval in China for PERFADEX® Plus

# Strong sales growth and increased gross margins

Once again XVIVO delivered a quarter with good sales growth across all business areas. Sales in the second quarter amounted to SEK 94 million (59), equivalent to growth of 59 percent. Organic growth amounted to 28 percent adjusted for currency effects. During the quarter, we had a significant breakthrough in the US with two leading hospitals in the US purchasing our Kidney Assist Transport, an important breakthrough in the world's largest market for kidney transplants.



Dag Andersson, CEO

The business area **Thoracic** remained strong in the second quarter. Sales amounted to SEK 69 million (50), equivalent to growth of 38 percent. Despite a continued cautious recovery of lung transplantation activity globally, we were pleased to see a growing momentum for machine perfusion (EVLV). Sales of disposables for EVLP increased by 32 percent year-on-year and an additional two XPS machines were sold in the quarter.

The business area **Abdominal** doubled sales of disposables compared to the equivalent period in the previous year, which was driven by strong sales in liver transplants in Europe. Total sales amounted to SEK 15 million (9), equivalent to growth of 57 percent. The launch of Kidney Assist Transport in the US has started and we are experiencing a significant interest amongst kidney clinics. We have a concept and structure in Europe which has enabled us to become market leader within liver transplantations in Europe and I am excited to start the same journey in the US with kidney transplants.

The business area **Services** contributed to sales of SEK 11 million (-) in the second quarter. The business area growth was 40 percent. Service models have the potential of significantly accelerating the global transplantation activity and we will continue to drive this development forward in both North America and Europe.

Given the current inflationary climate and the uncertainty currently within the world, I am convinced that a profitable core business is key, now more than ever. Hence, it is pleasing that we continue to generate solid gross margins in disposables. Thoracic's margins increased to 82 percent (80) and Abdominal's margins increased to 56 percent (50), which were driven by the price increases incorporated across all markets together with focus on production profitability. We are experiencing cost increases to some extent, but my assessment is that XVIVO will continue to be able to handle these. We hold unique products, where the clinical relevance, amongst other things, contributes to cost reimbursements for the hospitals within our key markets.

Adjusted EBITDA was 12 percent (14) in the quarter. Sales and marketing activities were intense and the costs increased due to four large transplantation conferences coinciding in the same quarter. We also continued to invest in market activities and the organization in the US, in order to secure our expansion. In the quarter, we also welcomed our first employee in Brazil - a very interesting future market for us.

In the quarter, there was high activity in our clinical studies. Over half of the 202 patients in the European heart preservation study have had their transplant and eleven clinics are now active. In the investigator initiated study in Australia/New Zealand, they have progressed slightly further in terms of the inclusion rate.

The IDE application (Investigational Device Exemption) for our heart technology, which was submitted to the US FDA in April, was returned by the authority in June requesting further documentation. This is common practice, specifically when the ambition is to receive a PMA approval (Pre Market Approval), and work is currently underway to provide additional documentation. In parallel with this, recruitment for the study team and dialog with several thoracic clinics in the US is underway. There is significant interest in participating in the study.

We are leaving an eventful quarter behind us and focus on what is ahead of us. Towards the end of the summer, XVIVO's management and Board of Directors are reviewing the strategy for the next years. This and other interesting topics will be discussed during our digital capital market day on September 21. Look out for the invitation towards the end of the summer!

Dag Andersson, CEO

"I am convinced that a profitable core business will be key going forward, now more than ever"

# This is XVIVO

Founded in 1998, XVIVO is the only medical technology company dedicated to extending the life of all major organs - so transplant teams around the world can save more lives. Our solutions allow leading clinicians and researchers to push the boundaries of transplantation medicine. XVIVO is headquartered in Gothenburg, Sweden, and has offices and research sites on two continents. The company is listed on Nasdaq.

## Vision

Nobody should die waiting for a new organ.

## Purpose

We believe in an extended life of organs.

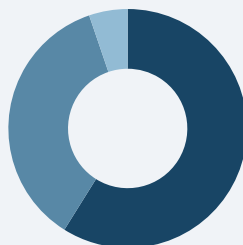
## Target

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

# >160,000

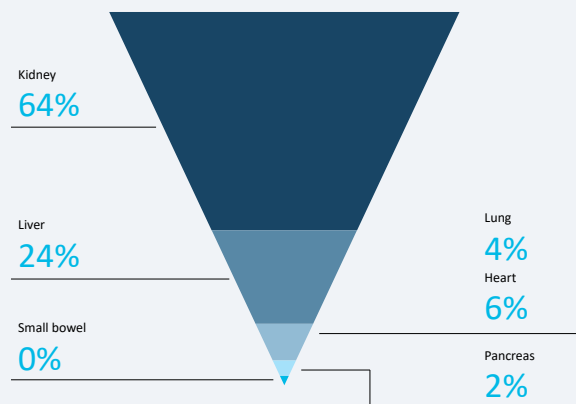
Organs transplanted per year, representing ~10% of the need\*

\*WHO estimate



NET SALES PER REGION (Q2)

- Americas (59%)
- EMEA (36%)
- APAC (5%)



## Strategic drivers

### CUSTOMER-DRIVEN INNOVATION

To develop XVIVO commercially, we will bring innovation and progress even closer to our customers. Our established relationships with clinics, scientists and opinion formers are an important asset in this context.

### HIGH-PERFORMING ORGANIZATION

XVIVO has developed its leading research and development competences and capacity over many years. The next phase consists of building a more efficient organization to ensure the successful commercialization of our entire product portfolio.

### COMMERCIAL POTENTIAL

XVIVO's commercial ability will be developed. Our active pricing strategy will be driven by clinical relevance, and we will expand into new geographical markets.

### OPERATIONAL STRENGTH

Our commercial potential is closely associated with our operational strength. A clearer operational focus will improve cost efficiency and delivery reliability.

# Compilation of Net Sales and EBITDA

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
Net Sales Thoracic	136,962	96,288	68,861	49,870	198,628
Net Sales Abdominal	29,827	21,300	14,761	9,393	53,708
Net Sales Services	20,154	-	10,667	-	6,050
<b>Net Sales Total</b>	<b>186,943</b>	<b>117,588</b>	<b>94,289</b>	<b>59,263</b>	<b>258,386</b>
Gross income Thoracic	105,585	76,187	53,426	39,355	157,096
Gross margin Thoracic, %	77%	79%	78%	79%	79%
Gross income Abdominal	16,487	11,144	8,189	4,899	27,982
Gross margin Abdominal, %	55%	52%	55%	52%	52%
Gross income Services	10,656	-	5,891	-	3,201
Gross margin Services, %	53%	-	55%	-	53%
<b>Gross income Total</b>	<b>132,728</b>	<b>87,331</b>	<b>67,506</b>	<b>44,254</b>	<b>188,279</b>
<b>Gross margin Total, %</b>	<b>71%</b>	<b>74%</b>	<b>72%</b>	<b>75%</b>	<b>73%</b>
Selling expenses	-67,293	-38,712	-37,774	-22,975	-97,216
Administrative expenses	-29,179	-25,543	-14,779	-14,856	-55,687
Research and development expenses	-28,733	-28,135	-12,075	-14,988	-54,039
Other operating revenues and expenses	1,239	-1,108	1,260	-785	165
<b>Operating Income</b>	<b>8,762</b>	<b>-6,167</b>	<b>4,138</b>	<b>-9,350</b>	<b>-18,498</b>
Amortization and depreciation cost of goods sold	363	169	178	90	922
Depreciation administrative expenses	1,675	1,646	798	266	3,328
Amortization of research and development expenses	15,281	11,561	7,672	5,627	23,085
Depreciation other operative expenses	3,011	2,465	1,613	1,834	4,922
<b>EBITDA (Operating income before depreciation and amortization)</b>	<b>29,092</b>	<b>9,674</b>	<b>14,399</b>	<b>-1,533</b>	<b>13,759</b>
EBITDA, %	16%	8%	15%	-3%	5%
<b>EBITDA (adjusted) 1)</b>	<b>26,727</b>	<b>14,670</b>	<b>11,347</b>	<b>8,402</b>	<b>29,541</b>
EBITDA (adjusted), %	14%	12%	12%	14%	11%

1) Adjusted for effect from cost provision attributable to cash-based incentive program for employees outside of Sweden and integration costs. Net adjustment totals SEK -3.1 (9.9) million for the quarter. Net adjustment for the period totals SEK -2.4 (5.0) million.

## New segment reporting 2022

From January 1, 2022 new segment reporting was introduced to better reflect the company's operative business segments which are a result of the business acquisitions in the last two years. The new segments are Thoracic, Abdominal and Services and correspond with the Group's business areas. Furthermore, names are changed as follows; the new name for durable goods is "machines" and the new name for non-durable goods is "disposables". For further information about segments, see Note 4

# Summary

## The quarter April - June 2022

### Net sales and income

XVIVO returned a strong first quarter with an equally strong second quarter. Sales in the quarter amounted to SEK 94.3 million (59.3), equivalent to growth of 59 percent year-on-year. The organic growth was 28 percent, acquired growth was 16 percent and the remaining 15 percent constituted currency effects.

All business areas delivered underlying organic growth adjusted for currency effects; Thoracic 24 percent, Abdominal 51 percent and Services 40 percent. For a description of the development within each business area, see page 10-11.

We are pleased to see that gross margin for disposables in Thoracic and Abdominal once again strengthened compared with the corresponding quarter in the previous year. Thoracic margin totaled 82 percent (79) and Abdominal totaled 56 percent (50), driven by the price increases implemented across all markets in the fourth quarter 2021 (US) and in the first quarter 2022 (Europe).

Total gross margin was 72 percent (75) in the quarter. The decline was primarily due to increased XPS sales in Thoracic and the addition of the Services business area compared to the previous year. For comments regarding margins in each business area, see pages 10-11.

Operating profit before depreciation and amortization (EBITDA) amounted to SEK 14.4 million (-1.5) corresponding to an EBITDA margin of 15 percent (-3). EBITDA was positively affected by the reversal of a provision for a cash-based incentive program for employees outside Sweden of SEK 4.5 million and was reduced by integration costs of SEK -1.4 million. Adjusting for these items totaling SEK 3.1 million (-9.9), EBITDA amounted to SEK 11.3 million (8.4), corresponding to an adjusted EBITDA margin of 12 percent (14).

Operating profit (EBIT) amounted to SEK 4.1 million (-9.5). EBIT adjusted for the aforementioned items amounted to SEK 1.1 million (0.6).

The second quarter delivered a significant increase in sales activities. All four major transplantation conferences were condensed in the second quarter which resulted in increased expenses. Furthermore, XVIVO continued to invest in the market and the organization to prepare for the upcoming expansion. Selling expenses in relation to sales amounted to 40 percent (39) for the quarter. R&D expenses amounted to 13 percent (25) of sales. The decrease is primarily due to several of the company's resources this year being tied up in capitalized development projects compared to the equivalent quarter in the previous year. Administrative expenses amounted to 16 percent (25) of sales.

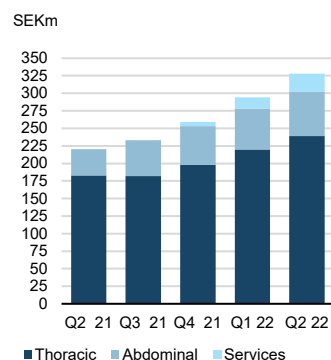
### Capitalization and amortization

During the quarter, SEK 30.5 million (19.2) of development expenses were capitalized as intangible assets. Development expenses essentially relate to R&D expenses with the aim of obtaining regulatory approvals in the US and Europe. Amortization of capitalized development expenditures amounted to SEK 6.5 million (4.9) in the quarter.

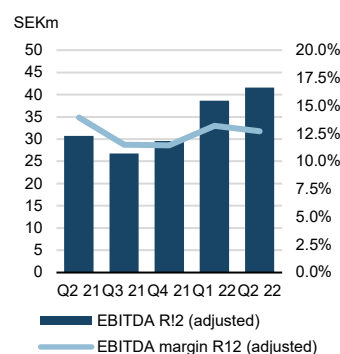
### Cash flow

Cash flow from operating activities increased by SEK 7.8 million compared to the first quarter of the year and totaled SEK -1.6 million (-13.4). This is after the cash based incentive program payment of SEK 5.8 million for employees abroad was recognized in the quarter. Cash flow from investing activities amounted to SEK -34.5 million (-22.8), of which SEK -30.9 million (-20.3) was invested in intangible assets and SEK -4.1 million (-2.5) was invested in tangible assets. Cash flow from financing activities amounted to net SEK -0.6 million (0.1). Cash and cash equivalents at the end of the quarter amounted to SEK 317.9 million (311.4).

Net Sales per business area (R12)



EBITDA och EBITDA-margin (adjusted, R12)



## Significant events during the quarter

### The first Kidney Assist Transport devices were delivered to leading US hospitals

The launch of Kidney Assist Transport in the US started in the second quarter with Northwestern in Illinois and the Mayo Clinic in Florida being the first clinics to receive the technology. During the quarter, Kidney Assist Transport was presented at key industry conferences in both the US and Europe and the interest from clinics and surgical teams has been significant.

The transport prior to an organ transplant is a critical stage of the process. Donors and organ recipients are rarely at the same hospital, and therefore organs need to be transported in a safe and reliable manner. An article, in the scientific journal *The Lancet*, suggests that hypothermic machine perfusion with oxygen using Kidney Assist Transport can reduce severe complications, additional diagnostic procedures and hospital readmissions.<sup>1</sup>

<sup>1</sup> [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)52411-9/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)52411-9/fulltext)

### An IDE application for the heart preservation study in the US was submitted to the US FDA

In the quarter, XVIVO filed an Investigational Device Exemption (IDE) application to the US Food & Drug Administration (FDA). The application seeks the approval of conducting the clinical study: "PRESERVE Clinical Trial: A Prospective, Multi-center, Single-Arm, Open-Label Study of Hearts Transplanted after Non-Ischemic Heart PRESERVation from Extended Donors" with XVIVO's heart technology for machine perfusion.

An IDE allows the technology to be investigated to be used in a clinical study in order to collect safety and effectiveness data. XVIVO will use the collected data as support in the Pre-Market Approval (PMA) application. In June, the FDA responded to the application and XVIVO is currently in the process of submitting additional documentation in accordance with the FDA's responses.

### Entered into partnership with the Cleveland Clinic for advanced analytics of perfusion data.

XVIVO and the Cleveland Clinic in the US have entered into a partnership in advanced analytics, XPS Live, using lung perfusion data from XVIVO's XPS machines. Extracted data from lung perfusion procedures will be analyzed as aggregated data to provide significant insight into, for example, so called marginal lungs where the uncertainty regarding the quality of these organs is high. The long-term goal for XPS Live is to create a data-driven model including data from all XPS machines globally.

### 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 63,301 shares and votes in June 2022 as a result of the utilization of warrants under the company's incentive scheme 2020/2022. As of 30 June 2022, there were a total of 29,561,967 shares and votes in the company.

## The period January - June 2022

### Net sales and income

Sales in the period amounted to SEK 186.9 million (117.6), equivalent to growth of 59 percent year-on-year. The increase constituted organic growth of 30 percent, acquired growth of 15 percent and the remaining 14 percent related to currency effects.

All business areas delivered underlying organic growth adjusted for currency effects; Thoracic 29 percent, Abdominal 33 percent and Services 46 percent. The growth in Thoracic and Abdominal was primarily due to increased sales volumes and price increases. In Services, the growth relates to additional customer contracts compared to the equivalent period in the previous year.

Gross margin for disposables in Thoracic and Abdominal increased year-on-year, Thoracic margin totaled 83 percent (79) and Abdominal totaled 55 percent (50), driven by the price increases implemented across all markets in the fourth quarter 2021 (US) and in the first quarter 2022 (Europe).

Total gross margin was 71 percent (74) in the period. The reduction was due to an increased proportion of machine sales in Thoracic and Abdominal combined with the addition of the Service business area compared to the previous period. For comments regarding margins in each business area, see pages 10-11.

Operating profit before depreciation and amortization (EBITDA) amounted to SEK 29.1 million (9.7) corresponding to an EBITDA margin of 16 percent (8). EBITDA was positively affected by the reversal of a provision for cash-based incentive programs for employees outside Sweden of SEK 6.1 million and was reduced by integration costs of SEK -3.8 million. Adjusting for these items totaling SEK 2.4 million (-5.0), EBITDA amounted to SEK 26.7 million (14.7), corresponding to an adjusted EBITDA margin of 14 percent (12).

Operating profit (EBIT) amounted to SEK 8.8 million (-6.2). EBIT adjusted for the aforementioned items amounted to SEK 6.4 million (-1.2).

Selling expenses as a proportion of sales amounted to 36 percent (33) in the period. The increased selling costs in the period were due to a recovery in the sales activity as a result of the pandemic curtailing and investments in the sales organization. R&D expenses amounted to 15 percent (24) of sales. The decrease was primarily due to a larger proportion of the expenses being capitalized in development projects year-on-year. Administrative expenses amounted to 16 percent (22) of sales.

### Capitalization and amortization

During the period, SEK 57.5 million (35.2) of development expenses were capitalized as intangible assets. Development expenses essentially relate to R&D expenses with the aim of obtaining regulatory approvals in the US and Europe. Amortization of capitalized development expenditures amounted to SEK 13.1 million (10.1) in the period.

### Cash flow

Cash flow from operating activities was SEK -10.9 million (-3.0) in the period. The negative cash flow was primarily a result of disbursement of employee related liabilities and increased capital tied up in operating receivables. A number of major customer payments are expected at the start of the third quarter. Cash flow from investment activities amounted to SEK -86.8 million (-42.3), of which SEK -21.0 million related to the final additional purchase consideration payment in relation to the acquisition of Organ Assist (XVIVO B.V.). Furthermore, SEK -58.3 million (-37.1) was invested in intangible assets and SEK -8.0 million (-5.2) was invested in tangible assets. Cash flow from financing activities amounted to net SEK -2.4 million (-0.9). Cash and cash equivalents at the end of the period amounted to SEK 317.9 million (311.4).

### Financing

XVIVO's operations shall be conducted with a sustainable and efficient capital structure. The company's equity/assets ratio is strong and amounted to 85 percent (88) at the end of the period. The company's total credit facility consists of an overdraft facility, which amounted to SEK 30 million (30) at the end of the period, of which SEK 0.0 million (0.0) was utilized.

Net sales

**SEK 187  
million**

Gross margin

**71 %**

Adjusted EBITDA

**14 %**



## Significant events in the reporting period

### XVIVO's heart technology was used in the world's first ever successful heart xenotransplantation (pig to human)

On January 7, 2022, the world's first ever successful pig to human heart transplant took place, a groundbreaking milestone in the field of organ transplants. A team at the University of Maryland School of Medicine, USA, performed the procedure. After retrieval, the pig heart was preserved using XVIVO's heart perfusion device and patent protected solution until transplanted. The patient was a 57-year-old terminally ill man and he lived for two months with the transplanted pig heart.

One of the biggest challenges in transplantation is the lack of organs. Xenotransplantation, transplantation between species, presents a potential solution to the critical organ shortage. Groundbreaking research using XVIVO's heart preservation technology has achieved long-term survival after xenotransplants of hearts from genetically modified pigs to primates in recent years. Based on this extensive research, the first ever transplant of a heart from a genetically modified pig to a human has now taken place.

### XVIVO's Kidney Assist Transport receives 510(k) clearance by US FDA.

US Food & Drug Administration (FDA) has granted clearance for Kidney Assist Transport - a transportable organ perfusion system for kidneys with unique technology that allows for continuous oxygenated perfusion for up to 24 hours.

Today the US is the largest market with approximately 18,700 kidney transplants from deceased donors in 2021, and there are currently more than 90,000 patients on the waiting list for a new kidney. The need for organs available for transplantation far exceeds the supply.

### XVIVO obtains its first certificate under EU Medical Device Regulation (MDR) for Kidney Assist Transport

In the first quarter, an important milestone was reached when XVIVO B.V received the EU MDR certification for Kidney Assist Transport. This signifies that XVIVO B.V.'s quality management system, and the corresponding abdominal perfusion product, meet the requirement of the new EU Medical Device Regulation (MDR). The new Medical Device Regulation (MDR) came into force 2017 and is applicable since May 26, 2021.

### XVIVO gains regulatory approval in China for PERFADEX® Plus

XVIVO Perfusion AB has gained regulatory approval in China from NMPA (National Medical Products Administration) for the company's 'ready-to-use' product PERFADEX Plus. China is the second largest transplant market in the world. It is also currently the fastest growing lung transplant market with an average annual growth rate of 28 percent during the six-year period 2015-2020. In 2020, 513 lung transplants were performed. Due to the increased need, the number of clinics authorized to perform lung transplants has grown from 20 in 2016 to 50 in 2021.

# Business area development

XVIVO's operations are conducted in three business areas: Thoracic (lung and heart transplantation), Abdominal (liver and kidney transplantation) and Services (Organ recovery). Within each business area commercial and R&D activities take place.

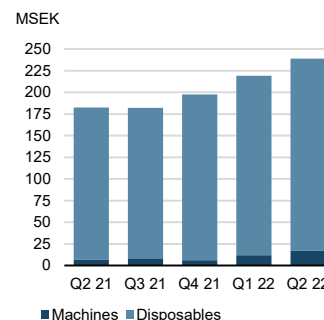
## Thoracic

The Thoracic business area consists of XVIVO's lung and heart transplantation business. In lung transplantation, the company's product Perfadex® Plus has a market share of approximately 90 percent in traditional static preservation of lungs. The company's products for warm perfusion, XPS™ and STEEN Solution™, have market approval in all major markets and in 2019, they were the first products to receive FDA approval for warm perfusion of marginal lungs. In heart transplantation, XVIVO's products are in a clinical study phase. Some sales take place in heart transplantation – mainly in pre-clinical xenotransplantation.

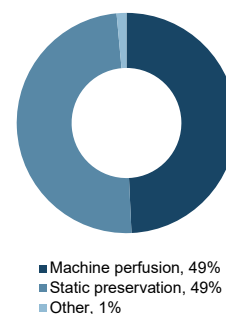
### Summary

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021
Net sales	136,962	96,288	68,861	49,870
Disposables	122,648	92,808	63,230	49,045
Machines	14,314	3,480	5,631	825
Gross margin, %	77	79	78	79
Disposables	83	79	82	79
Machines	25	43	24	82

Net sales Thoracic (R12)



Net sales per product category Thoracic (Q2)



### The quarter April - June 2022

Thoracic once again delivered a strong quarter. Sales amounted to SEK 68.9 million (49.9) – equivalent to growth of 38 percent year-on-year. The increase is equivalent to organic growth of 24 percent adjusted for currency effects.

The momentum we experienced in EVLP in the first quarter was further strengthened in the second quarter. Sales of disposables for EVLP increased by 32 percent year-on-year and an additional two XPS machines were sold - this time to transplant clinics in Toulouse and Prague.

The number of lung transplants performed, for example in the United States, still does not show any growth but is in line with 2019 – the year before the pandemic.

Machine perfusion accounted for 49 percent (40) of net sales which was due to increased EVLP activity. Static preservation and other sales accounted for the remainder of net sales.

Gross margin for disposables increased to 82 percent (79). The margin improvement compared to the previous quarter is primarily due to the price increases carried out.

### The period January - June 2022

Net sales increased in the period compared to the corresponding period in the previous year and amounted to SEK 137.0 million (96.3). The increase is equivalent to organic growth of 29 percent adjusted for currency effects.

Net sales of disposables increased by 32 percent in the period, amounting to SEK 122.6 million (92.8). Organic growth amounted to 20% in local currencies.

In total, five XPS machines were sold in 2022 which was a new record for a six month period - two in the US and three in Europe. The demand is estimated to continue in the second half of 2022. A XVIVO Heart Device was also sold to the xeno research operations in the US.

Machine perfusion accounted for 48 percent (41) of net sales. Static preservation and other sales accounted for the remainder of net sales.

Gross margin for disposables increased to 83 percent (79). The margin improvement compared to the previous period is primarily due to the price increases carried out.

## Abdominal

The Abdominal business area consists of XVIVO's operations in liver and kidney transplantation. XVIVO offers machine perfusion products for both organs. The products in liver and kidney transplants are primarily sold in selective markets in Europe, but also in other smaller markets. During the second quarter 2022, Kidney Assist Transport was launched in the US - XVIVO's first abdominal product, receiving clearance for clinical sales, in the US - the world's largest kidney market.

### Summary

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021
Net sales	29,827	21,300	14,761	9,393
Disposables	25,314	18,312	14,552	7,214
Machines	4,513	2,988	209	2,179
Gross margin, %	55	52	55	52
Disposables	55	50	56	50
Machines	59	60	8	60

### The quarter April - June 2022

Abdominal delivers its strongest quarter to date. Sales amounted to SEK 14.8 million (9.4) which is equivalent to an increase of 57 percent year-on-year. Organic growth was 51 percent adjusted for currency effects. The revenue was primarily generated in Europe and approximately 70 percent related to liver perfusion. The proportion of revenue driven from kidney perfusion is expected to grow as the launch of Kidney Assist Transport progresses. Machines sales totaled SEK 0.2 million (2.2) in the quarter due to the business model for the machine installations in the quarter do not generate revenue for the machines but only for disposables for future use.

Gross margin for disposables significantly increased to 56 percent (50), primarily driven by price increases in liver transplant products.

### The period January - June 2022

Sales in the period amounted to SEK 29.8 million (21.5), equivalent to growth of 40 percent year-on-year. Organic growth amounted to 34 percent in local currencies. Machines sales totaled SEK 4.5 million (3.0) in the period.

Gross margin for disposables increased to 55 percent (50), primarily driven by price increases in liver transplant products.

## Services

The Services business area comprises STAR Teams' operations within organ recovery in thoracic. Organ recovery means the removal of organs from the donor body, preservation of organs in cold fluid during transport and logistics and coordination ahead of and during organ recovery. STAR Teams are pioneers on the US market and provide 10-15 US thoracic clinics with their services. The company was acquired on 9 November 2021, whereby comparative figures are missing from the Group's accounts.

### Summary

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021
Net sales	20,154	-	10,667	-
Gross margin, %	53	-	55	-

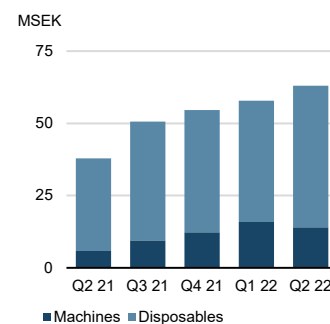
### The quarter April - June 2022

STAR Team's sales experienced organic growth of 40 percent year-on-year which primarily was driven by an increased customer base of Thoracic clinics. Gross margin was 55 percent and is expected to increase further in line with new customers which will increase revenue and generate economies of scale.

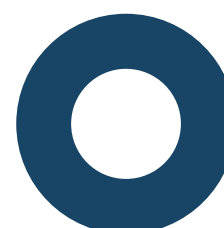
### The period January - June 2022

STAR Teams increased the number of organ recoveries by 38 percent year-on-year and sales growth amounted to 46 percent.

### Net sales Abdominal (R12)



### Net sales per product category, Abdominal (Q2)







■ Machine perfusion, 100%  
■ Static preservation, 0%  
■ Other, 0%

### Recovery cases Q2


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# R&D Portfolio

## Development projects

Project	Description	Status
<b>Heart transplantation</b> 	<p>The primary restriction on the number of heart transplants possible today comes from the number of available, usable donated organs based on current technology, coupled with the period when a donated heart can survive outside the body. In collaboration with Professor Stig Steen, XVIVO has developed a comprehensive solution consisting of fluids and machinery that preserve the function of the donated heart during transport, which contributes to improved outcomes after heart transplantation as well as enabling longer transports. In the ongoing clinical trials, the results from the transplants of donated hearts transported by XVIVO's method are evaluated and compared to the conventional ice-box method.</p>	<p>XVIVO has a program of clinical multicentre studies. These will form the basis for the application for regulatory approval for the products on all major global markets. In Europe, eleven clinics now actively include patients in XVIVO's study. Four more clinics are in the start-up phase. All clinics have been trained and prepared. The initial experiences reported by the users of the technology have been positive. A multicentre study is in the planning phase in the US. The company has submitted an IDE application and currently has a close collaboration with FDA. In addition to the studies conducted by XVIVO, researcher-initiated clinical studies with XVIVO's technology are ongoing in Lund and Australia. The latter reported successful transplants after transport times of donated hearts of longer than 8 hours using XVIVO's technology. An additional number of pre-clinical initiatives are ongoing or have been suggested by leading researchers within heart transplantation.</p>
<b>Kidney transplantation</b> 	<p>As for other organs, there is a shortage of transplantable kidneys. Studies have demonstrated that transport of kidneys with ongoing perfusion improves post-transplant outcomes.</p>	<p>An international study published in The Lancet in 2020 illustrates the advantages for the recipient when kidney is transported perfused with an oxygenated solution. This is the technology unique to XVIVO and which is currently being launched in the US. The kidney technology has with this step entered into a more mature phase. The combination of new perfusion technology and solutions will be the focus of future research in the field of organ.</p>
<b>Liver transplantation</b> 	<p>Like for other organs, there is a shortage of transplantable livers. By preserving and evaluating the function of donated liver optimally, more organs with good function potentially become available for transplant. Studies show that oxygenated perfusion of liver before transplantation reduces the risk of serious complications in many cases.</p>	<p>The study results of using XVIVO's technology was published in the New England Journal of Medicine in 2021 and demonstrate significant benefits of oxygenated machine perfusion of liver prior to transplantation in post-cardiac donation (DCD). Further investigator-driven studies using XVIVO's technology are ongoing and the suitability of the technology in different clinical environments are being investigated. The combination of new perfusion technology and optimized solutions will be the focus of future research in the field.</p>
<b>PrimECC®</b> 	<p>PrimECC® is a fluid developed in collaboration with Professor Stig Steen intended for use in heart-lung machines. Before connecting the heart-lung machine to a patient, it must be filled with fluid, usually simple saline solutions. In 2016 and 2017, a randomized clinical trial on 80 patients indicated reduced side effects related to the use of cardiac lung machine when using PrimECC®.</p>	<p>XVIVO has patents for PrimECC® in the key markets USA, EU, China, and Japan. Several hundred thousand heart surgeries are performed each year, which means considerable sales potential if good clinical results can be demonstrated. The company is awaiting product launch until the results from the ongoing study in Sweden, Denmark and Germany are available. Planning is underway to add additional centers in Germany and Norway.</p>

## Research projects

Project	Description	Status
<b>Xeno-transplantation</b> 	<p>Xeno-transplantation involves the use of non-human organs in transplantation. The method is currently at the research stage for several organs.</p>	<p>The first successful transplantation to human was performed in January 2022, attracting significant media attention. XVIVO will continue to support groundbreaking research in the area and our technology for preserving heart function is currently used by two world-leading research teams within Xeno-transplantation.</p>



# Other information

## Sustainability

Everyone who works at XVIVO is dedicated to our vision that "nobody should die waiting for a new organ" and we are proud that our innovations help give patients the opportunity to live longer and better lives. For more than two decades we have focused on developing, manufacturing and marketing technology that contributes to making more donated organs available for transplant.

XVIVO's Code of Conduct is our primary sustainability policy. This includes guidelines for business principles, human rights and working principles. For more detailed information relating to our sustainability work, see the Company's Annual Report for 2021, where our key policies are available, at [www.xvivogroup.com](http://www.xvivogroup.com).

## Organization and staff

XVIVO employs 115 people, of which 52 are women and 63 men. Of these, 45 people are employed in Sweden and 70 outside Sweden. The head office is located in Gothenburg, Sweden and our subsidiaries are located in Lund, Sweden, Denver and Philadelphia, USA and Groningen, The Netherlands XVIVO also has employees based in several other countries in Europe, China, Australia and Brazil.

## Related party transactions

During 2022, the CEO invoiced the company SEK 175,000 for the letting of his flat to one of the Group's employees. The rental agreement, which is based on current market terms, is expected to end in the third quarter.

## Risk management

XVIVO works continuously to identify, evaluate, and manage risks in different systems and processes. Risk analyses are carried out continuously regarding normal operations and in connection with activities that are outside XVIVO's regular quality system.

The market risks that are deemed to have a particular impact on XVIVO's future progress are linked to the availability of financial and medical resources in clinics around the world. Operational risks are risks that limit or prevent XVIVO from developing, manufacturing and selling qualitative, efficient and safe products. The number of organ transplants is marginally affected by seasonal effects. Mainly in new treatment methods such as hot perfusion of lungs, slightly less activity occurs during the summer months due to the fact that training and learning are allowed to stand back during the summer holidays. Legal and regulatory risks may arise from changes in legislation or policy decisions that may affect the Group's ability to conduct or develop the business. Financial risks include exchange rate risks.

The crucial strategic risks and operative risks for the Group is to be found in the Administration report as part of the Annual report for 2021, which is available at [www.xvivogroup.com](http://www.xvivogroup.com).

## Outlook

The uncertainty within the world has worsened slightly during the second quarter of the year. The geopolitical situation remains tense. XVIVO currently has very limited sales exposure to Eastern Europe and the procurement chain is not exposed to these markets. All XVIVO's manufacturing takes place either in Western Europe or the US. Accordingly, we currently do not assess that the war in Ukraine is having any direct negative impact on the Company's operations.

The extent to which the Covid19 pandemic will affect XVIVO's sales and clinical trials in 2022 remains largely dependent on whether the intensive care operations in our main markets in the US and Europe are affected. There is a clear ambition to sharply increase the number of transplants in markets such as the US, and therefore we assess that transplantation activity will be prioritized. Transplantation is a life-saving treatment with long waiting lists. Accordingly, XVIVO assesses that the number of transplants, and thereby demand for XVIVO's products will continue to increase.

Commercially, XVIVO has a positive outlook for the second half of 2022. We assess an increased interest in our perfusion technologies across all organ areas. The primary focus is to continue to expand the installed base of the perfusion machines across all organs, and to continue the roll-out the launch of Kidney Assist Transport in the US.

For the remainder of 2022, XVIVO will focus sharply on clinical studies and product development in all major organ areas. Within heart transplantations, the goal is to continue to accelerate inclusion of patients in the clinical multi studies in Europe and Australia, which forms the basis of the regulatory applications and commercialization in the first quarter of 2024. For the heart study in the US, additional application documentation is currently being prepared as requested by FDA in their feedback. In parallel with this, recruitment for the study team and dialog with thoracic clinics in the US is underway. There is significant interest in participating in the study. For Liver Assist, the goal is, as a first step, to investigate the regulatory route forward in the US. The PrimECC® study is expected to accelerate as more European clinics are now being included.

## Significant events after the end of the period

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

The Board of Directors and CEO hereby give their assurance that the Interim Report presents an accurate summary of the Group's and Parent Company's operations, position and results of operations and describes the material risks and uncertainty factors the Parent Company and the companies included in the Group face.

Gothenburg, July 13, 2022

Gösta Johannesson  
Chairman of the Board

Camilla Öberg  
Board member

Göran Dellgren  
Board member

Yvonne Mårtensson  
Board member

Lars Henriksson  
Board member

Lena Höglund  
Board member

Dag Andersson  
CEO

This report has not been reviewed by the company's auditors.

This information is information that XVIVO Perfusion AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Market Securities Act. The information was submitted for publication, through the agency of the contact person set out above on July 13, 2022 at 7.30 am CEST.



### Financial calendar

- Interim Report January-September 2022: Thursday, October 27, 2022
- Year-end Report 2022: Thursday, January 26, 2023
- Interim Report January-March 2023: Monday, April 24, 2023
- Interim Report January-June 2023: Thursday, July 13, 2023



### Conference call

CEO Dag Andersson and CFO Kristoffer Nordström will present the interim report in a conference call at 2.00 p.m. CEST on Wednesday, July 13, 2022.

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# Financial statements

## Condensed Consolidated Statement of Net Income

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
Net sales	186,943	117,588	94,289	59,263	258,386
Cost of goods sold	-54,215	-30,257	-26,783	-15,009	-70,107
<b>Gross income</b>	<b>132,728</b>	<b>87,331</b>	<b>67,506</b>	<b>44,254</b>	<b>188,279</b>
Selling expenses	-67,293	-38,712	-37,774	-22,975	-97,216
Administrative expenses	-29,179	-25,543	-14,779	-14,856	-55,687
Research and development expenses	-28,733	-28,135	-12,075	-14,988	-54,039
Other operating revenues and expenses	1,239	-1,108	1,260	-785	165
<b>Operating income</b>	<b>8,762</b>	<b>-6,167</b>	<b>4,138</b>	<b>-9,350</b>	<b>-18,498</b>
Financial income and expenses	7,809	3,670	6,244	-1,411	25,163
<b>Income after financial items</b>	<b>16,571</b>	<b>-2,497</b>	<b>10,382</b>	<b>-10,761</b>	<b>6,665</b>
Taxes	-4,276	-411	-2,852	1,820	1,487
<b>Net income</b>	<b>12,295</b>	<b>-2,908</b>	<b>7,530</b>	<b>-8,941</b>	<b>8,152</b>
<b>Attributable to</b>					
Parent Company's shareholders	12,295	-2,908	7,530	-8,941	8,152
Earnings per share, SEK	0.42	-0.10	0.26	-0.31	0.28
Earnings per share, SEK <sup>1)</sup>	0.42	-0.10	0.26	-0.31	0.28
Average number of outstanding shares	29,505,699	28,723,201	29,512,733	28,727,266	28,845,691
Average number of outstanding shares <sup>1)</sup>	29,505,699	29,097,201	29,512,733	29,101,266	28,936,075
Number of shares at closing day	29,561,967	28,752,397	29,561,967	28,752,397	29,498,666
Number of shares at closing day <sup>1)</sup>	29,561,967	29,126,397	29,561,967	29,126,397	29,872,666
<b>EBITDA (Operating income before depreciation and amortization)</b>	<b>29,092</b>	<b>9,674</b>	<b>14,399</b>	<b>-1,533</b>	<b>13,759</b>
Depreciation and amortization on intangible assets	-13,835	-10,605	-6,929	-5,135	-21,219
Depreciation and amortization on tangible assets	-6,495	-5,236	-3,332	-2,682	-11,038
<b>Operating income</b>	<b>8,762</b>	<b>-6,167</b>	<b>4,138</b>	<b>-9,350</b>	<b>-18,498</b>

<sup>1)</sup> After dilution

## Consolidated Statement of Comprehensive Income

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
<b>Net income</b>	<b>12,295</b>	<b>-2,908</b>	<b>7,530</b>	<b>-8,941</b>	<b>8,152</b>
<b>Other comprehensive income</b>					
Items that may be reclassified to the income statement					
Exchange rate differences	47,485	3,714	37,862	-3,704	22,271
<b>Total other comprehensive income</b>	<b>47,485</b>	<b>3,714</b>	<b>37,862</b>	<b>-3,704</b>	<b>22,271</b>
<b>Total comprehensive income</b>	<b>59,780</b>	<b>806</b>	<b>45,392</b>	<b>-12,645</b>	<b>30,423</b>
<b>Attributable to</b>					
Parent Company's shareholders	59,780	806	45,392	-12,645	30,423

## Condensed Consolidated Statement of Financial Position

SEK Thousands	220630	210630	211231
<b>ASSETS</b>			
Goodwill	498,213	225,468	460,228
Capitalized development expenditure	505,496	419,891	456,551
Other intangible fixed assets	8,777	8,020	8,658
Fixed assets	32,481	22,140	26,297
Financial assets	38,869	40,823	43,330
<b>Total non-current assets</b>	<b>1,083,836</b>	<b>716,342</b>	<b>995,064</b>
Inventories	74,707	72,735	77,590
Current receivables	108,427	48,835	71,246
Liquid funds	317,885	311,419	398,696
<b>Total current assets</b>	<b>501,019</b>	<b>432,989</b>	<b>547,532</b>
<b>Total assets</b>	<b>1,584,855</b>	<b>1,149,331</b>	<b>1,542,596</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity, attributable to the Parent Company's shareholders	1,345,855	1,010,507	1,285,450
Long-term interest-bearing liabilities	1,874	1,646	1,522
Long-term non-interest-bearing liabilities	159,765	66,877	151,105
Short-term interest-bearing liabilities	4,550	4,148	4,199
Short-term non-interest-bearing liabilities	72,811	66,153	100,320
<b>Total shareholders' equity and liabilities</b>	<b>1,584,855</b>	<b>1,149,331</b>	<b>1,542,596</b>

## Condensed Consolidated Cash Flow Statement

	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
Income after financial items	16,571	-2,497	10,382	-10,761	6,665
Adjustment for items not affecting cash flow	10,516	8,958	3,686	10,117	7,195
Paid taxes	-1,036	-1,743	-616	-1,471	-2,701
Change in inventories	10,513	-9,452	1,715	-7,832	-13,802
Change in trade receivables	-30,265	4,725	-13,534	2,060	-8,294
Change in trade payables	-17,203	-3,033	-3,190	-5,479	-1,122
<b>Cash flow from operating activities</b>	<b>-10,904</b>	<b>-3,042</b>	<b>-1,557</b>	<b>-13,366</b>	<b>-12,059</b>
Cash flow from investing activities	-86,847	-42,338	-34,481	-22,833	-187,703
Cash flow from financing activities	-2,421	-927	-556	132	234,611
<b>Cash flow for the period</b>	<b>-100,172</b>	<b>-46,307</b>	<b>-36,594</b>	<b>-36,067</b>	<b>34,849</b>
Liquid funds at beginning of period	398,696	354,236	339,784	350,324	354,236
Exchange rate difference in liquid funds	19,361	3,490	14,695	-2,838	9,611
<b>Liquid funds at end of period</b>	<b>317,885</b>	<b>311,419</b>	<b>317,885</b>	<b>311,419</b>	<b>398,696</b>

## Consolidated Change in Shareholders Equity

SEK Thousands	Attributable to Parent Company's shareholders				Sum shareholders' equity
	Share capital	Other paid in capital	Reserves	Retained earnings incl. profit for the year	
<b>Shareholders' equity as of January 1, 2021</b>	<b>734</b>	<b>1,006,784</b>	<b>-183</b>	<b>1,126</b>	<b>1,008,461</b>
Total comprehensive income January - June 2021	-	-	3,714	-2,908	806
Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax	1	-	-	-	1
Share warrant program	-	1,239	-	-	1,239
<b>Shareholders' equity as of June 30, 2021</b>	<b>735</b>	<b>1,008,023</b>	<b>3,531</b>	<b>-1,782</b>	<b>1,010,507</b>
Total comprehensive income July - December 2021	-	-	18,557	11,060	29,617
Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax	19	245,307	-	-	245,326
Share warrant program	-	-	-	-	-
<b>Shareholders' equity as of December 31, 2021</b>	<b>754</b>	<b>1,253,330</b>	<b>22,088</b>	<b>9,278</b>	<b>1,285,450</b>
Total comprehensive income January - June 2022	-	-	47,485	12,295	59,780
Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax	2	-240	-	48	-190
Share warrant program	-	815	-	-	815
<b>Shareholders' equity as of June 30, 2022</b>	<b>756</b>	<b>1,253,905</b>	<b>69,573</b>	<b>21,621</b>	<b>1,345,855</b>



## Condensed Consolidated Statement of Net Income per quarter

SEK Thousands	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020
Net sales	94,289	92,654	85,863	54,935	59,263	58,325	60,277	42,736
Cost of goods sold	-26,783	-27,432	-22,873	-16,977	-15,009	-15,248	-19,466	-12,325
<b>Gross income</b>	<b>67,506</b>	<b>65,222</b>	<b>62,990</b>	<b>37,958</b>	<b>44,254</b>	<b>43,077</b>	<b>40,811</b>	<b>30,411</b>
Selling expenses	-37,774	-29,519	-34,974	-23,530	-22,975	-15,737	-23,878	-22,279
Administrative expenses	-14,779	-14,400	-21,095	-9,049	-14,856	-10,687	-11,056	-9,616
Research and development costs	-12,075	-16,658	-15,476	-10,428	-14,988	-13,147	-18,891	-16,630
Other operating revenues and expenses	1,260	-21	255	1,018	-785	-323	-1,314	-547
<b>Operating income</b>	<b>4,138</b>	<b>4,624</b>	<b>-8,300</b>	<b>-4,031</b>	<b>-9,350</b>	<b>3,183</b>	<b>-14,328</b>	<b>-18,661</b>
Financial income and expenses	6,244	1,565	18,537	2,956	-1,411	5,081	-11,610	-481
<b>Income after financial items</b>	<b>10,382</b>	<b>6,189</b>	<b>10,237</b>	<b>-1,075</b>	<b>-10,761</b>	<b>8,264</b>	<b>-25,938</b>	<b>-19,142</b>
Taxes	-2,852	-1,424	1,952	-54	1,820	-2,231	6,363	4,457
<b>Net income</b>	<b>7,530</b>	<b>4,765</b>	<b>12,189</b>	<b>-1,129</b>	<b>-8,941</b>	<b>6,033</b>	<b>-19,575</b>	<b>-14,685</b>
<b>Attributable to</b>								
Parent Company's shareholders	7,530	4,765	12,189	-1,129	-8,941	6,033	-19,575	-14,685
Earnings per share, SEK	0.26	0.16	0.42	-0.04	-0.31	0.21	-0.68	-0.51
Earnings per share, SEK <sup>1)</sup>	0.26	0.16	0.41	-0.04	-0.31	0.20	-0.67	-0.51
Average number of outstanding shares	29,512,733	29,498,666	29,241,732	28,727,266	28,727,266	28,719,136	28,719,136	28,601,434
Average number of outstanding shares <sup>1)</sup>	29,512,733	29,872,666	29,615,732	29,101,266	29,101,266	29,444,136	29,327,136	28,975,434
Number of shares at closing day	29,561,967	29,498,666	29,498,666	28,752,397	28,752,397	28,719,136	28,719,136	28,719,136
Number of shares at closing day <sup>1)</sup>	29,561,967	29,872,666	29,872,666	29,126,397	29,126,397	29,444,136	29,444,136	29,093,136
<b>EBITDA (Operating income before depreciation and amortization)</b>	<b>14,399</b>	<b>14,693</b>	<b>-96</b>	<b>4,181</b>	<b>-1,533</b>	<b>11,207</b>	<b>-6,506</b>	<b>-11,229</b>
Depreciation and amortization on intangible assets	-6,929	-6,906	-5,336	-5,278	-5,135	-5,470	-5,349	-4,114
Depreciation and amortization on tangible assets	-3,332	-3,163	-2,868	-2,934	-2,682	-2,554	-2,473	-3,318
<b>Operating income</b>	<b>4,138</b>	<b>4,624</b>	<b>-8,300</b>	<b>-4,031</b>	<b>-9,350</b>	<b>3,183</b>	<b>-14,328</b>	<b>-18,661</b>

<sup>1)</sup> After dilution

## Consolidated Statement of Comprehensive Income per quarter

SEK Thousands	Apr - Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020
<b>Net income</b>	<b>2</b>	<b>4,765</b>	<b>12,189</b>	<b>-1,129</b>	<b>-8,941</b>	<b>6,033</b>	<b>-19,575</b>	<b>-14,685</b>
<b>Other comprehensive income</b>								
Items that may be reclassified to the income statement:								
Exchange rate differences	37,862	9,623	15,394	3,163	-3,704	7,418	-13,179	-3,654
Tax attributable to items that have been transferred, or can be transferred to net income	-	-	-	-	-	-	-153	299
<b>Total other comprehensive income</b>	<b>37,862</b>	<b>9,623</b>	<b>15,394</b>	<b>3,163</b>	<b>-3,704</b>	<b>7,418</b>	<b>-13,332</b>	<b>-3,355</b>
<b>Total comprehensive income</b>	<b>45,392</b>	<b>14,388</b>	<b>27,583</b>	<b>2,034</b>	<b>-12,645</b>	<b>13,451</b>	<b>-32,907</b>	<b>-18,040</b>
<b>Attributable to</b>								
Parent Company's shareholders	45,392	14,388	27,583	2,034	-12,645	13,451	-32,907	-18,040

## Consolidated key ratios

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
Gross margin, %	71	74	72	75	73
Gross margin disposables, %	78	76	78	76	76
EBIT, %	5	-5	4	-16	-7
EBIT (adjusted), %	3	-1	1	1	-1
EBITDA, %	16	8	15	-3	5
EBITDA (adjusted), %	14	12	12	14	11
Net margin, %	7	-2	8	-15	3
Equity/assets ratio, %	85	88	85	88	83
Income per share, SEK	0.42	-0.10	0.26	-0.31	0.28
Shareholders' equity per share, SEK	45.53	35.15	45.53	35.15	43.58
Share price on closing day, SEK	215	350	215	350	279
Market cap on closing day, MSEK	6,341	10,063	6,341	10,063	8,230

## Condensed Income Statement, Parent Company

SEK Thousands	January-June 2022	January-June 2021	April-June 2022	April-June 2021	January- December 2021
Net sales	114,861	95,995	53,257	57,053	161,287
Cost of goods sold	-23,466	-18,252	-11,216	-13,928	-30,757
<b>Gross income</b>	<b>91,395</b>	<b>77,743</b>	<b>42,041</b>	<b>43,125</b>	<b>130,530</b>
Selling expenses	-30,162	-19,479	-15,907	-12,324	-52,486
Administrative expenses	-27,899	-26,300	-15,283	-18,038	-39,907
Research and development expenses	-24,803	-23,948	-11,629	-10,835	-45,372
Other operating revenues and expenses	1,326	-2,052	1,108	1,207	-125
<b>Operating income</b>	<b>9,857</b>	<b>5,964</b>	<b>330</b>	<b>3,135</b>	<b>-7,360</b>
Financial income and expenses	9,312	4,353	7,181	-1,022	6,475
<b>Income after financial items</b>	<b>19,169</b>	<b>10,317</b>	<b>7,511</b>	<b>2,113</b>	<b>885</b>
Taxes	-4,155	-3,063	-1,610	-517	-181
<b>Net income</b>	<b>15,014</b>	<b>7,254</b>	<b>5,901</b>	<b>1,596</b>	<b>-1,066</b>

The parent company has no items to be recognized in other comprehensive income and therefore no statement of comprehensive income has been presented. Depreciation during the period amounts to SEK 9,589 (9,763) thousands, of which SEK 4,828 (4,895) thousands in the quarter.

## Condensed Balance Sheet, Parent Company

SEK Thousands	220630	210630	211231
<b>ASSETS</b>			
Intangible fixed assets	326,701	268,862	292,229
Property, plant and equipment	10,936	6,219	8,980
Financial assets	764,661	488,806	719,916
<b>Total non-current assets</b>	<b>1,102,298</b>	<b>763,887</b>	<b>1,021,125</b>
Inventories	18,146	18,210	21,805
Current receivables	36,431	18,775	25,258
Cash and bank	284,246	284,798	369,479
<b>Total current assets</b>	<b>338,823</b>	<b>321,783</b>	<b>416,542</b>
<b>Total assets</b>	<b>1,441,121</b>	<b>1,085,670</b>	<b>1,437,667</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	1,261,908	1,009,311	1,246,317
Provisions	239	1,418	1,499
Long-term non-interest-bearing liabilities	134,270	40,500	124,522
Short-term non-interest-bearing liabilities	44,704	34,441	65,329
<b>Total shareholders' equity and liabilities</b>	<b>1,441,121</b>	<b>1,085,670</b>	<b>1,437,667</b>

# Notes

Disclosures in accordance with IAS 34.16A are included in the financial statements and notes, as well as elsewhere in the Interim Report.

## Note 1. Accounting principles

For the Group, the report is presented pursuant to the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company pursuant to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Accounting principles applied to the Group and the parent company correspond, unless otherwise stated below, with the accounting policies used for the preparation of the latest Annual Report.

## Note 2. Financial instruments

The Group's financial assets and liabilities valued at cost amounted to SEK 426 million (360) and SEK 64 million (70) respectively. The book value is considered to be a reasonable approximation of the fair value of these assets and liabilities in the Balance Sheet. Furthermore, the Group recognizes a liability of SEK 147.2 million (40.5) relating to additional purchase consideration linked to acquisitions. Additional purchase consideration is classified under Level 3 in accordance with IFRS 13, and valued at fair value with changes recognized in the Income Statement. The calculation of fair value relating to financial liabilities under level 3 affected the Income Statement by SEK 17.5 million (0.4) in the period and was recognized in financial items. The calculation has taken place in accordance with the Accounting principles indicated in Note 1.

### Financial liabilities measured at fair value

TSEK	220630	210630	211231
Opening balance	150,676	40,150	40,150
Additional purchase considerations	-	-	129,650
Reversal of additional purchase considerations	-	-	-20,454
Payment of additional purchase considerations	-20,976	-	-
Exchange-rate differences	17,452	350	1,330
<b>Closing balance</b>	<b>147,152</b>	<b>40,500</b>	<b>150,676</b>

## Note 3. Net sales

### Distribution of Net Sales

SEK Thousands	January-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Disposables	122,648	92,808	25,314	18,312	-	-	147,962	111,120
Machines	14,314	3,480	4,513	2,988	-	-	18,827	6,468
Services	-	-	-	-	20,154	-	20,154	-
<b>Nettoomsättning</b>	<b>136,962</b>	<b>96,288</b>	<b>29,827</b>	<b>21,300</b>	<b>20,154</b>	-	<b>186,943</b>	<b>117,588</b>

SEK Thousands	June-April							
	Thoracic		Abdominal		Services		Total consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Disposables	63,230	49,045	14,552	7,214	-	-	77,782	56,259
Machines	5,631	825	209	2,179	-	-	5,840	3,004
Services	-	-	-	-	10,667	-	10,667	-
<b>Nettoomsättning</b>	<b>68,861</b>	<b>49,870</b>	<b>14,761</b>	<b>9,393</b>	<b>10,667</b>	-	<b>94,289</b>	<b>59,263</b>

## Net sales distributed by geographical areas

SEK Thousands	January-June						Total consolidated	
	Thoracic		Abdominal		Services		2022	2021
	2022	2021	2022	2021	2022	2021		
North America	81,774	62,087	5,512	1,832	20,154	-	107,440	63,919
South and Latin America	2,667	744	-	1,032	-	-	2,667	1,776
EMEA	45,016	27,497	22,034	18,157	-	-	67,050	45,654
Asia and Pacific	7,505	5,960	2,281	279	-	-	9,786	6,239
<b>Nettoomsättning</b>	<b>136,962</b>	<b>96,288</b>	<b>29,827</b>	<b>21,300</b>	<b>20,154</b>	<b>-</b>	<b>186,943</b>	<b>117,588</b>

SEK Thousands	January-June						Total consolidated	
	Thoracic		Abdominal		Services		2022	2021
	2022	2021	2022	2021	2022	2021		
North America	40,256	32,066	2,331	89	10,667	-	53,255	32,155
South and Latin America	1,072	456	-	-0	-	-	1,072	455
EMEA	24,245	14,708	12,288	9,213	-	-	36,534	23,921
Asia and Pacific	3,287	2,640	142	92	-	-	3,429	2,732
<b>Nettoomsättning</b>	<b>68,861</b>	<b>49,870</b>	<b>14,761</b>	<b>9,393</b>	<b>10,667</b>	<b>-</b>	<b>94,289</b>	<b>59,263</b>

## Note 4. Consolidated operating segments

As of January 1, 2022, a new segment reporting is being used to reflect new operating segments as a result of XVIVO's acquisitions in 2020 and 2021. The new segments are Thoracic, Abdominal and Services. The segments correspond with the Group's business areas and are measured and monitored by XVIVO management at a gross income level.

SEK Thousands	January-June						Total consolidated	
	Thoracic		Abdominal		Services		2022	2021
	2022	2021	2022	2021	2022	2021		
Net sales	136,962	96,288	29,827	21,300	20,154	-	186,943	117,588
Cost of goods sold	-31,377	-20,101	-13,340	-10,156	-9,498	-	-54,215	-30,257
<b>Gross income</b>	<b>105,585</b>	<b>76,187</b>	<b>16,487</b>	<b>11,144</b>	<b>10,656</b>	<b>-</b>	<b>132,728</b>	<b>87,331</b>
<b>Gross margin (%)</b>	<b>77</b>	<b>79</b>	<b>55</b>	<b>52</b>	<b>53</b>	<b>-</b>	<b>71</b>	<b>74</b>

SEK Thousands	April-June						Total consolidated	
	Thoracic		Abdominal		Services		2022	2021
	2022	2021	2022	2021	2022	2021		
Net sales	68,861	49,870	14,761	9,393	10,667	-	94,289	59,263
Cost of goods sold	-15,435	-10,515	-6,572	-4,494	-4,776	-	-26,783	-15,009
<b>Gross income</b>	<b>53,426</b>	<b>39,355</b>	<b>8,189</b>	<b>4,899</b>	<b>5,891</b>	<b>-</b>	<b>67,506</b>	<b>44,254</b>
<b>Gross margin (%)</b>	<b>78</b>	<b>79</b>	<b>55</b>	<b>52</b>	<b>55</b>	<b>-</b>	<b>72</b>	<b>75</b>



## Note 5. Acquisition of business

On November 09, 2021, XVIVO acquired 100 percent of the shares and votes in the US organ recovery company STAR Teams Inc. The acquisition took place at a cash purchase price of up to USD 26.1 million with an initial purchase consideration of USD 12.3 million and an additional potential earn-out payment of up to USD 13.8 million. The additional purchase consideration is paid out provided that a combination of revenue and gross profit targets are met in 2023. In the event that the targets are not met in 2023, a recovery period begins, where the additional purchase consideration is instead based on a combination of revenue and gross profit targets in 2024.

Costs attributable to the acquisition totaled SEK 10 million and were recognized as Administration expenses in the Group Income Statement in 2021. In 2021, STAR Teams contributed SEK 6.1 million to Group revenue and SEK 1.5 million to Group profit.

STAR Teams is a pioneer and the leading US operator in organ recovery, consisting of a team with more than 15 years of clinical experience, that has successfully recovered more than 1,200 organs in the US states where they are based. At present, STAR Teams are active in lung and heart and plan to expand to kidney and liver in 2022. The expansion is in line with XVIVO's strategy of becoming a global provider of solutions and systems for all major organs.

The acquisition analysis as of 30 June 2022 is still preliminary and will be completed during the fall. The table below presents the initial, preliminary acquisition analysis\*.

SEK Thousands	Fair Value
<b>Purchase price</b>	
Paid purchase price	94,618
Holdback	10,784
Conditional additional purchase price	112,408
<b>Total</b>	<b>217,810</b>
<b>Acquired net assets</b>	
Intangible assets *	-
Accounts receivable and other receivables	5,946
Liquid funds	1,390
Accounts payable and other payables	-9,857
<b>Fair value of acquired net assets</b>	<b>-2,521</b>
Goodwill	220,331
<b>Total</b>	<b>217,810</b>
<b>Impact on the Group's cash flow</b>	
Purchase price, initial payment in cash	94,618
Less: Cash and cash equivalents in acquired company	-1,390
<b>Impact on the Group's cash and cash equivalents during 2021</b>	<b>93,228</b>

\* The work associated with performing a complete valuation of the identified, acquired intangible assets is underway. Accordingly, the acquisition analysis will be adjusted when the fair value of acquired intangible assets has been determined. This valuation will be carried out in 2022.

# Reconciliation of alternative performance measures

This report includes key figures not defined in IFRS, but have been included in the report as management considers that this data enables investors to analyze the Group's performance and financial position. Investors should consider alternative ratios as a complement rather than a substitute for financial information under IFRS.

## EBITDA

SEK Thousands	January- June 2022	January- June 2021	April - June 2022	April - June 2021	January- December 2021
<b>Operating income</b>	<b>8,762</b>	<b>-6,167</b>	<b>4,138</b>	<b>-9,350</b>	<b>-18,498</b>
Depreciation and amortization on intangible assets	13,835	10,605	6,929	5,135	21,219
Depreciation and amortization on tangible assets	6,495	5,236	3,332	2,682	11,038
<b>EBITDA (Operating income before depreciation and amortization)</b>	<b>29,092</b>	<b>9,674</b>	<b>14,399</b>	<b>-1,533</b>	<b>13,759</b>

## EBITDA (adjusted)

SEK Thousands	January- June 2022	January- June 2021	April - June 2022	April - June 2021	January- December 2021
<b>EBITDA (Operating income before depreciation and amortization)</b>	<b>29,092</b>	<b>9,674</b>	<b>14,399</b>	<b>-1,533</b>	<b>13,759</b>
Acquisition costs	-	3,393	-	3,393	13,350
Integration costs	3,760	4,827	1,488	2,682	6,334
Cash-based incentive programs for employees outside Europe	-6,125	-3,224	-4,540	3,860	-3,902
<b>EBITDA (adjusted)</b>	<b>26,727</b>	<b>14,670</b>	<b>11,347</b>	<b>8,402</b>	<b>29,541</b>

## EBIT (adjusted)

SEK Thousands	January- June 2022	January- June 2021	April - June 2022	April - June 2021	January- December 2021
<b>EBIT (Operating income )</b>	<b>8,762</b>	<b>-6,167</b>	<b>4,138</b>	<b>-9,350</b>	<b>-18,498</b>
Acquisition costs	-	3,393	-	3,393	13,350
Integration costs	3,760	4,827	1,488	2,682	6,334
Cash-based incentive programs for employees outside Europe	-6,125	-3,224	-4,540	3,860	-3,902
<b>EBIT (adjusted)</b>	<b>6,397</b>	<b>-1,171</b>	<b>1,086</b>	<b>585</b>	<b>-2,716</b>

## Gross margin

SEK Thousands	January- June 2022	January- June 2021	April - June 2022	April - June 2021	January- December 2021
Operating income					
<i>Net sales</i>	186,943	117,588	94,289	59,263	258,386
Operating expenses					
<i>Cost of goods sold</i>	-54,215	-30,257	-26,783	-15,009	-70,107
<b>Gross income</b>	<b>132,728</b>	<b>87,331</b>	<b>67,506</b>	<b>44,254</b>	<b>188,279</b>
<b>Gross margin %</b>	<b>71</b>	<b>74</b>	<b>72</b>	<b>75</b>	<b>73</b>

When calculating gross margin, gross profit is first calculated by subtracting the cost of goods sold from net sales. Gross profit is then set in relation to net sales to obtain the gross margin ratio. The gross margin thus indicates the proportion of net sales traded in profit after the cost of goods sold.

## Equity/Assets ratio

SEK Thousands	220630	210630	211231
Shareholders' equity	1,345,855	1,010,507	1,285,450
Total assets	1,584,855	1,149,331	1,542,596
<b>Equity/assets ratio %</b>	<b>85</b>	<b>88</b>	<b>83</b>

Equity consists of share capital, other contributed capital, reserves, retained earnings including profit for the year in the Group and non-controlling interests. The equity/assets ratio indicates equity as a proportion of total assets and is a measure of the proportion of assets financed by equity.

# KPI definitions

Key ratio	Definition	Justification to use of key ratio
<b>Gross margin disposables, %</b>	Gross income disposables as a percentage of the net sales of disposables.	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.
<b>Gross margin, %</b>	Gross income as a percentage of net sales for the period	The Company believes that the key ratio provides an in-depth understanding of the company's profitability.
<b>EBITDA margin, %</b>	Operating income before depreciation and amortization as a percentage of net sales for the period.	The Company believes that the key ratio provides an in-depth understanding of the company's profitability.
<b>Adjusted EBITDA margin,%</b>	EBITDA (Operating income before depreciation and amortization) 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 EBITDA provides a more accurate view of the Company's EBITDA for the core operations.
<b>Adjusted EBIT margin,%</b>	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 accurate view of the Company's EBIT for the core operations.
<b>Operating margin, %</b>	Operating income as a percentage of net sales for the period.	The Company believes that the key ratio provides an in-depth understanding of the company's profitability.
<b>Net margin, %</b>	Operating income as a percentage of net sales for the period.	The Company believes that the key ratio provides an in-depth understanding of the company's profitability.
<b>Equity/assets ratio, %</b>	Shareholders' equity and non-controlling interests as a percentage of total assets.	The Company believes that the equity/asset ratio provides an in-depth understanding of the Company's capital structure.
<b>Shareholders' equity per share, SEK</b>	Shareholders' equity in relation to the number of shares outstanding on the record date.	The key ratio has been included to give investors an overview of how the Company's equity per share has evolved.
<b>Earnings per share, SEK</b>	Income 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 has evolved.
<b>Earnings per share after dilution, SEK</b>	Income for the period in relation to the average number of outstanding shares after dilution for the period	The key ratio has been included to give investors an overview of how the company's earnings per share after dilution has evolved.

# Glossary

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

<b>Evaluation</b>	Evaluation of the function of an organ
<b>Ex vivo (Latin for "outside a living organism")</b>	Biological processes in living cells and tissues when they are in an artificial environment outside the body. "Opposite" of in vivo.
<b>EVLP or (Ex Vivo Lung Perfusion)</b>	Perfusion of a lung outside the body. The procedure is normally done to evaluate a lung before transplantation.
<b>FDA or US Food and Drug Administration</b>	The FDA is the USA's food and drug authority with responsibility for food, dietary supplements, drugs, cosmetics, medical equipment, radiology equipment, and blood products. FDA approval is required to market a medical device on the US market
<b>HDE or Humanitarian Device Exemption</b>	A humanitarian device exemption (HDE) application can be submitted to the FDA for a device that is intended to benefit patients by treating or diagnosing a disease or condition that affects or is manifested in fewer than 8,000 individuals in the United States per year. An HDE is similar in both form and content to a Premarket Approval (PMA) application but is exempt from the efficacy requirements of a PMA.
<b>Hypothermic non-ischemic perfusion of heart</b>	Circulation of the cooled, dormant donated heart with supply of oxygen and necessary nutrients during transport to the recipient.
<b>Machine sales</b>	Revenues from the sale or rental of machinery for mechanical perfusion and preservation of organs.
<b>Clinical study/trial</b>	A study in healthy or sick people to study the effect of a drug or treatment method.
<b>Machine perfusion</b>	New technology that improves preservation and evaluation of organs, which means more organs can be used for transplants. In the Thoracic business area this includes STEEN Solution™, XPS™, LS™, Lung Assist and Heart Assist 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.
<b>OPO or Organ Procurement Organization</b>	In the United States, an organ procurement organization (OPO) is a non-profit organization responsible for the evaluation and procurement of deceased-donor organs for organ transplantation. There are approximately 58 such organizations in the United States.
<b>Perfusion</b>	Passage of a fluid through an organ's blood vessels.
<b>PMA or Premarket Approval</b>	Premarket approval (PMA) is the FDA process of scientific and regulatory review to evaluate the safety and efficacy of a medical device.
<b>Preclinical study</b>	Research performed before a drug or method of treatment is sufficiently documented to be studied in humans.
<b>Preservation</b>	Storage and maintenance of an organ outside the body before transplantation.
<b>Reimbursement</b>	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).
<b>Static preservation</b>	Static preservation refers to preservation methods where the organ is cooled during transport and before transplantation. In the Thoracic business area, this includes Perfadex® Plus as well as other products and services related to the use of that product.
<b>Xeno-transplantation</b>	Transplantation of living cells, tissues or organs from one species to another.
<b>Other sales</b>	In terms of product category, Other sales refers to income relating to freight, service and training.
<b>Evaluation</b>	Evaluation of the function of an organ





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