



Interim report January- June 2023

XVIVO Perfusion AB (publ)

XVIVO

Interim report January-June 2023

Second quarter 2023 (Apr 1 - Jun 30)

- Net sales amounted to SEK 154.6 million (94.5), corresponding to an increase of 64 percent in SEK and 52 percent in local currencies. Organic growth accounted for 46 percent and acquired growth for 6 percent.
- All business areas delivered underlying organic growth adjusted for currency effects: Thoracic disposables 47 percent, Abdominal disposables 40 percent and Services 79 percent.
- The gross margin for disposables increased to 80 percent (78). The total gross margin was 75 percent (72).
- Operating income (EBIT) amounted to SEK 3.8 million (4.1). Adjusted EBIT amounted to SEK 15.1 million (1.1).
- Operating income before depreciation and amortization (EBITDA) amounted to SEK 17.2 million (14.4) corresponding to an EBITDA margin of 11 percent (15). Adjusted operating income before depreciation and amortization (EBITDA) amounted to SEK 28.5 million (11.5), corresponding to an adjusted EBITDA margin of 19 percent (12).
- Net profit amounted to SEK 6.9 million (7.5). Earnings per share amounted to SEK 0.23 (0.26).
- Cash flow from operating activities increased to SEK 15.7 million (-1.6). Total cash flow amounted to SEK -34.5 million (-36.6), impacted by contingent consideration from the acquisition of Avionord (XVIVO S.r.l.) of SEK -10.9 million, the final part payment of the initial purchase consideration regarding the acquisition of STAR Teams of SEK -6.8 million and investments in R&D projects of SEK -22.7 million.

Significant events during the quarter

- IDE application for XVIVO's heart preservation technology was approved by the US FDA
- Patient inclusion completed in European clinical trial using heart preservation technology
- US service offering strengthened by commercial integration of STAR Teams
- Change in number of shares and votes in XVIVO Perfusion AB (publ)

The period 2023 (Jan 1 - Jun 30)

- Net sales amounted to SEK 295.2 million (186.9), corresponding to an increase of 58 percent in SEK and 45 percent in local currencies. Organic growth accounted for 39 percent and acquired growth for 6 percent.
- All business areas delivered underlying organic growth adjusted for currency effects: Thoracic disposables 40 percent, Abdominal disposables 56 percent and Services 77 percent.
- Gross margin for disposables increased to 80 percent (78). The total gross margin was 75 percent (71).
- Operating income (EBIT) amounted to SEK 15.0 million (8.8). Adjusted operating income (EBIT) amounted to SEK 27.6 million (6.4).
- Operating income before depreciation and amortization (EBITDA) amounted to SEK 40.9 million (29.1), corresponding to an EBITDA margin of 14 percent (16). Adjusted operating income before depreciation and amortization (EBITDA) amounted to SEK 55.4 million (26.7), corresponding to an adjusted EBITDA margin of 18 percent (14).
- Net profit increased to SEK 21.1 million (12.3). Earnings per share amounted to SEK 0.71 (0.42).
- Cash flow from operating activities was SEK 3.3 million (-10.9). Total cash flow amounted to SEK -83.0 million (-100.2), impacted by contingent consideration from the acquisition of Avionord (XVIVO S.r.l.) of SEK -10.9 million, the final part payment of the initial purchase consideration regarding the acquisition of STAR Teams of SEK -6.8 million and investments in R&D projects of SEK -45.4 million.

Significant events in the reporting period

- Successful integration of Avionord M&P
- A pre-clinical study published in The Journal of Heart and Lung Transplantation demonstrated advantages with XVIVO's heart preservation technology even in donation after circulatory death (DCD)
- Significant interest in XVIVO's heart technology in Australia and New Zealand. Approximately 25 percent of these countries' heart transplants were performed using our technology during the period
- A large multicenter study published in The Journal of Hepatology demonstrated improved evidence for the advantages of oxygenation cold perfusion of liver in donation after brain death (DBD)

Significant events after the end of the period

- Strategic collaboration with MTJ Aviation aimed at strengthening XVIVO's service for organ retrieval in the US
- Further patient inclusion in the PrimECC study concluded. Study data will be analyzed and strategic opportunities evaluated

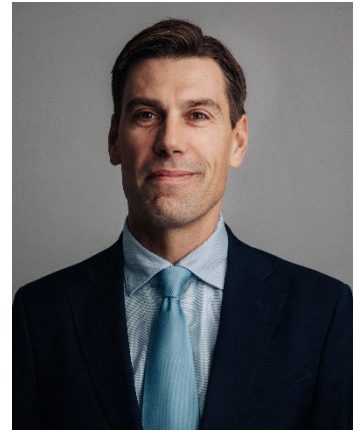
Key ratios

TSEK	January-June 2023	January-June 2022	April-June 2023	April-June 2022	Full year 2022
Net sales	295 188	186 943	154 573	94 289	415 292
Gross margin, %	75	71	75	72	72
Gross margin disposables %	80	78	80	78	79
EBIT	15 009	8 762	3 802	4 138	6 409
EBIT (adjusted) ¹⁾	27 579	6 397	15 128	1 086	14 285
EBITDA	40 860	29 092	17 216	14 399	48 576
EBITDA (adjusted) ¹⁾	53 430	26 727	28 542	11 347	56 452
Cash flow from operating activities	3 320	-10 904	15 747	-1 557	27 856
Earnings per share, SEK	0.71	0.42	0.23	0.26	0.62
Changes in net sales					
Organic growth in local currency, %	39	30	46	28	30
Acquired growth, %	6	15	6	16	15
Currency effect, %	13	14	12	15	16
Total growth, %	58	59	64	59	61

¹⁾ Adjusted for effect from costs attributable to integration costs. Net adjustment totals SEK 11.3 (-3.1) million for the quarter. Net adjustment for the period totals SEK 12.6 (-2.4) million.

Continued momentum for our business

The positive trend for our business continued in the second quarter. In lung transplantation, we are seeing positive growth in our main market, the US and in Europe strong activity in liver perfusion continues. We also reached key regulatory milestones in heart preservation in the quarter – on the basis of our strong underlying growth we are now able to sharpen the focus on clinical trials in the US and the final regulatory processes in Europe.



Christoffer Rosenblad, CEO

Total sales in the quarter amounted to SEK 155 million (94), equivalent to growth of 64 percent. Organic growth accounted for 46 percent and acquired growth amounted to 6 percent. The remaining growth related to currency effects.

Sales in the **Thoracic** business area amounted to SEK 104 million (69), an increase of 51 percent year-on-year and an increase of 41 percent adjusted for currency effects. Disposables delivered organic growth of 47 percent. Growth in EVLP (Ex Vivo Lung Perfusion) is the primary growth driver, with solid progress both in the US and Europe. EVLP sales increased by 53 percent compared to the previous year.

Abdominal delivered another strong quarter, driven by continued positive sales growth for liver perfusion in Europe. Sales amounted to SEK 30 million (15) in the quarter, equivalent to growth of 87 percent adjusted for currency effects. Disposables delivered organic growth of 40 percent.

The strong growth in both of these business areas, mainly in disposables, implies some challenges for our supply chains. In order to secure future delivery capacity, the company has launched a project focusing on large-scale production of disposables, enabling production capacity ten times higher than at present. The cost of this is estimated at some SEK 50 million over 24 months, which will be capitalized due to savings per manufactured unit being achieved. The investment is expected to be recouped in significantly less than five years.

The **Services** business area, comprising of our organ recovery service in the US, had organic growth of 79 percent due to new customer contracts and increased activity. In the quarter, we took important steps towards becoming the preferred partner in the transplantation process. STAR Teams will now be fully integrated in XVIVO's commercial offering under the banner "one brand, one organization". Furthermore, we recently signed a collaboration agreement with MTJ Aviation, a US company specializing in transportation of organs for transplantation. The collaboration strengthens our offering in organ recovery significantly, as we can guarantee our customers a time-efficient total solution with the potential to significantly reduce our customers' total cost of organ recovery.

Gross margins in Thorax and Abdominal continue to make positive progress. The development in Abdominal was particularly strong and during the quarter the gross margin for disposables reached 70 percent (56) for the first time. The EBITDA margin for the quarter was strong again – adjusted for integration costs the margin was 19 (12) percent.

In the quarter, and according to plan, the last of a total of 202 patients was included in the European heart preservation. The study data is currently being analyzed and preparations are being made ahead of the application for regulatory approval (CE mark). The aim is a launch by mid-2024. In Australia and New Zealand, clinics continue to use the heart technology via special permits, and an estimated 25 percent of heart transplantations in the region were made using our technology in the second quarter as well. Several of these transplants would previously have been impossible to perform.

In May, the US regulator FDA approved the start of the US heart preservation study. Interest from US clinics has been overwhelming. On the initiative of the FDA, we are currently evaluating the potential for expanding the

“XVIVO is well equipped to capitalize on the opportunities continuously developing within machine perfusion”

inclusion criteria of the trial to encompass DCD donors (donation after circulatory death). The inclusion of DCD in the study is an incredible opportunity, although it could lead to some delays in starting the study. However, our assessment remains that the study will include its first patient in 2023.

Patient inclusion in the PrimECC study was concluded early, as the rate of inclusion has not lived up to our expectations. The data will now be analyzed and the product's strategic potential evaluated in 2023.

XVIVO is well equipped to capitalize on the opportunities continuously developing within machine perfusion. The key to success is our sharp focus on core operations, investments in increased production capacity, regulatory approval for heart preservation globally and liver perfusion in the US and continuing to build a world-class organization.

Christoffer Rosenblad, CEO

This is XVIVO

Founded in 1998, XVIVO is the only MedTech 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 organ transplantation. XVIVO is a global company headquartered in Gothenburg, Sweden. The company is listed on Nasdaq.

Business concept and goals

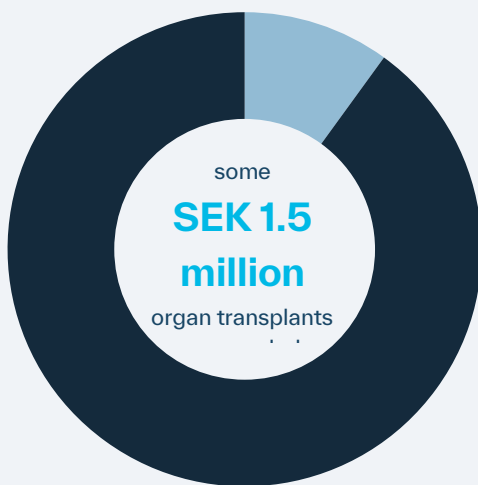
XVIVO's business concept is to develop and market effective, innovative technology for preserving, transporting and assessing organs outside the body while awaiting transplant, and to facilitate the transplant process by offering services in the form of organ recovery and organ perfusion.

Our goals

To become the world 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.



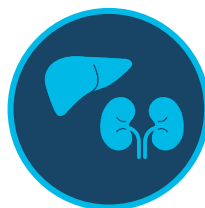
With only
150,000
organ transplants
each year, only
10%
of total global demand is
met

XVIVO's offer
increases the
availability of
transplantable organs

Our business areas



Thoracic



Abdominal



Services

Compilation of net sales and EBITDA

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Net Sales Thoracic	195 024	136 962	104 110	68 861	296 353
Net Sales Abdominal	60 748	29 827	30 198	14 761	70 861
Net Sales Services	39 416	20 154	20 265	10 667	48 078
Net Sales Total	295 188	186 943	154 573	94 289	415 292
Gross income Thoracic	160 839	105 585	84 956	53 426	235 676
Gross margin Thoracic, %	82%	77%	82%	78%	80%
Gross income Abdominal	40 395	16 487	20 652	8 189	37 733
Gross margin Abdominal, %	66%	55%	68%	55%	53%
Gross income Services	19 045	10 656	9 854	5 891	23 547
Gross margin Services, %	48%	53%	49%	55%	49%
Gross income Total	220 279	132 728	115 462	67 506	296 956
Gross margin Total, %	75%	71%	75%	72%	72%
Selling expenses	-100 903	-67 293	-52 528	-37 774	-152 398
Administrative expenses	-46 243	-29 179	-27 258	-14 779	-70 979
Research and development expenses	-57 802	-28 733	-31 629	-12 075	-69 343
Other operating revenues and expenses	-322	1 239	-245	1 260	2 173
Operating Income	15 009	8 762	3 802	4 138	6 409
Amortization and depreciation cost of goods sold	225	363	117	178	744
Depreciation administrative expenses	2 093	1 675	1 122	798	3 402
Amortization of research and development expenses	17 628	15 281	8 972	7 672	31 024
Depreciation other operative expenses	5 905	3 011	3 203	1 613	6 997
EBITDA (Operating income before depreciation and amortization)	40 860	29 092	17 216	14 399	48 576
EBITDA, %	14%	16%	11%	15%	12%
EBITDA (adjusted) 1)	53 430	26 727	28 542	11 347	56 452
EBITDA (adjusted), %	18%	14%	19%	12%	14%

1) Adjusted for effect from costs attributable to integration costs. Net adjustment totals SEK 11.3 (-3.1) million for the quarter. Net adjustment for the period totals SEK 12.6 (-2.4) million.

Summary

The quarter April - June 2023

Net sales and income

XVIVO returned a strong first quarter with an even stronger second quarter. Net sales in the quarter amounted to SEK 154.6 million (94.3), equivalent to growth of 64 percent year-on-year. The organic growth was 46 percent, acquired growth was 6 percent and the remaining 12 percent constituted currency effects. All business areas demonstrated solid growth. For a description of development within each business area, see pages 12-13.

The total gross margin for the quarter was 75 percent (72). During the quarter, the gross margin for disposables increased year-on-year both for Thoracic and Abdominal, with a margin of 84 percent (82) for Thoracic and 70 percent (56) for Abdominal. For comments regarding the margins in each business area, see pages 12-13.

Operating income before depreciation and amortization (EBITDA) amounted to SEK 17.2 million (14.4), corresponding to an EBITDA margin of 11 percent (15). EBITDA was affected by integration costs of SEK -11.5 million. Adjusting for these costs, EBITDA amounted to SEK 28.5 million (11.5), corresponding to an adjusted EBITDA margin of 19 percent (12).

Operating income (EBIT) amounted to SEK 3.8 million (4.1). EBIT adjusted for the aforementioned costs amounted to SEK 15.1 million (1.1).

Selling expenses in relation to sales amounted to 34 percent (40) for the quarter. R&D expenses amounted to 20 percent (13) of sales. The increase was primarily due to changes in internal resource allocation and increased employee numbers. Administrative expenses amounted to 18 percent (16) and included integration costs of SEK -11.3 million.

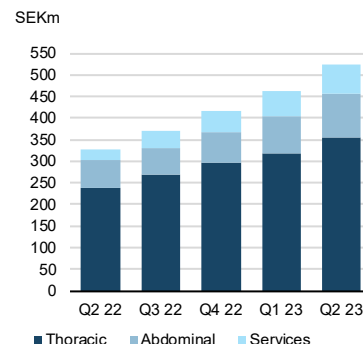
Capitalization and amortization

During the quarter, SEK 22.7 million (30.5) of development expenses were capitalized as intangible assets. Development expenses essentially relate to expenses for R&D projects with the aim of obtaining regulatory approvals in the US and Europe. Amortization of capitalized development expenditure amounted to SEK 7.3 million (6.5) in the quarter.

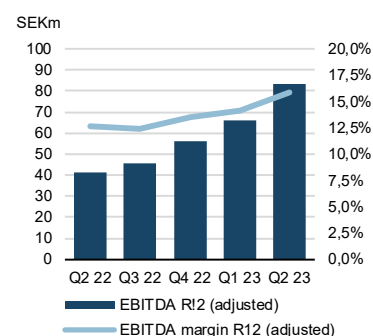
Cash flow

Cash flow from operating activities increased to SEK 15.7 million (-1.6) in the quarter. Cash flow from investing activities amounted to SEK -47.4 million (-34.5), impacted by contingent consideration from the acquisition of Avionord (XVIVO S.r.l.) of SEK -10.9 million, the final part payment of the initial purchase consideration regarding the acquisition of STAR Teams of SEK -6.8 million, investments in intangible assets of SEK -22.7 million (-30.9) and investments in property, plant and equipment of SEK -6.9 million (-4.1). Cash flow from financing activities amounted to net SEK -2.9 million (-0.6). Exchange rate differences impacted the cash flow for the quarter by SEK 8.0 million (14.7). Cash and cash equivalents at the end of the quarter amounted to SEK 171.4 million (317.9).

Net sales by business area (R12)



EBITDA and EBITDA margin (adjusted, R12)



Significant events during the quarter

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 evaluate safety and effectiveness to be used in support of Pre-Market Approval (PMA). The trial will enroll 141 patients across 15 leading transplant centers in the US. Amongst other inclusion criteria, the trial will allow transplant centers to include donor hearts from older donors (defined as aged 50+) and 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 its 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 in order to strengthen the organization's operations and commercial offering, XVIVO will now integrate STAR Teams into the XVIVO brand. Non-recurring costs associated with the integration are estimated at approximately SEK 22 million in total, of which SEK 11 million in the second quarter and the remainder expected in the second half of 2023. The integration strongly supports XVIVO's strategic objective of becoming the "preferred partner in the transplant process".

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 quarter as a result of the new share issue in relation to the contingent consideration received for the acquisition of XVIVO S.r.l. As of June 30, 2023, there were a total of 29,899,470 shares and votes in XVIVO Perfusion AB (publ). 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.

The period January - June 2023

Net sales and income

Sales in the period amounted to SEK 295.2 million (186.9), equivalent to growth of 58 percent year-on-year. Organic growth was 39 percent, acquired growth 6 percent, and the remaining 13 percent constituted currency effects. All business areas demonstrated solid growth. For a description of development within each business area, see pages 12-13.

The total gross margin for the quarter was 75 percent (71). During the quarter, the gross margin for disposables increased year-on-year both for Thoracic and Abdominal, with a margin of 85 percent (83) for Thoracic and 67 percent (55) for Abdominal. For comments regarding the margins in each business area, see pages 12-13.

Operating income before depreciation and amortization (EBITDA) amounted to SEK 40.9 million (29.1), corresponding to an EBITDA margin of 14 percent (16). EBITDA was affected by integration costs of SEK -12.6 million. Adjusting for these costs, EBITDA amounted to SEK 53.4 million (26.7), corresponding to an adjusted EBITDA margin of 18 percent (14).

Operating income (EBIT) amounted to SEK 15.0 million (8.8). EBIT adjusted for the aforementioned costs amounted to SEK 27.6 million (6.4).

Selling expenses as a proportion of sales amounted to 34 percent (36) for the period. R&D expenses amounted to 20 percent (15) of sales. The increase was primarily due to changes in internal resource allocation and increased staff numbers. Administrative expenses amounted to 16 percent (16) of sales.

Capitalization and amortization

During the period, SEK 45.4 million (57.5) of development expenses were capitalized as intangible assets. Development expenses essentially relate to expenses for R&D projects with the aim of obtaining regulatory approvals in the US and Europe. Amortization of capitalized development expenditure amounted to SEK 14.5 million (13.1) in the period.

Cash flow

Cash flow from operating activities was SEK 3.3 million (-10.9) in the period. Cash flow from investing activities amounted to SEK -80.9 million (-86.8), impacted by contingent consideration related to the acquisition of Avionord (XVIVO S.r.l.) of SEK -10.9 million, the final part payment of the initial purchase consideration related to the acquisition of STAR Teams of SEK -6.8 million and SEK -45.9 million (-58.3) invested in intangible assets and SEK -17.2 million (-8.0) invested in property, plant and equipment. Cash flow from financing activities amounted to net SEK -5.4 million (-2.4). Cash and cash equivalents at the end of the period amounted to SEK 171.4 million (317.9).

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 84 percent (85) 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 295
million**

Gross margin

75%

Adjusted EBITDA

18%

Significant events during the period

Successful integration of Avionord M&P

The integration of our Italian distributor was completed as planned during the quarter. Avionord M&P was acquired at the end of last year and the business now operates under the name XVIVO S.r.l. The concept of offering XVIVO's organ perfusion machines in combination with a perfusionist who handles the perfusion process contributed to a significantly improved gross margin for the Abdominal business area during the quarter.

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 first quarter, and the fifth center is expected to soon follow suit. Approximately 25 percent of the countries' heart transplants during the first quarter were performed using XVIVO's technology.

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

The Journal of Heart and Lung Transplantation recently published an article¹ from a research team led by professor H Eiskjaer, Aarhus, Denmark. In a large animal model, the team successfully showed the potential for using XVIVO's heart preservation technology for hearts from DCD² 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 quarter, the Journal of Hepatology³ published the results of a randomized multicenter trial showing positive effects if HOPE is also used for livers from DBD⁴ donors. Today the majority of donated livers are DBD livers.

Significant events after the end of the period

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 comes as a positive consequence of the decision to integrate STAR Teams under the XVIVO brand. Reliable organ transportation has become increasingly important for transplant clinics in the US following recent changes to US organ allocation policy. Increasing logistical complexity and associated costs to clinics have led to the need for a more customized and efficient transport. Together with MTJ Aviation, XVIVO will address this need by establishing shared hubs of operations on the US East Coast and in the Mid-West. Each hub will have a dedicated surgical team and a light jet dedicated to XVIVO's operations.

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 has not met expectations, and the study is not expected to be completed within a reasonable time frame. XVIVO has therefore decided to stop further patient inclusion in the study. The study data will be analyzed and the strategic potential evaluated.

So far, SEK 15 million has been invested in the clinical trial in PrimECC. If XVIVO eventually decide to terminate the product, this would result in impairment of intangible assets totaling SEK 15 million. XVIVO expects to make a decision regarding the future of PrimECC within a six-month period.

¹ [https://www.jhltonline.org/article/S1055-2498\(25\)00035-5/fulltext](https://www.jhltonline.org/article/S1055-2498(25)00035-5/fulltext)

² DCD: Donation after circulatory death

³ [https://www.journal-of-hepatology.eu/article/S0168-8278\(25\)00012-0/fulltext#%20](https://www.journal-of-hepatology.eu/article/S0168-8278(25)00012-0/fulltext#%20)

⁴ DBD: Donation after brain death

Business area development

XVIVO's operations are conducted in three business areas: Thoracic (products for lung and heart transplantation), Abdominal (products and perfusion services for liver and kidney transplantation) and Services (organ recovery). Commercial and R&D activities take place within each business area.

Thoracic

The Thoracic business area comprises XVIVO's products for lung and heart transplantation. 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 regulatory approval in all major markets and in 2019 they were the first products to receive FDA clearance for warm perfusion of marginal lungs. In heart transplantation, XVIVO's products are in a clinical study phase. In 2023, XVIVO initiated sales activities in clinical heart transplantation in Australia and New Zealand, while pre-clinical sales have been underway for a number of years aimed at supporting research studies, including xenotransplantation.

Summary

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	Full year 2022
Net sales	195 024	136 962	104 110	68 861	296 353
Disposables	185 055	122 648	99 462	63 230	276 589
Machines	9 969	14 314	4 648	5 631	19 764
Gross margin, %	82	77	82	78	80
Disposables	85	83	84	82	84
Machines	39	25	36	24	15

The quarter April - June 2023

Thoracic delivered a strong second quarter. Sales amounted to SEK 104.1 million (68.9), equivalent to growth of 51 percent year-on-year or 41 percent adjusted for currency effects.

The momentum we experienced in EVLP in the first quarter continued in the second quarter. Machine perfusion accounted for 52 percent (49) of net sales. Static preservation and other sales accounted for the remainder of net sales.

Sales of disposables delivered organic growth of 47 percent.

The gross margin for disposables increased to 84 percent (82). The improved margin compared to the previous quarter is primarily due to the positive price development and favorable currency effects.

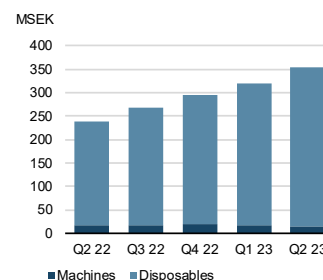
The period January - June 2023

Net sales increased in the period compared to the corresponding period in the previous year and amounted to SEK 195.0 million (137.0). The increase is equivalent to an increase of 32 percent adjusted for currency effects.

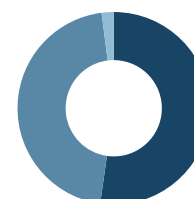
Sales of disposables increased by 51 percent in the period, amounting to SEK 185.1 million (122.6). Organic growth amounted to 40 percent in local currencies. Machine perfusion accounted for 51 percent (48) of net sales. Static preservation and other sales accounted for the remainder of net sales.

Gross margin for disposables increased to 85 percent (83). The margin improvement compared to the previous period is primarily due to the price increases carried out.

Net sales Thoracic (R12)



Net sales by product category Thoracic (Q2)



Abdominal

The Abdominal business area comprises XVIVO's product and service operations in liver and kidney transplantation. XVIVO offers oxygenated machine perfusion products for both these organs. Products for liver and kidney transplants are primarily sold in selected markets in Europe, but also in other smaller markets. In 2023 we will accelerate the introduction of the company's kidney preservation product, Kidney Assist Transport, in our main markets US and Europe.

Summary

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	Full year 2022
Net sales	60 748	29 827	30 198	14 761	70 861
Disposables	54 669	25 314	28 630	14 552	59 877
Machines	6 079	4 513	1 568	209	10 984
Gross margin, %	66	55	68	55	53
Disposables	67	55	70	56	54
Machines	60	59	49	8	51

The quarter April - June 2023

Sales amounted to SEK 30.2 million (14.8) in the quarter, representing an increase of 105 percent year-on-year. Adjusted for currency effects, growth totaled 87 percent. The increase for disposables was strong at 97 percent, or 79 percent adjusted for currency effects, of which organic growth accounted for 40 percent and acquired growth for 39 percent. The revenue was primarily generated in Europe, and approximately 75 percent related to liver perfusion.

The gross margin for disposables increased to 70 percent (56), driven by positive price development and an integrated product and service offering in machine perfusion in the company's largest abdominal market, Italy.

The period January - June 2023

Sales in the period amounted to SEK 60.7 million (29.8), equivalent to growth of 104 percent year-on-year. Growth was 86 percent adjusted for exchange rate effects. The increase for disposables was strong at 116 percent, or 97 percent adjusted for currency effects, of which organic growth accounted for 56 percent and acquired growth for 41 percent.

The gross margin for disposables increased to 67 percent (55), primarily driven by price increases in liver transplant products.

Services

The Services business area comprises STAR Teams' organ recovery operations in the US in the area of thoracic. 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. STAR Teams provide around 15 US thoracic clinics with their services.

Summary

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	Full year 2022
Net sales	39 416	20 154	20 265	10 667	48 078
Gross margin, %	48	53	49	55	49

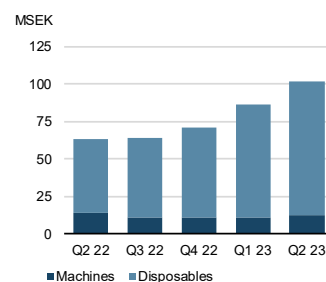
The quarter April - June 2023

STAR Teams' experienced organic sales growth of 79 percent year-on-year, primarily driven by an increased customer base. The number of organ retrievals increased by 35 percent year-on-year. The gross margin was 49 percent and is expected to increase as the customer base expands and economies of scale are generated.

The period January - June 2023

STAR Teams' sales experienced organic growth of 77 percent in year-on-year terms, primarily driven by an increased customer base. The number of organ recoveries increased by 27 percent. Demand for organ recovery from US clinics continues to grow. A number of recruitment processes were started in the period with the aim of broadening the organization to meet growing demand. The gross margin was 48 percent and is expected to increase as the customer base expands and economies of scale are generated.

Net sales Abdominal (R12)



Net sales by product category, Abdominal (Q2)






■ Maskinperfusion, 100%
■ Statisk preservation, 0%
■ Övrigt, 0%

Organ recoveries Q2


150

R&D portfolio

Development projects

Project	Description	Status
Heart transplantation 	<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 time a donated heart can survive outside the body. In collaboration with Professor Stig Steen, XVIVO has developed a comprehensive solution comprising 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 using XVIVO's method are evaluated and compared to the conventional ice-box method</p>	<p>XVIVO has a program of clinical multicenter studies. These will form the basis for the application for regulatory approval for the products in all major markets worldwide. In the second quarter, several important milestones were reached in clinical trials using XVIVO's heart technology. Complete data from the Australian study was presented at ISHLT's annual meeting. Patients receiving heart transplants using XVIVO's technology had a 100% survival rate after 30 days, and only one patient was treated using mechanical circulation support despite extreme transport periods of up to 9 hours.</p> <p>In the quarter, the final patient was included in XVIVO's European multicenter study with 15 participants. The study is now in the follow-up and compilation phase. The data gathered is used in the application process for regulatory approval and is expected to be presented in its entirety in 2024.</p> <p>The FDA approved XVIVO's IDE application for the planned heart study. The study is scheduled to start in the third quarter. There is extensive interest in participating in the study, with up to 20 study centers potentially included.</p>
Kidney transplantation 	<p>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.</p>	<p>An international study published in <i>The Lancet</i> 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 solutions is the focus of research in the field of organ transplantation and several investigator-initiated studies are in the start-up phase.</p>
Liver transplantation 	<p>As with other organs, there is a shortage of transplantable livers. By optimizing the process for preserving and evaluating the function of the donated liver, more organs with good function potentially become available for transplant. Studies show that oxygenated perfusion of a liver before transplantation reduces the risk of serious complications in many cases.</p>	<p>The results of a study after using XVIVO's technology were published in <i>The New England Journal of Medicine</i> in 2021 and demonstrate significant benefits of cold oxygenated machine perfusion of livers prior to transplantation with donation after circulatory death (DCD). Ongoing reports are received from further investigator-initiated studies using XVIVO's technology. As XVIVO's Liver Assist allows for both warm and cold perfusion through one or two vessels, the technology is used in several investigator-initiated studies in different clinical scenarios.</p>

Research projects

Project	Description	Status
Xenotransplantation 	<p>Xenotransplantation 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 a 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 three world-leading research teams in xenotransplantation.</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. It includes guidelines for business principles, human rights and working principles. For more detailed information regarding our sustainability work, see the company’s Annual Report for 2022. The Annual Report and our key policies are available at www.xvivogroup.com.

Organization and employees

The XVIVO Group has 142 employees, of whom 67 are women and 75 men. Of these, 50 are employed in Sweden and 92 outside Sweden. The head office is located in Gothenburg, Sweden and our subsidiaries are located in Lund, Sweden, the US, Italy, France, Brazil, China, Australia and the Netherlands. XVIVO also has employees based in several other countries in Europe.

Related-party transactions

There were no related-party transactions during the period.

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 high-quality, efficient and safe products. The number of organ transplants is marginally affected by seasonal effects. Mainly in new treatment methods, such as warm perfusion of lungs, slightly less activity occurs during the summer months because there is less training and learning during the summer vacation period. 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 operational risks for the Group can be found in the administration report which is part of the Annual Report for 2022, available at www.xvivogroup.com.

Outlook

There is a constantly growing need for new organs globally and the company assesses that demand is currently ten times greater than the supply of transplantable organs. One solution for increasing the number of transplantable organs is machine perfusion, which is increasingly becoming the standard procedure. The company is also seeing growing demand for service models, in terms of scope and significance, as transplantation clinics sharpen 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. We see continued growing interest in our product and service offering across all organ areas, which paves the way for continued long-term sustainable growth. It is important to consider that the third quarter is usually sequentially weaker compared to the second quarter, as a result of the holiday period.

In the second half-year, the internal focus will be directed towards our main market in the US. The integration of STAR Teams with the XVIVO brand will strengthen our commercial offering on the US market. Now that we have IDE approval from the FDA ahead of starting the regulatory multicenter study in heart preservation, we are looking forward to opening up the first centers. Some 15 of the leading transplantation centers have been contracted. In the second half of the year, we also intend to intensify planning ahead of a US clinical multicenter study in Liver Assist – the leading technology for liver perfusion in Europe. The increased focus on regulatory studies and operational integration mean that we will continue to invest in the US organization.

Although XVIVO and the transplantation industry in general are making significant progress, there is uncertainty in the wider world. The geopolitical situation unfortunately remains tense. XVIVO currently has very limited sales exposure to Eastern Europe 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 the conflict in Ukraine is having any direct negative impact on the company’s operations. With machine perfusion expanding strongly, our supply chain faces some challenges – particularly with regard to disposables. In order to secure future delivery capacity, the company has launched a project focusing on large-scale production of disposables, enabling production capacity ten times higher than at present. The cost of this is estimated at some SEK 50 million over 24 months and will be capitalized as savings per manufactured unit will be achieved.

The company estimates that the number of transplantations globally will continue to grow, driven by increased machine perfusion and service models that facilitate the operations of transplantation clinics. The company will continue to invest in the significant market potential that exists. Investments will mainly be made in the increased commercialization of approved products, increased manufacturing capacity, and regulatory approvals for heart preservation globally and liver perfusion in the US.

Significant events after the end of the period

No significant 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, 2023

Gösta Johannesson
Chairman of the Board

Camilla Öberg
Board member

Göran Dellgren
Board member

Erik Strömqvist
Board member

Lars Henriksson
Board member

Lena Höglund
Board member

Christoffer Rosenblad
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 below on Thursday, July 13, 2023 at 7.30 am CEST.



Financial calendar

- Interim Report January-September 2023: Tuesday, October 24, 2023
- Year-End Report 2023: Thursday, January 25, 2024
- Interim Report January-March 2024: Wednesday, April 24, 2024
- Interim Report January-June 2024: Friday, July 12, 2024



Conference call

CEO Christoffer Rosenblad and CFO Kristoffer Nordström will present the Interim Report in a conference call at 2.00 p.m. CEST on Thursday, July 13.
For access via conference call, click [here](#)
For access via webcast, click [here](#)



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Financial statements

Condensed Consolidated Statement of Net Income

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Net sales	295 188	186 943	154 573	94 289	415 292
Cost of goods sold	-74 909	-54 215	-39 111	-26 783	-118 336
Gross income	220 279	132 728	115 462	67 506	296 956
Selling expenses	-100 903	-67 293	-52 528	-37 774	-152 398
Administrative expenses	-46 243	-29 179	-27 258	-14 779	-70 979
Research and development expenses	-57 802	-28 733	-31 629	-12 075	-69 343
Other operating revenues and expenses	-322	1 239	-245	1 260	2 173
Operating income	15 009	8 762	3 802	4 138	6 409
Financial income and expenses	12 996	7 809	7 638	6 244	15 905
Income after financial items	28 005	16 571	11 440	10 382	22 314
Taxes	-6 943	-4 276	-4 554	-2 852	-3 887
Net income	21 062	12 295	6 886	7 530	18 427
Attributable to					
Parent Company's shareholders	21 062	12 295	6 886	7 530	18 427
Earnings per share, SEK	0.71	0.42	0.23	0.26	0.62
Earnings per share, SEK ¹⁾	0.71	0.42	0.23	0.26	0.62
Average number of outstanding shares	29 852 184	29 505 699	29 872 450	29 512 733	29 525 946
Average number of outstanding shares ¹⁾	29 852 184	29 505 699	29 872 450	29 512 733	29 525 946
Number of shares at closing day	29 899 470	29 561 967	29 899 470	29 561 967	29 831 919
Number of shares at closing day ¹⁾	29 899 470	29 561 967	29 899 470	29 561 967	29 831 919
EBITDA (Operating income before depreciation and amortization)	40 860	29 092	17 216	14 399	48 576
Depreciation and amortization on intangible assets	-15 348	-13 835	-7 715	-6 929	-27 871
Depreciation and amortization on tangible assets	-10 503	-6 495	-5 699	-3 332	-14 296
Operating income	15 009	8 762	3 802	4 138	6 409

¹⁾ After dilution

Consolidated Statement of Total Comprehensive Income

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Net income	21 062	12 295	6 886	7 530	18 427
Other comprehensive income					
Items that may be reclassified to the income statement					
Exchange rate differences	35 571	47 485	32 690	37 862	65 693
Total other comprehensive income	35 571	47 485	32 690	37 862	65 693
Total comprehensive income	56 633	59 780	39 576	45 392	84 120
Attributable to					
Parent Company's shareholders	56 633	59 780	39 576	45 392	84 120

Condensed Consolidated Statement of Financial Position

SEK Thousands	230630	220630	221231
ASSETS			
Goodwill	653 469	498 213	625 319
Capitalized development expenditure	582 643	505 496	544 510
Other intangible fixed assets	8 276	8 777	8 484
Fixed assets	77 780	32 481	47 579
Financial assets	34 831	38 869	39 684
Total non-current assets	1 356 999	1 083 836	1 265 576
Inventories	123 656	74 707	106 566
Current receivables	136 355	108 427	114 397
Liquid funds	171 437	317 885	246 545
Total current assets	431 448	501 019	467 508
Total assets	1 788 447	1 584 855	1 733 084
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	1 503 351	1 345 855	1 430 136
Long-term interest-bearing liabilities	17 872	1 874	4 455
Long-term non-interest-bearing liabilities	152 860	159 765	163 597
Short-term interest-bearing liabilities	9 712	4 550	5 550
Short-term non-interest-bearing liabilities	104 652	72 811	129 346
Total shareholders' equity and liabilities	1 788 447	1 584 855	1 733 084

Condensed Consolidated Cash Flow Statement

	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Income after financial items	28 005	16 571	11 440	10 382	22 314
Adjustment for items not affecting cash flow	12 171	10 516	6 557	3 686	27 510
Paid taxes	-1 535	-1 036	-850	-616	199
Change in inventories	-11 439	10 513	-9 482	1 715	-6 325
Change in trade receivables	-12 709	-30 265	1 776	-13 534	-26 860
Change in trade payables	-11 173	-17 203	6 306	-3 190	11 018
Cash flow from operating activities	3 320	-10 904	15 747	-1 557	27 856
Cash flow from investing activities	-80 947	-86 847	-47 421	-34 481	-197 624
Cash flow from financing activities	-5 353	-2 421	-2 867	-556	-6 842
Cash flow for the period	-82 980	-100 172	-34 541	-36 594	-176 610
Liquid funds at beginning of period	246 545	398 696	197 954	339 784	398 696
Exchange rate difference in liquid funds	7 872	19 361	8 024	14 695	24 459
Liquid funds at end of period	171 437	317 885	171 437	317 885	246 545

Consolidated Changes 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	
Shareholders' equity as of January 1, 2022	754	1 253 330	22 088	9 278	1 285 450
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
Shareholders' equity as of June 30, 2022	756	1 253 905	69 573	21 621	1 345 855
Total comprehensive income July - December 2022	-	-	18 208	6 132	24 340
Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax	6	59 934	-	1	59 941
Shareholders' equity as of December 31, 2022	762	1 313 839	87 781	27 754	1 430 136
Total comprehensive income January - June 2023	-	-	35 571	21 062	56 633
Issuing of new shares after deduction of incremental costs directly related to issuing new shares net of tax	-	16 054	-	-	16 054
Accounting effect of incentive programs according to IFRS 2	-	528	-	-	528
Shareholders' equity as of June 30, 2023	762	1 330 421	123 352	48 816	1 503 351

Condensed Consolidated Statement of Net Income by quarter

SEK Thousands	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021
Net sales	154 573	140 615	131 514	96 835	94 289	92 654	85 863	54 935
Cost of goods sold	-39 111	-35 798	-36 657	-27 464	-26 783	-27 432	-22 873	-16 977
Gross income	115 462	104 817	94 857	69 371	67 506	65 222	62 990	37 958
Selling expenses	-52 528	-48 375	-45 718	-39 387	-37 774	-29 519	-34 974	-23 530
Administrative expenses	-27 258	-18 985	-23 066	-18 734	-14 779	-14 400	-21 095	-9 049
Research and development costs	-31 629	-26 173	-23 959	-16 651	-12 075	-16 658	-15 476	-10 428
Other operating revenues and expenses	-245	-77	190	744	1 260	-21	255	1 018
Operating income	3 802	11 207	2 304	-4 657	4 138	4 624	-8 300	-4 031
Financial income and expenses	7 638	5 358	447	7 649	6 244	1 565	18 537	2 956
Income after financial items	11 440	16 565	2 751	2 992	10 382	6 189	10 237	-1 075
Taxes	-4 554	-2 389	-2 017	2 406	-2 852	-1 424	1 952	-54
Net income	6 886	14 176	734	5 398	7 530	4 765	12 189	-1 129
Attributable to								
Parent Company's shareholders	6 886	14 176	734	5 398	7 530	4 765	12 189	-1 129
Earnings per share, SEK	0.23	0.48	0.02	0.18	0.26	0.16	0.42	-0.04
Earnings per share, SEK ¹⁾	0.23	0.48	0.02	0.18	0.26	0.16	0.41	-0.04
Average number of outstanding shares	29 872 450	29 831 919	29 602 717	29 512 733	29 512 733	29 498 666	29 241 732	28 727 266
Average number of outstanding shares ¹⁾	29 872 450	29 831 919	29 602 717	29 512 733	29 512 733	29 872 666	29 615 732	29 101 266
Number of shares at closing day	29 899 470	29 831 919	29 831 919	29 561 967	29 561 967	29 498 666	29 498 666	28 752 397
Number of shares at closing day ¹⁾	29 899 470	29 831 919	29 831 919	29 561 967	29 561 967	29 872 666	29 872 666	29 126 397
EBITDA (Operating income before depreciation and amortization)	17 216	23 644	13 580	5 904	14 399	14 693	-96	4 181
Depreciation and amortization on intangible assets	-7 715	-7 633	-7 145	-6 891	-6 929	-6 906	-5 336	-5 278
Depreciation and amortization on tangible assets	-5 699	-4 804	-4 131	-3 670	-3 332	-3 163	-2 868	-2 934
Operating income	3 802	11 207	2 304	-4 657	4 138	4 624	-8 300	-4 031

¹⁾ After dilution

Consolidated Statement of Total Comprehensive Income by quarter

SEK Thousands	Apr - Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021
Net income	6 886	14 176	734	5 398	7 530	4 765	12 189	-1 129
Other comprehensive income								
Items that may be reclassified to the income statement:								
Exchange rate differences	32 690	2 881	-12 173	30 381	37 862	9 623	15 394	3 163
Total other comprehensive income	32 690	2 881	-12 173	30 381	37 862	9 623	15 394	3 163
Total comprehensive income	39 576	17 057	-11 439	35 779	45 392	14 388	27 583	2 034
Attributable to								
Parent Company's shareholders	39 576	17 057	-11 439	35 779	45 392	14 388	27 583	2 034

Consolidated Key Ratios

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Gross margin, %	75	71	75	72	72
Gross margin disposables, %	80	78	80	78	79
EBIT, %	5	5	2	4	2
EBIT (adjusted), %	9	3	10	1	3
EBITDA, %	14	16	11	15	12
EBITDA (adjusted), %	18	14	19	12	14
Net margin, %	7	7	4	8	4
Equity/assets ratio, %	84	85	84	85	83
Income per share, SEK	0.71	0.42	0.23	0.26	0.62
Shareholders' equity per share, SEK	50.28	45.53	50.28	45.53	47.94
Share price on closing day, SEK	304	215	304	215	183
Market cap on closing day, MSEK	9 074	6 341	9 074	6 341	5 459

Condensed Income Statement for the Parent Company

SEK Thousands	January-June 2023	January-June 2022	April-June 2023	April-June 2022	January- December 2022
Net sales	137 865	114 861	68 565	53 257	243 737
Cost of goods sold	-31 265	-23 466	-19 634	-11 216	-54 599
Gross income	106 600	91 395	48 931	42 041	189 138
Selling expenses	-32 102	-30 162	-15 370	-15 907	-59 489
Administrative expenses	-37 249	-27 899	-19 708	-15 283	-55 691
Research and development expenses	-33 288	-24 803	-17 824	-11 629	-52 355
Other operating revenues and expenses	275	1 326	387	1 108	2 324
Operating income	4 236	9 857	-3 584	330	23 927
Financial income and expenses	15 529	9 312	8 885	7 181	19 982
Income after financial items	19 765	19 169	5 301	7 511	43 909
Taxes	-4 404	-4 155	-1 364	-1 610	-9 177
Net income	15 361	15 014	3 937	5 901	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. Depreciation/amortization during the period amounts to SEK 9,745 (9,589) thousand, of which SEK 4,932 (4,828) thousand in the quarter.

Condensed Balance Sheet for the Parent Company

SEK Thousands	230630	220630	221231
ASSETS			
Intangible fixed assets	397 226	326 701	363 398
Property, plant and equipment	12 622	10 936	10 775
Financial assets	959 445	764 661	926 531
Total non-current assets	1 369 293	1 102 298	1 300 704
Inventories	35 344	18 146	27 548
Current receivables	51 473	36 431	36 890
Cash and bank	93 572	284 246	196 281
Total current assets	180 389	338 823	260 719
Total assets	1 549 682	1 441 121	1 561 423
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1 373 745	1 261 908	1 341 567
Provisions	366	239	1 374
Long-term non-interest-bearing liabilities	138 210	134 270	137 130
Short-term non-interest-bearing liabilities	37 361	44 704	81 352
Total shareholders' equity and liabilities	1 549 682	1 441 121	1 561 423

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, this 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, to the accounting principles used for the preparation of the latest Annual Report.

Note 2. Financial instruments

The Group's financial assets and liabilities valued at amortized cost amounted to SEK 308 million (426) and SEK 114 million (64) 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 138.2 million (147.2) relating to contingent consideration linked to acquisitions. Contingent considerations are classified under level 3 in accordance with IFRS 13, and measured 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 1.8 million (17.5) in the period and was recognized in financial items. The calculation has been made in accordance with the accounting principles indicated in Note 1.

Financial liabilities measured at fair value

TSEK	230630	220630	221231
Opening balance	170 416	150 676	150 676
Additional purchase considerations	-	-	26 224
Discount of additional purchase considerations	-4 157	-	-
Payment of additional purchase considerations	-34 000	-20 976	-27 999
Exchange-rate differences	5 950	17 452	21 515
Closing balance	138 209	147 152	170 416

Note 3. Net sales

Distribution of net sales

SEK Thousands	January-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Disposables	185 055	122 648	54 669	25 314	-	-	239 724	147 962
Machines	9 969	14 314	6 079	4 513	-	-	16 048	18 827
Service	-	-	-	-	39 416	20 154	39 416	20 154
Net sales	195 024	136 962	60 748	29 827	39 416	20 154	295 188	186 943

SEK Thousands	April-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Disposables	99 462	63 230	28 630	14 552	-	-	128 092	77 782
Machines	4 648	5 631	1 568	209	-	-	6 216	5 840
Service	-	-	-	-	20 265	10 667	20 265	10 667
Net sales	104 110	68 861	30 198	14 761	20 265	10 667	154 573	94 289

Note 4. Consolidated operating segments

The Group's segments are Thoracic, Abdominal and Services. The segments correspond to the Group's business areas and are measured and monitored by XVIVO's management at a revenue and gross margin level.

SEK Thousands	January-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	195 024	136 962	60 748	29 827	39 416	20 154	295 188	186 943
Cost of goods sold	-34 185	-31 377	-20 353	-13 340	-20 371	-9 498	-74 909	-54 215
Gross income	160 839	105 585	40 395	16 487	19 045	10 656	220 279	132 728
Gross margin (%)	82	77	66	55	48	53	75	71

SEK Thousands	April-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	104 110	68 861	30 198	14 761	20 265	10 667	154 573	94 289
Cost of goods sold	-19 154	-15 435	-9 546	-6 572	-10 411	-4 776	-39 111	-26 783
Gross income	84 956	53 426	20 652	8 189	9 854	5 891	115 462	67 506
Gross margin (%)	82	78	68	55	49	55	75	72

Geographical areas

SEK Thousands	January-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
North America	120 581	81 774	4 163	5 512	39 416	20 154	164 160	107 440
South and Latin America	3 673	2 667	-	-	-	-	3 673	2 667
EMEA	50 258	45 016	55 431	22 034	-	-	105 689	67 050
Asia and Pacific	20 512	7 505	1 154	2 281	-	-	21 666	9 786
Net sales	195 024	136 962	60 748	29 827	39 416	20 154	295 188	186 943

SEK Thousands	April-June							
	Thoracic		Abdominal		Services		Total consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
North America	64 870	40 256	3 260	2 331	20 265	10 667	88 395	53 255
South and Latin America	1 442	1 072	-	-	-	-	1 442	1 072
EMEA	26 442	24 245	26 053	12 288	-	-	52 495	36 534
Asia and Pacific	11 356	3 287	885	142	-	-	12 241	3 429
Net sales	104 110	68 861	30 198	14 761	20 265	10 667	154 573	94 289

Note 5. Goodwill

TSEK	January-June	January-June	April-June	April-June	January-December
	2023	2022	2023	2022	2022
Opening balance	625 319	460 228	626 991	467 769	460 228
Acquired goodwill	-	-	-	-	112 242
Exchange-rate differences	28 150	37 985	26 478	30 444	52 849
Closing balance	653 469	498 213	653 469	498 213	625 319

Reconciliation of alternative performance measures

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

EBITDA

SEK Thousands	January- June 2023	January- June 2022	April - June 2023	April - June 2022	January- December 2022
Operating income	15 009	8 762	3 802	4 138	6 409
Depreciation and amortization on intangible assets	15 348	13 835	7 715	6 929	27 871
Depreciation and amortization on tangible assets	10 503	6 495	5 699	3 332	14 296
EBITDA (Operating income before depreciation and amortization)	40 860	29 092	17 216	14 399	48 576

EBITDA (adjusted)

SEK Thousands	January- June 2023	January- June 2022	April - June 2023	April - June 2022	January- December 2022
EBITDA (Operating income before depreciation and amortization)	40 860	29 092	17 216	14 399	48 576
Acquisition costs	-	-	-	-	8 146
Integration costs	12 570	3 760	11 326	1 488	6 102
Cash-based incentive programs for employees outside Europe	-	-6 125	-	-4 540	-6 372
EBITDA (adjusted)	53 430	26 727	28 542	11 347	56 452

EBIT (adjusted)

SEK Thousands	January- June 2023	January- June 2022	April - June 2023	April - June 2022	January- December 2022
EBIT (Operating income)	15 009	8 762	3 802	4 138	6 409
Acquisition costs	-	-	-	-	8 146
Integration costs	12 570	3 760	11 326	1 488	6 102
Cash-based incentive programs for employees outside Europe	-	-6 125	-	-4 540	-6 372
EBIT (adjusted)	27 579	6 397	15 128	1 086	14 285

Gross margin

SEK Thousands	January- June 2023	January- June 2022	April - June 2023	April - June 2022	January- December 2022
Operating income					
<i>Net sales</i>	295 188	186 943	154 573	94 289	415 292
Operating expenses					
<i>Cost of goods sold</i>	-74 909	-54 215	-39 111	-26 783	-118 336
Gross income	220 279	132 728	115 462	67 506	296 956
Gross margin %	75	71	75	72	72

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. Gross margin thus indicates profit after cost of goods sold as a proportion of net sales, and is affected by factors such as pricing, raw materials and manufacturing costs, inventory write-downs and exchange rate effects.

Equity/Asset ratio

SEK Thousands	230630	220630	221231
Shareholders' equity	1 503 351	1 345 855	1 430 136
Total assets	1 788 447	1 584 855	1 733 084
Equity/assets ratio %	84	85	83

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 for using key ratio
Gross margin disposables, %	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.
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	Income for the period divided by the average number of 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	Income for the period divided by the average number of 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.
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. The effect of the acquisition of a distributor (like the acquisition of XVIVO S.r.l. in 2022) is adjusted for by deducting the distributor's margin that is added to Group sales as a result of the 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.

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.
Evaluation	Evaluation 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 evaluate 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. 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.
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.
Machine sales	Revenues from the sale or rental of machinery for mechanical perfusion and preservation of organs.
Clinical study/trial	A study in healthy or sick people to examine the effect of a drug or treatment method.
Machine perfusion	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 machines. 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.
OPO or Organ Procurement Organization	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.
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 evaluate the safety and efficacy of a medical device.
Pre-clinical 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 is used in the health insurance system to enable 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 includes 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.



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