REPORT ON OPERATIONS 2017

XVIVO PERFUSION AB (PUBL)

XVIVO Perfusion is a medical technology company which develops and markets solutions and systems for assessing the usability of organs, enabling the treatment of organs, and maintaining organs in good condition outside of the body, pending transplantation. Currently, the company's product, Perfadex®, has a market share of more than 90 percent in the traditional preservation of lungs for transplantation. The company's products for warm perfusion, XPS™ and STEEN Solution™, have regulatory approval in all major markets, and are the only products to date to have received regulatory approval from the FDA for warm perfusion of lungs. XVIVO Perfusion employs approximately 30 people at its headquarters in Gothenburg, Sweden, its office in Lund, Sweden, and its office for North & South America in Denver, CO, USA. The XVIVO share is listed on NASDAQ Stockholm and has the ticker symbol XVIVO.

XVIVO PERFUSION

CONTINUED GOOD GROWTH AND EBITDA

FOURTH QUARTER 2017 (OCT - DEC)

- Net sales of non-durable goods in the quarter amounted to SEK 39.4 (34.6) million, corresponding to an increase of 14 percent in SEK. Sales of non-durable goods increased by 21 percent in local currency. Net sales in the quarter amounted to SEK 41.6 (38.4) million, corresponding to an increase of 8 percent. The increase corresponds to 14 percent in local currency.
- Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 9.1 (6.7) million, corresponding to an EBITDA margin, excluding items affecting comparability, of 22 percent. Items affecting comparability of SEK 0.5 (3.1) million, related to the acquisition and integration of Vivoline, have been charged against the quarter. EBITDA amounted to SEK 8.6 (3.6) million, corresponding to an EBITDA margin of 21 percent.
- Operating income amounted to SEK 4.7 (0.0) million, after amortization and depreciation of SEK 3.8 (3.6) million.
- Net income amounted to SEK 5.6 (-0.6) million, resulting in earnings per share of SEK 0.21 (-0.02).
- Cash flow from operating activities was SEK 7.9 (-6,2) million.
- Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™) accounted for 43 (38) percent of the total sales of non-durable goods.
- Reimbursement codes obtained for doctor´s time during EVLP procedure. As of January 1, 2018, hospitals in the US will be able to use three CPT codes to obtain reimbursement for doctors' time spent using the XPS for an EVLP (Ex Vivo Lung Perfusion) procedure. The new codes will also simplify the reimbursement process for the hospitals.
- During the quarter, XVIVO Perfusion has installed the first XPS™ in China. The purpose is to start an EVLP (Ex Vivo Lung Perfusion)-study at Shanghai Pulmonary Hospital. The study is designed to complement existing EVLP data, with Chinese data.

THE PERIOD 2017 (JAN - DEC)

- Net sales of non-Durable goods in the period amounted to SEK 141.0 (122.5) million, corresponding to an increase of 15 percent in SEK and local currencies. Net sales in the period amounted to SEK 148.3 (138.2) million, corresponding to an increase of 7 percent in both SEK and local currencies.
- Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 24.8 (26.4) million, corresponding to an EBITDA, excluding items affecting comparability, margin of 17 percent. Items affecting comparability of SEK 2.8 (10.3) million, related to the acquisition and integration of Vivoline, have been charged against the period. EBITDA amounted to SEK 22.0 (16.0) million, corresponding to an EBITDA margin of 15 percent.
- Operating income amounted to SEK 7.1 (2.7) million, after amortization and depreciation of SEK 14.9 (13.2) million.
- Net income amounted to SEK 6.3 (1.5) million, resulting in earnings per share of SEK 0.25 (0.07).
- Cash flow from operating activities was SEK 22.2 (12.6) million.
- Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™*) accounted for 35 (32) percent of the total sales of non-Durable goods.
- A Private Placement was fully subscribed by the Third AP Fund, Norron, Swedbank Robur and the Fourth AP Fund and it raised approximately SEK 181 million before issue costs.
- Inclusion of all 220 (110 + 110) patients is now completed in the NOVEL study which is being carried out in the US on STEEN Solution™ and XPS™. This clinical study will form the basis of the company's PMA (Pre-market Approval) application to the FDA. STEEN Solution™ and XPS™ have already been approved for sales in the US under an HDE (Humanitarian Device Exemption) approval.
- Recruitment is completed for the PrimECC® study at Sahlgrenska University Hospital. The study intends to expand the clinical documentation for PrimECC® and included a total of 80 (40 + 40) patients.
- The first clinical heart transplant using the heart preservation technology developed by XVIVO´s partner Professor Stig Steen was performed during the period. His research has resulted in a heart preservation technology that makes it possible to transport and store the donor heart in a more optimized way than before. Earlier animal experiments have shown that the method has the potential to extend the time that the heart is stored outside the body (Ex Vivo).
- 6 XPS™ and LS™ were delivered during the period. China, Australia, the Netherlands and Portugal were new countries that now have access to an XPS™ or LS™. At the end of the period 47 clinics had access to the XPS™ or LS™.

MILESTONES PASSED DURING THE YEAR

- New countries with XPS™ or LS™ were China, Australia, Portugal and the Netherlands.
- CPT Reimbursement codes obtained for doctor´s time during EVLP procedure.
- A private placement of SEK 181 million was carried out to accelerate XVIVO's heart transplant project to the market.
- All 220 patients included in the NOVEL study in the US which will form the basis of the company's PMA application there.
- PrimECC study on 80 patients at Sahlgrenska University Hospital completed. Analysis of the results is ongoing.
- The first clinical heart transplant using the heart preservation technology developed by XVIVO´s partner Professor Stig Steen was performed.

CEO'S COMMENTS

2017 was yet another successful and eventful year for XVIVO Perfusion and several important milestones were passed. One of the most important milestones was that the first patient received a heart transplant where the donated heart was transported and at the same time oxygenated using pioneering preservation technology developed by Professor Stig Steen. The technology consists of a unique perfusion solution and compact box that keeps the heart in optimal condition. The company has future commercial rights to this technology.

Other important milestones that were passed during the year were that recruitment was completed for two studies in the company's clinical research projects – the NOVEL study in the US concerning evaluation of lungs outside the body (Ex Vivo Lung Perfusion, EVLP) using STEEN Solution™ and XPS™, which will form the basis of the company's PMA application, and the PrimECC® study at Sahlgrenska University Hospital concerning an optimized solution for heart-lung machines. Expansion in EVLP has accelerated and four new countries have gained access to an EVLP machine during the year (China, the Netherlands, Portugal and Australia), and three so-called CPT codes have been approved for EVLP in the US. This means that as of January 1, 2018 hospitals in the US can receive reimbursement for the surgeon's and the team's time related to an EVLP. It also simplifies the complicated reimbursement process for US hospitals. The implementation of the CPT codes is expected to be completed during the first half of 2018.

The focus for the lung transplant area is to increase the installation base of the company's EVLP machines and to increase resources in training and service for the clinics, with the aim of lowering thresholds for greater use of EVLP technology. The company is also continuing to invest considerable resources in further development of EVLP technology to strengthen the support for transplant surgeons in their decision-making, with the aim to reduce the risk of the patient dying while waiting for new lungs. The trend of increased use of input products in the company's present lung transplant product area is continuing – sales growth (excluding capital goods) increased by 15 percent during the year. The lung transplant product area shows both profit and a positive cash flow. This is despite continued large investments in to R&D and the marketing organization as well as in support functions such as quality assurance and regulatory competence.

In the heart transplant product area, which is important to the company's future growth, development work has accelerated. The focus in this phase is to adapt the heart perfusion technology to international clinical studies and move forward with the production development of the new heart perfusion solution. In order to achieve this the development organization in Lund was strengthened with further competence during the year. The aim of the heart perfusion project is that clinical studies (studies in humans) confirm the preclinical results that have demonstrated that the heart can be preserved fully functional outside the body for a considerably longer period of time than has previously been possible. If this is the case, it would mean that more donated hearts could be used for transplantation and thus that more patients' lives are saved.

Furthermore, the company is continuing to support research in a clinical phase to extend the use of warm perfusion using STEEN Solution™ to the liver and to the administration of drugs to isolated organs. This is a part of the long-term aim to become the global leader in the field of organ perfusion, initially in the thorax area, but later within liver and kidney transplantation. In the longer term the aim is to treat isolated organs and tissue still in the body using tailor-made techniques, without problems of adverse effects in other parts of the body. One example of this is cancer treatment. The competence in these areas is also utilized for the development of solutions for closely related applications such as the optimized running of heart-lung machines.

Magnus Nilsson
CEO

CONFERENCE CALL

CEO Magnus Nilsson will present the report in a conference call at 2 p.m. CET on Monday, February 12, 2018.
Telephone UK: +44 (0) 203 139 4830 or USA: +1 718 873 9077, enter code 20105534#.

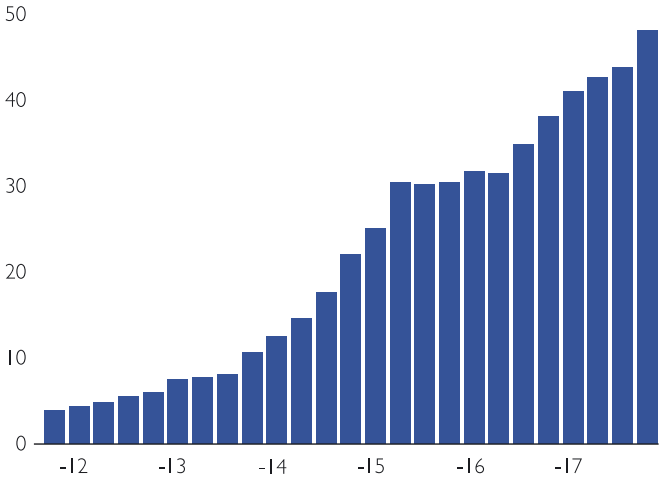
FOURTH QUARTER 2017 (OCTOBER - DECEMBER)

Net Sales

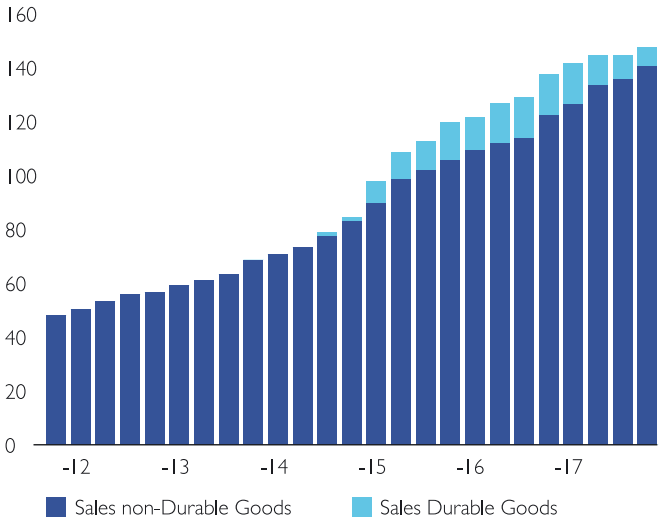
XVIVO Perfusion's net sales of non-durable goods* in the quarter amounted to SEK 39.4 (34.6) million, corresponding to an increase of 14 percent in SEK and 21 percent in local currency. Total net sales in the quarter amounted to SEK 41.6 (38.4) million, corresponding to an increase of 8 percent in SEK and 14 percent in local currency.

Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the

NET SALES WARM PERFUSION EXCL. DURABLE GOODS ROLLING 12-MONTHS (SEK MILLIONS)



NET SALES ROLLING 12 MONTHS (SEK MILLIONS)*



COMPILATION OF NET SALES AND EBITDA

SEK THOUSANDS	January - December 2017	January - December 2016	October - December 2017	October - December 2016
Net Sales non-Durable Goods	140 994	122 527	39 442	34 552
Net Sales Durable Goods	7 348	15 650	2 126	3 866
Net Sales Total	**148 342**	**138 177**	**41 568**	**38 418**
Cost of Goods non-Durable Goods	-30 362	-24 798	-8 866	-6 936
Cost of Goods Durable goods	-4 584	-11 144	-865	-2 594
Cost of Goods Total	-34 946	-35 942	-9 731	-9 530
Gross income non-Durable Goods	110 632	97 729	30 576	27 616
Gross margin non-Durable Goods, %	78%	80%	78%	80%
Gross income Durable Goods	2 764	4 506	1 261	1 272
Gross income Total	113 396	102 235	31 837	28 888
Gross margin Total, %	76%	74%	77%	75%
Selling expenses	-43 702	-35 708	-10 819	-10 312
Administrative expenses	-20 045	-24 489	-5 391	-6 751
Research and development costs	-39 469	-36 670	-10 121	-11 028
Other operating revenues and expenses	-3 074	-2 634	-767	-771
Operating Income	**7 106**	**2 734**	**4 739**	**26**
amortization and depreciation cost of goods sold	-385	-297	-18	-115
depreciation administrative expenses	-985	-484	-378	-152
amortization of research and development expenses	-10 559	-10 346	-2 646	-2 618
depreciation other operative expenses	-2 987	-2 091	-803	-675
EBITDA	**22 022**	**15 952**	**8 584**	**3 586**
EBITDA, %	15%	12%	21%	9%
Items affecting comparability**	-2 802	-10 399	-522	-3087
EBITDA excluding items affecting comparability	24 824	26 351	9 106	6 673
EBITDA excluding items affecting comparability, %	17%	19%	22%	17%

* See note 3 for revenue per segment.
** 2017: Integration costs from acquisition 2016. 2016: Costs from acquisition and NASDAQ-listing.

XPS™ and LS™) accounted for 43 (38) percent of the total sales of non-Durable goods. Total sales from warm perfusion (STEEN Solution™, XPS™, LS™, and products and services related to the use of the XPS™ and LS™) accounted for 46 (44) percent of the total sales.

Income

Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 9.1 (6.7) million, corresponding to an EBITDA margin, excluding items affecting comparability, of 22 percent. Items affecting comparability of SEK 0.5 (3.1) million, related to the acquisition and integration of Vivoline, have been charged against the quarter. EBITDA amounted to SEK 8.6 (3.6) million, corresponding to an EBITDA margin of 21 percent.

Operating income amounted to SEK 4.7 (0.0) million, after amortization and depreciation of SEK 3.8 (3.6) million was charged against the quarter.

The gross margin for non-Durable goods during the quarter was 78 (80) percent. The total gross margin during the quarter was 77 (75) percent. The increase is attributable to segment mix.

Selling expenses in relation to sales decreased during the quarter to 26 (27) percent. R&D expenses amounted to 24 (29) percent of sales. The decrease is mainly attributable to the displacement in costs between the quarters. Administrative expenses decreased to 13 (18) percent of sales, mainly due to less items affecting comparability. The administration department has one more head count compared to same quarter last year. Net other operating revenues and expenses during the quarter were SEK -0.8 (-0.8) million.

During the quarter, SEK 8.8 (5.2) million of the development costs were capitalized as an intangible asset. SEK 2.6 (2.1) million was attributable to the continued NOVEL study with STEEN Solution™ with the aim of PMA approval. SEK 5.5 (1.5) million was attributable to investments in the Heart transplant project with aim of marketing approval in the USA and Europe, and SEK 0.7 (1.6) million was attributable to product development of the product portfolio. Depreciation and amortization for the period amounted to SEK 3.8 (3.6) million, of which SEK 2.4 (2.4) million was amortization of the FDA HDE approval.

Cash flow

Cash flow from operating activities amounted to SEK 7.9 (-6.2). Investments amounted to SEK 13.5 (9.4) million, of which SEK 9.2 (5.5) million was invested in intangible assets and SEK 4.1 (2.2) million was invested in tangible assets. The cash flow from financing activities was SEK 0.0 (0.0) million. Cash and cash equivalents at the end of the quarter amounted to SEK 195.3 (24.9) million.

CPT Reimbursement codes obtained for doctor´s time during EVLP procedure

As of January 1, 2018, hospitals in the US will be able to use three CPT codes to obtain reimbursement for doctors' time spent using the XPS for an EVLP (Ex Vivo Lung Perfusion) procedure. The new codes will also simplify the reimbursement process for the hospitals. The first code is related to preparation of marginal donor lungs, the second code is related to the EVLP on an organ perfusion system of a marginal lung, and the third code is related to any additional hour(s) needed for an EVLP. The three codes together will simplify the process for reimbursement by the surgical team.

A CPT (Current Procedural Terminology) code is a direct mechanism for a hospital and surgical team to bill for a specific procedure. Therefore, with the new CPT codes, a barrier to use the XPS has been overcome. Thus, more clinicians will be able to bill for their efforts.

First XPS™ installed in China

XVIVO Perfusion has installed the first XPS™ in China. The purpose is to start an EVLP (Ex Vivo Lung Perfusion)-study at Shanghai Pulmonary Hospital. The study is designed to complement existing EVLP data, with Chinese data. The company is planning to initiate an approval process of the XPS™ with CFDA (China Food and Drug Administration). STEEN Solution™ and Perfadex are already approved by CDFA.

China is currently the fastest growing lung transplant market in the world, with a 37 percent increase in lung transplants in 2016 (201 lung transplants performed). Due to the increased need for lung transplantation the number of clinics authorized to perform lung transplants has increased from 20 clinics in 2016 to 27 clinics in 2017. In parallel with the transplant centers growth, the organ donation system in China is also growing to meet this lifesaving demand. The current donor system is an OPO system, with the expectation to take advantage of increased utilization of marginal lungs for transplant. The end point of this collaboration is to reduce mortality on the waiting list.

THE PERIOD 2017 (JANUARY - DECEMBER)

Net Sales

XVIVO Perfusion's net sales of non-durable goods* in the period amounted to SEK 141.0 (122.5) million, corresponding to an increase of 15 percent in SEK and 15 percent in local currency. Total net sales in the period amounted to SEK 148.3 (138.2) million, corresponding to an increase of 7 percent in SEK and 7 percent in local currency.

Warm perfusion sales from non-durable goods (STEEN Solution™, products and services related to the use of the XPS™ and LS™) accounted for 35 (32) percent of the total

sales of non-Durable goods. Total sales from warm perfusion (STEEN Solution™, XPS™, LS™, and products and services related to the use of the XPS™ and LS™) accounted for 39 (40) percent of the total sales.

Income

Operating income before depreciation and amortization (EBITDA), excluding items affecting comparability, amounted to SEK 24.8 (26.4) million, corresponding to an EBITDA margin, excluding items affecting comparability, of 17 percent. Items affecting comparability of SEK 2.8 (10.3) million, related to the acquisition and integration of Vivoline, have been charged against the period. EBITDA amounted to SEK 22.0 (16.0) million, corresponding to an EBITDA margin of 15 percent.

Operating income amounted to SEK 7.1 (2.7) million, after amortization and depreciation of SEK 14.9 (13.2) million was charged against the period. The gross margin for non-Durable goods during the period was 78 (80) percent. The total gross margin during the period was 76 (74) percent.

Selling expenses in relation to sales increased during the period to 29 (26) percent, mainly due to three additional employees and increased resources on service and marketing. R&D expenses amounted to 27 (27) percent of sales. During the period, items effecting comparability amounting to SEK 2.2 million have been charge against R&D expenses attributable to setting up the quality system in Lund. Administrative expenses decreased to 14 (18) percent of sales, mainly due to less items affecting comparability. The administration department has one more head count and higher costs due to the listing on Nasdaq Stockholm main list. Net other operating revenues and expenses during the period were SEK -3.1 (-2.6) million.

During the period, SEK 28.1 (10.9) million of the development costs were capitalized as an intangible asset. SEK 11.9 (6.3) million was attributable to the continued NOVEL study with STEEN Solution™ with the aim of PMA approval, SEK 14.7 (2.4) million was attributable to investments in the Heart transplant project with aim of marketing approval in the USA and Europe, and SEK 1.6 (2.2) million was attributable to product development of the product portfolio. Depreciation and amortization for the period amounted to SEK 14.9 (13.2) million, of which SEK 9.8 (9.8) million was amortization of the FDA HDE approval.

Cash flow

Cash flow from operating activities amounted to SEK 22.2 (12.6) million. Investments amounted to SEK 35.5 (29.7) million, of which SEK 29.3 (11.9) million was invested in intangible assets and SEK 5.6 (8.6) million was invested in tangible assets. Acquisition of business segment amounted to SEK 0.5 million (9.5) during the period, related to finalization of the Vivoline acquisition. The cash flow from financing activities was SEK 184.8 (0.2) million and consisted of two new share issues and one warrant program for XVIVO employees. The first new issue was directed to four institutional investors amounting to SEK 171.5 million after issue costs and the second new issue was because of the exercise of warrants totaling SEK 13.0 million after issue costs. Cash and cash equivalents at the end of the period amounted to SEK 195.3 (24.9) million.

Financing

XVIVO Perfusion's total credit facilities consist of an overdraft facility that at the end of the period amounted to SEK 30 (22) million, of which SEK 0.0 (0.0) million was utilized. The equity/assets ratio was 94 (91) percent at the end of the period.

SEK 181 million share issue directed to four institutional investors

On March 16, 2017, the board of directors of XVIVO Perfusion AB has resolved, with deviation from the shareholders preferential right, upon a new issue of up to 2,361,408 new shares directed to institutional investors. The private placement was fully subscribed by the Third Swedish National Pension Fund (AP3), the Fourth Swedish National Pension Fund (AP4), Norron and Swedbank Robur. The private placement and subscription were subject to approval by an extraordinary general meeting held on 10 April 2017. The extraordinary general meeting approved the new issue of up to 2,361,408 new shares directed to institutional investors.

The subscription price per new share in the private placement was set to SEK 76.50 and has been established through a book-building process. Through the Private Placement, XVIVO Perfusion raised up to approximately SEK 181 million before issue costs. Compared to the past five trading days' volume-weighted average price (5 day VWAP) for XVIVO Perfusion's share on Nasdaq Stockholm during the period 10 to 16 March 2017, the subscription price constituted a discount of 4.5 per cent. Compared to the closing price on 16 March 2017, the subscription price constituted a discount of 4.7 per cent.

The rationale for carrying out the private placement is to accelerate the company´s clinical product development projects, primarily the heart transplant project, with the aim of market registration globally. The board of directors of XVIVO Perfusion assesses that the proceeds from the Private Placement will be sufficient to finance the heart transplant project until market launch. The capital contribution improves the possibility of more rapidly reaching global market approval for the heart transplant products and hence being able to market these products. Furthermore, XVIVO Perfusion will be able to more rapidly take advantage of the potential that exists in the development of new indications e.g. Liver transplantation, PrimECC and Cancer.

First clinical heart transplant performed using the method developed by XVIVO´s partner Professor Stig Steen

Through its collaboration agreement with Igelösa, XVIVO Perfusion has the commercial rights to Professor Stig Steen's research on heart transplants. The research has resulted in a

* See note 3 for revenue per segment.

method in connection with heart transplants that makes it possible to transport and preserve the heart from a donor in a more optimized way. Previous animal experiments have demonstrated that the method has the potential to extend the time a heart can be preserved outside the body (Ex Vivo). The first clinical heart transplant using the new method has now been successfully performed.

Approximately 6,500 heart transplants are performed in the world each year and the limiting factor for more heart transplants are the lack of donated hearts and that the generally accepted maximum transport time today is about four hours. The new preservation method includes a machine that supplies the heart with important substances in an oxygenated solution before transplantation. In previous animal experiments using the new method, the preservation time for the donated heart has been extended from today's approximately four hours to approximately 12 hours.

If the new method proves to work as well in human beings as in animals, it will be possible to use considerably more hearts for transplantation. In the longer term this will mean that the most suitable recipient can receive the donated organ with distance being less of a limiting factor.

Recruitment completed for NOVEL study in the US on STEEN Solution™ and XPS™

Inclusion of all 220 (110 + 110) patients is completed in the NOVEL study which is being carried out in the US on STEEN Solution™ and XPS™. This clinical study will form the basis of the company's PMA (Pre-market Approval) application to the FDA. Approximately 40 percent of all lung transplantations in the world are done in the US and STEEN Solution™ and XPS™ have already been approved for sales in the US under an HDE (Humanitarian Device Exemption) approval.

In August 2014 the company received HDE approval from the FDA for the products XPS™ and STEEN Solution™ for sales on the American market. HDE approval entails certain restrictions, amongst other things that no more than 4,000 patients may be treated per year under HDE approval and that separate ethical approval may be required for treatment. The study that has now been completed will form the basis of the company's PMA application, which means that if it is approved, there will no longer be any such restrictions.

The NOVEL study is continuing with follow-up of the patients for up to one year. XVIVO Perfusion has an ongoing dialogue with the FDA about the design and the time for submission of the PMA application and will post information when this has been done. The PAS (Post Approval Study) required by the FDA, which is a compulsory safety follow-up after all approvals, has finished inclusion of all 126+126 patients.

XPS™ is the only CE-marked and FDA-approved (HDE approval) normothermic lung perfusion integrated system on the market today, that provides the clinician the flexibility to evaluate lungs before transplantation by means of a standardized and simplified procedure. XPS™ is used worldwide with good clinical results. The XPS™ and STEEN Solution™ have already been CE-marked and thus approved for sales on the European market, and are also approved for sales in Canada and Australia.

That the PMA and PAS studies on XPS™ and STEEN Solution™ in the US has completed recruitment is an important step for XVIVO Perfusion. This means, some of the restrictions that were part of the clinical trial will disappear and more patients will have an option to receive an EVLP lung. This will also mean that the company can focus more in the US on tailoring the technology for customers, building up the market and customer service.

Recruitment completed for PrimECC study

PrimECC® is a CE-marked and patent-protected product, developed to prime the heart-lung machine before open heart surgery. A previous "proof of concept" study performed using PrimECC® has shown interesting clinical results. Recruitment is now completed for a study including a total of 80 patients that aims to increase the clinical documentation for PrimECC®.

Several hundred thousand heart operations are performed in the world each year using a heart-lung machine and the 'proof of concept' study performed using PrimECC® indicates that the patient has an improved fluid balance after the operation if the heart-lung machine is primed with PrimECC® rather than the simpler solutions that are often used. During the past year the company has carried out a randomized, blind clinical study on 80 patients at Sahlgrenska University Hospital in Gothenburg in order to increase the documentation.

XVIVO Perfusion is currently analysing the results from the study at Sahlgrenska University Hospital and based on the analysis continue to clinically document the product. XVIVO Perfusion has applied for a patent for PrimECC® in important markets and has so far been granted a patent in the USA, EU, China and Japan.

OUTLOOK FOR 2018

As the number of lungs that can be transplanted using traditional cold perfusion cannot be predicted to increase more than the number of lungs donated, it is expected that growth will come primarily from warm perfusion using the STEEN Solution™ method. The focus is therefore, to continue to develop the method with the aim of establishing the STEEN Solution™ method as the standard treatment for lung transplantation. The company will intensify clinical research and product development in cardiac transplantation. Expenses attributable to cardiac transplantation will be capitalized on an ongoing basis.

Organ availability is also the limiting factor for increasing the

number of transplantations of organs other than lungs. The focus of research and development is therefore on developing the use of the STEEN Solution™ method for more indications, and on developing other similar areas of use such as the warm perfusion of organs still in the body.

THE COMPANY IN BRIEF

Operations

XVIVO Perfusion AB is a medical technology company which develops solutions and systems for selecting usable organs and maintaining them in optimal condition pending transplantation. Currently, the company's product, Perfadex®, has a market share of more than 90 percent in the traditional preservation of lungs for transplantation. The company's products for warm perfusion, XPS™ and STEEN Solution™, have regulatory approval in all major markets, and are the only products to date to have received regulatory approval from the FDA for warm perfusion of lungs.

Lung transplantation

A great problem in transplantation healthcare is the lack of available lungs. Currently in the USA, only around 20 percent of the available donated lungs are transplanted, as it is considered far too risky to transplant the remaining majority. By using XVIVO's product STEEN Solution™, the organ is cleared of harmful substances from the donor, thus creating a better environment for the organ's cells. The technology thereby allows the organ to "recover" when possible. It also allows for functional testing to be performed on the organ outside the body. In clinical use in the US, Europe, Australia, and Canada, it has emerged that once STEEN Solution™ perfusion has been carried out, many of the organs that were initially "rejected" are assessed as being usable and have been successfully transplanted into patients with end-stage lung disease. Therefore the use of STEEN Solution™ has the potential to increase the total number of lung transplants.

Heart transplantation

Through the acquisition of Vivoline, XVIVO Perfusion has access to HS1 (machine) and Heartadex™ (solution) for heart transplantation. These products are designed to help increase the use of donated hearts so that more heart transplants can be performed and more patients can be given a last chance of a longer life with better quality of life. The products HS1 and Heartadex ™ are in phase pre-clinical studies and clinical proof of concept. Future focus is to take the products into phase clinical research and to reach regulatory approval for the products.

Other indications

The company conducts preclinical and clinical research in transplantation of organs other than lungs as well as and in perfusion of organs remaining in the body, for example, drug administration to isolated organs and priming solutions for heart-lung machines.

Business concept

XVIVO Perfusion's business concept is to increase the survival rate of patients in need of an organ transplant by providing effective products that increase the availability and survival potential of organs once transplanted.

Vision

The company's vision is that no one should have to die waiting for a new organ.

Objective

The company's objective is to establish the warm perfusion of organs with XPS™ and STEEN Solution™ as the standard treatment in the transplantation of lungs and other organs.

Strategy

XVIVO Perfusion's strategy is focused on increasing the number of available transplants for patients. Through published clinical trials, XVIVO Perfusion shows that the warm perfusion of organs with the STEEN Solution™ method gives more available organs and thus a larger number of patients a life-saving treatment and better quality of life, socio-economic profit and lower morbidity and mortality.

OTHER INFORMATION

Organization and personnel

At the end of quarter, the number of employees was 30, of whom 14 were women and 16 were men. Of these, 15 people were employed in Sweden and 15 outside Sweden. In addition, the company uses around 10 consultants.

Information on transactions with related parties

During the quarter, a transaction with a related party has been conducted. The board member, Folke Nilsson has invoiced the company SEK 36,000 during the quarter for consultancy services in relation to the heart transplant project.

Proposed appropriation of earnings

The Board´s proposal to the Annual General Meeting is that no dividend should be paid during 2018.

Risk management

XVIVO Perfusion is constantly working to identify, evaluate, and manage risks in different systems and processes.
Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside XVIVO Perfusion's regular quality system.

The market risks that are determined to have particular importance for the future development of XVIVO Perfusion are access to financial funds and medical resources at clinics around the world. Operational risks primarily comprise risks that limit or prevent XVIVO Perfusion from developing, manufacturing and selling quality, effective and safe products. Legal

and regulatory risks may arise from changes in legislation and other regulations. Changes in legislation or political decisions may affect the company's ability to run or develop the business. Including financial risks are the currency risk for the business.

The most important strategic and operative risks affecting the company are described in the 2016 annual report.

Seasonal effects

XVIVO Perfusion's sales are marginally affected by seasonal effects. Mainly in new treatments such as EVLP or warm perfusion of the lungs there are slightly less activity during the summer months.

Nomination Committee for the 2018 Annual General Meeting

The following members have been appointed to XVIVO Perfusion's Nomination Committee for the 2018 Annual General Meeting:

Henrik Blomquist, representing Bure Equity AB
Martin Lewin, representing Eccenovo AB
Joachim Spetz, representing Swedbank Robur

The appointments have been made in accordance with the instructions regarding principles for the appointment of the company Nomination Committee which were determined at the Annual General Meeting of XVIVO Perfusion AB (publ) on May 3, 2016. The members of the Nomination Committee together represent 30 percent of the votes attached to all voting shares in the company.

Annual General meeting 2018 and Annual Report

The Annual General Meeting of XVIVO Perfusion AB (publ) will be held on April 27, 2018 in Gothenburg. Shareholders who wish to have an item considered at the Annual General Meeting can submit a written request to the Board to this effect. Such a request for an item to be considered is to be sent to XVIVO Perfusion AB (publ), Att: Chairman of the Board, Box 53015, 400 14 Gothenburg, and must have been received by the Board no later than seven weeks before the Annual General Meeting, or otherwise in such good time that the matter, where necessary, can be included in the notice to attend the Annual General Meeting.

It is estimated that XVIVO Perfusion's Annual Report for 2017 will be available for download on XVIVO Perfusion's website during the week commencing Monday, April 2.

Events after the end of the reporting period

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

Certification

The Board and the CEO certify that the half-year report gives a true and fair view for the company´s and the Group´s business activities, financial position and results, and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group face

Gothenburg
February 9, 2018

Magnus Nilsson CEO	Fredrik Mattsson Chairman of the Board
Semmy Rülf Board member	Erik von Schenck Board member
Gösta Johannesson Board member	Folke Nilsson Board member
Camilla Öberg Board member	

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

Financial reports

XVIVO Perfusion's interim reports are published on the company's website, www.xvivoperfusion.com. Following reports are planned to be submitted:

Interim report January-March 2018: Thursday, April 26, 2018
Interim Report January-June 2018: Friday, July 13, 2018
Interim Report January-September 2018: Friday, October 26, 2018
Report on Operations 2018: Thursday, February 8, 2019

For further information, please contact

Magnus Nilsson, CEO, +46 31 788 21 50,
magnus.nilsson@xvivoperfusion.com
Christoffer Rosenblad, CFO, +46 735 192159,
christoffer.rosenblad@xvivoperfusion.com

This information is information that Xvivo Perfusion AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on February 9, 2018 at 8.00 am.

This is a translation of the Swedish version of the report. When in doubt, the Swedish wording prevails.

CONDENSED CONSOLIDATED STATEMENT OF NET INCOME

SEK THOUSANDS	January - December 2017	January - December 2016	October - December 2017	October - December 2016
Net sales	148 342	138 177	41 568	38 418
Cost of goods sold	-34 946	-35 942	-9 731	-9 530
Gross income	**113 396**	**102 235**	**31 837**	**28 888**
Selling expenses	-43 702	-35 708	-10 819	-10 312
Administrative expenses	-20 045	-24 489	-5 391	-6 751
Research and development costs	-39 469	-36 670	-10 121	-11 028
Other operating revenues and expenses	-3 074	-2 634	-767	-771
Operating income	**7 106**	**2 734**	**4 739**	**26**
Financial income and expenses	346	259	763	-131
Income after financial items	**7 452**	**2 993**	**5 502**	**-105**
Taxes	-1 192	-1 492	64	-475
Net income	**6 260**	**1 501**	**5 566**	**-580**
Attributable to				
Parent Company's shareholders	6 260	1 501	5 566	-580
Non-controlling interests	-	-	-	-
	6 260	**1 501**	**5 566**	**-580**
Earnings per share, SEK	0,25	0,07	0,21	-0,02
Earnings per share, SEK*	0,24	0,07	0,21	-0,02
Average number of outstanding shares	25 440 188	22 567 807	26 190 496	23 614 088
Average number of outstanding shares*	25 693 549	22 782 807	26 402 496	23 829 088
Number of shares at closing day	26 190 496	23 614 088	26 190 496	23 614 088
Number of shares at closing day*	26 402 496	23 829 088	26 402 496	23 829 088
EBITDA	**22 023**	**15 952**	**8 585**	**3 586**
Amortization	-10 542	-10 357	-2 639	-2 618
Depreciation	-4 375	-2 861	-1 207	-942
Operating income	**7 106**	**2 734**	**4 739**	**26**

* After dilution. See note 2 for information on warrant programs.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

SEK THOUSANDS	January - December 2017	January - December 2016	October - December 2017	October - December 2016
Net income	**6 260**	**1 501**	**5 566**	**-580**
Other comprehensive income				
Items that may be reclassified to the income statement				
Exchange rate differences	-5 187	4 658	509	2 586
Tax attributable to items that have been transferred, or can be transferred to net income	464	-457	-27	-230
Total other comprehensive income, net after tax	**-4 723**	**4 201**	**482**	**2 356**
Total comprehensive income	**1 537**	**5 702**	**6 048**	**1 776**
Attributable to				
Parent Company's shareholders	1 537	5 702	6 048	1 776
Non-controlling interests	-	-	-	-
	1 537	**5 702**	**6 048**	**1 776**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK THOUSANDS	December 31, 2017	December 31, 2016
ASSETS		
Goodwill	65 273	65 672
Other intangible fixed assets	176 902	158 135
Property, plant and equipment	16 277	15 166
Financial assets	15 466	12 281
Total non-current assets	**273 918**	**251 254**
Inventories	30 703	34 551
Current receivables	38 597	38 684
Liquid funds	195 322	24 871
Total current assets	**264 622**	**98 106**
Total assets	**538 540**	**349 360**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity, attributable to the Parent Company's shareholders	504 332	316 476
Long-term non-interest-bearing liabilities	3 312	3 044
Short-term non-interest-bearing liabilities	30 896	29 840
Total shareholders' equity and liabilities	**538 540**	**349 360**

CONSOLIDATED KEY RATIOS

	January - December		October - December	
	2017	2016	2017	2016
Gross margin non-Durable goods, %	78	80	78	80
Gross margin, %	76	74	77	75
EBITDA, %	15	12	21	9
Operating margin, %	5	2	11	0
Net margin, %	4	1	13	-2
Equity/assets ratio, %	94	91	94	91
Income per share, SEK	0,25	0,07	0,21	-0,02
Shareholders' equity per share, SEK	19,26	13,40	19,26	13,40
Share price on closing day, SEK	94,00	88,00	94,00	88,00

See page 15-16 for key ratios definition and reconciliation of alternative key figures.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

SEK THOUSANDS	January - December 2017	January - December 2016	October - December 2017	October - December 2016
Income after financial items	7 452	2 993	5 502	-105
Adjustment for items not affecting cash flow	13 183	14 727	3 667	4 624
Paid taxes	-2 657	-4 528	1 760	-122
Change in inventories	822	-2 379	1 947	-636
Change in trade receivables	-1 013	-8 219	-8 705	-11 816
Change in trade payables	4 404	9 956	3 718	1 896
Cash flow from operating activities	**22 191**	**12 550**	**7 889**	**-6 159**
Cash flow from investing activities	-35 523	-29 725	-13 517	-9 374
Cash flow from financing activities	184 798	244	33	-
Cash flow for the period	**171 466**	**-16 931**	**-5 595**	**-15 533**
Liquid funds at beginning of period	24 871	41 234	200 818	40 053
Exchange rate difference in liquid funds	-1 015	568	99	351
Liquid funds at end of period	**195 322**	**24 871**	**195 322**	**24 871**

CONSOLIDATED CHANGES IN SHAREHOLDERS EQUITY

	Attributable to Parent Company's shareholders					
SEK THOUSANDS	Share capital	Other paid in capital	Reserves	Retained earnings incl. profit for the year	Non-controlling interests	Sum shareholders' equity
Shareholders' equity as of 1 January, 2016	**550**	**154 567**	**9 140**	**20 617**	**0**	**184 874**
Adjustment for retrospective restatement *				62		62
Justerat eget kapital per 1 januari 2016	**550**	**154 567**	**9 140**	**20 679**	**0**	**184 936**
Total comprehensive income Jan - December, 2016			4 201	1 501		5 702
Share warrent program		244				244
Acquisition of subsidiary	51	121 099			7 426	128 576
Acquisition from non-controlling interest	3	5 543		-539	-7 426	-2 419
Deduction of incremental costs directly related to issuing new shares		-563				-563
Shareholders' equity as of 31 December, 2016	**604**	**280 890**	**13 341**	**21 641**	**0**	**316 476**
Total comprehensive income Jan - December, 2017			-4 723	6 260		1 537
Issuing of new shares efter deduction of incremental costs directly related to issuing new shares net of tax	66	186 424				186 490
Paid in capital for share warrant program		347				347
Acquisition from non-controlling interest				-518		-518
Shareholders' equity as of 31 December, 2017	**670**	**467 661**	**8 618**	**27 383**	**0**	**504 332**

* Adjustment for restrospective restatement refers to correction of accumulated depreciation.

CONDENSED CONSOLIDATED STATEMENT OF NET INCOME PER QUARTER

SEK THOUSANDS	Oct - Dec 2017	Jul - Sep 2017	Apr - Jun 2017	Jan - Mar 2017	Oct - Dec 2016	Jul - Sep 2016	Apr - Jun 2016	Jan - Mar 2016
Net sales	41 568	32 263	37 034	37 477	38 418	31 730	34 498	33 531
Cost of goods sold	-9 731	-7 004	-7 823	-10 388	-9 530	-7 494	-9 639	-9 279
Gross income	**31 837**	**25 259**	**29 211**	**27 089**	**28 888**	**24 236**	**24 859**	**24 252**
Selling expenses	-10 819	-10 384	-11 128	-11 371	-10 312	-9 770	-8 105	-7 521
Administrative expenses	-5 391	-4 662	-4 935	-5 057	-6 751	-5 418	-5 883	-6 437
Research and development costs	-10 121	-8 883	-10 537	-9 928	-11 028	-9 033	-8 651	-7 958
Other operating revenues and expenses	-767	-941	-646	-720	-771	-747	-556	-560
Operating income	**4 739**	**389**	**1 965**	**13**	**26**	**-732**	**1 664**	**1 776**
Financial income and expenses	763	-287	-79	-51	-131	97	365	-72
Income after financial items	**5 502**	**102**	**1 886**	**-38**	**-105**	**-635**	**2 029**	**1 704**
Taxes	64	-453	-796	-7	-475	82	-509	-590
Net income	**5 566**	**-351**	**1 090**	**-45**	**-580**	**-553**	**1 520**	**1 114**
Attributable to								
Parent Company's shareholders	5 566	-351	1 090	-45	-580	-535	1 520	1 114
Non-controlling interests	-	-	-	-	-	-18	-	-
	5 566	**-351**	**1 090**	**-45**	**-580**	**-553**	**1 520**	**1 114**
Earnings per share, SEK	0,21	-0,01	0,04	0,00	-0,02	-0,02	0,07	0,05
Earnings per share, SEK*	0,21	-0,01	0,04	0,00	-0,02	-0,02	0,07	0,05
Average number of outstanding shares	26 190 496	26 190 496	25 765 673	23 614 088	23 614 088	23 609 412	21 534 958	21 512 769
Average number of outstanding shares*	26 402 496	26 402 496	26 140 117	23 829 089	23 829 089	23 824 412	21 534 958	21 512 769
Number of shares at closing day	26 190 496	26 190 496	26 190 496	23 614 088	23 614 088	23 614 088	23 531 941	21 512 769
Number of shares at closing day*	26 402 496	26 402 496	26 402 496	23 829 089	23 829 089	23 829 089	23 531 941	21 512 769
EBITDA	**8 585**	**4 077**	**5 685**	**3 676**	**3 586**	**2 737**	**4 759**	**4 870**
Amortization	-2 639	-2 631	-2 626	-2 646	-2 618	-2 628	-2 558	-2 553
Depreciation	-1 207	-1 057	-1 094	-1 017	-942	-841	-537	-541
Operating income	**4 739**	**389**	**1 965**	**13**	**26**	**-732**	**1 664**	**1 776**

* After dilution. See note 2 for information on warrant programs.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME PER QUARTER

SEK THOUSANDS	Oct - Dec 2017	Jul - Sep 2017	Apr - Jun 2017	Jan - Mar 2017	Oct - Dec 2016	Jul - Sep 2016	Apr - Jun 2016	Jan - Mar 2016
Net income	**5 566**	**-351**	**1 090**	**-45**	**-580**	**-553**	**1 520**	**1 114**
Other comprehensive income								
Items that may be reclassified to the income statement								
Exchange rate differences	509	-2 276	-2 686	-735	2 586	847	2 285	-1 060
Tax attributable to items that have been transferred, or can be transferred to net income	-27	210	245	36	-230	-71	-225	69
Total other comprehensive income, net after tax	**482**	**-2 066**	**-2 441**	**-699**	**2 356**	**776**	**2 060**	**-991**
Total comprehensive income	**6 048**	**-2 417**	**-1 351**	**-744**	**1 776**	**223**	**3 580**	**123**
Attributable to								
Parent Company's shareholders	6 048	-2 417	-1 351	-744	1 776	241	3 580	123
Non-controlling interests	-	-	-	-		-18	-	-
	6 048	**-2 417**	**-1 351**	**-744**	**1 776**	**223**	**3 580**	**123**

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

SEK THOUSANDS	January - December 2017	January - December 2016	October - December 2017	October - December 2016
Net sales	123 345	85 719	35 660	20 947
Cost of goods sold	-28 462	-20 648	-7 246	-5 289
Gross income	**94 883**	**65 071**	**28 414**	**15 658**
Selling expenses	-27 175	-17 996	-8 349	-4 356
Administrative expenses	-9 736	-17 514	-1 356	-5 078
Research and development costs	-38 955	-35 144	-9 607	-10 554
Other operating revenues and expenses	-3 899	-3 174	-1 055	-1 388
Operating income	**15 118**	**-8 757**	**8 047**	**-5 718**
Financial income and expenses	-890	2 839	1 174	1 396
Income after financial items	**14 228**	**-5 918**	**9 221**	**-4 322**
Year end dispositions	-3 900	4 025	-3 900	4 025
Taxes	-2 486	101	-1 384	395
Net income	**7 842**	**-1 792**	**3 937**	**98**

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

Depreciation and amortization has reduced income for the period by SEK 13 320 thousand (12 401), of which SEK 3 397 thousand (3 253) for the quarter.

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

SEK THOUSANDS	December 31, 2017	December 31, 2016
ASSETS		
Intangible fixed assets	111 697	92 889
Property, plant and equipment	10 713	11 501
Financial assets	203 474	179 451
Total non-current assets	**325 884**	**283 841**
Inventories	7 304	13 521
Current receivables	23 422	15 472
Cash and bank	173 421	13 730
Total current assets	**204 147**	**42 723**
Total assets	**530 031**	**326 564**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	492 245	297 488
Untaxed reserves	8 913	8 213
Provisions	1 351	1 237
Short-term non-interest-bearing liabilities	27 522	19 626
Total shareholders' equity and liabilities	**530 031**	**326 564**

Disclosures in accordance with IAS 34.16A occur in the financial statements and the related notes, as well as elsewhere in parts of 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 for the Group and the parent company correspond, unless otherwise stated below, with the accounting policies used for the preparation of the latest annual report.

IFRS 9 "Financial instruments" will replace the current IAS 39 "Financial instruments: Recognition and Measurement" as of 2018. To judge from the information that is today known or estimated, IFRS 9 will not have a material impact on XVIVO Perfusion's results and financial position.

IFRS 15 "Revenue from Contracts with Customers" will as of 2018 replace existing IFRS related to revenue recognition, such as IAS 18 "Revenue", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programmes". XVIVO Perfusion has been able to ascertain that the company's financial reports will be impacted when IFRS 15 begins to be applied. The company's net sales are divided into three categories: sale of goods excluding capital goods, revenues from sale and rental of capital goods and finally revenues from freight, service and other sales (see note 2 in the company's most recent Annual Report). Sale of goods excluding capital goods and revenues from freight, service and other sales comprise products and services that clearly represent separate performance obligations. It is therefore assessed that for these there are not any significant differences between current accounting and accounting pursuant to IFRS 15. For revenues from sale and rental of capital goods, which comprised 11% of the company's net sales in 2016, and 5% of the company's net sales for 2017, there may be several distinct commitments in one and the same contract. The income statement for some of these commitments may need to be postponed in accordance with IFRS 15 compared with current accounting. Of the company's ongoing contracts as per 31 December 2017, one contract has been identified for which the transition to IFRS 15 has effect on the accounts for the financial year 2018. In accordance with IFRS 15, revenue of SEK 0.2 million which was reported during the fiscal year 2017 should be reported in fiscal year 2018. The effect will be reported as an adjustment of opening balances in equity as per 1 January 2018.

IFRS 16 "Leases" will as of 2019 replace existing IFRS related to the recognition of leasing agreements, such as IAS 17 "Leases" and IFRIC 4 "Determining Whether an Arrangement Contains a Lease". XVIVO Perfusion has not yet decided whether to apply IFRS 16 in advance as from 2018, at the same time as IFRS 9 and IFRS 15 change the accounting, or whether to apply it from 2019. As an operational lessee, the company will be impacted by the introduction of IFRS 16. Estimates in terms of figures of the effect of IFRS 16 and the choice of transitional methods have not yet been made. However, the information given in Note 10 of the company's most recent Annual Report gives an indication of the type and scope of the agreements that existed at December 31, 2016. No new operational leasing agreements involving significant amounts were entered during 2017.

No new or revised accounting policies that became effective in 2017 have had any significant impact on the Group.

Note 2. Share warrant programs

The 2017 annual shareholder meeting in XVIVO Perfusion AB approved the warrant program of a maximum of 243,000 warrants (2017/2019) to be offered to employees in XVIVO Perfusion group. As of December 31, 2017 a total of 198,000 warrants were subscribed and paid for by employees.

In total there are 455,000 outstanding warrants in two programs. If all the warrants are exercised to subscribe for shares, the share capital will increase by around SEK 12,000 and the number of shares will increase by 455,000 shares in total, corresponding to dilution of approximately 1.7 percent of the total number of shares and votes. Share warrant program 2016/2018 consists of 212,000 warrants and in June 2018 each warrant will entitle the holder to subscribe for one new share at a price of SEK 90.22. Share warrant program 2017/2019 consists of 243,000 warrants and in the period May-June 2019 each warrant will entitle the holder to subscribe for one new share at a price of SEK 138.51.

Note 3. Financial data per segment, group

January - December

	Net sales of non-Durable goods		Durable goods		Total consolidated	
SEK THOUSANDS	2017	2016	2017	2016	2017	2016
Net sales	140 994	122 527	7 348	15 650	148 342	138 177
Cost of goods sold	-30 362	-24 798	-4 584	-11 144	-34 946	-35 942
Gross income	**110 632**	**97 729**	**2 764**	**4 506**	**113 396**	**102 235**

October - December

	Net sales of non-Durable goods		Durable goods		Total consolidated	
SEK THOUSANDS	2017	2016	2017	2016	2017	2016
Net sales	39 442	34 552	2 126	3 866	41 568	38 418
Cost of goods sold	-8 866	-6 936	-865	-2 594	-9 731	-9 530
Gross income	**30 576**	**27 616**	**1 261**	**1 272**	**31 837**	**28 888**

Note 4. Financial instruments

The Group's financial assets and liabilities valuated at acquisition value amount to SEK 229 (56) million and SEK 34 (30) million respectively. Fair value of the Group's financial assets and liabilities is assessed to correspond to the book value.

RECONCILIATION OF ALTERNATIVE KEY FIGURES

This report includes certain key ratios not defined in IFRS, but they are included in the report as company management considers that this information makes it easier for investors to analyze the Group's financial performance and position. Investors should regard these alternative key ratios as complementing rather than replacing financial information in accordance with IFRS.

EBITDA

	Jan - Dec		Oct - Dec	
SEK THOUSANDS	2017	2016	2017	2016
Operating income	**7 106**	**2 734**	**4 739**	**26**
Amortization	10 542	10 357	2 639	2 618
Depreciation	4 375	2 861	1 207	942
EBITDA	**22 023**	**15 952**	**8 585**	**3 586**

Gross margin

SEK THOUSANDS	Jan - Dec 2017	Jan - Dec 2016	Oct - Dec 2017	Oct - Dec 2016
Operating income				
Net sales	148 342	138 177	41 568	38 418
Operating expenses				
Cost of goods sold	-34 946	-35 942	-9 731	-9 530
Gross income	**113 396**	**102 235**	**31 837**	**28 888**
Gross margin %	**76**	**74**	**77**	**75**

Gross margin non-Durable goods

SEK THOUSANDS	Jan - Dec 2017	Jan - Dec 2016	Oct - Dec 2017	Oct - Dec 2016
Operating income				
Net sales of non-Durable goods	140 994	122 527	39 442	34 552
Operating expenses				
Cost of non-Durable goods sold	-30 362	-24 798	-8 866	-6 936
Gross income, non-Durable goods	**110 632**	**97 729**	**30 576**	**27 616**
Gross margin, non-Durable goods %	**78**	**80**	**78**	**80**

To calculate the gross profit margin, gross profit is first calculated by subtracting the cost of goods for resale from net sales. Gross profit is then divided by net sales to obtain the performance measure of "gross profit margin." Gross profit margin states the percentage of net sales that are converted into profit after cost of goods sold, and is impacted by such factors as pricing, the cost of raw materials and manufacturing, inventory impairment and trends in exchange rates.

Equity/assets ratio

SEK THOUSANDS	Dec 31, 2017	Dec 31, 2016
Shareholders' equity	504 332	316 476
Total assets	538 540	349 360
Equity/assets ratio %	**94**	**91**

Equity consists of share capital, other contributed capital, reserves and retained earnings, including the Group's profit for the year and non-controlling interests. Equity/assets ratio is calculated by dividing equity by total assets and is thus a measure of the percentage of assets that are financed by equity.

KEY RATIOS DEFINITION

KEY RATIO	DEFINITION	JUSTIFICATION TO USE OF KEY RATIO
Gross margin non-Durable goods, %	Gross income segment non-Durable goods as a percentage of the net sales of segment non-Durable goods.	The company believes that the key ratio provides an in-depth understanding of the company's profitability for operations for non-Durable goods. Since the pricing strategy for durable goods differs from the pricing strategy from all other operations, the gross margin is excluded separately from durable goods.
Gross margin, %	Gross income as a percentage of the net sales for the period.	The company believes that the key ratio provides an in-depth understanding of the company's profitability.
EBITDA margin, %	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.
Operating margin, %	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.
Net margin, %	Income for the period 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.
Equity/assets ratio, %	Shareholders' equity and non-controlling interests as a percentage of total assets.	The company believes that the equity to asset ratio provides 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 at closing day.	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 in relation to the average number of outstanding shares for the period.	The key ratio has been included to give investors an overview of how the company's earnings per share has evolved.
Earnings per share after dilution, SEK	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 equity per share after dilution has evolved.

GLOSSARY

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

Preclinical study
Research performed before a drug or method of treatment is sufficiently documented to be studied in humans, for example the testing of substances in tissue samples and subsequent testing in experimental animals.

Clinical study/trial
An investigation in healthy or sick people to study the effect of a drug or method of treatment.

Medical device
Comprises devices used to diagnose a disease or treat a disease and as rehabilitation.

Obstructive lung disease
Disease where there is airway obstruction.

Perfusion
Passage of a fluid through an organ's blood vessels.

Evaluation
Evaluation of the function of an organ.

Preservation
Storage and maintenance of an organ outside the body before transplantation.

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. "Opposite" of in vivo.

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

EVLP or Ex Vivo Lung Perfusion
Perfusion of a lung outside the body. The procedure is normally done to evaluate a lung before transplantation.

FDA or US Food and Drug Administration
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 American market.

PMA or Premarket Approval
Premarket approval (PMA) is the FDA process of scientific and regulatory review to evaluate the safety and efficacy of Class III medical devices. Class III devices support or sustain human life, are of substantial importance in preventing impairment of human health, or potentially present an unreasonable risk of illness or injury.

HDE or Humanitarian Device Exemption
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 4,000 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.

OPO or Organ Procurement Organization
In the United States, an organ procurement organization (OPO) is a non-profit organization that is responsible for the evaluation and procurement of deceased-donor organs for organ transplantation. There are approximately 58 such organizations in the United States.

Reimbursement
Reimbursement is relevant within the health insurance system for healthcare providers to be paid faster and more easily for accrued expenses from a private or public insurance company (in the United States, e.g. Medicare).

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XPS Disposable Kit™

WARM PERFUSION

LS™, Durable goods

LS Disposable Kit™

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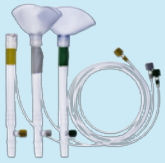

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XVIVO Perfusion AB (publ), Box 53015, SE-400 14 Göteborg. Tel: +46 31-788 21 50. Fax: +46 31-788 21 69.
XVIVO Perfusion Inc., 3666 South Inca Street, Englewood, CO 80110, USA, Tel: +1 303 395 9171, Fax +1 800 694 5897.
XVIVO Perfusion Lund AB, Propellervägen 16, SE-224 78 Lund, Sweden. Tel: +46 46 261 05 50. Fax: +46 31-788 21 69.