



Interim report January-March 2013

XVIVO Perfusion AB (publ)

XVIVO Perfusion is a medical technology company which develops solutions and systems for assessing the usability of organs, allowing for treatment of organs, and maintaining organs in good condition outside 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. XVIVO Perfusion employs 10 people at its headquarters in Gothenburg, Sweden, and four at its office for North & South America in Denver, USA. The Xvivo share is listed on NASDAQ OMX First North and has the ticker symbol XVIVO. The Certified Adviser is Redeye, www.redeye.se.

XVIVO
PERFUSION

Strong sales growth and positive cash flow from operating activities

FIRST QUARTER

- Sales increased by 23 percent in local currency. Sales were the highest ever for an individual quarter and amounted to SEK 16.3 (13.8*) million, corresponding to an increase of 18 percent in SEK.
- Operating income before depreciation and amortization (EBITDA) amounted to SEK 3.8 (5.0*) million, corresponding to an EBITDA margin of 23 percent.
- Net income amounted to SEK 2.4 million, resulting in earnings per share of SEK 0.12.
- Cash flow from operating activities was SEK 4.0 million.
- In late March, the FDA responded with further supplementary questions regarding the application for marketing approval of STEEN Solution™ on the American market. Xvivo plans to have its formal response to these questions submitted by the end of April/beginning of May.
- The clinical study in the USA is proceeding according to plan with good clinical results. 36 of a planned 42 patients had received transplants by the end of the period. The company expects the study to be completed during the second quarter 2013.
- There continues to be a great deal of interest from clinics in the USA.
- Storage and distribution of products for Europe/Asia has now been taken over by the company's own organization.
- The sales and marketing organization has been enhanced with the appointment of a global sales and marketing director and a regional manager for Europe.

CEO'S COMMENTS



XVIVO Perfusion made a strong start to 2013, with its highest ever sales for an individual quarter. Sales continued to display double-digit growth of +23 percent in local currency or +18 percent in Swedish kronor*. It is pleasing to note that STEEN Solution™ and products related

to its use account for a growing share of the sales volume. The company also continues to report a very good EBITDA level.

Right at the end of the quarter, some weeks after the appointed time, XVIVO Perfusion had a response from the FDA to the answers given in the first round of questions concerning the company's HDE application. The company expects to submit all the answers and

clarifications to these supplementary questions by the end of April/beginning of May, after which the FDA nominally has a further 75 days in which to respond to the company's answers.

The clinical trial in the USA involving STEEN Solution™ is proceeding according to plan, with good clinical results. By mid-April, 39 out of a planned 42 patients had received transplants using the STEEN Solution™ method. We expect that the ongoing clinical trial in the USA will have included all patients well before the end of the first half of 2013. The results so far suggest that more organs can be used for the life-saving treatment of patients with lung disease by use of STEEN Solution™. The results so far also indicate that the organs transplanted using STEEN Solution™ function equally as well as those organs initially assessed to be adequate for transplant using the traditional method. The results of the study remain very encouraging, as are those obtained at hospitals in other countries using STEEN Solution™.

Continued on the next page

*) See page 3 for an overview of the 2013 income statement and 2012 comparative figures.

Interest in the product remains high, particularly in North America.

After the initial, highly intensive period of listing, recruitment, certification, and takeover of operations, we have focused on building up the sales, marketing, and distribution organizations. These organizations have recently been enhanced by the addition of highly experienced individuals. As a result, we are in a very good position to complete the launch of STEEN Solution™ in Europe and Australia, and to prepare for the launch in the USA.

Following a good start to the year, we are confidently looking forward to the rest of 2013. We have completed the majority of work involved in setting up the company, and our ever stronger organization and resources will now be focused entirely on establishing the STEEN Solution™ method as a standard treatment in lung transplantation and on developing the use of STEEN Solution™ for additional organ types.

Magnus Nilsson, CEO

INCOME STATEMENT FOR JAN-MAR 2013 AND COMPARATIVE FIGURES FOR JAN-MAR 2012

On October 1st, 2012, XVIVO Perfusion was distributed to Vitrolife's shareholders and XVIVO Perfusion's share was

listed on NASDAQ OMX First North. Trade of the shares began on October 8th, 2012. Comparative figures for the first quarter of 2012 are from Vitrolife's Transplantation segment as it was reported by Vitrolife. See the table below for the XVIVO Perfusion's 2013 actual income statement and the comparative figures from 2012.

TABLE 1. OVERVIEW OF XVIVO PERFUSION INCOME STATEMENT JAN-MAR 2013 AND COMPARATIVE FIGURES FOR JAN – MAR 2012 (SEK THOUSANDS)

	January - March	
	2013	2012
	Xvivo Perfusion AB (publ)	Vitrolife Segment Transplantation
SEK thousands		
Net sales	16 329	13 803
Gross income	13 079	10 981
Selling expenses	-3 273	-1 673
Administrative expenses	-3 344	-2 357
Research and development costs	-2 797	-2 015
Other operating revenues and expenses	-203	-91
Operating income	3 462	4 845
Depreciation and amortization	-333	-165
EBITDA	3 795	5 010

FIRST QUARTER 2013 (JANUARY – MARCH)

NET SALES

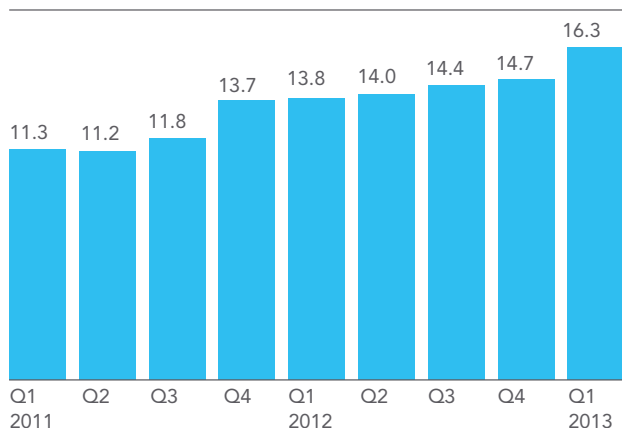
XVIVO Perfusion's net sales increased by 23 percent in local currency. Sales were the highest ever for an individual quarter and amounted to SEK 16.3 (13.8*) million, corresponding to an increase of 18 percent in SEK.

INCOME

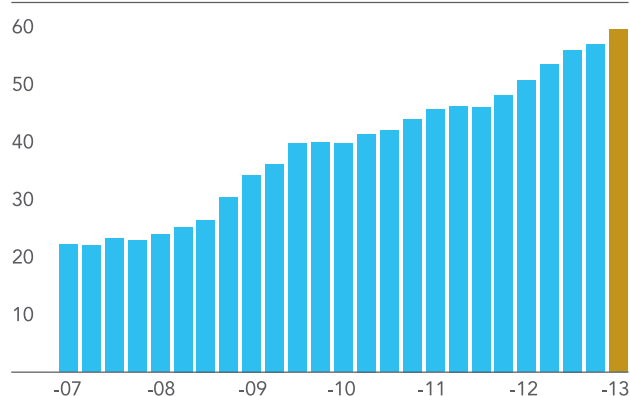
Operating income before depreciation and amortization (EBITDA) amounted to SEK 3.8 (5.0*) million, corresponding to an EBITDA margin of 23 percent.

The gross margin during the quarter was 80 (80*) percent. Selling expenses in relation to sales were 20 (12*) percent. The increase is due to additional resources supporting the continued establishment of STEEN Solution™ and the recruitment of two individuals to strengthen the sales organization. R&D costs were 17 (15*) percent of sales. The increase is due to the costs of research and production development with a goal of enhancing the gross margin. Administrative expenses increased to 20 (17*) percent because of our newly acquired finance function and listing on NASDAQ OMX First North. During the period, SEK 1.4 million of the development costs for STEEN Solution™ were capitalized as an intangible asset. Depreciation and amortization for the period amounted to SEK 0.3 million.

NET SALES (SEK MILLIONS) **



NET SALES ROLLING 12 MONTHS (SEK MILLIONS) **



CASH FLOW

Cash flow from operating activities amounted to SEK 4.0 million in the first quarter. The change in operating capital during the period amounted to SEK 0.5 million and consisted primarily of decreased inventory. Investments amounted to SEK 1.6 million, of which SEK 1.4 million was invested in the STEEN Solution™ study in the US. The cash flow from financing activities was SEK -9.0 million and consisted of repayments on the overdraft facility. Cash and cash equivalents at the end of the period amounted to SEK 1.1 million.

FINANCING

XVIVO Perfusion's total credit facilities consist of an overdraft facility that at the end of the quarter amounted to SEK 15 million, of which SEK 0.1 million was utilized. The equity/assets ratio was 84 percent at the end of the quarter.

OUTLOOK FOR 2013

When marketing approval has been granted in the USA, resources for sales and marketing will be increased to establish the use of the STEEN Solution™ technology. Additionally, upon approval, the company will begin to amortize the capitalized expenditure for STEEN Solution™, which will affect the operating income for 2013. The capitalized assets for STEEN Solution™ amounted to SEK 74 million at the end of the reporting period and it is estimated that straight line amortization will be carried out over a period of ten years.

*) See page 3 for an overview of the 2013 income statement and 2012 comparative figures.

**) Q4 2012 and Q1 2013 are Xvivo Perfusion's sales. All previous quarters derive from Vitrolife's Transplantation segment, as reported in Vitrolife's reporting.

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. Today, the company's product Perfadex® has a market share of more than 90 percent in the traditional preservation of lungs for transplantation.

A great problem in transplantation healthcare is the lack of available lungs. Currently in the USA, less than 20 percent of the available donated lungs are transplanted as it is considered far too risky to transplant the majority of donated lungs. 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 outside the body. In clinical use in Europe, Australia and Canada, and in a clinical trials in the USA, it has emerged that, once STEEN Solution™ perfusion has been carried out, many of the organs that were initially "refused" are assessed as being usable and have been successfully transplanted into patients with end stage lung disease. The use of STEEN Solution™ therefore has the potential to increase the total number of lung transplants.

Over the years, Xvivo has established close relations with most of the world's lung transplantation units and has made Perfadex® a completely dominant product in its niche. This is the point of departure for Xvivo's to make STEEN Solution™ available all over the world, in the firm conviction that the number of transplantations will increase as healthcare gains knowledge of and access to STEEN Solution™. The objective of the company is to create value for both patients and shareholders by providing a unique product in a market with great growth potential.

BUSINESS CONCEPT

XVIVO Perfusion's business concept is to increase the survival rate of patients in need of a transplant by providing effective products that increase the availability of organs with good survival potential when transplanted.

VISION

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

STRATEGY

XVIVO Perfusion's strategy focuses on getting lung evaluation outside the body using the STEEN Solution™ method accepted as a standard procedure. A basic precondition of the strategy is to obtain regulatory approval for STEEN Solution™ in all important markets. XVIVO Perfusion has demonstrated through published preclinical and clinical studies that warm perfusion of organs using the STEEN Solution™ method results in more available organs and thereby gives more patients life-saving treatment and thus better quality of life, socioeconomic gains, and lower morbidity and mortality. Furthermore, the company will strive to increase awareness of the STEEN Solution™ method in important groups of stakeholders and will work with key opinion leaders in the area.

OTHER INFORMATION

ORGANIZATION AND PERSONNEL

At the end of quarter the number of employees was fourteen, of whom six were women and eight men. Of these, ten people were employed in Sweden and four in the USA.

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

No transactions that have substantially affected the company's results and financial position have been carried out with related parties during the quarter.

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 most important strategic and operative risks affecting the company are described in the 2012 annual report.

SEASONAL EFFECTS

Xvivo Perfusion's sales are marginally affected by seasonal effects.

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.

April 19, 2013
Gothenburg

The Board

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.

It is planned that the following reports will be submitted during 2013:

Interim report January-June: Friday July 12

Interim report January-September: Thursday November 7

FOR FURTHER INFORMATION, PLEASE CONTACT

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The Certified Adviser is Redeye, www.redeye.se

Xvivo Perfusion is required to publish the information in this report in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on April 19, 2013 at 1.00 pm.

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

CONSOLIDATED INCOME STATEMENT

SEK thousands	January – March 2013
Net sales	16 329
Cost of goods sold	-3 250
Gross income	13 079
Selling expenses	-3 273
Administrative expenses	-3 344
Research and development costs	-2 797
Other operating revenues and expenses	-203
Operating income	3 462
Financial income and expenses	-164
Income after financial items	3 298
Taxes	-898
Net income	2 400
Attributable to	
Parent Company's shareholders	2 400
Earnings per share, SEK	0.12
Average number of outstanding shares	19 562 769
Number of shares at closing day	19 562 769

Depreciation and amortization has reduced income for the period by SEK 333 thousand

CONSOLIDATED BALANCE SHEET

SEK thousands	Mar 31, 2013	Dec 31, 2012
ASSETS		
Goodwill	3 610	3 811
Other intangible fixed assets	76 451	75 174
Tangible fixed assets	809	748
Financial fixed assets	3 178	2 497
Inventories	11 655	13 375
Accounts receivable	10 643	8 297
Other current receivables	1 423	2 840
Liquid funds	1 124	7 776
Total assets	108 893	114 518
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity, attributable to the Parent Company's shareholders	91 187	88 765
Provisions	2 412	2 032
Accounts payable	4 545	6 700
Overdraft	106	9 089
Current tax liabilities	3 110	1 885
Other short-term liabilities	466	317
Accrued expenses and prepaid income	7 067	5 730
Total shareholders' equity and liabilities	108 893	114 518
Pledged assets for own liabilities	15 250	15 250
Contingent liabilities	-	-

KEY RATIOS FOR THE GROUP

SEK thousands	January – March 2013
Gross margin, %	80
Operating margin before R&D costs, %	38
EBITDA, %	23
Operating margin, %	21
Net margin, %	15
Equity/assets ratio, %	84
Return on equity, %	3
Income per share, SEK	0.12
Shareholders' equity per share, SEK	4.66
Share price on closing day, SEK	20.10

CONSOLIDATED CASH FLOW STATEMENT

SEK thousands	January – March 2013
Income after financial items	3 298
Adjustment for items not affecting cash flow	359
Paid taxes	-203
Change in inventories	1 720
Change in trade receivables	-948
Change in trade payables	-268
Cash flow from operating activities	3 958
Cash flow from investing activities	-1 568
Cash flow from financing activities	-8 983
Cash flow for the period	-6 593
Liquid funds at beginning of period	7 776
Exchange rate difference in liquid funds	-59
Liquid funds at end of period	1 124

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent Company's shareholders			Sum share-holders' equity
	Share capital	Restricted reserves	Non-restricted reserves and result for the year	
SEK thousands				
Shareholders' equity when the group company was created October 1, 2012	500	3 160	85 906	89 566
Total comprehensive income			-769	-769
Shift between restricted and non-restricted reserves		1 765	-1 765	0
Change in currency diff. subsidiary			-32	-32
Closing balance December 31, 2012	500	4 925	83 340	88 765
Opening balance January 1, 2013	500	4 925	83 340	88 765
Total comprehensive income			2 400	2 400
Change in currency diff. subsidiary			22	22
Closing balance March 31, 2013	500	4 925	85 762	91 187

PARENT COMPANY INCOME STATEMENT

	January – March	
	2013	2012
SEK thousands		
Net sales	17 474	12 793
Cost of goods sold	-4 169	-2 851
Gross income	13 305	9 942
Selling expenses	-2 454	-1 249
Administrative expenses	-2 954	-1 964
Research and development costs	-2 438	-2 038
Other operating revenues and expenses	-203	-56
Operating income	5 256	4 635
Financial income and expenses	-164	-1 456
Income after financial items	5 092	3 179
Year end dispositions	-	-
Taxes	-1 120	-
Net income	3 972	3 179

Depreciation and amortization has reduced income for the period by SEK 115 thousand (69).

PARENT COMPANY BALANCE SHEET

SEK thousands	Mar 31, 2013	Mar 31, 2012	Dec 31, 2012
ASSETS			
Balanced expenditures for development	75 145	60 286	73 821
Patents and licences	1 252	1 400	1 294
Trademarks	34	38	35
Tangible fixed assets	238	111	184
Participation in affiliated companies	14 475	-	14 475
Other financial fixed assets	828	-	522
Inventories	2 815	3 722	3 956
Accounts receivable	4 688	3 828	4 366
Receivables from affiliated companies	10 693	-	8 710
Other current receivables	1 364	1 646	2 782
Liquid funds	65	1 065	4 574
Total assets	111 597	72 096	114 719
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	90 860	15 087	86 888
Untaxed reserves	6 288	4 025	6 288
Provisions	1 029	-	649
Overdraft	106	-	9 089
Accounts payable	3 821	1 660	5 250
Liabilities to affiliated companies	-	48 960	-
Current tax liabilities	2 673	-	1 733
Other short-term liabilities	6 820	2 364	4 822
Total shareholders' equity and liabilities	111 597	72 096	114 719
Pledged assets for own liabilities	15 250	-	15 250
Contingent liabilities	-	-	-

NOTE 1. ACCOUNTING PRINCIPLES

This interim report was prepared pursuant to the Swedish Annual Accounts Act and the general advice and pronouncements of the Swedish Accounting Standards Board with the exception of BFNAR2012:1 – The Annual Accounts and Consolidated Accounts (K3) unless otherwise stated. The consolidated accounts were prepared in accordance with RR1:00. The accounting principles applied are identical, unless otherwise stated below, to the accounting principles used in the preparation of XVIVO Perfusion AB's latest Annual Report.



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