



# **CytoSorbents Corporation** (NASDAQ: CTSO)

**A Leader in Critical Care Immunotherapy**

Q1 2018 Earnings Conference Call

May 8, 2018

# Conference Call Participants

Dr. Phillip Chan, MD, PhD

Chief Executive Officer and President

Vincent Capponi, MS

Chief Operating Officer

Kathleen Bloch, MBA, CPA

Chief Financial Officer

Dr. Eric Mortensen, MD, PhD

Chief Medical Officer

Dr. Christian Steiner, MD

Vice President of Sales and Marketing

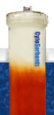
Christopher Cramer, MS, MBA

Vice President of Business Development

**Moderator: Jeremy Feffer – LifeSci Advisors**

# Safe Harbor Statement

Statements in this presentation regarding CytoSorbents Corporation and its operating subsidiaries CytoSorbents Medical, Inc and CytoSorbents Europe GmbH that are not historical facts are forward-looking statements and are subject to risks and uncertainties that could cause actual future events or results to differ materially from such statements. Any such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. It is routine for our internal projections and expectations to change. Although these expectations may change, we are under no obligation to inform you if they do. Actual events or results may differ materially from those contained in the projections or forward-looking statements. The following factors, among others, could cause our actual results to differ materially from those described in a forward-looking statement: our history of losses; potential fluctuations in our quarterly and annual results; competition, inability to achieve regulatory approval for our device, technology systems beyond our control and technology-related defects that could affect the companies' products or reputation; risks related to adverse business conditions; our dependence on key employees; competition for qualified personnel; the possible unavailability of financing as and if needed; and risks related to protecting our intellectual property rights or potential infringement of the intellectual property rights of third parties. This list is intended to identify only certain of the principal factors that could cause actual results to differ from those discussed in the forward-looking statements. Readers are referred to a discussion of important risk factors detailed in the Company's Form 10-K filed with the Securities and Exchange Commission on March 8, 2018 and other reports and documents filed from time to time by us, which are available online at [www.sec.gov](http://www.sec.gov).



**CytoSorbents**

Working to Save Lives Through Blood Purification

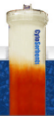
# Operational Highlights

- 40,000+ CytoSorb treatments delivered, from 23,000 a year ago
- Record trailing 12-month total revenue of \$17.0M, including 12-month product sales of \$15.2M with a mix of strong direct and distributor/partner activity
- Well-capitalized with a healthy cash balance of \$21.1M (3/31/18)
- New manufacturing plant nearing final validation and certification and expected to come on-line this quarter. Blended gross margins should approach 80% over time with volume manufacturing
- Continued demonstration of the clinical benefit of CytoSorb in a wide range of critical illnesses, now easily searchable in a [new literature database](#) at [cytosorb.com](http://cytosorb.com), with new published articles in peer reviewed journals, and a successful 5<sup>th</sup> International CytoSorb User's meeting
- Expansion to Malaysia with our partner Biocon



# Clinical Trial Update

- U.S. REFRESH 2 Pivotal Trial
  - 400 patient, randomized, controlled PMA multi-center adaptive trial targeting reduction of post-op AKI using CytoSorb during complex cardiac surgery (valve replacement and aortic reconstruction with hypothermic cardiac arrest)
  - Several REFRESH 1 sites to come online soon with a total of 26 sites (targeting 20) in various stages of evaluation, qualification, and initiation
  - Recently enrolled first patient into the trial, with more expected soon
- REMOVE Endocarditis Trial (funded by German government)
  - 250 patient, randomized, controlled trial evaluating the safety and efficacy of CytoSorb in improving organ dysfunction when used intraoperatively during valve replacement for infective endocarditis
  - First patient in January, now with 22 patients at 3 centers, and 3 more starting
- HemoDefend Pivotal Trial
  - Point-of-care filter removes non-infectious contaminants from transfused pRBCs
  - Commercial grade tooling for clinical device parts nearing completion ahead of human trial expected to begin in the next 10 months



# Financial Highlights

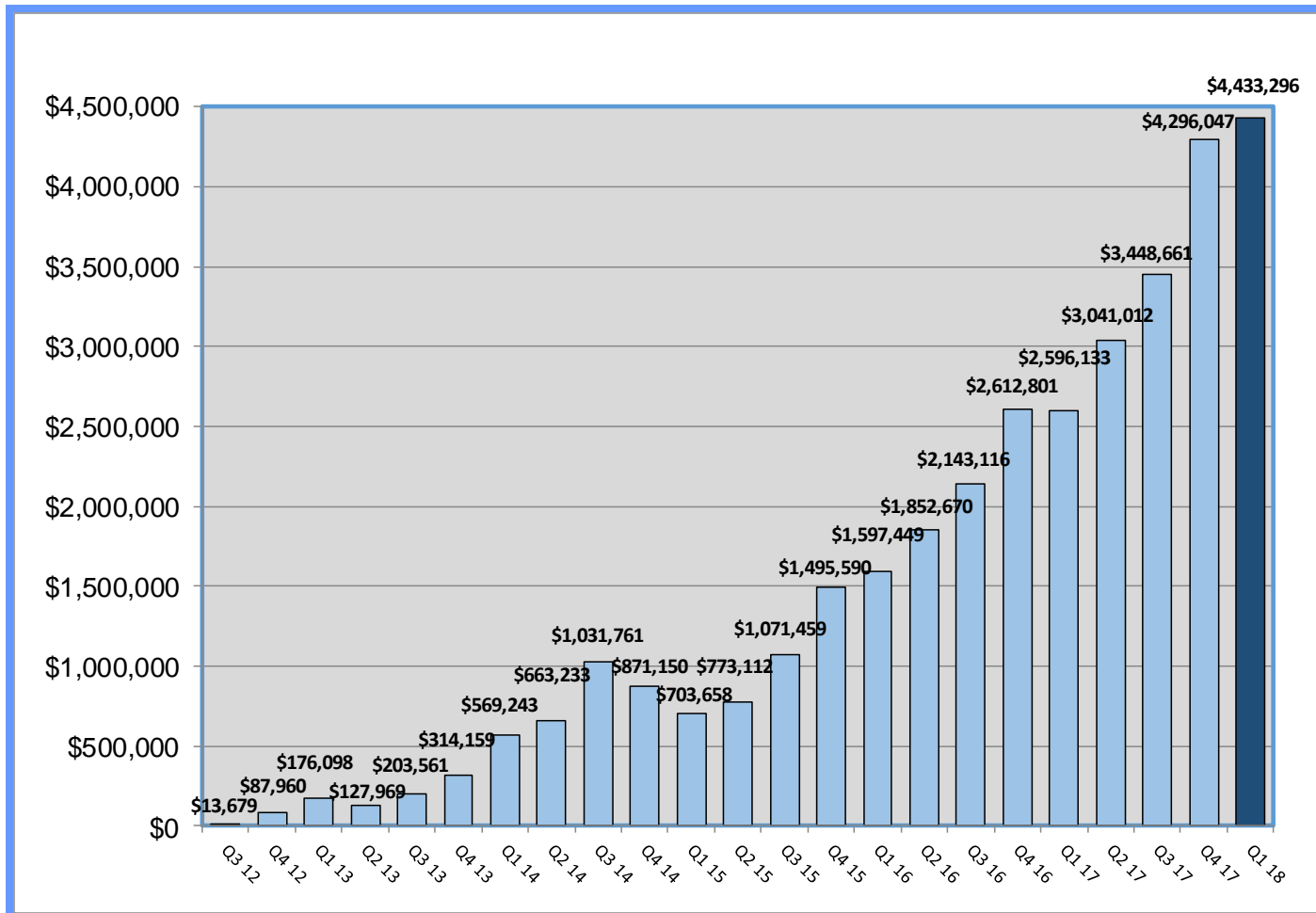
# Comparative Quarterly Revenue Results

|                        | Quarter Ended<br>Mar 31, 2018 | Quarter Ended<br>Mar 31, 2017 | % Incr. |
|------------------------|-------------------------------|-------------------------------|---------|
| Product revenue        | \$4,433,296                   | \$ 2,596,133                  | 71%     |
| Grant and other income | 491,355                       | 517,385                       | (5)%    |
| Total revenue          | \$4,924,651                   | \$ 3,113,518                  | 58%     |

- Product sales for Q1 2018 increased by \$1.8M, or 71%, to \$4.4M as compared to Q1 2017 product sales of \$2.6M
- Grant revenue was \$491K in Q1 2018, similar to grant revenue of \$517K in Q1 2017
- Total revenue, which includes both product sales and grant revenue, increased by 58% to \$4.9M in Q1 2018 as compared to \$3.1M for Q1 2017
- Q1 2018 Product gross margins were 74% for 2018, as compared to 68% for 2016

# Quarterly Product Sales

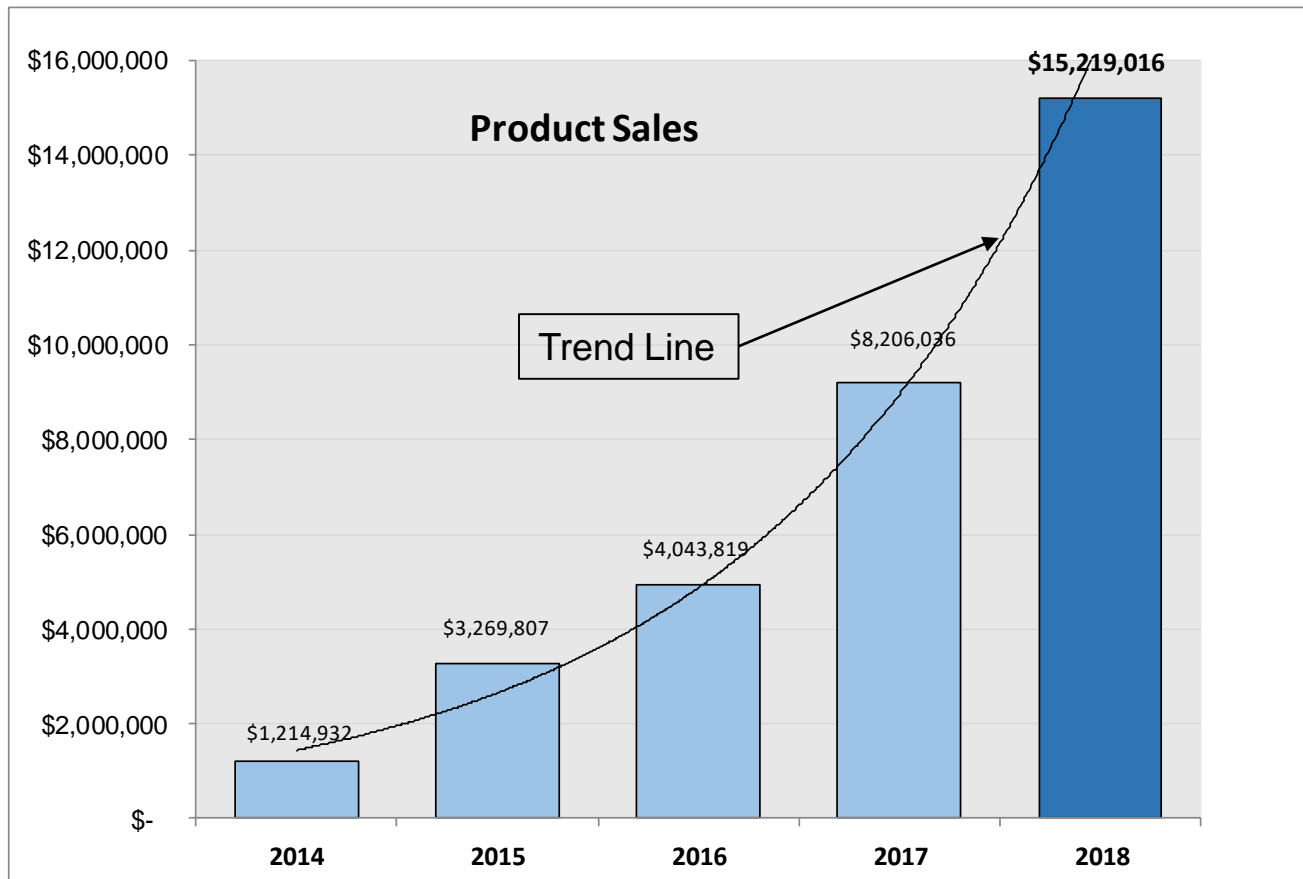
Quarter over quarter product sales continue to advance with our 23<sup>rd</sup> consecutive quarter of year-over-year growth





# Trailing Twelve Months Product Sales

Over the past three years, the compound growth rate of return (“CAGR”) on product sales was 67%

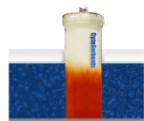


# Working Capital and Cap Table

| Working Capital as of                          |               |                  |                 |                 |                 |
|--|---------------|------------------|-----------------|-----------------|-----------------|
|  | 3/31/18       | 12/31/17         | 12/31/16        | 12/31/15        | 12/31/14        |
| <b>Current Assets:</b>                         |               |                  |                 |                 |                 |
| Cash and short-term investments                | 21,090        | \$ 17,322        | \$ 5,245        | \$ 7,509        | \$ 5,550        |
| Grants and accounts receivable, net            | 2,352         | 2,206            | 1,433           | 649             | 819             |
| Inventories                                    | 680           | 796              | 834             | 1,191           | 538             |
| Prepaid expenses and other current assets      | 393           | 415              | 316             | 512             | 700             |
| <b>Total current assets</b>                    | <b>24,515</b> | <b>20,739</b>    | <b>7,828</b>    | <b>9,861</b>    | <b>7,607</b>    |
| <b>Current Liabilities:</b>                    |               |                  |                 |                 |                 |
| Accounts payable                               | 2,139         | 1,244            | 1,330           | 685             | 698             |
| Accrued expenses and other current liabilities | 1,847         | 2,604            | 2,115           | 723             | 825             |
| Current maturities of long-term debt           |               | 4,000            | 833             |                 |                 |
| Deferred revenue                               |               | -                | -               | -               | 1               |
| <b>Total current liabilities</b>               | <b>3,986</b>  | <b>7,848</b>     | <b>4,278</b>    | <b>1,408</b>    | <b>1,524</b>    |
| <b>Net Working Capital</b>                     | <b>20,529</b> | <b>\$ 12,891</b> | <b>\$ 3,550</b> | <b>\$ 8,453</b> | <b>\$ 6,083</b> |

## Cap Table 3/31/2018

|                              | Fully Diluted<br>Common Shares |
|------------------------------|--------------------------------|
| Common Stock                 | 29,974,368                     |
| Options                      | 3,996,142                      |
| Warrants                     | 862,560                        |
| Restricted Stock Unit Awards | 165,805                        |
|                              | <b>34,998,875</b>              |



# Guidance

- We expect that Q2 2018 CytoSorb sales will exceed product sales in Q1 2018
- Continue to expect solid growth and achievement of operating profitability in 2018 on a quarterly basis (less non-cash expenses and clinical trial costs)
- Anticipate expansion in blended product gross margins (currently at 74%) as we scale up manufacturing and our new plant comes on line in Q2 2018

# Q&A Session

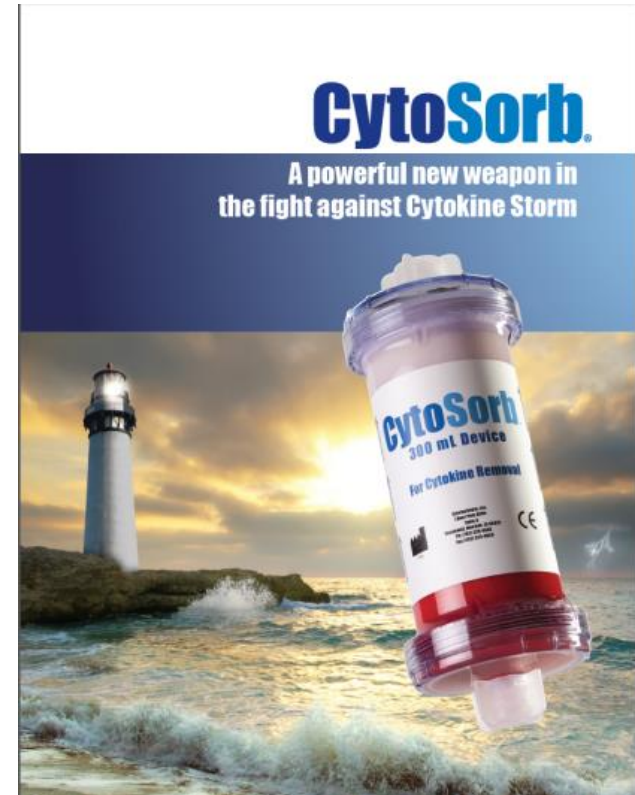
## CytoSorbents Corporation

NASDAQ: CTSO

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