



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

**A Leader in Critical Care Immunotherapy**

Q1 2020 Earnings Conference Call

May 5, 2020

# Conference Call Participants

Dr. Phillip Chan, MD, PhD

Chief Executive Officer

Vincent Capponi, MS

Chief Operating Officer and President

Kathleen Bloch, MBA, CPA

Chief Financial Officer

Dr. Efthymios “Makis” Deliargyris, MD

Chief Medical Officer

Dr. Christian Steiner, MD

Senior Vice President Sales and Marketing

Christopher Cramer, MS, MBA

Vice President of Business Development

**Moderator: Jeremy Feffer– LifeSci Advisors**



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Working to Save Lives Through Blood Purification

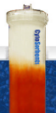
# Safe Harbor Statement

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 5, 2020 and other reports and documents filed from time to time by us, which are available online at [www.sec.gov](http://www.sec.gov).



# Q1 2020 Operational Highlights

- 88,000+ CytoSorb treatments delivered, up from 61,000 a year ago
- Q1 2020 Total Revenue grew 68% to \$8.7M, and Product Sales grew 78% to \$8.2M over Q1 2019
- Ended Q1 2020 with \$2.7M in CytoSorb order backlog and have ramped production to near full capacity with ability to go up or down with the current situation
- Achieved blended product gross margin of 76% in Q1 2020, up from 74% a year ago, but lower than Q4 2019 due to expenses of rapid scale-up to respond to COVID-19
- CytoSorb now E.U. approved to remove ticagrelor during on-pump cardiothoracic surgery with expanded CE Mark label
- Treated the first 70 COVID-19 patients (including the very first patients treated in China with partner China Medical System Holdings Ltd), of now more than 750 patients treated (including 25 under the US FDA EUA)
- Separate case reports published on the first successful CytoSorb treatments of Grade 4 Cytokine Release Syndrome (CRS) in two CAR T-cell immunotherapy patients
- Completion of the 250 patient REMOVE endocarditis RCT in Germany, to read out mid-2020
- Marketing approval of CytoSorb in Mexico with partner, Fresenius Medical Care



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# Ticagrelor FDA Breakthrough Designation

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FDA Breakthrough Designation granted to CytoSorb for the removal of ticagrelor in a cardiopulmonary bypass in urgent or emergent cardiothoracic surgery

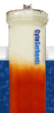
- Ticagrelor market share growing – currently 40-50% in US
- 1 in 5 cardiac surgeries is urgent or emergent.
  - Just CABG: 80K in US; 60K in EU; 20K in Germany
- Clinical dilemma: Surgery and risk bleeding, or “Wash-out” and risk ischemic event
  - “Bridging” - Extra 3-5 days per-op hospitalization + cost of IV therapy
- CytoSorb effectively removes ticagrelor during cardiac surgery, so:
  - Problem solved! Patients stay on ticagrelor until OR
  - CytoSorb removal mitigates any excess bleeding risk
  - Patients on Plavix or Effient can now be “bridged” with ticagrelor
  - Simple, effective and safe.
- Enormous value proposition with:
  - No need for pre-op hospitalization or added drug costs
  - Reduced need for transfusions or re-operation for bleeding
  - Reduced ICU LOS
- Approved in EU – Breakthrough designation in US



# CytoSorb and COVID-19



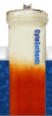
- CytoSorb has now been used to treat 750+ critically-ill COVID-19 patients in Italy, China, Germany, U.S. and other countries, resulting in preliminary positive reports of:
  - Reduction of cytokine storm and inflammatory mediators such as IL-6, ferritin, CRP, and others
  - Improved respiratory function in ARDS (↑ oxygenation, P/F ratio, improved lung compliance) and weaning from ECMO and mechanical ventilation
  - Improved hemodynamic stability and reversal of shock
- CytoSorb is now specifically recommended in the Italy and Panama COVID-19 treatment guidelines, with blood purification to treat cytokine storm in the China COVID-19 guidelines
- On April 10, 2020, CytoSorb received FDA Emergency Use Authorization, enabling CytoSorb to be commercially sold to all hospitals in the U.S. for use in critically-ill, COVID-19+ patients, 18 years of age or older with imminent or confirmed respiratory failure.\*
  - We are prioritizing nearly 200 inquiries, with 30 active hospital accounts, with CytoSorb shipped or in use in more than half of these, with multiple reorders and approximately 25 patients treated
- In Germany, which has treated the most COVID-19 patients to date, a major effort is underway to obtain clinical data in many centers, including RCTs and registries
- We are a COVID-19 play, but not a COVID-19 company. COVID-19 has spotlighted our company, CytoSorb, and our role in treating “cytokine storm” and believe it can be a long-term catalyst for our business



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# Q1 2020 Financial Highlights



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# Comparative Quarterly Revenue Results

	Quarter Ended Mar 31, 2020		Quarter Ended Mar 31, 2019		% Incr.
Product revenue	\$8,155,969		\$4,576,579		78.2%
Grant and other income	551,341		615,050		(10.4)%
Total revenue	\$8,707,310		\$5,191,629		67.7%

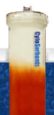
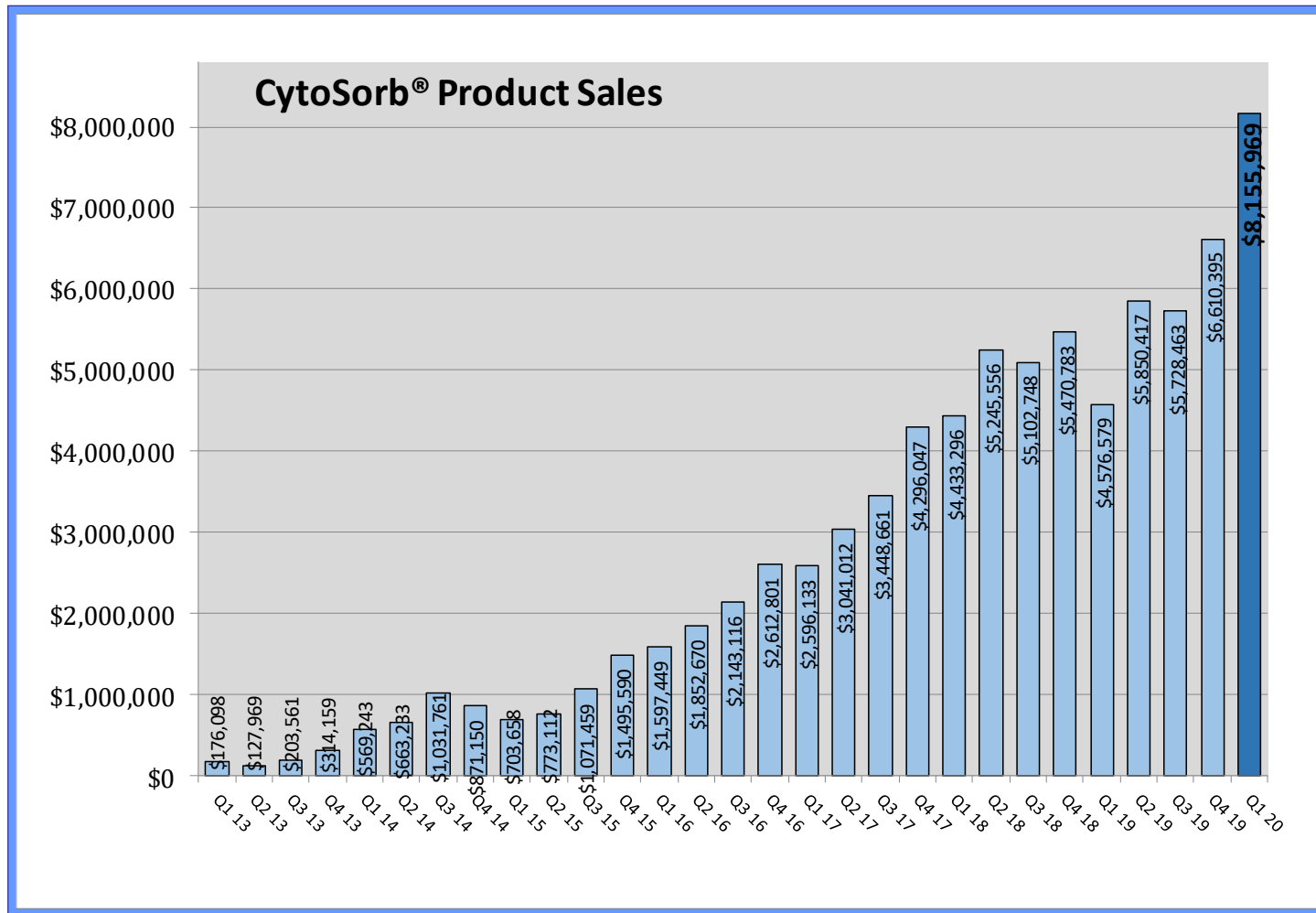
- Product sales for Q1 2020 increased by \$3.6M, or 78.2%, to \$8.2M as compared to Q1 2019 product sales of \$4.6M
- Grant revenue was \$551K in Q1 2020, a decrease of \$64K, or -10.4% compared to grant revenue of \$615K in Q1 2019
- Total revenue, which includes both product sales and grant revenue, increased by 67.7% to \$8.7M in Q1 2020 as compared to \$5.2M for Q1 2019
- Q1 2020 Product gross margins were 76%, as compared to 74% for Q1 2019





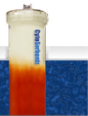
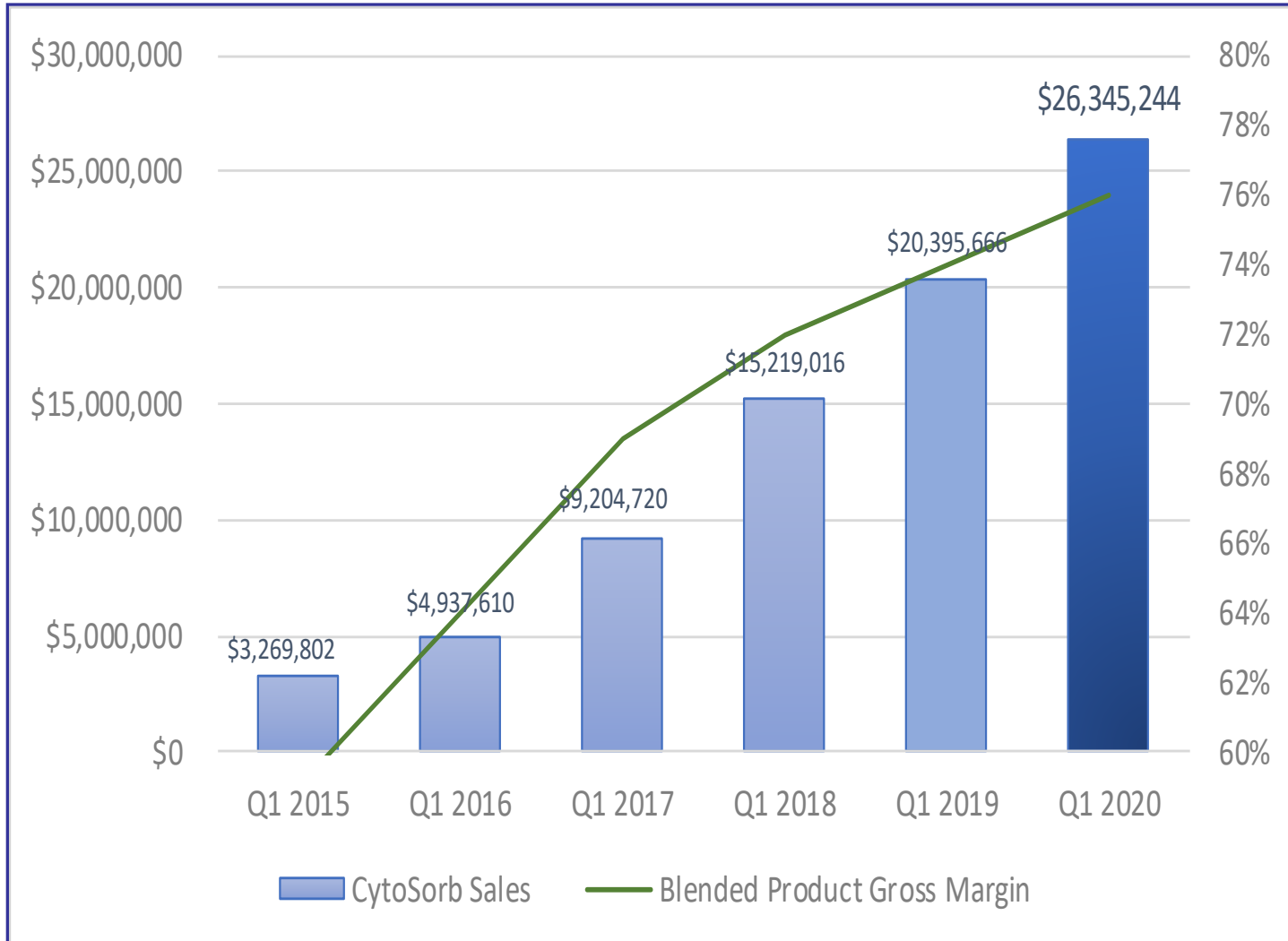
# Quarterly Product Sales

Q1 2020 product sales were a record high of \$8.2M.



# TTM Historical Product Sales & Blended Gross Margin

Product sales and gross margin continues to grow over the years

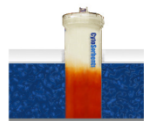


# Working Capital and Cap Table

Working Capital as of							
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019	12/31/2018	12/31/2017
<b>Current Assets:</b>							
Cash and short-term investments	\$26,389	\$12,232	\$15,978	\$16,342	\$19,647	\$22,369	\$ 17,322
Grants and accounts receivable, net	5,396	4,580	3,448	3,450	3,267	3,943	2,206
Inventories	1,967	2,114	1,768	1,463	1,214	833	796
Prepaid expenses and other current assets	3,778	2,088	1,157	960	700	1,119	415
<b>Total current assets</b>	<b>37,529</b>	<b>21,014</b>	<b>22,351</b>	<b>22,215</b>	<b>24,828</b>	<b>28,264</b>	<b>20,739</b>
<b>Current Liabilities:</b>							
Accounts payable	1,770	2,039	2,072	2,150	1,841	1,486	1,244
Accrued expenses and other current liabilities	5,084	5,558	3,691	3,432	2,815	4,386	2,604
Current maturities of long-term debt	4,167	1,667	2,500	2,667	1,666	667	4,000
Lease liability - current portion	443	428	414	400	389	-	-
<b>Total current liabilities</b>	<b>11,464</b>	<b>9,692</b>	<b>8,677</b>	<b>8,649</b>	<b>6,711</b>	<b>6,539</b>	<b>7,848</b>
<b>Net Working Capital</b>	<b>\$ 26,065</b>	<b>\$ 11,322</b>	<b>\$ 13,674</b>	<b>\$ 13,566</b>	<b>\$ 18,117</b>	<b>\$ 21,725</b>	<b>\$ 12,891</b>

## Cap Table 3/31/2020

	Fully Diluted Common Shares
Common Stock	36,130,355
Options	5,418,865
Restricted Stock Unit Awards	230,004
	<b>41,779,224</b>



# Guidance

- CytoSorbents has not historically given specific financial guidance on quarterly results until the quarter has been completed. However:
- Provided that the current order pattern continues, with strength in our core business and global demand for CytoSorb to treat COVID-19 patients, and our ability to continue to scale-up and produce CytoSorb, we expect Q2 2020 product sales to exceed Q1 2020 product sales



# Q&A Session

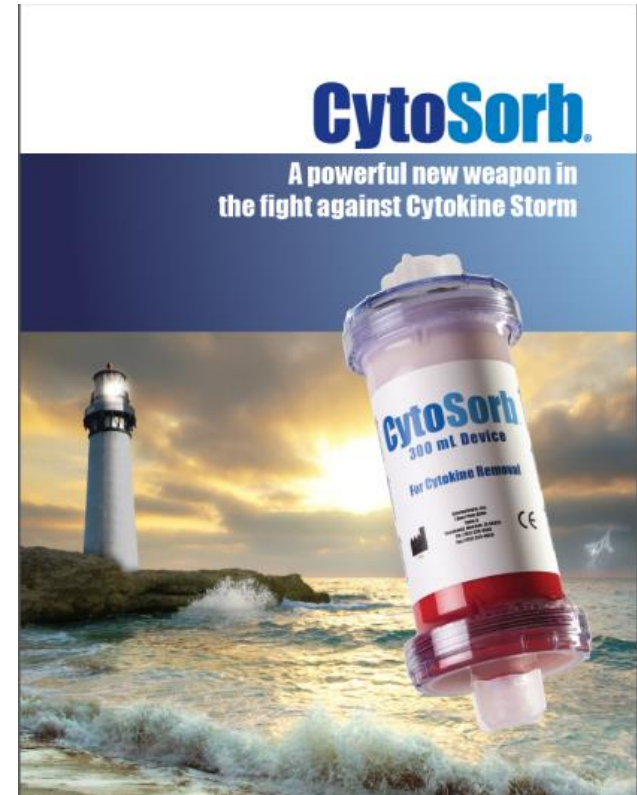
## CytoSorbents Corporation

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