

# Strong growth and good results

## 2009 results and 2010 outlook

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March 2010 – [www.cryo-savegroup.com](http://www.cryo-savegroup.com)



Europe's Leading Stem Cell Bank

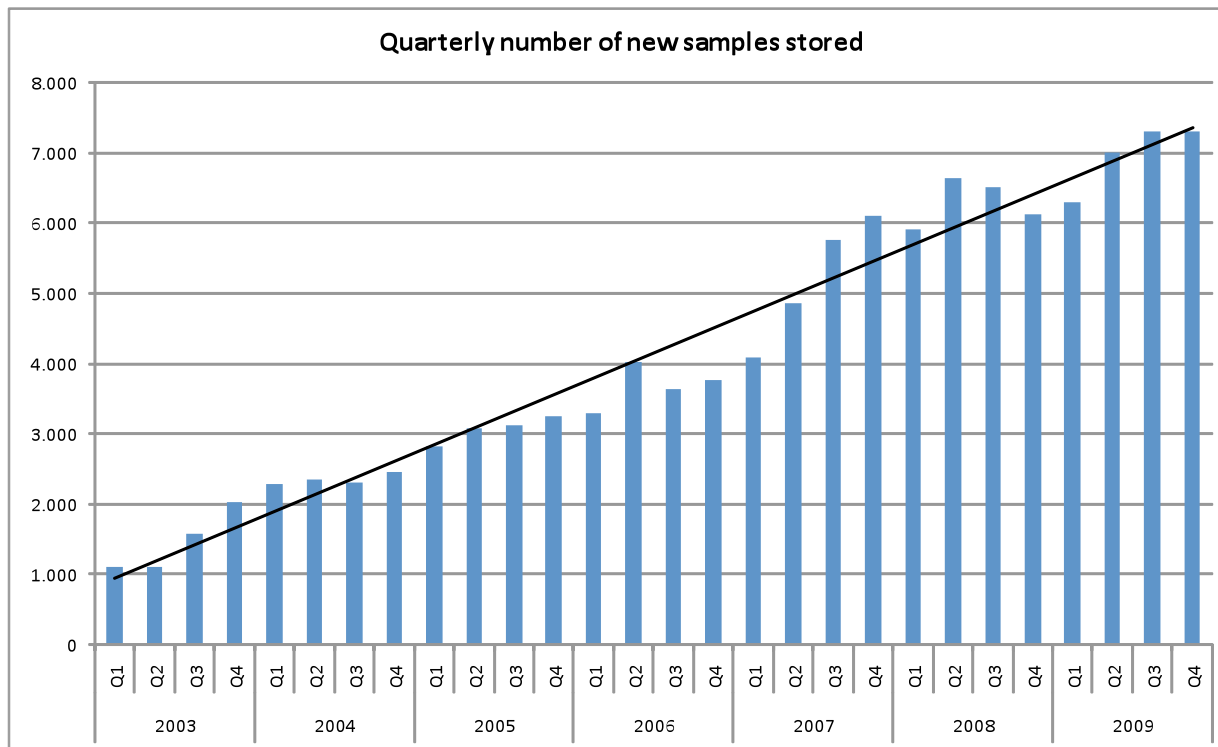
## Highlights: strong growth

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- Strong financial results and cash position
- Revenue up 30% to €38.4m
- Underlying\* EBITA up 76% to €6.0 m
- Underlying\* profit before taxation up 38% to €5.4 million
- Underlying\* earnings per share up 34% to 48.4 euro cents
- Dividend increase 20% to 6 euro cents
- Net cash €7.5m after investment programme
- Leading market position maintained or strengthened in all key markets
- Number of new samples stored up 11% to 27,900
- Over 120,000 samples stored by the end of 2009
- Several samples released for medical treatment

\* Underlying results are adjusted for amortisation of identified intangible assets, write down of the receivable from the Group's associate, Euronext listing costs and restructuring costs

# Growth 2003-2009



- Strong organic growth
- Over 120,000 samples stored (December 2009)
- Clear European market leader

# Underlying Group financials

## Summary Income Statement

Period ended 31 December	2009 € million	2008 € million	Note
<b>Revenue</b>	<b>38.4</b>	<b>29.5</b>	30% increase due to FY impact 2008 price increases, higher volume and acquisitions
Gross profit	27.2	20.2	
Gross profit margin	70.8%	68.5%	
Underlying operating expenses	20.2	16.3	Excluding non-recurring expenses (write down receivable, Euronext costs and restructuring costs, totalling €2.4 million) and depreciation & amortisation
<b>Underlying EBITDA</b>	<b>7.0</b>	<b>3.9</b>	79% increase
<b>Underlying EBITA</b>	<b>6.0</b>	<b>3.4</b>	76% increase
Financial result	(0.5)	0.6	High interest income in 2008 on cash deposits
<b>Underlying profit before taxation</b>	<b>5.4</b>	<b>3.9</b>	38% increase
Underlying taxation	(1.0)	(0.5)	Effective Tax Rate 17% (2008: 14%)
<b>Underlying profit after taxation</b>	<b>4.5</b>	<b>3.4</b>	
<b>Underlying EPS (in € cents)</b>	<b>48.4</b>	<b>36.0</b>	
<b>Dividend (in € cents)</b>	<b>6</b>	<b>5</b>	20% increase

\* Underlying results are adjusted for amortisation of identified intangible assets, write down of the receivable from the Group's associate, Euronext listing costs and restructuring costs

# Reported Group financials

## Summary Income Statement

Period ended 31 December	2009 € million	2008 € million	Note
<b>Revenue</b>	<b>38.4</b>	<b>29.5</b>	30% increase due to FY impact 2008 price increases, higher volume and acquisitions
Gross profit	27.2	20.2	
Gross profit margin	70.8%	68.5%	
Operating expenses including depreciation and amortisation	24.9	17.9	€2.4m non-recurring; Additional investments France and India +€1.6m; Depr & amort +€0.7m; remainder mainly FY impact 2008 acquisitions
<b>Operating profit</b>	<b>2.3</b>	<b>2.3</b>	
Financial result	(0.5)	0.6	High interest income in 2008 on cash deposits
<b>Profit before taxation</b>	<b>1.8</b>	<b>2.9</b>	
Taxation	(0.4)	(0.3)	Effective Tax Rate 24% (2008: 10%)
<b>Profit after taxation</b>	<b>1.4</b>	<b>2.6</b>	
<b>Earnings per share (in € cents)</b>	<b>14.6</b>	<b>27.3</b>	
<b>Dividend (in € cents)</b>	<b>6</b>	<b>5</b>	20% increase

# Group financials

## Summary Balance Sheet

Period ended 31 December	2009 € million	2008 € million	Note
Non current assets	51.5	49.8	PPE increased €3.5m
Current assets	17.3	14.3	Cash increased €2.8m
<b>Total assets</b>	<b>68.8</b>	<b>64.1</b>	
<b>Total equity</b>	<b>43.8</b>	<b>43.1</b>	Profit 2009 and €0.5m dividend distribution
Non-current liabilities	14.7	13.6	Sale and leaseback ING increase of €3.8m Deferred considerations decreased with €3.7m Deferred revenue increased with €1.2m
Current liabilities	10.3	7.4	Earn out liabilities and acquisition
<b>Total liabilities</b>	<b>25.0</b>	<b>21.0</b>	
<b>Total equity and liabilities</b>	<b>68.8</b>	<b>64.1</b>	

# Group financials

## Summary Cash Flow Statement

Period ended 31 December	2009 € million	2008 € million	Note
Net cash from operations	6.7	1.9	Working capital improvement
Net cash from operating activities	4.8	2.0	Income tax paid €1.7m
Net cash used in investing activities	(5.2)	(33.7)	Mainly investments in PPE in Belgium and France
Net cash from/(used in) financing activities	3.2	(3.1)	Sale & lease back ING €4.3m Dividend €0.5m
Net increase/(decrease) in cash and cash equivalents	2.8	(34.8)	
<b>Cash and cash equivalents at the end of the period</b>	<b>7.5</b>	<b>4.7</b>	

# Markets

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## Europe

- Despite economic downturn growth of sales
- Strengthened or maintained leading market position
- New combined service well accepted by customers
- New contracts with diagnostic centres and private clinics
- Contracts with private insurers renewed

## Asia

- India: 3rd player in the market after 1 year of operations. Good mid-term opportunities

## Africa

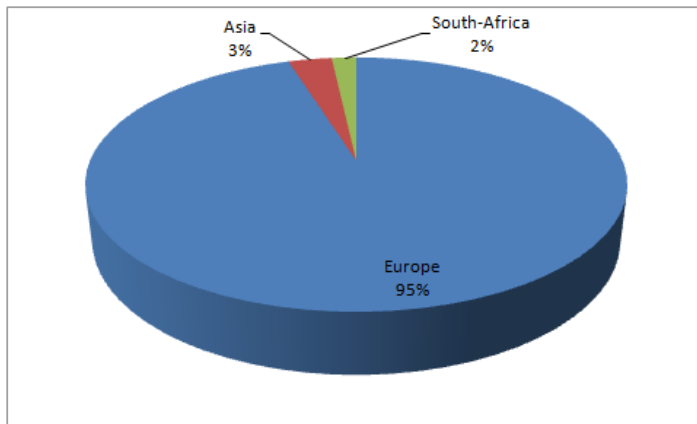
- Ongoing stable business



# Markets (continued)

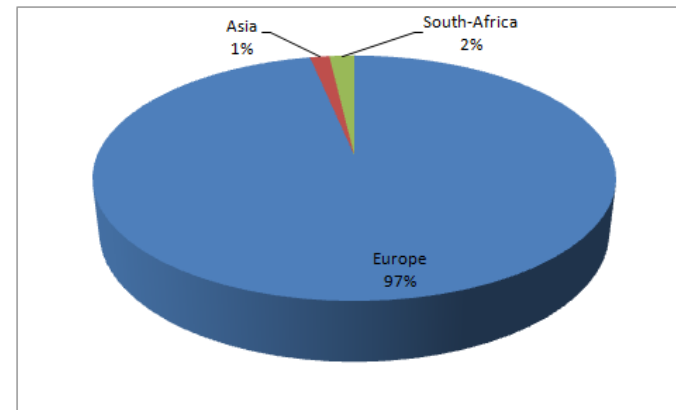
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Geographical breakdown of revenue



2009

Europe	95%
Asia	3%
Africa	2%



2008

Europe	97%
Asia	1%
Africa	2%

# Samples released in 2009

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- Samples released for the following medical treatments:
  - Cerebral Palsy
  - Leukemia
  - Meduloblastome
  - Blood testing
  
- Expect more sample releases as:
  - average storage time of samples augments: increasing age is a risk factor for the likelihood of developing a serious disease
  - scientific breakthroughs
  - medical developments

# Product development/R&D

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- CryoCord
  - Mesenchymal Stem Cell (MSC) collection and storage from umbilical cord tissue
    - MSC is truly omnipotent / universal cell
    - Cornerstone of regenerative medicine
  - Launched in Europe
  - Phased roll-out on a country by country base dependent upon regulatory approvals
- CryoLip
  - Collection and storage of stem cells obtained from fat reserves via liposuction
    - Fat contains a high density of MSCs
    - Opening of new market segment focused on adult customers
  - Service is validated
  - Target launch 1HY 2010

# Strategy

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- Driving organic growth in current markets
- Opening new geographical territories (greenfield/partnership/acquisitions)
- Launching new stem cell storage services Cord tissue and Cryo-Lip
- Supporting clinical advances in regenerative medicine

# Current trading & outlook

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- Solid market uptake of new combined service of cord blood and cord tissue storage expected to contribute to higher revenue
- Cryo-Lip expected to be launched in 1HY 2010
- Higher operational gearing due to restructuring and cost savings in 2009

# Appendices

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## Additional background



# What we do

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- The collection and storage of stem cells taken at birth for potential use in future medical therapies
- Private stem cell bank
  - 120,000 samples currently stored (December '09); c.50% market share in Europe
- Operations in 38 countries across Europe, Asia & Africa
  - Laboratories and storage facilities in Belgium, India, France, Germany, The Netherlands, Dubai
- Network of subsidiaries and partners responsible for regulations and marketing locally
- Team of 250 people dedicated to stem cell storage
- Cryo-Save is **not** involved in the storage or expansion of embryonic stem cells

# How we do it

## *Initial sales to collection*

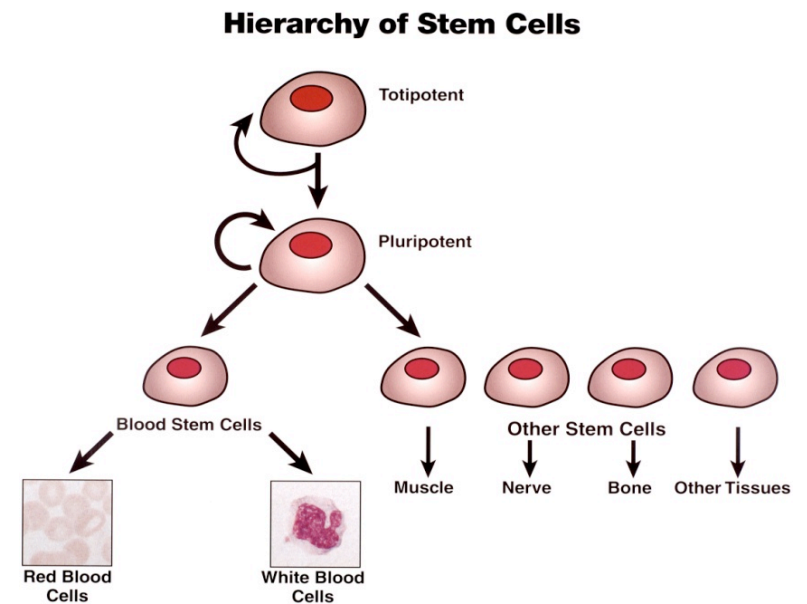
- Front-end marketing via medical professionals, local subsidiaries and partners, and website
- Parents receive sterile collection kit prior to birth
- Parents agree procedure with midwife or obstetrician
- Sample collected at birth
- Delivery to laboratory via pre-paid courier within 48 hours





# What are stem cells?

- Unspecialised cells that can replicate and differentiate themselves into a wide range of specialised cell types
- Form the basis of different human tissues and organs
- Exist in two types:
  - Embryonic: derived from embryos that are 4–5 days old
    - Capacity for unlimited expansion
    - Differentiate into virtually all cell types
    - Significant ethical issues in use
  - Adult: derived from bone marrow, blood or adipose tissue
    - More limited in potential but
    - Do not have ethical concerns



# Why store adult stem cells?

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- The use of adult stem cells in different therapies is becoming increasingly important in advanced medical therapies
- Stem cell therapies available to the public have grown substantially since 2002. Currently stem cell therapy is common practice in 70 to 85 diseases
- Stem cell therapy has the potential to radically change the treatment of human disease
- Cord blood banking is an established technology
  - Routinely employed in USA since the 1990's
- Stem cells derived from umbilical cord blood offer important advantages:
  - Collection is quick, easy and non-invasive
  - There is no risk for mother or child
  - Stem cells collected at birth are in optimum condition

*A once-in-a-lifetime opportunity to help secure your child's future health*



# Our laboratory approach

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## *Processing and storage*

- Receipt of sample at laboratory
- Tested for disease and bacterial contamination
- Samples stored in gas phase of liquid nitrogen
  - An ideal freezing agent
  - Low cost
  - Can maintain the temperature of the samples for up to a week in the event of power loss
- Samples are split into two halves for dual storage in separate locations
- Cryo-Save's major differentiation
  - Operates multiple storage facilities
  - Dual storage

