



## PRESS RELEASE

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# Cryo-Save Group N.V. - Q3 trading update

## On track with implementation of "Fit for Future" turnaround plan

Cryo-Save Group N.V. (Euronext: CRYO, 'Cryo-Save', or 'the Group'), the leading international stem cell storage company and the largest family stem cell bank in Europe, announces its trading update for the quarter ended 30 September 2013.

The third quarter was characterized by the commencement of the full implementation of the turnaround plan "Fit for Future", which was announced together with the publication of the midyear results in August. This comprehensive turnaround plan will enable the Group to swing back to profitability by year-end, based on driving awareness aimed at the consumer, improving the effectiveness of all sales channels in combination with strict cost saving programs, improved working capital management and disposal of loss-making foreign operations. The turnaround plan will lead to a sustainable profitable future and a healthy upside from the next wave of growth of stem cell therapy.

The implementation of the identified cost saving measures aimed at reducing the break-even level before the end of the year is well on its way. By the end of September, the implemented actions covered already approximately 70% of the total turnaround plan.

Q3, 2013 shows an operating loss before depreciation and amortization of €0.3 million. This operating loss was affected by additional legal and consulting expenses of approximately €0.8 million. Despite this operating loss, the Group was able to improve its cash position from €5.3 million by the end of June 2013 to €5.4 million by the end of September 2013, predominantly as a result of the working capital improvement measures as part of the turnaround plan.

The impact of the turnaround plan on the new client acquisitions is expected to be seen as of Q4, 2013. This will be the result of a new marketing approach addressing directly the end clients as well as a further professionalization of the commercial operations. A newly implemented key account management approach focused at the medical community will be complemented by a strong attention to the end-consumer (B2C). The optimal deployment of social media as well as other innovative sales channels will be the key marketing tools in that sense.

**Evi Mattil**, Chief Commercial officer and Chief Executive officer a/i, commented:

***"We are satisfied to see that the results of the "Fit for Future" turnaround strategy are materializing, enabling Cryo-Save to swing back to profitability by year-end."***

***"As expected, new client acquisitions continued to be impacted by the difficult economic situation in our key markets during the 3<sup>rd</sup> quarter. While this slowdown of revenues affected our operating results the implementation of the top line recovery measures is on track and in line with the "Fit for Future" turnaround plan."***

### **Financial highlights for the quarter ended 30 September 2013:**

- Revenue of €7.1 million (Q3 2012: €9.3 million)
- Gross profit of €4.6 million (Q3 2012: €6.2 million)
- Operating expenses before depreciation and amortisation of €4.9 million (Q3 2012: €4.9 million)
  - Q3 2013 includes approximately €0.8 million of unplanned legal and consulting expenses
- EBITDA\*: -€0.3 million (Q3 2012: €1.3 million)
- EBITA\*\*: -€0.7 million (Q3 2012: €0.9 million)
- Operating profit: -€1.0 million (Q3 2012: €0.5 million)
- Net profit: -€0.9 million (Q3 2012: €0.5 million)

\* EBITDA is defined as Earnings Before Interest, Taxation, Depreciation, and Amortisation

\*\* EBITA is defined as Earnings Before Interest, Taxation and Amortisation of identified intangible assets

### **Operational highlights for the quarter ended 30 September 2013:**

- 7,000 new samples stored in the third quarter of 2013 (Q3 2012: 8,800)  
Of these, 4,000 were new cord blood samples and 3,000 new cord tissue samples
- 260,000 samples have been stored in total as of 30 September 2013
- 82% of new customers opt for the combined service of cord blood and cord tissue storage
- The Group reached agreement on the sale and purchase of 100% of the shares of its Indian subsidiary Cryo-Save (India) Private Limited to a consortium including representatives of the current local management. The management buy-out is fully supported by the Board
- The Enterprise Chamber (Ondernemingskamer) of the Amsterdam Court of Appeal confirmed that Cryo-Save's invocation of the 180-day response time was justified and that Salveo was not entitled to breach the response time. Consequently, the Enterprise Chamber adjourned the EGM convened by Salveo to 21 November 2013

### **Highlights after 30 September 2013:**

- Cryo-Save reached an agreement with Salveo Holding S.A. ('Salveo'), the company's largest shareholder, on the suggested recomposition of the Company's Board of Directors
- In October the Group celebrated the major milestone of storing more than 250,000 stem cell samples since its foundation in 2000 which it reached earlier this year together with the 25<sup>th</sup> anniversary of the first umbilical cord blood transplant performed by Dr. Eliane Gluckman in October 1988

### **Enquiries:**

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**About Cryo-Save ([www.cryo-save.com/group](http://www.cryo-save.com/group))**

Cryo-Save, the leading international family stem cell bank, stores more than 250,000 samples from umbilical cord blood and cord tissue. There are already many diseases treatable by the use of stem cells, and the number of treatments will only increase. Cryo-Save has cryopreserved samples from over 70 countries on six continents, with ultra-modern processing and storage facilities in Belgium, Germany, Dubai, and South Africa.