

ASX RELEASE

24th November 2020

**Chairman's Address to Shareholders at the Annual Meeting of Members held on
10.00am Tuesday 24th November 2020**

Good morning ladies and gentlemen and welcome to the 2020 Annual General Meeting of shareholders of Cryosite Limited. My name is Bryan Dulhunty, the Chairman of Cryosite.

As I said to shareholders at last years shareholders meeting - It has been a positive start to the financial year.

Unaudited financial numbers for the quarter ended 30 September 2020 show

- Sales revenue growth: We had an increase in revenue of 22%
- Operating cash flow positive: We had an operating cash inflow of \$248k versus the previous corresponding period of a cash outflow of (\$281k) (excluding off legal settlement of \$1m in the previous corresponding period).

Sales Revenue:

Revenue from the Clinical Trials and Biological Services Logistics segment for the quarter ended 30 September 2020 was up 33% on the previous corresponding period. This is a reflection in both the growth of the clinical trial business and new sales from expanding our services into adjoining markets and customers (as outlined in the review of operations in the annual report.) We are starting to see the return on the investment the company made in the past year.

Cord Blood remains in its run off period and saw a 6% decline in revenue from the previous corresponding period. The Company continues to hold substantial cord blood and tissue assets and is looking to provide additional ongoing services to our individual storage clients, to generate further long-term cash and profitability.

Cash Flow: Cash on hand as at 30 September was \$4.1m, the same as at 30 June 2020. The Company has no debt. The cash holding represents a cash backing of 10.6 cents per share.

Operating cash inflow for the September quarter was \$248k. This is a significant improvement on the prior year which recorded a negative operating cash outflow of \$281k (excluding a positive one off legal settlement of \$1m). This turn around in operating cash flow reflects both on increased sales and a changed cost structure as a result of last years restructuring. It should be noted that cash payments are skewed to the second half of the year due to a number of large annual payments occurring in that time period.

Investment and financial cash outflows: The Company continued to invest in capital and spent \$190k on capital equipment in the first quarter to expand capacity. There was an additional \$64k outflow from financial activities.

Outlook

So while the year to date again has commenced on a positive note, as stated in the Review of Operations in the June 2020 Annual Report, returning Cryosite to a company generating an



appropriate return on capital will not be a quick process but as can be seen we are taking positive steps in this direction.

The outlook for the remainder of the year is positive. Clinical trials are increasing in Australia and as previously stated, we are seeing client interest from expanding our services into adjoining markets and customers. This optimism needs to be cautioned by the uncertainties being created by the COVID-19 pandemic.

As announced, I have recently stepped down as Executive Chairman. My role as Executive Chairman was always meant to be short term and was meant to drive change. That change has been identified and implemented and John Hogg has taken on the role of CEO. John has a long history in logistics and is ideally qualified to drive the growth of the business. John is present at the meeting today and I look forward to introducing him to those shareholders who are present at the meeting.

The Board and Management are grateful for the continual support and interest in the company by the shareholders.

Bryan Dulhunty
Chairman