

November 2, 2017



Cryoport Revenue Up 52%; Driven by BioPharma

Biopharma revenue up 65% year-over-year; 23 new clinical trials added during third quarter

IRVINE, Calif., Nov. 2, 2017 /PRNewswire/ -- Cryoport, Inc. (NASDAQ: CYRX, CYRXW), the world's leading cryogenic logistics company dedicated to the life sciences industry, today announced financial results for the three- and nine-month periods ended September 30, 2017.



"We are pleased with the strong continued revenue growth achieved for the third quarter of 2017 as compared to the prior year," commented Jerrell Shelton, Cryoport's Chief Executive Officer. "Increased attention to and investment in our support of the regenerative therapies industry is translating into higher logistics revenue for Cryoport in this space. We are now supporting a record-breaking 195 clinical trials, with 23 new clinical trials secured in the third quarter, driving a 65% year-over-year revenue increase in our lead market, the biopharma market. We are proud of the significant traction we have made in supporting our client's clinical trials. We believe that this activity is the just the 'tip of the iceberg' as our biopharma market revenue is expected to significantly ramp as our clients' regenerative therapies reach commercial viability, requiring more extensive logistics support from Cryoport.

"We believe that this 'tipping point' for cellular therapies is fast approaching with Novartis and Gilead's Kite Pharma recently securing FDA approval to commercialize their respective first of their kind CAR-T therapies. Cryoport is proud to support the commercial distribution for both these companies as well as their respective pipelines of regenerative therapies. In fact, we have entered into long-term contracts in support of the commercial logistics for these first CAR-T therapies from Gilead's Kite Pharma (Yescarta™) and Novartis (Kymriah™). Cryoport provides both companies with comprehensive and tailored end-to-end cold chain logistics solutions and we expect our revenue to ramp as the demand for these ground-

breaking therapies accelerates.

"Analysts' forecasts indicate that the global regenerative medicine market will grow to \$54 billion by 2021, as research and development continues to capture the potential for regenerative therapies to treat previously untreatable diseases. This trend in the practice of medicine, is just at the early stages of gaining traction globally. We believe that Cryoport is at the right place at the right time, with significant revenue opportunities as evidenced by our two long-term commercial agreements supporting the first two "first of their kind" FDA-approved CAR-T therapies. We believe that Cryoport's position as a critical solution provider supporting temperature-controlled logistics to this biopharma sector presents a phenomenal global growth opportunity for our company.

"We are firmly committed to ensuring that Cryoport remains at the forefront of innovation and builds its reputation as the 'gold standard' provider of the most advanced and reliable cold chain logistics solutions for the life sciences industry. This was recently demonstrated by the expansion of our solutions offering and launch of our new, state-of-the-art C3™ logistics solution, to support high-value regenerative therapies that require temperature-controlled transportation within the 2 - 8°C temperature range, usually associated with apheresis.

"In addition to our growing success in BioPharma, we continued to grow our presence in the Animal Health and Reproductive Medicine markets, where revenue growth was 33% and 12%, respectively, for the three-month period. The high-quality solutions we provide to these markets, along with our growing reputation across the life sciences industry for reliability and innovation, continues to drive new client agreements and stronger revenue performance in both these markets," concluded Mr. Shelton.

Market Highlights:

Biopharma

- Biopharma revenue increased by 65% in the third quarter of 2017 compared to the prior year quarter
- 20 new Biopharma clients and 23 new regenerative medicine clinical trial programs were added to Cryoport's robust revenue pipeline during the third quarter of 2017
- 195 clinical trials supported by Cryoport, with 20 in Phase III
- Two long-term commercial agreements were signed: one with Gilead's Kite Pharma for Yescarta™ and the other, with Novartis for Kymriah™, to support the respective commercial launches of each company's FDA-approved CAR-T therapy.

Reproductive Medicine

- Reproductive Medicine revenue increased by 12% for the third quarter compared to the same quarter last year, led by a 62% increase in the U.S. market, which was partially offset by a decline in international revenue of 55%. International revenue continues to be impacted by the restriction of medical (reproductive) tourism and changing regulations in certain countries.

Animal Health

- Revenue from the Animal Health market increased 33% in the third quarter compared

to the same quarter last year. The increase was driven by existing and new clients in this market, including an international relocation of cell banks for a new client.

Overall Financial Results:

- Revenue increased 52% to \$3.0 million and 58% to \$8.6 million for the three and nine-month periods ended September 30, 2017, respectively, compared with the same periods in the prior year.
- Gross margin for the three- and nine-month periods ended September 30, 2017 was 54% and 49%, respectively, compared to 40% for both in same three- and nine-month periods in the prior year. Gross margin improvements were driven by increased business volume, pricing adjustments and efficiencies of scale.
- As a result of investments in the build out of our infrastructure for the future, which includes adding new competencies, new and additional inventories, and new services, our operating costs and expenses increased by \$637,000 and \$950,000 for the three- and nine- month periods ended September 30, 2017, respectively.
- GAAP net loss for the three and nine-month periods ended September 30, 2017 was \$2 million and \$5.6 million, respectively, which reflected improvements of 9% and 36% compared to \$2.2 million and \$8.8 million in the same three- and nine-month periods in the prior year. GAAP net loss attributable to common stockholders for the three- and nine-month periods ended September 30, 2017 was \$2 million, or \$0.08 per share, and \$5.6 million, or \$0.25 per share, compared with \$2.2 million, or \$0.14 per share, and \$8.9 million, or \$0.67 per share, in the same three- and nine-month periods in the prior year.
- Adjusted EBITDA for the three- and nine-month periods ended September 30, 2017 was (\$831,000) and (\$2.6 million), respectively, reflecting improvements of 34% and 38% compared to (\$1.3 million) and (\$4.2 million) in the same three- and nine-month periods in the prior year.
- The Company has no debt and reported \$15.4 million in cash and cash equivalents as of September 30, 2017, compared to \$4.5 million as of Fiscal Year ended December 31, 2016. The increase in cash and cash equivalents includes net proceeds of \$11.4 million received from an underwritten public offering on March 31, 2017 and net proceeds of \$3.8 million from the exercise of warrants and stock options during the nine months ended September 30, 2017.

Further information on Cryoport's financial results is included on the attached unaudited condensed consolidated balance sheets and statements of operations, and additional explanations of Cryoport's financial performance will be provided in Cryoport's quarterly report on Form 10-Q for the three- and nine-month periods ended September 30, 2017, which will be filed with the Securities and Exchange Commission ("SEC") on November 3, 2017. The full report will be available on the SEC Filings section of the Investor Relations section of the Company's website at www.cryoport.com.

Conference Call Information Regarding Third Quarter Earnings

Date: Thursday, November 2, 2017
Time: 4:30 p.m. ET
Dial-in numbers: +1 (855) 327-6837 (U.S.) or +1 (631) 891-4304 (International)
Confirmation code: Request "Cryoport Call"
Live: Available on the Investor Relations section at www.cryoport.com. Please allow 10 minutes prior to the earnings call to download this information from the site. Proper audio software must be installed.
webcast:

An archive of the webcast will be available approximately three hours after completion of the live event and will be accessible on the Investor Relations section of the Company's website at www.cryoport.com for a limited time. To access the replay of the webcast, please follow this link. A dial-in replay of the call will also be available to those interested until November 9, 2017. To access the replay, dial 1-844-512-2921 (United States) or 1-412-317-6671 (International) and enter replay pin number: 10003778.

About Cryoport, Inc.

Cryoport is the life sciences industry's most trusted global provider of temperature controlled logistics solutions for temperature-sensitive life sciences commodities, serving the biopharmaceutical market with leading-edge logistics solutions for biologic materials, such as regenerative medicine, including immunotherapies, stem cells and CAR-T cells. Cryoport's solutions are used by points-of-care, CRO's, central laboratories, pharmaceutical companies, manufacturers, university researchers et al.; as well as the reproductive medicine market, primarily in IVF and surrogacy; and the animal health market, primarily in the areas of vaccines and reproduction. Cryoport's proprietary Cryoport Express[®] Shippers, Cryoport[™] Logistics Management Platform, leading-edge SmartPak II[™] Condition Monitoring System and geo-sensing technology, paired with unparalleled cold chain logistics expertise and 24/7 client support, make Cryoport the end-to-end cold chain logistics partner that the industry trusts.

Cryoport is dedicated to

- simplifying global cold chain logistics through innovative technology, unmatched monitoring and data capture and support, including consulting;
- delivering the most advanced temperature controlled logistics solutions for the life sciences industry; and
- providing vital information that provides peace of mind throughout the life of each logistics process.

For more information, visit www.cryoport.com. Sign up to follow @cryoport on Twitter at www.twitter.com/cryoport.

Forward Looking Statements

Statements in this news release which are not purely historical, including statements regarding Cryoport, Inc.'s intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. It is important to note that the Company's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks and uncertainties associated with the effect of changing economic

conditions, trends in the products markets, variations in the Company's cash flow, market acceptance risks, and technical development risks. The Company's business could be affected by a number of other factors, including the risk factors listed from time to time in the Company's SEC reports including, but not limited to, the Transition Report on Form 10-K for the nine months ended December 31, 2016 filed with the SEC. The Company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Cryoport, Inc. disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this press release.

Cryoport Inc. and Subsidiary
Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenues	3,002,655	1,976,826	8,632,267	5,449,937
Cost of revenues	1,396,158	1,179,991	4,379,084	3,289,345
Gross margin	1,606,497	796,835	4,253,183	2,160,592
Operating costs and expenses:				
General and administrative	1,896,845	1,507,634	5,389,391	4,751,823
Sales and marketing	1,352,974	1,235,353	3,659,742	3,678,017
Research and development	344,798	214,680	825,377	494,957
Total operating costs and expenses	3,594,617	2,957,667	9,874,510	8,924,797
Loss from operations	(1,988,120)	(2,160,832)	(5,621,327)	(6,764,205)
Other (expense) income:				
Interest expense	-	(19,305)	(15,693)	(121,741)
Warrant repricing expense	-	-	-	(1,929,818)
Other income (expense), net	8,456	(1,453)	11,919	(8,240)
Loss before provision for income taxes	(1,979,664)	(2,181,590)	(5,625,101)	(8,824,004)
Provision for income taxes	-	(2,878)	(4,231)	(5,362)
Net loss	(1,979,664)	(2,184,468)	(5,629,332)	(8,829,366)
Undeclared cumulative preferred dividends	-	-	-	(75,460)
	\$	\$	\$	\$
Net loss attributable to common stockholders	(1,979,664)	(2,184,468)	(5,629,332)	(8,904,826)
Net loss per share attributable to common stockholders - basic and diluted	\$ (0.08)	\$ (0.14)	\$ (0.25)	\$ (0.67)
Weighted average shares outstanding - basic and diluted	24,632,169	15,120,479	22,093,169	13,336,013

Cryoport Inc. and Subsidiary
Condensed Consolidated Balance Sheets

	September 30, 2017 (unaudited)	December 31, 2016
Current Assets:		
Cash and cash equivalents	\$ 15,397,512	\$ 4,524,529
Accounts receivable, net	1,464,136	1,195,479
Inventories	90,254	89,499
Prepaid expenses and other current assets	264,343	286,919
Total current assets	17,216,245	6,096,426
Property and equipment, net	2,083,467	1,647,104
Intangible assets, net	56,533	5,000
Deposits	363,403	363,403
Total assets	<u>\$ 19,719,648</u>	<u>\$ 8,111,933</u>
Current liabilities:		
Accounts payable and other accrued expenses	\$ 1,141,821	\$ 1,160,299
Accrued compensation and related expenses	628,793	419,034
Related party notes payable and accrued interest, net of discount	-	651,934
Total current liabilities	1,770,614	2,231,267
Deferred rent liability	194,588	200,264
Total liabilities	1,965,202	2,431,531
Total stockholders' equity	17,754,446	5,680,402
Total liabilities and stockholders' equity	<u>\$ 19,719,648</u>	<u>\$ 8,111,933</u>

Note Regarding Use of Non-GAAP Financial Measures

This news release contains non-GAAP financial measures as defined in Regulation G of the Securities Exchange Act of 1934. These financial measures are not calculated in accordance with generally accepted accounting principles (GAAP) and are not based on any comprehensive set of accounting rules or principles. In evaluating the Company's performance, management uses certain non-GAAP financial measures to supplement financial statements prepared under GAAP. Management believes the following non-GAAP financial measure, adjusted EBITDA, to provide a useful measure of the Company's operating results, a meaningful comparison with historical results and with the results of other companies, and insight into the Company's ongoing operating performance. Further, management and the Board of Directors utilize these non-GAAP financial measures to gain a better understanding of the Company's comparative operating performance from period-to-period and as a basis for planning and forecasting future periods. Management believes these non-GAAP financial measures, when read in conjunction with the Company's GAAP financials, are useful to investors because they provide a basis for meaningful period-to-period comparisons of the Company's ongoing operating results, including results of operations, against investor and analyst financial models, identifying trends in the Company's underlying business and performing related trend analyses, and they provide a better understanding of how management plans and measures the Company's underlying business.

Cryoport Inc. and Subsidiary
Adjusted EBITDA Reconciliation
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
GAAP net loss	\$ (1,979,664)	\$ (2,184,468)	\$ (5,629,332)	\$ (8,829,366)
Non-GAAP adjustments to net loss:				
Depreciation and amortization expense	184,076	100,770	491,980	271,521
Interest expense	-	19,305	15,693	121,741
Stock-based compensation expense	964,857	799,797	2,529,858	2,337,936
Warrant repricing expense	-	-	-	1,929,818
Income taxes	-	2,878	4,231	5,362
Adjusted EBITDA	\$ (830,731)	\$ (1,261,718)	\$ (2,587,570)	\$ (4,162,988)

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