



STEPHENS NON-DEAL ROADSHOW PREP PACKET

Cerus Corporation (CERS) – Virtual NDR

September 10, 2020

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Questions/Topics of Discussion

- Could you talk about where blood safety stands today? What methods are currently used and what are the costs associated with them?
- In September 2019, you received the long awaited FDA guidance for platelet safety - what are the options for blood banks and hospitals to comply with this guidance?
- LVDS appears to be the main competition for pathogen reduction, what is the value proposition of PR vs. LVDS? Why does the industry seem to be leaning towards single-step methods?
- Our sense is cost has been the main pushback to PR historically. Has this changed since the FDA guidance came out? Can you talk through the pricing and cost dynamics of PR vs. other alternatives (in particular, I think the ARN has outlined their proposed pricing for PR platelets)? How much does PR cost vs. alternatives? How much can a blood bank sell PR platelets to a hospital vs. alternatives? How much of the market can you address? What is reasonable market share capture opportunity?
- The ARC has voiced support for pathogen reduction and plans to move towards 100% pathogen reduced platelets by 2023, how important is this? And maybe any other feedback from some of your larger customers that you would like to share?
- The FDA guidance is just that – guidance – what do you think the ultimate compliance rate from blood banks and hospitals will be with this guidance by the March 2021 deadline?
- Now that you have the guidance, what needs to happen for you to capture these revenues? BLA's with additional sites? What does current capacity look like vs. expected domestic demand?
- What will the ramp of platelets look like post this announcement? What is a reasonable penetration rate for platelets once the guidance goes into effect at the end of 18 months? Could you become 50% of platelet units?
- How has COVID-19 impacted your ability to sell INTERCEPT into new hospital customers? What trends have you seen from existing customers? Longer term, what is the potential impact from COVID-19?
- Outside of the U.S. – how is Germany trending? Any other countries we should be keeping an eye on or stay tuned?
- How much of LT growth target of 15%-20% predicated on products outside of platelets?
- The next opportunity appears to be cryoprecipitate. With plasma approved in the U.S. – what are the next steps for getting cryoprecipitate approved? Remind us when you expect approval by? What is the value proposition of INTERCEPT for cryo?
- How is the business model for cryo different than for platelets? Why does this matter?
- What is the potential TAM for cryo? What is reasonable market share? How quickly can you achieve this?
- Can you remind us on the timeline for RBCs in the U.S. and Europe? Can you frame up the opportunity here and size up the market?
- Where are gross margins today? As the top line grows, how much room for gross margin expansion is there?
- What SG&A is required to support top-line growth outlook?
- What is the outlook for cash burn? What are working capital and capex needs?

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Stephens CERS Reports:

[Corrected: CERS 2Q20 Wrap Up: Another Solid Quarter, Outlook Remains Positive](#)

[Updated Thoughts on CERS](#)

[2019 AABB Annual Meeting Takeaways: A Timely Meeting](#)

Stephens CERS Model:

[Click Here for Model](#)

Stephens Inc. working model and published research report attached.
For current disclosures on this company, please access the attached research report.

OTHER DISCLOSURES

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