

arbios Investor Fact Sheet



Overview

Arbios Systems, Inc. is developing proprietary medical devices and cell-based therapies to enhance the survival of the many millions of patients each year who experience, or are at risk for, life-threatening episodes of liver failure.

The Arbios product candidate portfolio includes the SEPET™ Liver Assist Device, a novel blood purification therapy that provides enhanced “liver dialysis,” and the HepatAssist™ Cell-Based Liver Support System, a bioartificial liver that combines blood detoxification with liver cell therapy to provide replacement of whole liver function in patients with the most severe forms of liver failure. Both products may provide the critical benefit of reducing the time that patients spend in a state of liver failure, thereby decreasing intensive care costs at hospitals, and improving overall outcomes by minimizing or preventing damage to the liver. SEPET™ may have further utility in treating sepsis, multi-organ failure, and related inflammatory disorders.

Arbios currently trades on the OTC Bulletin Board under the symbol: ABOS.

Financial Information

OTC BB:	ABOS
Shares Outstanding:	17.4 million
Headquarters:	Waltham, MA (Boston)
Research Facilities:	Los Angeles, CA

Arbios Investment Highlights

- Pure play in large, untapped liver failure market
 - “Liver Dialysis”
- Pioneering products meet a growing, unmet medical need
 - SEPET™ Liver Assist Device (feasibility / Phase 1-2)
 - HepatAssist™ Cell-Based Liver Support System (pivotal/Phase 3)
- Clear, rapid regulatory paths with well defined customer bases
- Experienced management team, board and SAB
- Emerging proof-of-concept data for SEPET™ to complement established safety and efficacy data for HepatAssist™



About SEPET™ Liver Assist Device

The SEPET™ Liver Assist Device is a novel blood purification therapy designed for use with a standard blood dialysis system. It comprises a sterile, single-use, disposable cartridge containing microporous hollow fibers with unique permeability characteristics. When a patient’s blood is passed through these fibers, blood plasma of specific molecular weight and size is expressed through the micropores, thereby cleansing the blood of harmful impurities (i.e., hepatic failure toxins such as ammonia, as well as various mediators of inflammation and inhibitors of hepatic regeneration). These substances would otherwise progressively accumulate in the patient’s bloodstream during liver failure, accelerating damage to the liver and other organs, including the brain and kidneys, and suppressing the ability of liver cells to function and to proliferate or regenerate.

SEPET™ is currently demonstrating favorable outcomes in a U.S. clinical feasibility trial in patients experiencing acute exacerbation of chronic liver disease (so-called “acute-on-chronic” liver failure) caused by hepatitis B, hepatitis C or alcoholic cirrhosis. Four major liver treatment and transplant centers are participating: Albert Einstein Medical Center in Philadelphia, Cedars-Sinai Medical Center in Los Angeles, University of California San Diego Medical Center, and University of California San Francisco Medical Center. A high percentage of patients treated with SEPET™ have demonstrated clinical responses and met the efficacy endpoint of the trial, and the treatments have been well tolerated. Arbios believes these encouraging interim results provide validation of the potential for SEPET™ and is continuing to enroll patients in this important first-in-man clinical trial. Arbios believes that such a clinical trial could be sufficient for rapid commercialization of SEPET™ in Europe and in Asia.

About HepatAssist™ Cell-Based Liver Support System

Arbios is developing the HepatAssist™ Cell-Based Liver Support System, a bioartificial liver that not only detoxifies the blood, but, uniquely, provides whole liver function. HepatAssist™ is intended to treat acute and acute-on-chronic liver failure patients with little to no remaining liver function.

How does HepatAssist work? During therapy, blood is separated into plasma (liquid) and cellular components. The separated plasma is then passed through an absorbent activated charcoal filter to remove small molecular weight toxins, providing initial detoxification. The detoxified plasma is then oxygenated and passes through a hollow fiber cartridge housing living porcine liver cells. Importantly, the live porcine liver cells are immobilized in the cartridge by a semi-porous membrane, so that they are never administered to the patient. The porcine liver cells transform and eliminate further harmful compounds, while also enriching the plasma with albumin and other proteins and providing additional liver-specific functions. The normalized, enriched plasma is then reunited with the blood cellular components and returned to the patient.

HepatAssist™ was the first bioartificial liver tested in FDA-approved Phase 2/3 clinical trials. A prospective, multicenter, randomized, controlled trial was conducted in 171 patients in 11 U.S. and 9 European medical centers. This trial did not achieve its primary endpoint (improvement in 30-day survival) in the overall study population. However, when adjusting for the impact of disease etiology and liver transplantation on patient survival, patients with fulminant and subfulminant hepatic failure treated with the bioartificial liver had a statistically significant survival advantage compared to controls receiving standard medical care. HepatAssist™ also demonstrated a favorable safety profile. Arbios believes that a repeated pivotal trial has a high probability of success.

Arbios is currently exploring optimal ways in which this promising therapy could be commercialized globally, including potential strategic partnerships with larger companies.



Market Opportunity

Liver failure represents a large, untapped market opportunity and a grave medical condition. An estimated 10-20 million hospitalizable episodes of liver failure occur each year, worldwide, with more than one million occurring in North America and Europe. Mortality rates for patients with liver failure are unacceptably high, reaching 90% in certain segments of the patient population, and resulting in 1-2 million deaths worldwide per year. The current standard of care for liver failure involves administration of intravenous fluid, antibiotics and blood products. However, no direct pharmaceutical therapies currently exist. The most reliably curative therapy is liver transplantation, which is costly, limited by the number of available organs and unavailable to a large majority of patients.

Management

Walter C. Ogier, President and Chief Executive Officer, joined Arbios in late 2005 and has more than two decades of experience in development and commercialization of therapeutic medical devices, cell therapies and biopharmaceuticals. Mr. Ogier was previously President and Chief Executive Officer of Genetix Pharmaceuticals, Inc., a Johnson & Johnson-affiliated company developing stem cell gene therapies. He was also President and Chief Executive Officer of Eligix, Inc. where he brought several monoclonal antibody-based therapies for stem cell transplantation and immune therapy to market. Mr. Ogier was also previously Vice President of Marketing for Aastrom Biosciences, a cell therapy company, and held various management positions at Baxter Healthcare Corporation in its Blood Therapy group. Mr. Ogier earned a B.A. in Chemistry from Williams College and received his M.B.A. from the Yale School of Management.

Scott Hayashi, Vice President of Administration, Chief Financial Officer, and Secretary, joined Arbios from Syncor International, Inc., a subsidiary of Cardinal Health, Inc., where he served as Manager of Overseas Development. Before that, Mr. Hayashi worked in finance and mergers and acquisitions for Litton Industries, Inc., (now Northrop Grumman Corporation) and AlliedSignal, Inc. (now Honeywell, Inc.). Mr. Hayashi earned a B.S. in Economics from the University of California, Los Angeles and an M.B.A. from Loyola Marymount University.

Jacek (Jack) Rozga, M.D., Ph.D., Chief Scientific Officer, is a co-

founder of Arbios and inventor of SEPET™ and HepatAssist™. He is Adjunct Professor of Surgery at UCLA School of Medicine. Dr. Rozga has more than 20 years of experience in artificial liver support system development, hepatocyte transplantation and liver tissue engineering, and he directed all research aspects leading to the development and testing of the first-generation bioartificial liver at Cedars-Sinai Medical Center. His prior affiliations include Cedars-Sinai Medical Center and Vanderbilt University Medical School. He received M.D. and Ph.D. degrees from the Medical Academy of Warsaw (Poland) and a second Ph.D. in liver physiology from Lund University (Sweden).

Shawn Cain, Vice President Operations, joined Arbios from Becton Dickinson & Company, where he was responsible for the operation of two manufacturing facilities that produced over 900 biologics. While there, Mr. Cain was responsible for manufacturing, quality control, shipping and receiving, continuous improvement, inventory control, planning/logistics and purchasing. Mr. Cain began his career with W.R. Grace & Co.'s Research Division, and its wholly-owned subsidiary, Circe Biomedical, Inc., where he was involved in early development work on bioartificial technology, including HepatAssist™. He received B.S. and M.S. degrees in biological sciences from Northeastern University and the University of Massachusetts, respectively.

John M. Vierling, M.D., FACP, Chairman of the Board of Directors, is Professor of Medicine and Surgery, Director of Baylor Liver Health and Chief of

Hepatology at the Baylor College of Medicine in Houston, Texas. He is also President of the American Association for the Study of Liver Diseases. Dr. Vierling was previously Chairman of the Board of the American Liver Foundation and President of the Southern California Society for Gastroenterology. Dr. Vierling has been a member of numerous National Institutes of Health study sections and advisory committees, including the NIDDK Liver Tissue Procurement and Distribution Program, and is Chairman of the Data Safety Monitoring Board for the NIDDK ViraHep C Multicenter Trial. A renowned hepatologist, Dr. Vierling's research has focused on the mechanisms of liver injury caused by hepatitis B and C and autoimmune and alloimmune diseases.

David Zeffren, Vice President of Product Development, has over 15 years of experience in the healthcare and medical device industries, and over a decade of experience in biomedical engineering, marketing, finance, and sales. Prior to joining Arbios, Mr. Zeffren served as Chief Operating Officer of Skilled Health Systems, L.C., a healthcare technology and clinical research organization, and of the company's Physician Care Management division. Previously, Mr. Zeffren was a Corporate Director, Business Development & Division Manager at INFUSX, Inc., a subsidiary of Salick Health Care, Inc. Mr. Zeffren earned a B.S. in Mechanical Engineering from Washington University (St. Louis), and received his M.S. in biomedical engineering from the Polytechnic Institute of New York.

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