

For Immediate Release:

Arterioocyte Awarded BARDA Contract Valued up to \$101.1 Million for Advanced Development of Arterioocyte's Magellan[®] BioBandage[™] for Thermal Radiation Injury.

Cleveland, OH., September 26, 2013 – Arterioocyte, Inc., a leading biotechnology company with offices in Cleveland, Ohio and Hopkinton, Massachusetts, announced today that it has been awarded a contract valued at up to \$101.1 million (if all contract options are exercised), by the U.S. Department of Health and Human Services. The Biomedical Advanced Research and Development Authority (BARDA), an agency within the Office of the Assistant Secretary for Preparedness and Response, awarded this contract. The contract supports research and development of the Magellan[®] Bio-Bandage[™] and clinical evaluation to improve the existing standard of care in definitive burn treatments.

The award consists of a two-year base contract totaling \$11.8 million. If milestones are met, then at BARDA's discretion, additional options may be exercised to support advanced development over the next three years. The total award will support preclinical, clinical, regulatory and additional device modifications to Arterioocyte's existing Magellan[®] technology in order to complete additional FDA approvals for the use of Magellan[®] Bio-Bandage[™] to treat thermal burn injury. Options also include funding for manufacturing process development and inventory scale-up so that the Company will be positioned with capacity to immediately supply large-numbers of Magellan[®] units for rapid medical deployment in case of a mass casualty event.

"We are humbled that BARDA has selected Arterioocyte's Magellan[®] technology as part of their investment strategy to ensure buildup of medical supplies for immediate deployment in a mass casualty setting. Hopefully our country will never experience another mass casualty event, but we applaud the preparedness efforts and foresight that BARDA takes to plan for, protect against and respond to domestic disasters in the U.S. The Magellan platform is a ready-to-deploy medical device that will enable primary and secondary responders to help patients with burns heal faster" said Arterioocyte CEO, Don Brown.

Successful completion of this contract will position the Arterioocyte's Magellan[®] technology as an important medical intervention, advancing the clinical care options in the mass casualty setting.

Thermal Wound Treatments

Treatment of severe burns is a rapidly emerging segment of advanced wound care. Each year, in the United States, approximately 1.1 million burn injuries require some level of medical attention. Approximately 50,000 require significant surgical intervention including debridement of damaged/dead tissue, creating a bleeding wound bed, and application of patient harvested or donor skin grafts. Second- and third-degree burn wounds require specialized medical/surgical care and time to heal due to the heat induced damage to the skin and the vessels that feed the tissue in the area surrounding the wound, often resulting in necrosis rather than healing. To date, no single therapy has shown an ability to supply immediate wound protection and healing, provide a bridge to delayed definitive care, and improve graft integration simultaneously. Most therapies focus on one aspect of the thermal wound tissue regeneration and require other therapies to be fully effective. Current literature suggests that growth-factor rich platelet rich plasma (PRP) plays a role in stimulating new blood vessel growth and recruiting keratinocytes to re-epithelialize wounds while decreasing pain and risk of infection.

About Arterioocyte, Inc.

Arterioocyte, a leading clinical stage biotechnology company, is dedicated in developing novel cellular therapy products and medical devices to help patients heal faster by leveraging its expertise in stem cell and tissue engineering to develop a broad portfolio of cell based therapeutics. In October of 2007, Arterioocyte partnered with DW Healthcare Partners and Comerica to create Arterioocyte Medical Systems Inc., in order to commercialize and distribute novel medical devices and point of care surgical solutions to address serious unmet medical needs. Arterioocyte Medical Systems manufactures and distributes the FDA approved Magellan[®] Autologous Platelet Separator System worldwide.