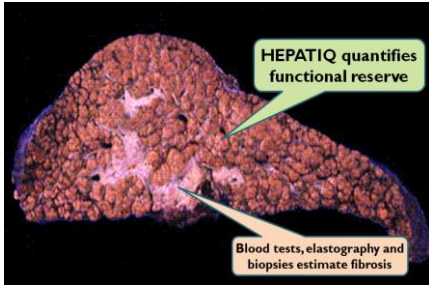


Hepatiq, Inc.

Maker of HEPATIQ® -The Ultimate Liver Test™.



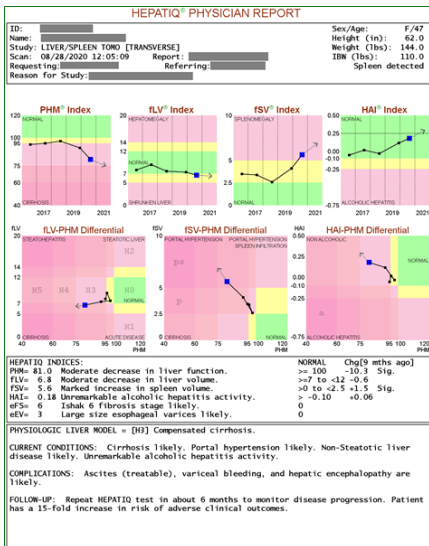
Clinician



SPECT Scanner



Nuclear Medicine



PROBLEM: Infections, alcohol and fat can cause fibrosis in the liver. Fibrosis leads to non-functional scar tissue (whitish areas in the figure). Other products estimate the extent of fibrosis, which is a partial view since the liver compensates by generating new functioning lobules and increasing blood flow to improve function. It is the **liver functional reserve** that determines disease outcomes. Estimating fibrosis alone is not enough.

SOLUTION: Patient is injected with a standard low dose radioisotope and imaged with SPECT. HEPATIQ analyzes the images to provide 6 indices of liver disease: PHM® (perfused hepatic mass), fLV® (liver volume), fSV® (spleen volume), HAI® (activity index), eFS® (fibrosis score), and eEV® (esophageal varices). It provides a physiologic stage: H0 (normal liver function) to H5 (transplant candidate). HEPATIQ is cleared by the FDA.

DIAGNOSTICS: Hepatologists, gastroenterologists and internists use fibrosis staging of liver disease: F0 (normal) to F4 (cirrhosis). An F4 patient may be H0 or H1 and may remain stable for years. On the other hand, an F4 patient may be H2 or H3 and may be at risk of liver decompensation. Abnormal liver patients (>F0) may be sicker than the fibrosis measurement suggests. For better diagnosis and prognosis, HEPATIQ may be used to assess liver functional reserve for abnormal liver patients.

THERAPY: Oncologists, interventionalists and surgeons treat liver cancer. Patients with compensated cirrhosis and large liver functional reserve can receive the most radical treatment. A more individualized assessment is needed for patients with poorer liver functional reserve. HEPATIQ can be used to assess liver functional reserve before an intervention or surgery.

OTHER TESTS: Standard blood tests may indicate liver injury but don't quantify liver functional reserve. Elastography estimates fibrosis but does not quantify functional reserve. Liver biopsy categorizes fibrosis, is invasive and costly, but does not quantify functional reserve.

RESEARCH: There are 25+ publications on the HEPATIQ indices. PHM and fSV were proven to predict clinical outcomes in the prospective 8-year multi-center HALT-C trial. Patients with PHM<95 had an almost 15-fold increase in the risk of adverse outcomes. PHM and fSV outperformed routine blood tests and biopsies in predicting outcomes.

INTELLECTUAL PROPERTY: Four issued US patents and 5 foreign PCT patents. Nine registered trademarks.

MARKET: Chronic liver disease affects about 1 billion people worldwide. About 32,000 people die each year from it in the US. The liver diagnostics market is \$8+ billion/year globally and growing 12% annually. Customers for HEPATIQ are about 30,000 hospitals and imaging centers worldwide.

BUSINESS: Clinical physicians order the HEPATIQ test and receive the report. Nuclear medicine performs the scan using existing equipment and staff. They receive reimbursement from insurance for the scan and pay us a fee per report. We are offering a free trial of HEPATIQ to spur adoption.

TURNING POINT: Since about 2003, non-invasive elastography has been used instead of biopsies where possible. But, given the limitations of fibrosis measurements, and quantitative liver function now available with HEPATIQ, we may be at a turning point in liver disease management.

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