



August 2, 2016

Vital Therapies Announces Second Quarter Financial Results

SAN DIEGO, Aug. 02, 2016 (GLOBE NEWSWIRE) -- Vital Therapies, Inc. (Nasdaq:VTL), a biotherapeutic company developing ELAD®, a cell-based therapy targeting the treatment of acute forms of liver failure, today announced results for the second quarter ended June 30, 2016.

Key Recent Developments

- | Eight subjects have been enrolled at sites in the United States and Europe in VTL-308, the Company's phase 3 randomized, controlled, open-label trial, designed to evaluate the ELAD System in subjects with severe acute alcoholic hepatitis (sAAH). There are now 23 sites open for enrollment in VTL-308.
- | Raised net proceeds of \$8.8 million through June 30, 2016 under an existing "at-the-market," or ATM, sales agreement since initiating the program in March 2016. The Company has sold 1.1 million shares at a weighted average price of \$8.71 through June 30, 2016 under this program.

Second Quarter 2016 Financial Results

Cash Position

Cash and cash equivalents at June 30, 2016, totaled \$73.6 million compared to \$83.4 million at December 31, 2015. The Company believes its cash position is sufficient to fund the Company into the first quarter of 2018.

Results of Operations

Three Months Ended June 30, 2016

The Company reported a net loss of \$9.5 million for the quarter ended June 30, 2016, which compared with a net loss of \$15.1 million for the same prior year period. This resulted in a net loss attributable to common stockholders of \$0.30 per share for the three months ended June 30, 2016, as compared to a net loss of \$0.63 per share for the corresponding period in 2015, on both a basic and diluted basis. These per share figures are based on weighted-average common shares outstanding of 31,247,069 shares and 23,996,527 shares, respectively, with the increase in common shares outstanding at June 30, 2016 resulting from the Company's follow-on offering in the fourth quarter of 2015 and from shares issued under the Company's ATM sales agreement.

Research and development expenses decreased to \$6.9 million during the three months ended June 30, 2016 as compared to \$11.5 million in the three months ended June 30, 2015. This was primarily due to a reduction in clinical trial and related manufacturing and consulting costs in comparison to the prior year period. General and administrative expenses were \$2.7 million for the three months ended June 30, 2016, compared to \$3.5 million in the prior year period.

Conference Call Details

Vital Therapies will host a conference call to discuss these results and provide a corporate update today at 4:30 p.m. ET, which will be open to the public. The conference call dial-in numbers are (855) 765-5682 for domestic callers and (919) 825-3204 for international callers. The conference ID number for the call is 51097726. Participants can access the live webcast via a link on the Vital Therapies website in the Investor Relations section under "Events" at: <http://ir.vitaltherapies.com/>.

For those unable to listen in at the designated time, a conference call replay will be available for one week following the conference call. The conference call replay numbers for domestic and international callers are (855) 859-2056 and (404) 537-3406, respectively. The conference ID number for the replay is 51097726.

About Vital Therapies, Inc.

Vital Therapies, Inc. is a biotherapeutic company developing a cell-based therapy targeting the treatment of acute forms of liver failure. The Company's ELAD System is an extracorporeal human allogeneic cellular liver therapy currently in phase 3

clinical trials. Vital Therapies, Inc. is based in San Diego, California. Vital Therapies® and ELAD® are trademarks of Vital Therapies, Inc.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning or implying the timing and conduct of our clinical trials, and regarding our projected cash runway. Forward-looking statements are based on management's current expectations and are subject to various risks and uncertainties that could cause actual results to differ materially and adversely from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements do not constitute guarantees of future performance, and you are cautioned not to place undue reliance on these forward-looking statements. Risks and uncertainties include, but are not limited to, difficulty obtaining or maintaining regulatory approval in the United States or Europe, in particular for a combination product and open-label clinical trials; the timing of incurring costs for activities to support applications for marketing approval; whether or when we begin building any significant commercial infrastructure; our limited experience in conducting pivotal clinical trials and significant issues regarding our clinical trials, including, but not limited to, the successful opening and the continued participation of clinical sites and their ongoing adherence to protocols, assumptions regarding enrollment rates, timing and availability of subjects meeting inclusion and exclusion criteria, changes to protocols or regulatory requirements, and the need to comply with and meet applicable laws and regulations, and unexpected adverse events or safety issues. There can be no assurance that data from any of our clinical trials will be sufficient to support an application for marketing in any country or that any such application will ever be approved. These and other risks regarding our business are described in detail in our Securities and Exchange Commission filings, including in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. These forward-looking statements speak only as of the date hereof, and Vital Therapies, Inc. disclaims any obligation to update these statements except as may be required by law.

Vital Therapies, Inc.
Condensed Consolidated Balance Sheets
(unaudited, in thousands)

	June 30, 2016	December 31, 2015
Cash and cash equivalents	\$ 73,598	\$ 83,416
Restricted cash, prepaid expenses and other current assets	1,838	1,672
Property and equipment, net	3,014	3,809
Other assets	182	184
Total assets	<u>\$ 78,632</u>	<u>\$ 89,081</u>
Accounts payable, accrued expenses and other current liabilities	\$ 4,473	\$ 6,655
Long-term liabilities	12	101
Stockholders' equity	74,147	82,325
Total liabilities and stockholders' equity	<u>\$ 78,632</u>	<u>\$ 89,081</u>

Vital Therapies, Inc.
Condensed Consolidated Statements of Operations
(unaudited and in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating expenses:				
Research and development	\$ 6,858	\$ 11,545	\$ 13,715	\$ 23,299
General and administrative	2,688	3,533	5,487	6,597
Total operating expenses	<u>9,546</u>	<u>15,078</u>	<u>19,202</u>	<u>29,896</u>
Loss from operations	(9,546)	(15,078)	(19,202)	(29,896)

Other income	<u>78</u>	<u>(28)</u>	<u>145</u>	<u>32</u>
Net loss	<u>\$ (9,468)</u>	<u>\$ (15,106)</u>	<u>\$ (19,057)</u>	<u>\$ (29,864)</u>
Net loss per share, basic and diluted	<u>\$ (0.30)</u>	<u>\$ (0.63)</u>	<u>\$ (0.62)</u>	<u>\$ (1.25)</u>
Weighted-average common shares outstanding, basic and diluted	<u>31,247,069</u>	<u>23,996,527</u>	<u>30,905,079</u>	<u>23,984,629</u>

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