

April 5, 2023



Astrocyte Pharmaceuticals 2023 Q1 Investor Update

(Q4 2023 Financials)

To all Astrocyte Pharmaceuticals Shareholders and Noteholders,

I am pleased to report that this morning we successfully dosed our first human subject in our new extended infusion Phase 1B clinical safety study in The Netherlands! This study start is another important milestone for Astrocyte in the development of AST-004 as we steadily advance this drug forward toward patients.

Our previous Phase 1A safety study in Hungary demonstrated that multiple dose levels of AST-004 were safe when given as a 10-minute intravenous (IV) infusion, including plasma concentrations that were 2-3x higher than the “High Dose” utilized in the preclinical monkey stroke study. This study also allowed us to better calculate the planned dosing in future patient studies including the assessment that AST-004 should be administered as a 6-hour IV infusion for stroke and moderate-severe TBI patients. Therefore, this new Phase 1B study will target the same maximum plasma and cerebrospinal fluid (CSF) concentrations of AST-004 achieved in the prior study, but now maintain them through a six-hour treatment period.

This Phase 1B clinical study of AST-004 (officially named AST-004-1-03) is being conducted at the QPS clinical research site in Groningen, Netherlands. The team selected this site after a rigorous comparison of multiple options, particularly due to this site’s extensive experience with conducting studies with serial sampling of CSF fluid. Our study has a highly adaptive design focused on achieving target plasma and CSF concentrations that are correlated with drug efficacy. The study will enroll 4-9 cohorts each consisting of 4-5 healthy normal volunteers aged 18 to 65 years, with the total number of subjects ranging from 17-44

I understand that I have read and understand the information presented herein and I agree to participate in this study on the basis of the information presented herein. I understand that I am not being asked to participate in this study because I am a patient or because I have a disease or condition. I understand that I am not being asked to participate in this study because I am a patient or because I have a disease or condition. I understand that I am not being asked to participate in this study because I am a patient or because I have a disease or condition.

Signature

Printed Name



and the study timeline ranging from three to six months. In addition to evaluating the safety and tolerability of AST-004 as a six-hour infusion, the study will analyze AST-004's full CSF pharmacokinetic profile utilizing an indwelling CSF catheter (in a subset of subjects) that enables 10 CSF samples from an individual subject over 16 hours. Astrocyte's Clinical Trial Application was approved by The Netherlands Regulatory Authority (CCMO) and the local Ethics Committee (METC) on March 23rd, and the protocol and other study materials were subsequently approved by the U.S. Department of Defense's Office of Human Research Oversight (OHRO) on March 25th. A press release announcing the study start will also be distributed later today.

Astrocyte's Pre-B financing round continues to progress well. The [Alzheimer's Drug Discovery Foundation \(ADDF\)](#) has confirmed its intent to invest \$1M into the Pre-B financing, pending final approval from their Board. To accommodate ADDF and additional investor interest, we have increased the maximum size of the round from \$5M to \$8M and extended the timeline by 75 days (to June 27th, 2023). We are working to close the \$6M+ in various commitments and will issue a press release in Q2 when the round is final.

I am also proud to report that the journal *Stroke* – the highest-profile journal in the field – informed us that our publication on AST-004's efficacy in the monkey stroke model won a top prize! Dr. Ted Liston, our VP of Research at Astrocyte, was awarded the "2022 Progress and Innovation Award" from the journal *Stroke* for authoring one of the journal's top three publications in 2022. The Innovation and Progress Award recognizes research that demonstrates "a new approach, new methodology, new interpretation of existing data, or new data with far-reaching implications." The award comes with a trophy and a \$1,000 cash prize for the first author. The American Heart Association / America Stroke Association is conducting an interview with Dr. Liston, and will be publicizing the award in the coming weeks. We are proud to see that Astrocyte's research is getting further recognition and accolades amongst stroke leaders.

As a banking update, many of you now know that Astrocyte's bank (its only bank!), since our founding in 2014 has been Silicon Valley Bank (SVB). So, yes, Astrocyte was directly impacted during the SVB bank run that happened on Mar. 9th & 10th. We did work with the Astrocyte network (extra thank you and shout out to the DeepWork Capital team), to open a new business banking account at Cogent Bank for Astrocyte on Friday morning Mar.



10th... but were unable to make any transfers. Then all our funds were essentially frozen when the FDIC assumed control of SVB. It was a pretty busy 72 hours with multiple calls with Board members, investors, our accountant, banks, etc. We were confident that we could manage the situation through our FDIC-insured dollars and a subsequent Pre-B close until the remaining deposits were eventually made available, but we were still quite relieved to hear on Sunday, Mar. 12th that the FDIC would back all deposits and we'd have all our funds available Mar. 13th. We have since moved the majority of our banking business to Cogent Bank, and are slowly working through all the accounting and administrative headaches associated with re-establishing all the bill pay linkages, etc. While a whirlwind couple of days, in the end, there was no material impact on Astrocyte's business, but multiple lessons were learned by me and many, many others.

Astrocyte's Annual Shareholder Science Update meeting this year will be on August 24th at 10:00 am EDT. At a minimum, it will be conducted as a Zoom webinar, although we are considering an in-person option as well. Please note the day and time in your calendars, and more details will be forthcoming this summer.



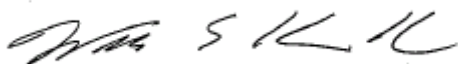
Save the Date!

**Astrocyte Pharma
Annual Shareholder
Science Update Meeting
Thursday, Aug. 24th,
10:00 – 11:00 AM EDT**

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Lastly, the standard quarterly financial statements for [Q4 2022](#) as well as the Board-approved [2023 budget](#) are available to you at this link for your review and records. As always, please feel free to contact me with any questions.

Sincerely,



William S. Korinek
CEO, Astrocyte Pharmaceuticals Inc.

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