June 19, 2023

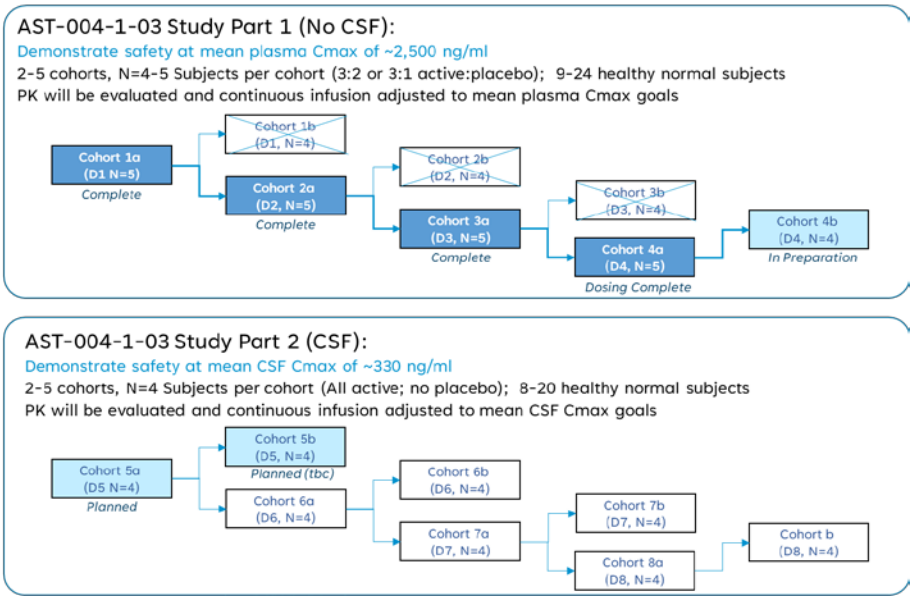
Astrocyte Pharmaceuticals Inc.

Astrocyte Pharmaceuticals 2023 Q2 Investor Update

(Q1 2023 Financials)

To all Astrocyte Pharmaceuticals Shareholders and Noteholders,

The new extended infusion Phase 1B clinical safety study continues to proceed as planned in the Netherlands. This study has a highly adaptive design focused on achieving target plasma and CSF concentrations that are correlated with drug efficacy and up to 3x higher. As of June 19th, we have dosed through Cohort 4a, a total of 20 healthy volunteer subjects (12 that have received 6-hour infusions of AST-004 and 8 that have received placebo infusions). We are happy to report that there have been no significant adverse effects and no safety signals or trends. The latest cohort received 130 mg of AST-004 as a loading dose and then 180 mg of AST-004 an hour for six hours, a total of 1,210 mg of the drug. We are still waiting on the bioanalysis of the subjects' blood samples but we expect this cohort to have plasma concentrations equivalent to 2x the high dose used in the non-human primate stroke study. The next several cohorts – 4b, 5a, and likely 5b – will also use this same dose level. Depending on the level of AST-004 CSF concentrations in Part 2, we may do additional cohorts. Overall, we are very happy to see that



AST-004 continues to be safe and well tolerated in people, even at these higher and longer doses.

As we turn our focus from the Phase 1 studies in Europe to the Phase 2 studies in the U.S., the Astrocyte team is preparing for our first meeting with the FDA. We plan to submit our Pre-IND questions to the FDA this month, and expect to have our Pre-IND meeting (or their written responses) in August. Meeting with the FDA allows us to raise multiple program-specific questions, and this question/answer meeting dramatically reduces the risk of future regulatory surprises.

The team is also actively preparing for the Phase 2 clinical study in acute ischemic stroke. As branding does play a role in recruiting investigators, sites, and ultimately patients, our Phase 2 clinical trial now has a study name – the Stroke Therapeutic Effect on Limiting Lesions Alongside Reperfusion… or the STELLAR study. Our Chief Medical Advisor Dr. Kevin Sheth has been refining the STELLAR protocol, and on July 14th, we will convene our first face-to-face meeting of Astrocyte's Clinical Advisory Board in New York City. The meeting will allow us to work through the design details with some of the world's leading thought leaders in stroke, and build momentum for STELLAR.

The team continues to build visibility in the stroke and TBI communities. Astrocyte was invited to be a featured presentation at this week's 13th Annual Traumatic Brain Injury Conference. I was proud to provide a 30-minute overview of Astrocyte's science and progress to a broad array of TBI leaders from academia, industry, and government.

Astrocyte's Pre-Series B financing round also continues to progress well. The original target was $2M with a maximum round size of $5M. Through four closes, there has now been $5.6M invested, including $1M from the Alzheimer's Drug Discovery Foundation (ADDF). The round continues to be open for this month and we are iterating with several additional interested investors. We are working to close on the remaining interested parties and will issue a press release when the round is final.

As a reminder, 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.

Lastly, the standard quarterly financial statements for Q1 2023 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.

Visit Astrocyte Website