Elysium Therapeutics, Inc.

October 20, 2020

To: Investors

Re: 3Q2020 Update and Financing Status

Dear Investors:

We are excited to be within a year of potentially demonstrating human proof-of-concept for our oral overdose protection technology, which stakeholders believe could completely disrupt the opioid market and be a balanced solution to our nation's opioid crisis. I am pleased to provide you with an update on the Company's progress and the status of Series Seed IV financing round.

Series Seed IV Financing Round

We are nearing the planned October 30, 2020 close of the Preferred Series Seed IV financing. We have current indications of over $600,000 for the round. The price of this round is $2.38 per share, a 5% increase over the Series Seed III round in June 2019.

Program Updates

The pricing of this round is more a reflection of raising funds during the pandemic, especially when considering the significant progress that Elysium has made since the mid-2019. While we did experience some delays through the pandemic, we still expect to generate data that could support human proof-of-concept by summer 2021.

- O2P (Oral Overdose Protection) Technology
  - CMC (Manufacturing)
    - Completed kilo-scale manufacture of GLP material, compounds ETR028 and ETR029, to support the non-clinical IND-enabling studies;
    - Manufactured GMP material for the upcoming Phase 1 human proof-of-concept study;
    - Manufactured putative metabolites to support non-clinical and clinical studies; and
    - Developed and validated analytical methods necessary for the release of materials.
  - Non-clinical
    - Completed non-GLP and GLP IND-enabling studies based on the guidance obtained from our pre-IND meeting with the FDA; and
    - Had no unacceptable findings from the IND-enabling studies and demonstrated safety margins in excess of FDA guidance for human starting doses.
  - Regulatory
    - All sections of the IND have been drafted and QC'd; Final revisions, publishing, and submission to the FDA, pending final release of GMP material expected in late November, with filing expected late December or first half January.
  - Clinical
    - Finalized the protocol for our Phase 1 human proof-of-concept study to demonstrate O2P target product profile; and
    - Evaluated quotes from multiple clinical CROs, conducted site-visits, and selected and engaged the CRO to conduct the O2P human proof-of-concept study in 2021.

- XpiRx
    - CMC
        - Completed manufacture of GLP material to support non-clinical IND-enabling studies
        - Completed manufacture of GMP material to support IND filing
    - Non-clinical
        - Successfully completed a pivotal proof-of-concept formulation study to support product profile;
        - Defined our non-clinical program based on guidance obtained from FDA during our pre-IND meeting; and
        - Initiated bioanalytical method development in support of non-clinical program expected to begin 1H2021

We are truly grateful for your support.

Sincerely yours,

A. Greg Sturmer
President and Chief Executive Officer
(650) 464-6175
gsturmer@elysiumrx.com