



Dear Shareholders and Interested Parties,

I am so excited to see the potential of our cutting edge technology and to know that InSitu Biologics has an incredible mission ahead of us: to develop, test, and commercialize our opioid-free sustained-release pain management product (Anestagel™) so post-surgical patients have a viable option to avoid opioid use.

In addition to being a financial opportunity for you, our shareholders, this effort will have a profound impact on one of our most debilitating national epidemics – the opioid crisis that has gripped so many of our communities and resulted in the overdose deaths of over 400,000 of our fellow citizens since 1999. This is a worthy endeavor with an extremely high benefit to society and I am proud to join you in being part of the journey.

In the past few weeks we have been engaged in adjusting our valuation to make it possible to raise a round in the range of \$30M-\$35M to conduct our Phase I and Phase II human clinical trials. To make this happen, the co-founders agreed to decrease their ownership percentage of the Company with the effect being a market capitalization more in line with where our peers were at this pre-clinical stage. The other positive effect is that each of you investors now owns a higher percentage of InSitu Biologics. The overall intent is for the Company to now be more attractive to new investors and eventually to larger institutional investors who can infuse the substantial amounts of capital needed to conduct Phase I-III clinical trials required to bring Anestagel™ to market. We are highly appreciative of the significant money raised to date by our current shareholders – your trust in our vision and financial backing have been instrumental in bringing InSitu Biologics to life. Now that our valuation has been adjusted, we are ready to raise more capital.

Our plan is to close our current offering by November 30, 2019 which allows shareholders like you (as well as your friends and family) to make final investments into InSitu Biologics prior to us migrating to a more traditional Regulation D offering which will only be open to institutions and funds with deep pools of money who can invest large amounts of capital needed to conduct human clinical trials. If you or an acquaintance is interested in investing in the current offering, please click on the following link prior to November 30: [www.insitubiologics.com](http://www.insitubiologics.com). The price will remain \$8.20 per share.

Strategically, our plan is to spend the next two years conducting our required Phase I and II clinical trials. We will be meeting with the FDA periodically to review our data and confirm our pathway. We will then conduct our Phase III trials which will be the last major step in proving the safety and efficacy of Anestagel™. Given our focus on opioid reduction, we expect the FDA to grant us an expedited review pathway, including fast track and breakthrough therapy designations, which would have the overall effect of reducing time to market.

Once again, I am extremely proud to be leading this organization and joining our shareholders, founders, and management team as we attack this post-surgical pain challenge – it's an amazing opportunity for all of us to have a positive impact on society by reducing reliance on opioids. Thank you again for your financial backing of InSitu Biologics and thank you in advance for any future investments you make as we raise additional funding to continue our mission.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Bassett".

Kevin Bassett  
President and Chief Executive Officer

*[Please direct inquiries to [info@insitubiologics.com](mailto:info@insitubiologics.com)]*