



April 15, 2021

Dear InSitu Biologics Shareholders,

I hope everyone has had a safe and healthy start to 2021! Here at InSitu Biologics our first quarter has been both productive and exciting. I am happy to share several of our key accomplishments with you.

First, we completed a \$3.5M financing in March through a convertible note round. This amount was at the high end of our targeted range, and we reached it through the participation of current shareholders and their families, friends, and colleagues. Thank you to everyone who increased their stake in InSitu Biologics by participating in the round – your collective investments will allow the Company to proceed at a rapid pace and fund the operations of InSitu through the completion of our larger Series A round later this year.

We have also made great strides in our R&D efforts. Our engineers have successfully developed a formulation called INSB200, which contains the active drug ropivacaine. In early animal trials running head-to-head against both competitive products and standard-of-care surgical pain management therapies, INSB200 showed great promise. This new formulation has an optimal profile with a robust up-front anesthetic effect for the first several hours (controlling pain during surgery), followed by a 72+ hour extended-release analgesic effect (which controls pain during the 3-day post-surgical timeframe when patients are most at risk for severe pain and corresponding opioid use). INSB200 also displays a much-improved toxicity safety profile in addition to vastly outperforming the competitive control arms, which lost their pain-controlling efficacy by the 24-hour timepoint.

In March we established a Medical Advisory Board comprised of leading anesthesiologists and pain management experts and held our inaugural meeting. Led by Dr. Mark Ereth (InSitu Biologics' Chief Medical Officer), this board includes Dr. Jeffrey Gadsden (Duke University), Dr. Vanila Singh (Stanford University; former CMO, US Dept. of HHS), Dr. Jake Hutchins (University of Minnesota), and Dr. Admir Hadžić (co-founder, New York School of Regional Anesthesia [NYSORA]). This distinguished group will meet with our team several times each year to advise us on a variety of developmental, clinical, and market-related topics. We are so excited and honored to have each of these talented and highly respected physicians on our InSitu Biologics team!

Given the challenges of the past couple of quarters, InSitu Biologics is in an enviable position – we are fully funded, our office is open, our lab is a busy and productive place, and our team continues to make significant progress towards our goals. We remain focused on both our formal pre-clinical testing and the development of operational/manufacturing controls in order to meet the FDA requirements needed to initiate human clinical trials. 2021 is off to a fast start with great progress being made each day while continuing to maintain safety as a priority for our team. We hope the same is true for you and your families!

Best regards,

Kevin Bassett  
President and CEO  
InSitu Biologics, Inc.