October 2021

CEO Letter to Shareholders

Amotz Shemi
Chief Executive Officer

"
- *Phase 2 study is progressing, slowed by covid 19 but still is showing encouraging results, expected to be completed in Q1-2022.*
- *Phase 3 design already approved by FDA and is planned be initiated in Q1-2022.*
- *We've managed to sign on $7.8mm deal and established a daughter company in China.*
- *First in-human trial (POC) in Lung Cancer is planned to Q4-2021.*

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The coronavirus (COVID-19) pandemic represents a challenge to our company and all our stakeholders. This letter is an update toward 2021 year-end and this situation as it pertains to Silenseed and our clinical trials. We have taken extensive steps to safeguard our employees with the majority working remotely, curtailing business travel, while maintaining operation activity as needed. The health and well-being of our employees and patients we serve remains a top priority.

IMOH Inspection Readiness

We're expecting to have an audit inspection by the Israeli Ministry of Health at Silenseed's Production facility in Modi'in, Israel, on November 28th to December 2nd, 2021. As we'll pass the audit, hopefully before year end, the facility will be approved as GMP certified for clinical and production use for the LODER product, as mandatory required to initiate Phase 3.

Phase 2 Clinical trail

Out of 80 patients aimed to be enrolled, about 50 patients already enrolled. With the COVID-19 pandemic during 2020-2021 the enrolment rate dramatically reduced to say a patient per month, on the average. We still see a very encouraging evidence of life extension, tumor response, converting non-operable patients to become operable, and pain reduction.

We see that patients received KRAS-LODER median Overall Survival (OS) > 24 months.

As for reference, the recent study of the pharma giant Celgene (LAPACT, Philip et al 2020) shows OS = 18.8 month (90% CI 15-24 months); any improvement >20% in this challenging indication is considered substantial success.

As shown below, tumor response was noted in >50% of patients while refence today is in the ~30% and the number of patients who became operable ("Resectable") is about X2.7 times compared to Control.

Statistically significant reduction in pain was noted in the subgroup who enrolled with high pain score (VAS > 4).

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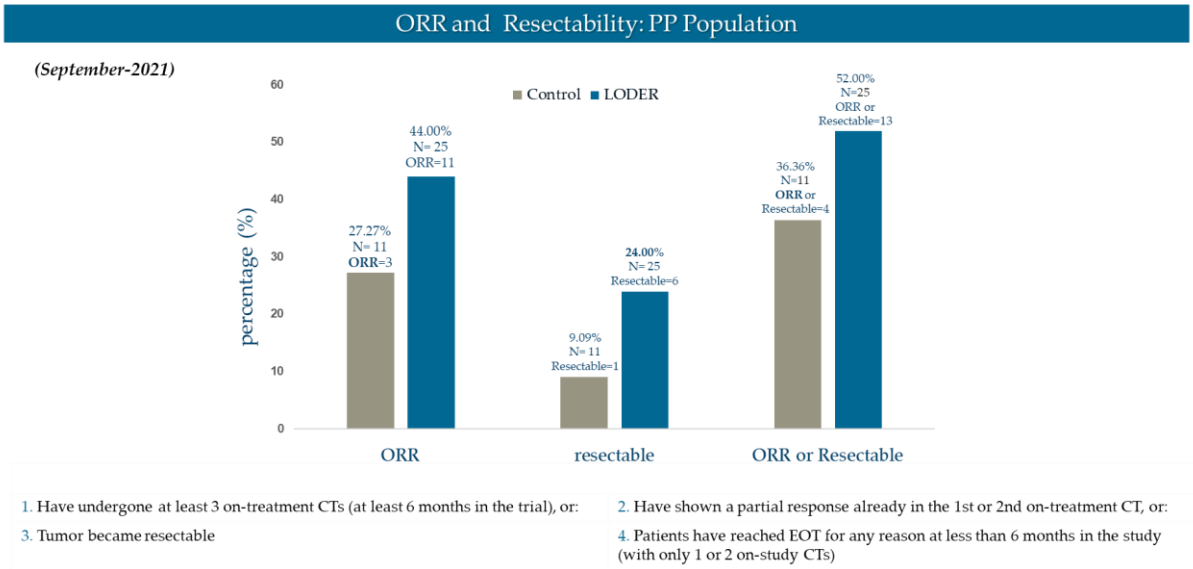

Such a strong efficacy signal, and the last good safety results reported to FDA Feb 2021, allowed us to receive green light from the FDA to initiate a larger Phase 3 trial that aims to support marketing approval at Q4 2024.

Of note, the Immediate effect of COVID 19 was that patient enrollment was put on hold; currently we only slow are enrolling new patients, in USA nor in Israel (see the list in https://pancan-protact.com/);

To complete Phase 2 we still need to enroll ~30 patients.at

Additional challenge is the large drop-out of patients in the control arm of Phase 2. Our Phase 2 trial wasdesigned as the FDA gold-standard two-arm RCT (randomized controlled trial). Standard Chemotherapy is administrated to patients in both arms while patients in arm 1 are receiving additionally, as an add-on our KRAS-LODER treatment every three months in a gastroenterology department of the medical centers. By nature, the study can't be blind; it is not feasible to perform a placebo endoscopic procedure. Therefore, in our case, patients who randomized to the control arm (arm 2) voluntarily decided to leave the trial immediately (1/3 of them) or the rest of them apart one withdrew consent several months later.

To mitigate such a dropout rate, in the last summer we applied to the FDA and asked to amend the Phase2 protocol. We switched to SAT (single arm trial) where randomization is avoided, and the study enrolls only patients who will receive KRAS-LODER. The eight patients enrolled before the COVID-19 days in sucha SAT are now considered separately. Still, these protocol changes don't ease our life with the FDA. FDA become very meticulous with Phase 3 in pancreatic cancer. In fact, in general only < 10% of Phase3 in pancreatic cancer succeed, unlike the typical 35%-50% range of success expected in Phase 3 trials in oncology.
Three large Phase 3 trials in PC failed just at end of 2019.

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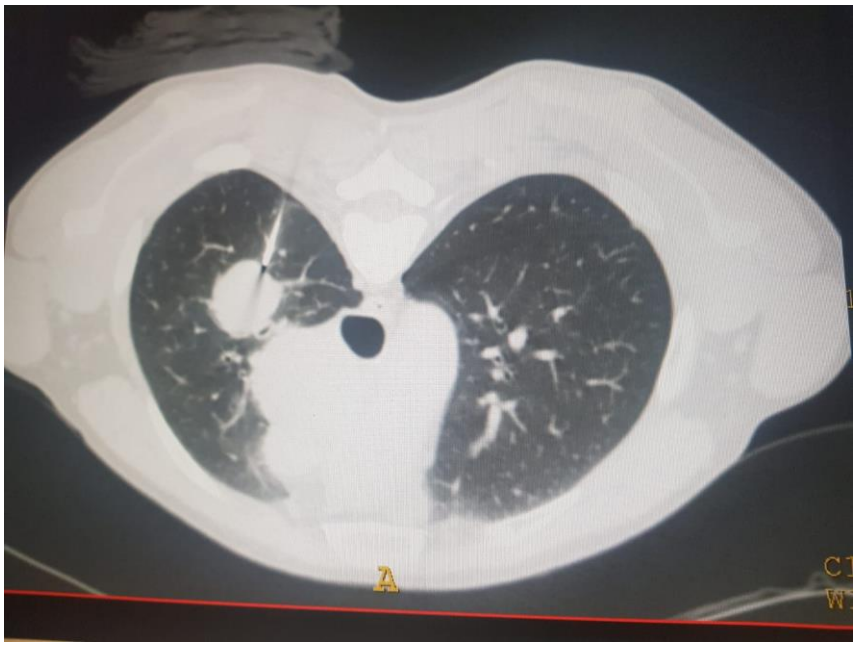
Phase 3 Clinical trail

Based on this positive signal from Phase 2, we are moving toward Phase 3 clinical trial. We've initiated communications with the FDA with the assistance of 3rd parties including PARAXEL. PAREXEL is a global biopharmaceutical services company, ranked (2019) #1 among the global Clinical Research Organizations(CROs)). We received (March 2021) from FDA approval of our plan of 316 patients pivotal Phase 3 trial, to be based on overall survival (OS) results. Initiation now can be extended to China following the Silenseed-China establishment https://www.silenseed.com/silenseed-signs-7-8-million-agreement-with-gibf-to-create-chinese-subsidiary/ See also below.

Additional activities including extending the portfolio are in process. Despite of concerns, given the success in efficacy and in safety we see so far, we see bright horizon for Silenseed. The pancreatic cancer market is growing fast (forecasted at $4.6B in 2026) because PC is observed to become soon the 2nd killer in oncology (only after lung cancer; PC was the 4th cause of deathless than a decade ago).

Lung Cancer – First 3 patient's Protocol

Proof of Concept (POC) is in development. Early Stages NSCLC (Non-Small Cell Lung Cancer) ~20% KRAS Mutated. First in-human POC is to be submited to iMOH, expected first-patient-in at Q1/2022).



Intellectual Property

New (Granted) Patent on Lipid Nano-Particle Delivery is now in negotiation and About to be Licensed-In

Fundraising

We've raised up to approx. $2MM since the last letter to shareholders (Sep-2020), which combined from $0.3MM from private investor and up to $1.7MM from private angles. Two banks contracted lastly to assist future fundraising.

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Silenseed signed China Joint Venture Agreement on Sep 23rd, 20201 of RMB 50,000,000 (~US$7.8 million) with Guangzhou Sino-Israel Biotech Investment Fund (GIBF)

Silenseed is pleased to announce it has signed a Joint Venture Agreement with Guangzhou Sino-Israel Bio-Industry Investment Fund LLP (GIBF). The Agreement is for the creation of a jointly owned Chinese subsidiary, Guangzhou Silenseed-China Ltd.

- *GIBF will invest RMB 50,000,000 (~US$7.8 million) into a new Joint Venture subsidiary company in China, for a 49% fully diluted equity interest in Silenseed Chinese subsidiary.*
- *The proceeds from this investment, are expected to provide Silenseed with sufficient liquidity to fund the Chinese part of the company's Phase III Clinical trial and operations in pancreatic cancer.*
- *Silenseed has agreed that all of its operations within the People's Republic of China, Hong Kong and Macau shall be directed exclusively through the Joint Venture.*

2022 Goals and Objectives

1. Phase 2 completion in by Q1-2022
2. Phase 3 initiation in Q1-2022
3. New funding round to support Phase 2 and Phase 3 through financial advisors
4. Exploring markets to M&A and strategic partnerships.

I wish to thank you very much for your continuous support in Silenseed. Without your support nothing of theabove could become a reality.

Sincerely, Amotz Shemi

CEO, Silenseed LTD

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