NEWS RELEASE

SATELLOS Announces Evidence for Regeneration in Severe Model of Duchenne

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TORONTO, ONTARIO – September 13, 2021, Satellos Bioscience Inc. (“Satellos”) (TSX-V:MSCL), a regenerative medicine company focused on the treatment of degenerative muscle disorders, announced today core findings from additional preclinical drug development studies in their lead program to treat Duchenne muscular dystrophy (“Duchenne”).

Satellos scientists are developing small molecule drugs with the goal of restoring faulty regeneration and repair observed in the muscles of patients with Duchenne and potentially other degenerative and age-related muscle disorders. The company’s drug candidates for Duchenne target an enzyme, codenamed PTP-X, which Satellos discovered is involved in regulating muscle stem cell divisions. Based on preclinical research studies conducted by Satellos, modulating PTP-X with drug has the capacity to create functional muscle fibres in a mouse bearing the same genetic loss of dystrophin as seen in Duchenne. This breakthrough offers the prospect for an entirely new therapeutic approach to repairing the debilitating tissue damage which accumulates in the muscles of Duchenne patients.

“In our latest preclinical studies, we again observed significant improvements in the ambulation of drug treated mice, confirming and extending earlier work we have done — which is so very important to validate and build confidence in our unique therapeutic approach,” said Frank Gleeson, co-founder and CEO of Satellos. “An additional noteworthy finding from the study was further evidence for the potential utility of a novel biomarker of muscle regeneration, an important development milestone for Satellos.” Added Mr. Gleeson, “a validated biomarker would

improve our capacity to predict the efficacy of our treatments in patients during clinical trials, offering the prospect of speedier regulatory approvals with our prospective drug candidates."

Satellos conducted these preclinical studies using a disease model of Duchenne that is more severe than the industry standard Mdx mouse, called the Mdx DBA/2J. The mice were treated with a Satellos drug candidate for a period of 4 weeks and then analyzed across a range of measures. Drug treated mice displayed significantly increased running speed and distance travelled on a voluntary running wheel as well as increased expression of a candidate biomarker of muscle regeneration. "We are excited by these results. We believe it is imperative that we continue to construct a broad body of evidence demonstrating that muscle regeneration and repair in Duchenne is not only feasible but more critically, that the resultant muscle fibres are functional – a long-desired therapeutic goal which has been so elusive with many prior approaches," said Dr. Michael Rudnicki, PhD, FRS, OC, co-founder and CSO of Satellos.

About Satellos

Satellos is a regenerative medicine company dedicated to developing novel therapeutics that stimulate or restore muscle regeneration in severe disorders. Satellos was founded on the discovery that dysregulated muscle stem-cell polarity — a process that balances replenishment of muscle stem cells and production of specialized tissue cells— can lead to the inability of the body to properly repair and regenerate muscle throughout life. Satellos' lead program is focused on developing an oral therapeutic drug for Duchenne muscular dystrophy that serves to correct this dysregulation which Satellos has identified as a root cause of the progressive nature of this disease. Satellos believes defects in muscle regeneration play a critical underlying role in numerous muscle disorders spanning rare diseases through to mass market indications. Accordingly, Satellos applies its proprietary discovery platform, MyoReGenX™, to identify regulatory pathways and drug candidates to treat muscle disorders where stem cell polarity is dysregulated. Satellos also maintains the rights to two clinical stage legacy assets as a result of the reverse takeover of iCo Therapeutics Inc. Founded in 2018, Satellos is headquartered in Canada. For more information about Satellos' regenerative therapeutic discovery platform, development programs, or licensing opportunities for iCo legacy assets please contact Ryan Mitchell, PhD, Director – Business Development @ **rmitchell@satellos.com** or visit Satellos.com.

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About Duchenne

Duchenne muscular dystrophy (“Duchenne”) is a fatal genetic disease that slowly and progressively robs people of their muscle strength and function. Diagnosed in childhood, affecting approximately one in 5,000 live male births, Duchenne is caused by a change in the dystrophin gene. In people living with Duchenne, it was discovered by Dr. Michael Rudnicki, the scientific founder of Satellos, that muscle stem cells are severely compromised in their ability to create muscle progenitor cells which repair injured muscle. As a result, people with Duchenne are unable to keep up with the continuous damage to their muscles throughout life.

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