NEWS RELEASE

SATELLOS Announces Further Preclinical Progress with Development Candidate

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Satellos Bioscience Announces Further Preclinical Progress with SAT-3153 as a Potential Treatment for Duchenne Muscular Dystrophy

TORONTO, March 9, 2023 – Satellos Bioscience Inc. (TSXV: MSCL | OTCQB: MSCLF) ("Satellos" or the "Company"), a drug discovery company developing small molecule therapeutics to regenerate muscle as a new approach to treating disease conditions from muscular dystrophy to aging, is pleased to announce additional results from further preclinical studies using the Company's lead drug candidate SAT-3153.

The Company has designed SAT-3153 to be a selective inhibitor of a protein kinase (code named "K9") which it identified as a potential drug target to modulate polarity in muscle stem cells. On January 3, 2023, the Company indicated that results from preclinical ADME, PK and in vivo studies led to designation of SAT-3153 as its lead pre-IND drug development candidate ("DC") for the treatment of Duchenne muscular dystrophy ("Duchenne"). In a subsequent study with SAT-3153, in an acute injury model intended to determine if drug is acting rapidly on mechanism, Mdx mice treated with SAT-3153 displayed a statistically significant effect on polarity through new progenitor muscle cell formation vs placebo controls (n=5 per group), after one (1) week. In a further in vivo study, Mdx mice treated with SAT-3153 four times per week vs placebo controls (n=8 per group) showed a 19% increase in muscle force after two weeks. Additional preclinical studies have shown SAT-3153 to have no binding of the hERG channel (a key requirement to rule out possible cardiac toxicity), a plasma protein binding level of < 90% (indicating significant levels of free drug are available to initiate a therapeutic effect), and oral bioavailability.

“We see these results as a positive indication that SAT-3153 is on mechanism, affects skeletal muscle regeneration as intended, and has the potential to be safe on critical drug development criteria,” said Frank Gleeson, President and CEO of Satellos. “As preliminary, fact-finding studies which were designed to contribute to the profile of SAT-3153 as a DC and establish early efficacy benchmarks to guide further development studies, we are very pleased with these outcomes”.

Commented Dr. Michael Rudnicki, the Company’s co-founder and Chief Scientific Officer, “It is so gratifying to see that we have our own, proprietary drug with the potential to reset the body’s innate regenerative ability in skeletal muscle. It has been our dream to develop a small molecule that could help people living with Duchenne regardless of their exon mutation status, level of background AAV antibodies or ambulatory status. We are one step closer to making that dream a reality”.

Dr. Phil Lambert, Chief Technical Officer with overall responsibility for drug development at Satellos, added, “These results build further confidence in SAT-3153’s potential as a treatment for Duchenne and other muscle disorders. We will now focus on the next steps in the process, including to establish the preferred oral dosing paradigm to optimize the drug’s beneficial effects on skeletal muscle which we believe have the potential to be cumulative and sustainable over time. In parallel, we have initiated and will continue to drive the prescribed pre-IND studies required to be included in an IND submission prior to initiating human clinical trials.”

Satellos asserts that a dysfunction in the normal process of stem cell polarity in response to muscle damage represents a previously unrecognized root cause of Duchenne. The goal of correcting polarity in Duchenne is to restore the body’s innate ability to regenerate muscle in response to the ongoing damage

experienced by people living with Duchenne. SAT-3153 has been designated by Satellos as its lead drug candidate and the Company is pursuing pre-IND development activities.

About Satellos Bioscience Inc.

Satellos is a biotechnology company dedicated to developing life-changing medicines to treat degenerative muscle conditions. Our scientists discovered what we believe to be a previously unrecognized root cause of skeletal muscle degeneration. One which has the potential to transform how muscle disorders are treated. Our scientific founder, Dr. Michael Rudnicki, is a thought leader who discovered and has shown how muscle stem cells regulate muscle repair and growth throughout life. He has shown how defects in a process known as stem cell “polarity”, which controls how muscle stem cells divide to create muscle progenitor cells, lead to a failure of muscle regeneration in Duchenne and potentially other muscle disorders. As a result of this ongoing inability to produce sufficient numbers of new muscle cells, the muscles of people living with Duchenne are unable to keep up with and

repair the continuous and accumulating damage their muscles experience. Satellos' lead program is focused on developing an oral therapeutic drug (i.e., a pill) intended to correct muscle stem cell polarity and restore the body's innate muscle repair and regeneration process. We believe our unique therapeutic approach represents a potential disease modifying treatment for Duchenne and other dystrophies, offering new hope to patients. To expand our programs to other degenerative muscle conditions or disorders, Satellos has created a proprietary discovery platform, MyoReGenX™, which we utilize to identify disease situations where deficits in muscle stem cell polarity and regeneration occur and are amenable to therapeutic treatment. For more information about or to discuss potential collaborations with Satellos concerning our discovery platform and therapeutic candidates or our subsidiary Amphotericin B Technologies Inc., please contact Ryan Mitchell, Ph.D., Director – Business Development at rmitchell@satellos.com or visit Satellos.com.

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