NEWS RELEASE

SATELLOS Announces High Resolution Crystal Structure of Duchenne Drug Target

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TORONTO, ONTARIO –August 26, 2021, Satellos Bioscience Inc. (“Satellos”) (TSX-V:MSCL), announced today that they have successfully determined a high resolution (1.85Å) X-ray crystal structure of their novel drug target for Duchenne muscular dystrophy (“Duchenne”).

Satellos scientists are developing small molecule drugs that restore faulty regeneration and repair observed in the muscles of patients with Duchenne and potentially other degenerative muscle disorders. The company’s drug candidates regulate the activity of PTP-X, the codename for an enzyme which Satellos discovered to be involved in controlling muscle stem cell function, allowing the stem cells to properly divide and repair damaged tissue that accumulates in the muscles of Duchenne patients. “These findings represent a huge step forward in our scientific efforts to design highly potent small molecule inhibitors of PTP-X” said Frank Gleeson, CEO of Satellos. “Until this point a reliable, high-quality image of our drug target has simply not been available. With this key foundational piece now in place, we have the potential to accelerate our lead optimization program with our already potent compounds and achieve one of our key goals, namely, the timely nomination of a development candidate.”

Mr. Gleeson added: “We also wish to express our gratitude to our partners at Parent Project Muscular Dystrophy (“PPMD”), a leading US based non-profit organization dedicated to the fight to end Duchenne for over 25 years. PPMD’s confidence in and financial support of Satellos has been invaluable to enabling us to achieve this significant drug discovery breakthrough.”

“PPMD is delighted to see this tangible progress which, among other developments by Satellos triggered our recent milestone payment, bringing our current investment to US $1,000,000” said Pat Furlong, Founder and CEO of PPMD. “Our venture investment strategy is guided by our commitment to complete critical studies needed to advance investigational products to the clinic. We look forward to Satellos continuing to advance their compelling science toward selecting a drug candidate suitable for testing in people living with Duchenne.”

“We are thrilled to have identified the specific conditions that must be met in order to generate this high quality, 1.85Å resolution crystal structure of PTP-X and have already begun the process of generating co-crystals with our small molecule drug candidates, meant to pinpoint precisely where they bind the target” said Dr. Sridhar Narayan, VP of Drug Discovery and Program Leadership at Satellos. “Generation of co-crystal structures will significantly boost our ability to conduct design-make-test cycles critical for lead optimization and achieving the most desirable balance of drug like properties as quickly as possible. This work was carried out in collaboration with our fantastic structural biology partners Wuxi Biortus Biosciences Co. Ltd. (Jiangsu, China) and IniXium Inc. (Laval, QC) whom we wish to acknowledge.”

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 programs codenamed iCo-008 and iCo-019 as a result of its 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 assets please contact Ryan Mitchell, PhD, Director – Business Development @ **rmitchell@satellos.com** or visit Satellos.com.

For more information about Satellos contact: Frank Gleeson, President and Chief Executive Officer, Satellos Bioscience Inc. at **fgleeson@satellos.com**

About Duchenne

Duchenne muscular dystrophy (“Duchenne”) is the most common fatal genetic disorder, slowly and progressively robbing 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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