NEWS RELEASE

SATELLOS Bioscience Announces 2022 Year End Financial Results and Operational Highlights

3/30/2023

Toronto, Ontario--(Newsfile Corp. - March 30, 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, announced today its financial results and operational highlights for the year ending December 31, 2022. All dollar amounts are expressed in Canadian currency unless otherwise noted.

"Satellos made considerable progress throughout 2022 and into the early stages of 2023. We continued to generate data which supports our vision of modifying stem cell polarity to reset the body's innate regeneration capacity as a potentially disease modifying treatment option for patients with Duchenne muscular dystrophy," said Frank Gleeson, President and CEO of Satellos. "Building on the nomination of our lead candidate, SAT-3153, and results of our preclinical studies to date, we plan on advancing SAT-3153 through pre-clinical IND development during 2023 with the aim of preparing an IND filing and commencing clinical trials in early 2024."

Program highlights for the year ended December 31, 2022, along with recent developments include:

Duchenne muscular dystrophy ("Duchenne")
Duchenne is an incurable genetic disease that affects an estimated 1 in 4,000 live male births per year, worldwide. There is no known cure for Duchenne and treatments to-date, which are largely palliative or partially effective, do not restore stem cell polarity and the innate regeneration capacity of the body.

On March 15, 2022, Satellos announced it had discovered that muscle degeneration and loss of function in Duchenne is driven by perturbations in the way muscle stem cells divide, wherein a process known as cell "polarity"

is defective. On the same day Satellos announced that it had invented three unique and proprietary chemical series or classes of small molecule compounds with the potential to modulate muscle stem cell polarity, from which it had designed and screened hundreds of novel drug candidates.

On November 3, 2022, Satellos announced that the Company's scientists had created, prioritized and advanced novel small molecule drug candidates into further preclinical studies to evaluate their potential to modulate muscle stem cell polarity and affect regeneration. Results from these studies led to the selection of SAT-3153 which the Company announced on January 3, 2023, as its pre-IND lead development candidate. SAT-3153 has been designed by Satellos to inhibit a particular protein kinase drug target (code-named K9 for reasons of competitive confidentiality) which the company believes has the potential to rescue stem cell polarity within muscle stem cells. In preclinical studies the Company has shown that inhibiting this protein kinase drug target either by genetic means or with small molecule drugs, including SAT-3153, enables the modulation of polarity and muscle stem cell divisions, thereby enhancing the muscle regeneration process.

On February 6, 2023, Satellos announced the results of multiple preclinical studies in which Mdx mice, a gold-standard experimental model for studying Duchenne, were treated with drug for a period of up to two (2) weeks. Drug treated muscles were larger in size than untreated control muscles and showed an increase in muscle force. On March 9, 2023, Satellos announced additional preclinical results showing SAT-3153 exhibited important pharmaceutical properties such as no binding of the hERG channel, a plasma protein binding level of < 90% and oral bioavailability.

Disease Expansion Indication: Congenital Muscular Dystrophy Type 1A
On October 11, 2022, Satellos reported new data generated under its Sponsored Research Agreement with the Université de Sherbrooke showing preliminary proof of concept in a second rare disease, Congenital muscular dystrophy type 1, for the potential utility of modulating the muscle stem cell division process in restoring regeneration. Satellos presented preclinical proof of concept data at the World Muscle Society Congress in Halifax, Canada on October 14th, 2022.

Operational Updates
On March 15, 2023, Satellos announced a proposed non-brokered private placement offering of 10% unsecured non-convertible debenture units (the "Offering") by which Satellos expects to raise gross proceeds of up to $2,250,000, for use for corporate and general working capital purposes. Subsequently on March 22, 2023, Satellos announced that the Company had increased the maximum size of the Offering to $2,385,000 and on March 29, 2023, that the Offering had closed.

On October 6, 2022, Satellos announced that its common shares commenced trading on the OTCQB Venture Market ("OTCQB") in the United States under the symbol "MSCLF". Shares in Satellos continue to trade on the TSXV

under the symbol MSCL.

On September 28, 2022, Satellos announced the appointment of Dr. Phil Lambert, an experienced pharmaceutical drug development professional, to the role of Chief Technology Officer. In this role, Dr. Lambert assumed overall responsibility for planning, oversight and execution of the Company's R&D plans, including translational activities focused on nominating a lead drug candidate, and advancing into IND-enabling studies and clinical trials in humans.

On July 11, 2022, Satellos announced that it had filed a preliminary short form prospectus with securities regulatory authorities in British Columbia, Alberta and Ontario in connection with a best effort offering of units of the Company comprised of common shares and common share purchase warrants. The prospectus was amended and restated on August 29th and a final prospectus was filed on September 7, 2022. On September 13, 2022, Satellos announced that a total of 8,750,000 Units were issued at a price of $0.40 per Unit, raising gross proceeds of $3,500,000. Net proceeds from the Offering were deployed to advance Satellos' lead program and identify a development candidate by the end of 2022.

Financial Results
Satellos had cash and cash equivalents of $1,923,536 as at December 31, 2022.

Net loss for the year ended December 31, 2022, was $11,322,641, or $0.32 per share, compared to a loss of $15,507,096, or $0.64 per share, for the year ended December 31, 2021. The decrease in net loss for the year ended December 31, 2022, compared with the year ended December 31, 2021, was primarily a result of the Company closing the iCo Arrangement and recognizing the related Listing Expense of $9,725,129 during the year ended December 31, 2021. This was partially offset by the Impairment of Intangible asset expense recognized during the year ended December 31, 2022. Both are "one-off" events.

Research and development ("R&D") expenses net of refundable tax credits of $2,603,021 were incurred during the year ended December 31, 2022, compared to $1,961,205 incurred in the year ended December 31, 2021. The increase in R&D expenses in 2022 is primarily attributable to increased R&D contractor spending following the closure of the iCo Arrangement in August 2021, and partly due to Satellos no longer being eligible for refundable R&D tax credits following the close of the iCo Arrangement.

Satellos' audited annual consolidated financial statements for the year ended December 31, 2022, and the related management's discussion and analysis (MD&A) are available on SEDAR at **www.sedar.com**.

About Satellos Bioscience Inc.
Satellos is a biotechnology company dedicated to developing life-changing medicines to treat degenerative muscle

conditions. The Company's 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. Accordingly, Satellos asserts that this ongoing 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 is to restore the body's innate ability to regenerate muscle in response to the ongoing damage experienced by people living with Duchenne. The Company's 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 please contact Ryan Mitchell, Ph.D., Director - Business Development at **rmitchell@satellos.com** or visit **Satellos.com**.

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Notice on forward-looking statements:
This press release includes forward-looking information or forward-looking statements within the meaning of applicable securities laws regarding Satellos and its business, which may include, but are not limited to, statements regarding the anticipated benefits to patients from a small molecule treatment for Duchenne; the general benefits of modulating stem cell polarity by administering small molecule drugs; its/their prospective impact on Duchenne patients and muscle regeneration generally; the utility of regenerating muscle by modulating polarity; adoption of Satellos' approach by the medical community; and Satellos' technologies and drug development plans. All statements that are, or information which is, not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, occurrences or developments, are "forward-looking information or statements." Often but not always, forward-looking information or statements can be identified by the use of words such as "shall", "intends", "anticipate", "believe", "plan", "expect", "intend", "estimate", "anticipate", "potential", "prospective" , "assert" or any

variations (including negative or plural variations) of such words and phrases, or state that certain actions, events or results "may", "might", "can", "could", "would" or "will" be taken, occur, lead to, result in, or, be achieved. Such statements are based on the current expectations and views of future events of the management of the Company. They are based on assumptions and subject to risks and uncertainties. Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Company, including risks relating to the pharmaceutical and bioscience industry, general market conditions and equity markets, economic factors and management's ability to manage and to operate the business of the Company generally. Although Satellos has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward- looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Satellos does not undertake any obligation to publicly update or revise any forward-looking statement, whether resulting from new information, future events, or otherwise.

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