



NEWS RELEASE

SATELLOS INC. Announces Licensing of Formulation Technology and Expand Collaboration with NW PHARMATECH LTD.

10/6/2022

TORONTO, October 6, 2022 – Satellos Bioscience Inc. (TSXV: MSCL) (“Satellos” or the “Corporation”), is pleased to announce that its wholly owned subsidiary Amphotericin B Technologies Inc. (“AmpB Tech”) and NW PharmaTech Ltd. (“NWPT”) have today established a joint venture company, NW Micelle Therapeutics Inc. (“NWMT”), for the purpose of developing an oral formulation of cannabidiol for the treatment of insomnia and other indications in the mental health sphere (“Oral CBD”).

NWPT will arrange for and provide the funding required by NWMT for the development of Oral CBD, already underway at University of Toronto. AmpB Tech will license certain rights in its patent protected drug transport technology, OralTrans™, to NWMT for use in developing Oral CBD. The parties will share ownership in NWMT with 85% to be held by NWPT and 15% by AmpB Tech. AmpB Tech’s ownership position will be entitled to a seat on the board of NWMT and will receive certain anti-dilution protections. Under terms of the arrangement amongst the parties, NWPT obtains a time-limited call option for a period of up to 24 months to acquire AmpB Tech from Satellos for US\$3,000,000 while Satellos receives a put option to trigger a sale of AmpB Tech to NWPT, also for US\$3,000,000, at the end of the 24 months.

“Today’s announcement represents an important and significant step forward in our partnership with NWPT, one we have been progressing for several months and which we hope will bring tangible benefits to Satellos shareholders. The NWPT team have assembled a group of world-leading scientists to advise the effort and we’re excited to be a part of creating new, safe products built on data-driven science which have the potential to benefit so many,” said William Jarosz, the President and Chief Executive Officer of AmpB Tech.

“We are delighted to expand our partnership with AmpB Tech and pleased to deepen our relationship with its parent, Satellos. We have high regard for the team and together with them share a passion for new approaches based on outstanding science. We look forward to working together successfully to unlocking the true potential of cannabidiol and help patients in need,” noted Filipp Korentsvit, one of the Founding Partners and CEO of NW PharmaTech.

“We believe our broadened and bilateral relationship with NWPT provides a realistic and exciting route to creating meaningful benefit from an iCo legacy asset for the benefit of our shareholders. NWPT’s vision for Oral CBD is impressive and we are pleased to be their partner, and wish them every success,” commented Frank Gleeson, the President and CEO of Satellos.

About NW PharmaTech Limited

NW PharmaTech is a clinical-stage biopharmaceutical company with a ‘Nature to Medicine’ strategy. The company is utilizing the latest technological developments in clinical research and the pharmaceutical industry, in order to bring to market a new generation of medicinal products based on natural compounds with unique and promising therapeutic properties.

The company is dedicated to improving patients’ lives by delivering novel therapeutics that harness the benefits of natural compounds via a new and improved generation of drug delivery formulations. NWPT’s focus on the improved formulation and delivery for the cannabinoid CBD represents an opportunity to fully harness the compounds’ therapeutic value clinically, with vastly improved delivery and stability.

In achieving such we aim to bring medicines that will make genuine improvements to the lives of millions of patients.

For more information, visit the Company’s website at: www.nwpharmatech.com.

About Satellos Bioscience Inc.

Satellos is a biotechnology company dedicated to developing lifechanging 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, PhD, 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 Canadian and U.S. securities laws regarding Satellos and its business, which may include, but are not limited to, statements with respect to the anticipated benefits of modulating stem cell polarity; its prospective impact on Duchenne patients and muscle regeneration generally; projected benefits of Satellos' therapeutic approach, including small molecule drug candidates; Satellos' technologies and drug development plans; the timeline to commence clinical trial testing in humans; the planned advancement of Satellos research and development; and the Company's priorities and anticipated achievement of milestones and evaluation plans for drug molecules. 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, 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 “progress”, “aimed”, “plan”, “expect”, “intend”, “anticipate”, “estimate”, “believe”, “hope”, “objective”, “potentially”, “possibly”, “ongoing efforts”, “develop”, “pioneering”, “groundbreaking”, “milestone”, “further”, “prospect” or any variations (including negative 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 as a result of new information, future events, or otherwise.

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