NEWS RELEASE

SATELLOS Receives Orphan Drug Designation from the U.S. FDA for SAT-3153, a First-in-Class Small Molecule Therapeutic for Duchenne Muscular Dystrophy

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Company also recently received Rare Pediatric Disease Designation from the FDA for SAT-3153 for the treatment of pediatric patients with Duchenne

TORONTO, August 1, 2023 – **Satellos Bioscience Inc.** ("Satellos" or the "Company") (TSXV: MSCL) (OTCQB: MSCLF), a drug discovery company developing small molecule therapeutics to regenerate muscle as a new approach to treating muscle diseases and disorders, announced today that that U.S. Food and Drug Administration (FDA) has granted Orphan Drug Designation and Rare Pediatric Disease Designation to SAT-3153 for the potential treatment of Duchenne muscular dystrophy ("Duchenne" or "DMD"). SAT-3153 is a first-in-class oral small molecule therapeutic designed to restore the innate muscle regeneration process independent of dystrophin and regardless of exon mutation status.

"Receiving orphan drug designation and rare pediatric disease designations are important milestones in advancing our novel small molecule therapeutic approach to treating Duchenne," said Frank Gleeson, chief executive officer for Satellos. "We continue to make important progress in our drug development program and IND-enabling studies, and we are focused on advancing SAT-3153 into the clinic next year."

The FDA grants Orphan Drug Designation to support development of medicines for underserved patient populations, or rare disorders, that affect fewer than 200,000 people in the U.S. Orphan Drug Designation provides certain benefits, including the potential for a seven-year market exclusivity upon regulatory approval, exemption

from FDA application fees, tax credits for qualified clinical trials, and a priority review voucher.

The FDA grants Rare Pediatric Disease Designation for serious and life-threatening diseases that primarily affect children ages 18 years or younger and fewer than 200,000 people in the United States. The Rare Pediatric Disease Priority Review Voucher Program is intended to address the challenges that drug companies face when developing treatments for these unique patient populations. Under this program, a sponsor who receives an approval for a drug or biologic for a “rare pediatric disease” may be eligible for a voucher that can be redeemed to receive priority review of a subsequent marketing application for a different product or sold to another sponsor for priority review of their marketing application.

About SAT-3153

SAT-3153 is a small molecule designed by Satellos to inhibit a particular kinase protein which the company believes controls Notch polarity within muscle stem cells. The Company’s scientists have previously shown that muscle stem cell polarity is compromised in Duchenne, leading to a deficit in the body’s innate ability to regenerate muscle. Satellos believes this finding explains the progressive muscle destruction which characterizes Duchenne as the muscle tissue cannot repair itself as intended. The Company’s scientists have shown in preclinical studies that inhibiting this kinase protein target enables the modulation of polarity and muscle stem cell divisions, enhances muscle regeneration, and increases muscle mass and critically, muscle function.

About Duchenne Muscular Dystrophy

Duchenne muscular dystrophy 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.

About Muscle Stem Cells and Duchenne Muscular Dystrophy

Satellos scientific founder, Dr. Michael Rudnicki, discovered and has demonstrated how muscle stem cells employ a biological process known as “stem cell polarity” to regulate muscle repair and regeneration throughout life. Dr. Rudnicki has also shown how regulatory defects in stem cell polarity lead to a failure of muscle repair and regeneration in Duchenne muscular dystrophy, representing a previously unrecognized root cause of Duchenne. As a result of this ongoing inability to produce sufficient numbers of new muscle cells, people with Duchenne are unable to repair the continuous and accumulating muscle tissue damage. Based on this research, Satellos is advancing a novel small molecule therapeutic designed to rescue the defect in stem cell polarity and provide a disease-modifying treatment for Duchenne and other muscular dystrophies.

About Satellos Bioscience Inc.

Satellos is a publicly traded biotechnology company dedicated to developing life-improving medicines to treat degenerative muscle diseases. Satellos has incorporated breakthrough research in muscle stem cell polarity into a proprietary discovery platform, called MyoReGenX™, to identify degenerative muscle diseases where deficits in this process affect muscle regeneration and are amenable to therapeutic intervention. With this platform, Satellos is building a pipeline of novel therapeutics to correct muscle stem cell polarity and promote the body's innate muscle repair and regeneration process. The Company's lead program is an oral, small molecule drug candidate in development as a disease-modifying treatment for Duchenne muscular dystrophy. Satellos is headquartered in Toronto, Ontario. For more information, visit **Satellos.com**.

CONTACT:

Business Development

Ryan Mitchell, Ph.D.
rmitchell@satellos.com

Communications at Satellos Bioscience Inc.

Christina Cameron
ccameron@satellos.com
+1.647.660.1780

For Media

Jessica Yingling, Ph.D.
jessica@litldog.com
+1.858.344.8091

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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