NEWS RELEASE

SATELLOS Reports Third Quarter 2021 Financial Results and Operational Highlights

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SATELLOS BIOSCIENCE REPORTS THIRD QUARTER 2021 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS

- Satellos positioned to pursue the development of first-in-class regenerative therapeutic treatments for degenerative muscle diseases.

Press Release For Immediate Release

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TORONTO, November 29, 2021 — Satellos Bioscience Inc. (TSXV: MSCL) ("Satellos" or the "Company"), a regenerative medicine company, formerly known as iCo Therapeutics Inc. ("iCo"), aimed at developing therapeutics that change the way degenerative muscle diseases are treated, announced today its financial results and operational highlights for the quarter ended September 30, 2021. All dollar amounts are expressed in Canadian currency unless otherwise noted.

"We are excited to be trading on the TSXV through our combination with the former iCo, a move we made with the objective of accelerating our development and value creation plans," said Frank Gleeson, co-founder, President and Chief Executive Officer of Satellos. "Our scientists have made ground-breaking discoveries with the potential to change the way we understand and treat degenerative muscle diseases. Our aim is to exploit this knowledge to invent and develop first-in-class therapeutic candidates that act by modulating the body's innate muscle stem cells

to regenerate damaged or lost muscle tissue. We are not aware of any other company focused on restoring the regenerative capacity of muscle stem cells as a therapeutic strategy for treating muscle loss. We believe our therapeutic approach has the potential to make lifechanging differences to patients living with devastating muscle conditions spanning rare genetic diseases, injury induced damage, and the pervasive muscle loss of ageing."

Dr. Michael Rudnicki, PhD, OC, FRS, co-founder and Chief Scientific Officer of Satellos added, "Satellos' therapeutic approach is based on discoveries our academic lab has made, over a twenty-year period, in characterizing muscle stem cells and mapping the regulatory mechanisms by which they make regeneration possible throughout a person's life. From these findings, we made the seminal discovery that a signal transduction error in these mechanisms is central to the progressive muscle loss seen in Duchenne muscular dystrophy, a lethal genetic disorder. Satellos' lead program is focused on developing therapeutic drugs which have the potential to correct this error thereby restoring regeneration and improving muscle function in people living with Duchenne."

Program highlights for the quarter ended September 30, 2021, 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 worldwide, every year. Resulting from mutations to the dystrophin gene and characterized by the ongoing destruction of skeletal muscle and loss of function, death often ensues by the third decade of life. Satellos has made the potentially transformative discovery that loss of the dystrophin protein resulting from the gene mutation impairs the ability of muscle stem cells in Duchenne patients to regenerate muscle. We believe this is a central cause of the on-going muscle loss and debilitation experienced by people living with Duchenne. We have shown, in the Mdx mouse model which bears the same genetic loss of dystrophin as seen in Duchenne, that treatment with an early-generation Satellos candidate reset muscle stem cell driven regeneration and created functional muscle fibres. Applying our proprietary discovery platform, MyoReGenX^{TM}, Satellos is pioneering the continued invention and development of therapeutic drugs intended to reset the ability of the body's muscle stem cells to regenerate muscle as a novel treatment for Duchenne and potentially other dystrophic conditions.

In the first half of 2022, one of our development milestones is to continue evaluating the compound families that we have created, with the objective of selecting at least one lead family, or series, of compounds that we will further hone into potential drug candidates to treat Duchenne. We next plan to choose a small subset of these compounds and conduct in vivo testing in animal models of Duchenne to affirm their potential efficacy, and further, initiate preclinical pharmacology and safety studies. This body of work is intended to pave the way for realizing the Company's principal near-term milestone, namely: advancing at least one lead development candidate ("DC") into the requisite pre-investigational new drug ("IND") studies during the second half of 2022. Following the achievement of these milestones, Satellos plans to arrange pre-Clinical Trial Application ("CTA") and pre-IND consultations with,

and make CTA and IND submissions to, Health Canada and the Food and Drug Administration in the United States, respectively, seeking approval to commence clinical trial testing in humans in 2023.

On August 27, 2021, Satellos announced it had successfully determined a high-resolution X-ray crystal structure of its drug target for Duchenne, an enzyme previously not known to be associated with the modulation of muscle stem cells, code-named Target-X. This critical drug discovery step represents a leap forward in our knowledge of Target-X and has the potential to significantly enhance our tool kit for designing highly potent inhibitors of Target-X.

On September 7, 2021, Satellos announced receipt of a grant to further its research efforts in the amount of $50,000 from Jesse's Journey, a well-respected Canadian advocacy group focussed on Duchenne. Together with an earlier announced investment from Parent Project Muscular Dystrophy, Satellos has established relationships with two of the leading organizations in North America involved in the fight to defeat Duchenne.

Additionally, on September 13, 2021, Satellos announced core findings from a preclinical study in a more severe disease model of Duchenne than the industry standard Mdx mouse model, called the Mdx DBA/2J. In this preclinical study, the treated mice displayed significantly increased running capacity as well as increased expression of a candidate biomarker of muscle regeneration. These results build on earlier findings in the Mdx model which, we believe, provide additional support for our thesis that intervening to correct the regeneration deficit we have identified offers the prospect for a new, disease modifying therapeutic approach in the treatment of Duchenne patients.

Amphotericin B Technologies Inc. ("Amp B Tech")

Upon completion of the Arrangement (as described below), Satellos formed Amp B Tech as a separate legal entity to focus on advancing the 'Oral Amp B Delivery System', an asset acquired as part of the transaction. Amphotericin B is a drug that has been used to treat systemic fungal infections intravenously for approximately 50 years, but while potent, it has historically been a toxic option for the treatment of serious systemic fungal infections. iCo had completed several preclinical studies with the Oral Amp B Delivery System, obtained Orphan Drug Status from the FDA for the treatment of visceral leishmaniasis, a parasitic infection known for its high mortality rates, and conducted both a Phase 1a and Phase 1b clinical trial, showing positive safety and tolerability of the formulation. However, iCo had not been successful, prior to the Arrangement, in attracting funding to continue development activities.

As part of a renewed strategy to create value and attract funding, in addition to prior applications, Amp B Tech intends to explore partnering and co-development opportunities for new applications of the 'Oral Amp B Delivery System.' One such initiative was outlined in a press release on August 18, 2021, wherein Satellos announced that

AmpB Tech had entered into a Joint Development Agreement with NW PharmaTech Limited ("NW PharmaTech") to collaborate on the development of an oral formulation of cannabidiol ("CBD") to be targeted at the global market as an over-the-counter sleep aid. Under the agreement, NW PharmaTech provided an up-front payment and intends to fund costs of developing the formulation and testing for safety, toxicity and pharmacokinetics.

Operational Highlights

On August 13, 2021, iCo acquired all of the issued and outstanding common shares of Satellos Bioscience Inc. ("Pre-Arrangement Satellos"). As a result of this transaction, the shareholders of Pre-Arrangement Satellos acquired more than 50% of iCo's issued and outstanding common shares and the transaction was accounted for as a reverse takeover. Upon completion of the reverse takeover the shareholders of Pre-Arrangement Satellos obtained control of the consolidated entity. Concurrent with the reverse takeover the Company changed its name from iCo to Satellos Bioscience Inc. (taken as a whole, the "Arrangement").

On August 18, 2021, the Company's common shares began trading on the TSX Venture Exchange under the ticker symbol "MSCL".

On September 21, 2021, announced the appointment of J. Robert Hall, CFA as Vice-President, Finance & Administration. Mr. Hall joined Satellos in January, 2020 bringing 30 years' experience in the Canadian biotechnology industry to the Company. Mr. Hall served in various finance and administration-related roles prior to his appointment as Vice-President.

Financial Results

Satellos' consolidated financial statements include the results of operations of iCo from August 13, 2021. The comparative figures for periods prior to the Arrangement are those of Pre-Arrangement Satellos.

Satellos had cash and cash equivalents of $6.27 million as at September 30, 2021.

Net loss for the quarter ended September 30, 2021, was $11 million, or $0.43 per share, compared to a loss of $285,000, or $0.02 per share, for the quarter ended September 30, 2020. The increase in net loss for the quarter ended September 30, 2021 compared with the quarter ended September 30, 2020 was primarily a result of $9.7 million in listing and transaction expenses incurred during the quarter.

Research and development ("R&D") expenses of $479,000 were incurred during the quarter ended September 30, 2021, compared to $136,000 incurred in the quarter ended September 30, 2020. The increase in R&D expenses in the current year's quarter is primarily attributable to an increase in R&D spending with contractors in Canada and

abroad in third quarter of 2021 compared to significantly reduced spending in third quarter of 2020 due to the COVID-19 pandemic, which affected many of the Company's contractors. The Company also increased R&D contractor spending following the closure of the Arrangement.

Satellos' condensed consolidated interim financial statements for the quarter ended September 30, 2021 and the related management's discussion and analysis (MD&A) are available on SEDAR at www.sedar.com.

About Satellos

Satellos is a biotechnology company dedicated to developing lifechanging medicines that have the potential to correct a previously unrecognized root cause of degenerative muscle disorders which our scientists have identified. Satellos was established in 2018 to translate the ground-breaking discoveries of its scientific founder, Dr. Michael Rudnicki, a thought leader who discovered and has shown how muscle stem cells regulate muscle repair and growth throughout life. Satellos' lead program is focused on developing an oral therapeutic drug (i.e., a pill) to treat Duchenne muscular dystrophy where we have shown that the body's muscle stem cells don't produce enough muscle cell progenitors to keep up with the continuous damage caused by the disorder. Our drug development work offers hope for people living with Duchenne that a drug may have the potential to reset the body's innate ability to repair and grow muscle. To expand our programs, Satellos has created a proprietary discovery platform, MyoReGenX^{TM}, to identify other muscle disorders where deficits in muscle stem cell regeneration can be addressed with drug treatment. For more information about Satellos' regenerative therapeutic discovery platform, development collaborations and licensing, or collaborations with Amp B Tech, 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 Satellos' technologies and drug development plans, the timeline to commence clinical trial testing in humans, the advancement of R&D, the 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 "positioned", "aimed", "plan", "expect", "intend", "anticipate", "estimate", "believe", "objective", "potential", "develop", "pioneering", "milestone", "further", "prospect" or any variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "might", "could", "would" or "will" be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of the Company, and 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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