



NEWS RELEASE

Satellos Announces Overnight Marketed Public Offering of Common Shares

2024-12-16

BASE SHELF PROSPECTUS IS ACCESSIBLE, AND PROSPECTUS SUPPLEMENT WILL BE ACCESSIBLE WITHIN TWO BUSINESS DAYS ON SEDAR+

TORONTO--(BUSINESS WIRE)-- **Satellos Bioscience Inc.** (TSX: MSCL, OTCQB: MSCLF) ("Satellos" or the "Company"), a public biotech company developing new small molecule therapeutic approaches to improve the treatment of muscle diseases and disorders, announced today that it has filed a preliminary prospectus supplement (the "Preliminary Prospectus Supplement") and intends to file a subsequent prospectus supplement (the "Prospectus Supplement") to its short form base shelf prospectus dated April 7, 2024 (the "Base Shelf Prospectus") with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario in connection with a commercially reasonable best efforts offering (the "Offering") of common shares of the Company ("Common Shares"). The Offering is expected to be completed on a commercially reasonable best efforts agency basis pursuant to an agency agreement (the "Agency Agreement") to be entered into between the Company and Bloom Burton Securities Inc. (the "Lead Agent"), as lead agent and a syndicate of agents (collectively, together with the lead agent, the "Agents"). The number of Securities to be distributed, the price of each Security and the size of the Offering will be determined by negotiation between the Company and the Lead Agent in the context of the market with final terms to be determined at the time of pricing. It is anticipated the Offering will also include the optional issuance of pre-funded common share purchase warrants ("Pre-Funded Warrants") of the Company in lieu of Common Shares at the discretion of purchasers of the Offering. Each Pre-Funded Warrant issued in lieu of a Common Share at the election of any purchaser (together with the Common Shares, the "Securities") entitles the holder thereof to acquire one common share (a "Warrant Share") at a nominal exercise price. The Pre-Funded Warrants do not expire.

The Company intends to use the net proceeds from the Offering to advance its Phase 2 clinical development of SAT-3247, as well as working capital needs and other general corporate purposes, as set out in the Preliminary Prospectus Supplement.

The Offering is expected to close on or about December 20, 2024, or such other date as may be mutually agreed to by the Company and the Lead Agent (the "**Closing Date**"). The Offering is subject to the Company and the Agents entering into a definitive agency agreement, and subject to the satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals, including approval of the Toronto Stock Exchange ("**TSX**").

In addition, the Securities are anticipated to be offered by way of private placement in certain jurisdictions outside of Canada pursuant to and in compliance with applicable securities laws.

For further details with respect to the Offering, please see the Preliminary Prospectus Supplement, a copy of which is available on SEDAR+ at www.sedarplus.com.

Access to the Base Shelf Prospectus, the Prospectus Supplement, and any amendments to the documents will be provided in accordance with securities legislation relating to procedures for providing access to a shelf prospectus supplement, a base shelf prospectus and any amendment. The Base Shelf Prospectus is, and the Prospectus Supplement will be (within two business days of the date hereof), accessible on SEDAR+ at www.sedarplus.com. Alternatively, an electronic or paper copy of the Base Shelf Prospectus, the Prospectus Supplement (when filed), and any amendment to the documents may be obtained without charge, from the Lead Agent by email at ECM@bloomburton.com, by telephone at [416-640-7585] or by providing the contact with an email address or address, as applicable. The Base Shelf Prospectus and Prospectus Supplement contain important, detailed information about the Company and the proposed Offering. Prospective investors should read the Base Shelf Prospectus and Prospectus Supplement (when filed) before making an investment decision.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold to, or for the account or benefit of, persons in the "United States" or "U.S. Persons" (as such terms are defined in Regulation S under the U.S. Securities Act), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

About Satellos Bioscience Inc.

Satellos is a clinical-stage drug development company dedicated to developing life-improving medicines to treat degenerative muscle diseases. Satellos has invented SAT-3247 as a first-of-its-kind, orally administered small molecule drug designed to restore skeletal muscle regeneration initially in Duchenne muscular dystrophy (DMD). Satellos has generated a significant body of preclinical evidence in DMD to support its discovery that correcting muscle stem cell polarity with SAT-3247 has the potential to restore skeletal muscle regeneration to repair and strengthen muscle that has been damaged. The Company's lead drug candidate, SAT-3247, is currently in clinical development as a potential disease-modifying treatment for DMD. Additionally, Satellos is leveraging its breakthrough research and proprietary discovery platform MyoReGenX™, to identify degenerative muscle diseases where deficits in muscle regeneration occur that are amenable to therapeutic intervention for future clinical development. For more information, visit www.satellos.com.

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 with respect to the anticipated terms and jurisdictions of the Offering; securities offered thereunder; the timing of the Offering, including the anticipated Closing Date; use of proceeds from the Offering; inclusion of additional agents; fees anticipated to be paid to the Agent and terms thereof; regulatory and exchange approvals, including the listing of the common shares offered pursuant to the Offering on the TSX; general benefits of modulating stem cell polarity; its prospective impact on Duchenne patients and muscle regeneration generally; 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, 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" 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, without limitation, those listed in the "Risk Factors" section of the Preliminary Prospectus Supplement and the Annual Information Form dated March 26, 2024 (both of which are on the Company's profile at www.sedarplus.com). 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.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR FOR DISSEMINATION TO U.S. NEWS WIRE SERVICE.

Investors: Liz Williams, CFO, ir@satellos.com

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

Clinical Trial Info: medicalinfo@satellos.com

Source: Satellos Bioscience Inc.