NEWS RELEASE

Satellos Bioscience Announces Q1 2024 Financial Results and Operational Highlights

5/14/2024

- Conducted preclinical toxicology studies and GMP manufacturing of SAT-3247

- On track to initiate Phase 1 first-in-human clinical trials mid-2024

- Cash balance of $33.2 million at March 31, 2024

- Invited to present at PPMD 30th annual conference to be held June 26-29, 2024

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 its financial results and operational highlights for the three months ended March 31, 2024. All references to currency in this press release are in Canadian dollars unless otherwise noted.

"We are excited about progress made during the first quarter as we get closer to initiating Phase 1 clinical development with SAT-3247, our novel oral drug to treat Duchenne muscular dystrophy and other degenerative muscle conditions," said Frank Gleeson, Co-founder and CEO, Satellos. "During the first quarter we presented positive preclinical data at the MDA Clinical and Scientific Conference, conducted preclinical safety and toxicology studies, manufactured bulk quantities of SAT-3247 under GMP conditions to support development through 2025, and formulated our very first tablets of SAT-3247 for oral administration in upcoming Phase 1 and subsequent clinical trials. We look forward to submitting our regulatory package in the coming weeks seeking approval to initiate our first-in-human Phase 1 clinical study of SAT-3247 during the summer."

PROGRAM AND BUSINESS UPDATE:

Highlights for the quarter ended March 31, 2024, along with recent developments include:

Advanced SAT-3247

During Q1, 2024, the Company engaged a contract research organization (“CRO”) to design and implement its planned Phase 1a clinical trial for SAT-3247, initiated requisite GLP toxicology studies in two species with SAT-3247, made kilogram quantities of SAT-3247 at the contract manufacturing organization it selected as its manufacturing partner, and carried out GMP manufacturing and tablet formulation of SAT-3247. The Company continues to be on track to initiate a Phase 1a clinical trial in mid-2024 to evaluate the safety and pharmacokinetic (“PK”) properties of SAT-3247 in healthy human volunteers.

Also during the first quarter of 2024, Satellos further refined its clinical development plan to incorporate an additional Phase 1b clinical trial in healthy human volunteers, planned for early 2025, intended to demonstrate SAT-3247’s pharmacodynamic (“PD”) properties, which, if successful, may provide preliminary proof of concept evidence for the potential of SAT-3247’s mechanism-of-action (“MOA”) to have an effect in humans. The Company continues with its intention to conduct a Phase 1b/2a clinical trial in Duchenne patients in 2025, which is in the planning stages.

On March 4, 2024, Satellos announced positive preclinical data presented at the Muscular Dystrophy Association (MDA) Clinical and Scientific Conference. The preclinical data presented showed the broad potential of SAT-3247 to improve skeletal muscle function as demonstrated in three mouse models of muscle degeneration: mdx model of Duchenne muscular dystrophy (DMD), FLExDUX4 model of facioscapulohumeral muscular dystrophy (FSHD), and a muscle injury model in wildtype mice. In all instances, treatment with SAT-3247 over a three-to-four-week period resulted in a statistically significant improvement in muscle force versus animals receiving vehicle treatment.

Subsequent to the quarter end, the Company received Orphan Drug status from the U.S. Food and Drug Administration (FDA) for SAT-3247 and has submitted an application to the FDA for Rare Pediatric Disease designation for SAT-3247.

Satellos is pleased to announce today that it has been invited to present at Parent Project Muscular Dystrophy (“PPMD”)’s Annual Conference scheduled for June 26-29, 2024, in Orlando Florida. Satellos will speak on the development of SAT-3247 as part of the Research Row: “PPMD Moving the Needle” session covering PPMD funded research projects.

Financial Results

Satellos had cash and cash equivalents and short-term investments of $33.2 million as of March 31, 2024, compared with $39.6 million at December 31, 2023. The decrease in cash and cash equivalents and short-term investments is due to the increase in net loss in the current year period.

For the three months ended March 31, 2024, Satellos reported a net loss of $6.9 million ($0.06 loss per share), compared to a net loss $1.7 million ($0.04 loss per share) for the three months ended March 31, 2023. The increase in net loss for the three months ended March 31, 2024, compared with the same period in 2023 was a result of increased R&D expenses related to increased headcount and activities associated with SAT-3247 as we prepare to initiate first in human clinical trials as well as increased G&A expenses due to increased personnel and professional fees to support increased operations.

Research and development expenses increased by approximately $5.0 million to $5.9 million for the three months ended March 31, 2024, compared to $0.9 million for the three months ended March 31, 2023. The increase in R&D expenses was the result of higher salary and management fees related to new hires to advance our research programs, increased preclinical pre-IND-enabling expenses of approximately $1.5 million and increased chemistry, manufacturing, and controls expenses of $2.1 million for work ongoing in the current year as SAT-3247 advanced from the discovery stage to the pre-clinical stage of development. Non-cash stock-based compensation increased in the current year due to more grants in the current year period associated with new hires and increased headcount.

General and administrative expenses increased by approximately $1.6 million to $2.3 million for the three months ended March 31, 2024, as compared to $0.7 million for the three months ended March 31, 2023. The increase in general and administrative expenses in the current year period is primarily the result of higher salary and management fees related to increased headcount to support operations, higher professional fees due to non-recurring costs associated with the TSX uplist and new corporate website and branding as well as higher operating costs primarily related to increase travel costs. Non-cash stock-based compensation increased due to new grants issued in the second, third and fourth quarters of fiscal 2023.

Satellos' condensed consolidated interim financial statements for the three months ended March 31, 2024, and the related management's discussion and analysis (MD&A) will be available on SEDAR+ at **www.sedarplus.ca**.

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 potential disease-modifying treatment for Duchenne muscular dystrophy. Satellos is headquartered in Toronto, Ontario. 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 regarding the anticipated benefits to patients from a small molecule treatment for Duchenne; the advancement of our lead drug candidate into clinical trials; the pharmacodynamic properties and mechanism-of-action of our lead drug candidate; the potential of our approach in other degenerative muscle diseases or in muscle injury or trauma; the general benefits of modulating stem cell polarity by administering small molecule drugs; its/their prospective impact on Duchenne patients, patients with other degenerative muscle disease or muscle injury or trauma, and on 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, without limitation, risks relating to the pharmaceutical and bioscience industry (including the risks associated with preclinical and clinical trials and regulatory approvals), and the research and development of therapeutics, the results of preclinical and clinical trials, general market conditions and equity markets, economic factors and management's ability to manage and to operate the business of the Company generally, including inflation and the costs of operating a biopharma business, and those risks listed in the "Risk Factors" section of Satellos' Annual Information Form dated March 26, 2024 (which is located on Satellos' profile at **www.sedarplus.ca**). 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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