NEWS RELEASE

Satellos Reports 2024 Financial Results and Highlights Company Progress

2025-03-26

– Completed enrollment and dosing in a Phase 1a clinical trial in 72 healthy volunteers to assess safety and pharmacokinetic (PK) properties of SAT-3247

– Presented initial Phase 1a data at Muscular Dystrophy Association (MDA) Clinical & Scientific Conference showing SAT-3247 was safe, well-tolerated and showed the intended PK profile after both single- and repeated-dose administration

– Initiated enrollment in a Phase 1b clinical trial in up to 10 adults with Duchenne muscular dystrophy (DMD) with data expected to be reported in Q2 2025

– Cash balance of $69.9 million as of December 31, 2024

TORONTO--(BUSINESS WIRE)-- Satellos Bioscience Inc. (TSX: MSCL, OTCQB: MSCLF) (" Satellos " or the " Company "), a clinical-stage biotechnology company developing life-improving medicines to treat degenerative muscle diseases, announced today its financial results and corporate highlights for the fourth quarter ended December 31, 2024. All references to currency in this press release are in Canadian dollars unless otherwise noted.

"The fourth quarter and 2024 were pivotal for clinical trial execution and advancement of SAT-3247, setting the stage for a promising 2025," said Frank Gleeson, Co-founder and Chief Executive Officer. "Most importantly, we recently reported encouraging Phase 1a data that supports SAT-3247 as a potential first-of-its-kind oral therapy for DMD. We believe this progress brings us one step closer to our goal of delivering life improving medicines for individuals with degenerative muscle diseases."

SAT-3247 CLINICAL PROGRESS

- On Dec. 11, 2024, Satellos dosed the first DMD patient in its Phase 1b trial of SAT-3247. Up to 10 DMD adult patients will be enrolled. Satellos expects to report Phase 1b data in Q2, 2025.
- Satellos announced initial Phase 1a data for SAT-3247 at the MDA Clinical & Scientific Conference in March.
    - As of the Feb. 20, 2025, data cut-off, SAT-3247 was shown to be safe and well tolerated across all cohorts, with no moderate or severe drug-related adverse events and no adverse findings across clinical parameters.
    - Pharmacokinetic (PK) data aligned with preclinical results, confirming sustained plasma concentrations in humans at levels likely to support muscle regeneration and strength.

As a reminder, the Phase 1 clinical trial is comprised of two portions. In the first portion of the trial (Phase 1a), 72 healthy volunteers were enrolled in a blinded, randomized, placebo-controlled, staggered, parallel design study to assess the safety and PK properties of SAT-3247. Participants were randomized across five single ascending dose cohorts, four multiple ascending dose cohorts, and one food effect dose cohort. The second portion of the trial (Phase 1b) is ongoing, and Satellos expects to enroll and treat up to 10 adult volunteers with genetically confirmed DMD in a 28-day, open-label, single daily-dose cohort, also designed to assess safety and PK properties, and explore potential pharmacodynamic markers.

CORPORATE ACHIEVEMENTS

In December 2024, Satellos closed an equity offering led by healthcare-specific institutional investors of common shares and pre-funded warrants for gross proceeds of US$40 million, strengthening the Company’s balance sheet and providing the necessary capital to execute the planned clinical strategy.

On November 14, 2024, Satellos appointed Stephanie Brown to its Board of Directors. Ms. Brown brings over 30 years of Biopharma industry experience, having held numerous executive roles contributing to groundbreaking achievements in product commercialization and organizational transformation.

On February 15, 2024, trading of the Company’s common shares graduated from the TSX Venture Exchange to the Toronto Stock Exchange, elevating the profile of Satellos and providing access to a broader group of institutional investors.

FINANCIAL RESULTS (IN $C)

Satellos had cash and cash equivalents and short-term investments of $69.9 million as of December 31, 2024, compared with $39.6 million on December 31, 2023. The increase in cash and cash equivalents and short-term investments is due to proceeds of the US$40 million equity offering completed in December 2024. Management estimates that based on current projections cash on hand should provide operating runway through 2026 and

advance SAT-3247 through a Phase 2 clinical study.

For the year ended December 31, 2024, Satellos reported a net loss of $28.1 million ($0.25 loss per share), compared to a net loss $15.9 million ($0.18 loss per share) for the year ended December 31, 2023. The increase in net loss for the year ended December 31, 2024, compared with the year ended December 31, 2023, was primarily a result of increased research and development ("R&D") expenses associated with the development of SAT-3247, as well as increased general and administrative ("G&A") expenses related to increased headcount to support expanded operations. In addition, in the year ended December 31, 2024, the Company recognized a non-cash impairment of $3.9 million to fully write down the carrying value of an impaired intangible asset.

R&D expenses increased to $19.6 million for the year ended December 31, 2024, compared to $8.8 million for the year ended December 31, 2023. The increase in R&D expenses was the result of: higher salaries and management fees, due to new hires to our team – adding chemistry, manufacturing and controls ("CMC"), and clinical expertise, preclinical expenses related to IND-enabling studies for SAT-3247 conducted during the year to support the initiation of the Phase 1 clinical trial, long-term toxicology work to support later-stage clinical development, CMC expenses related to the process development and manufacturing of SAT-3247 for clinical use, and finally, clinical expenses associated with initiating and conducting the Phase 1a healthy-volunteer clinical study for which the first participant was dosed in Q3 2024 and the Phase 1b component in adult DMD patients initiated in Q4 2024.

G&A expenses increased to $8.2 million for the year ended December 31, 2024, as compared to $6.6 million for the year ended December 31, 2023. The increase in G&A expenses in the current year period is primarily the result of salary and management fees related to increased headcount, salary adjustments, and variable compensation in the year.

Satellos' audited financial statements for the year ended December 31, 2024, and the related management's discussion and analysis (MD&A) will be available on the Company website and SEDAR+ at **www.sedarplus.ca**.

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 in degenerative or injury conditions by correcting muscle stem cell polarity. Satellos has generated a body of preclinical evidence with SAT-3247 to support its discovery that correcting muscle stem cell polarity has the potential to restore skeletal muscle regeneration to repair and strengthen muscle that has degenerated or been damaged. SAT-3247 is currently in clinical development as a potential disease-modifying treatment initially for DMD. Additionally, Satellos is leveraging its research and proprietary discovery platform, MyoReGenX™, to identify additional degenerative muscle diseases or injury

conditions 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, expected timing for Phase 1a and Phase 1b data; estimated runway based on cash on hand; statements regarding the potential for SAT-3247 to represent a disease modifying approach to the therapeutic treatment of people living with Duchenne; anticipated benefits to patients from a small molecule treatment for Duchenne; the advancement SAT-3247 through clinical trials; the pharmacodynamic properties and mechanism-of-action of SAT-3247; the potential of our approach in other degenerative muscle diseases; 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; 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, 2025 (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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Source: Satellos Bioscience Inc.