NEWS RELEASE

Satellos Reports First Quarter 2025 Results and Highlights Recent Company Progress

2025-05-13

- Completed enrollment in the Phase 1b trial in adult patients with Duchenne muscular dystrophy (DMD); data analysis and reporting expected in Q2 2025

- Received regulatory approval, allowing initiation of a long-term follow-up study to treat DMD patients from the Phase 1b for 11 additional months

- Profile of SAT-3247, presented at the Muscular Dystrophy Association (MDA) Conference, demonstrated the drug to be safe and well tolerated with a predictable pharmacokinetic (PK) profile in healthy volunteers

- Global regulatory filings to obtain approvals to initiate a Ph 2 randomized, placebo-controlled proof-of-concept clinical (POC) trial in pediatric DMD patients expected to be submitted in Q3 2025

- Funds available: $41.2 million (in $U.S.) as of March 31, 2025, expected to be sufficient to fund company operations, including study costs through completion of the planned Phase 2 POC clinical trial

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, today announced its financial results and corporate highlights for the first quarter ended March 31, 2025.

“We are very pleased with our continued progress in the advancement of SAT-3247,” said Frank Gleeson, Co-founder and Chief Executive Officer. “We plan to share data from our Phase 1b study in adult DMD patients in Q2 2025, marking another key development milestone. As a Company, we believe we are well positioned to advance our novel drug into a randomized, placebo-controlled Phase 2 POC trial in pediatric DMD patients as our next major development step. This study will be designed to further assess the safety of SAT-3247 in a key pediatric population, while exploring its possible utility in restoring the body’s ability to repair and regenerate damaged or lost muscle.”

SAT-3247 CLINICAL PROGRESS

- On March 19, 2025, Satellos presented initial Phase 1a data at the MDA Clinical & Scientific Conference in Dallas, TX. The data showed SAT-3247 was safe, well tolerated, and consistent with the Company’s preclinical PK predictions, following both single and repeat dose administration.
- Phase 1b trial in up to 10 adult DMD patients has completed enrollment. The study is a 28-day, open-label design to assess safety, PK, and exploratory pharmacodynamic markers.
- Satellos expects to complete analysis and report full Phase 1 data in Q2 2025.
- Long-term follow-up clinical study, enabling treatment of Ph 1b patients for up to an additional 11 months, received regulatory approved in Australia.
- Regulatory filings seeking approval for a global Ph 2 randomized, placebo-controlled POC trial in pediatric DMD patients planned for Q3 2025.

CHANGE IN PRESENTATION CURRENCY

Effective Jan. 1, 2025, Satellos changed its presentation currency from the Canadian dollar to the United States dollar (U.S. dollar). The change in presentation currency was made to better reflect the Company’s business activities and to improve investor’s ability to compare the Company’s financial results with other publicly traded business in the industry.

For the year ended Dec. 31, 2024, and for all prior periods, Satellos presented its financial statements in Canadian dollars. The comparative figures disclosed in this press release have been retrospectively changed to reflect the change in presentation currency to the U.S. dollar, as if the U.S. dollar had been used as the presentation currency for all prior periods. Unless specified otherwise, all amounts in this press release are expressed in U.S. dollars.

FINANCIAL RESULTS (in $U.S.)

Satellos had cash and cash equivalents and short-term investments of $41.2 million as of March 31, 2025, compared with $48.5 million at Dec. 31, 2024. The decrease in funds available is due to the increase in net loss in the current year period, as well as increased deposits related to the planned Phase 2 clinical trial.

For the three months ended March 31, 2025, Satellos reported a net loss of $6.1 million ($0.04 loss per share), compared to a net loss of $5.1 million ($0.05 loss per share) for the three months ended March 31, 2024. The increase in net loss for the three months ended March 31, 2025, compared with the same period in 2024 was a result of increased research and development (R&D) expenses, as well as increased general and administrative (G&A) expenses.

R&D expenses increased by approximately $136 thousand to $4.5 million for the three months ended March 31, 2025, compared to $4.4 million for the three months ended March 31, 2024. The increase in R&D expenses was the result of increased clinical costs associated with the ongoing and planned clinical trials, partially offset by decreased CMC activities related to the process development and manufacturing of SAT-3247 for clinical use in the prior period and preclinical costs due to pre-IND enabling studies conducted to support the regulatory filing, and IND enabling studies for SAT-3247 as we prepared for clinical development in the prior period.

G&A expenses increased by approximately $215 thousand to $1.9 million for the three months ended March 31, 2025, as compared to $1.7 million for the three months ended March 31, 2024. The increase in general and administrative expenses in the current year period is primarily the result of higher salary and management fees related to changes in headcount to support expanded operations and non-cash stock-based compensation expense due to new grants issued in the current period.

The Satellos condensed consolidated interim financial statements for the three months ended March 31, 2025, and the related management discussion and analysis will be available on SEDAR+ at **www.sedarplus.ca**.

ABOUT SATELLOS BIOSCIENCE INC.

Satellos is a clinical-stage drug development company focused on restoring natural muscle repair and regeneration in degenerative muscle diseases. Through its research, Satellos has developed SAT-3247, a first-of-its-kind, orally administered small molecule drug designed to address deficits in muscle repair and regeneration. SAT-3247 targets AAK1, a key protein that Satellos has identified as capable of replacing the signal normally provided by dystrophin in muscle stem cells to effect repair and regeneration. By restoring this missing dystrophin signal in DMD, SAT-3247 enables muscle stem cells to divide properly and more efficiently, promoting natural muscle repair and regeneration. SAT-3247 is currently in clinical development as a potential disease-modifying treatment initially for DMD. Satellos also is leveraging its proprietary discovery platform MyoReGenX™ to identify additional muscle diseases or injury conditions where restoring muscle repair and regeneration may have therapeutic benefit and represent future clinical development opportunities. 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 1 data; expected timing for additional regulatory filings; 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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