NEWS RELEASE

Shareholder Letter from CEO

1/24/2022

Satellos Bioscience Inc. Announces CEO Letter to Shareholders

TORONTO, ON – Satellos Bioscience Inc. (TSXV: MSCL)

To our shareholders,

Satellos Bioscience Inc. ("Satellos") (TSXV: MSCL) (OTC: MSCLF) is at the forefront of bold new science. Our research team has made seminal and, to many, game changing discoveries into the body's regenerative processes. Based on these discoveries, Satellos is in the process of developing an entirely novel category of medicines – drug products that are expected to reset the body's natural ability to self-repair skeletal muscle, its largest organ, as a treatment for degenerative muscle diseases. We are, literally: Rebuilding muscle from within™.

Degenerative muscle conditions have devastating impacts on the daily lives of millions and yet, are poorly served by current treatments. We believe that the medicines we envisage will have potential benefits in many disease situations, from: rare genetic conditions such as Duchenne muscular dystrophy ("Duchenne") through to large market disease conditions associated with chronic illnesses and ageing. Estimates of the market size for these treatments range upwards of US$20 billion and numerous peer companies in early stages of development are valued above US$500 million.

Our lead drug program is focused on treating Duchenne, a fatal genetic disease with insufficient treatment options. Starting in early childhood, Duchenne progressively destroys muscle tissue, a process that Satellos discovered is due to a failure of the body's regenerative processes to self-repair. We believe that, by resetting the self-repair and regeneration process, our therapeutics will have the potential to transform the treatment paradigm and outcomes

for people living with Duchenne.

2021 in Review: Establishing a Clear Path Forward

The past 12 months have been transformational for Satellos. We focussed our attention in 2021 on establishing strong building blocks for Satellos as a company, making considerable progress in the face of unfavourable market conditions, severe challenges across the entire biotech industry, and continued uncertainty and volatility stemming from the ongoing COVID-19 pandemic.

In the face of these headwinds, Satellos successfully completed a go-public event in August, a reverse takeover (RTO) of iCo Therapeutics Inc. This allowed us to (1) launch our business brand in the public markets as a muscle regeneration company (2) improve our access to the capital markets and (3) attract new investors to join us on our mission to create the world's leading muscle regeneration company. Coincident with the RTO, Satellos completed a concurrent capital raise of $7.25 million and converted a US$1 million debt instrument by Parent Project Muscular Dystrophy into an equity investment in Satellos. During the year, a further $1.9million was raised through the exercise of outstanding warrants in iCo and Satellos to purchase common shares.

The fresh injection of capital and access to public markets enabled us to significantly increase our development efforts while building the organizational foundation for a world-class company. This has included a 4-fold increase in our R&D resources from a core team of 5 to over 20. These added resources have allowed us to rapidly confirm and prioritize 3 proprietary chemical series which we are advancing to identify novel drug candidates. As well, we initiated a collaboration with a leading research lab at Université de Sherbrooke, announced in December, to assess the potential of our approach to treat other rare or ultra-rare dystrophies and expand the market potential for our therapeutics.

We also announced key executive and board appointments designed to address critical areas for future growth. We welcomed Dr. Rima Al-awar and Mr. Adam Mostafa, both talented and experienced senior biotech leaders, to our Board. Additionally, seasoned biotech finance professionals were recruited as Chief Financial Officer and VP – Finance & Administration with Mr. Warren Whitehead, CPA, CMA and Mr. Robert Hall, CFA, respectively, joining the executive team. These changes have added significant breadth and depth to our founding group and better position us to attract superior talent as we evolve.

Going forward, our strategic development plan is based on the following 3 components:

A focus initially on rare diseases of significant need and limited treatment options where we believe our approach can be impactful, starting with Duchenne.
Broadening into additional rare disease indications which is where our research relationship with Université de

Sherbrooke may contribute.
Ultimately, extending to disease conditions with greater numbers of patients, such as those related to ageing, injuries and trauma, and degeneration associated with chronic illness.

2022 Plans: Rapid Progress and Value Creation

Satellos ended 2021 poised for rapid progress and value creation in 2022 and beyond. Our focus this year is to redouble our development efforts towards (i) establishing Satellos as leaders in a new field of muscle regeneration and (ii) laying the groundwork for a pipeline of drug candidates and therapeutic programs.

Satellos expects to advance the following initiatives in the coming twelve months:

- Filing for intellectual property protection on our lead compounds and multiple chemical series.
- Identifying additional rare or ultra rare disease indications for our lead drug candidate.
- Confirming predictive biomarkers for use in clinical development.
- Advancing prospective drug candidates into confirmatory preclinical studies in Duchenne.
- Selecting a lead drug candidate following the above work and initiation of pre-IND studies.
- Expanding our core expertise in muscle regeneration with additional biological discoveries and intellectual property filings.
- Initiating a second therapeutic development program in addition to our lead Duchenne program.
- Building on 3rd party interests expressed in our technology to establish conditions for and initiation of partnership discussions.
- Accessing broader pools of investors to provide support for the company's plans for a dynamic and planned deep pipeline of opportunities.

Legacy Assets

Through the RTO, Satellos acquired two assets – a formulation technology to enable oral delivery of the systemic antifungal agent Amphotericin B, and the anti-eotaxin-1 antibody Bertilimumab. Management is seeking to monetize these assets. Through our wholly owned subsidiary, a patent application has been filed for intellectual property covering the use of Amphotericin B in the treatment of coronaviruses including COVID-19. We are pursuing various options and collaboration discussions.

In closing

We believe this is an exciting time to be involved with Satellos and the best is yet to come. Satellos is based on disruptive science in an area of broad medical need. We have a clear pathway to lead drug candidates and a strong founding group, and our leadership team is brimming with talent that has achieved success before. Our initial focus

on a rare, lethal disease with a new treatment approach in an area of high need presents us with an opportunity to build shareholder value rapidly.

We look forward to the year ahead as we work to continue to build value for our shareholders. Over the coming months we will be participating in conferences and events to build awareness and outreach for Satellos. Thank you for your support in helping Satellos to develop game changing technology and bring much-needed innovation and progress to people living with degenerative muscle conditions.

Sincerely,

Frank Gleeson
Chief Executive Officer

About Satellos Bioscience Inc.

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.

Additional Information

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Forward Looking Information

This press release contains forward-looking information or forward-looking statements within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as “may”, “will”, “believe”, “thinks”, “expects”, “exploring”, “in the process of”, “expand”, “estimate”, “aim”, “could”, “anticipate”, “position”, “plan”, “envisage”, “propose”, “intends”, “potential”, “projected”, “prospect”, “seeking”, “continue” and similar expressions or variations (including negative variations) of these words, which, by their nature, refer to future events. These forward-looking statements involves risks and uncertainties and relate to, among other things, statements with respect to Satellos’ plans and initiatives for 2022 and the next 12 to 18 months and the achievement thereof, including, but not limited to, Satellos’ technologies and drug development plans, the advancement of R&D and evaluation plans for drug candidates, the timeline for confirmatory preclinical studies, clinical trials testing in human subjects and generating clinical trial data, the completion of additional research and filing for intellectual property protections, the expectations for drug products and accelerating certain regulatory approvals, accessing a broader investment pool, entering third-party partnerships and the potential monetization of assets acquired in the RTO. All statements and information that are not historical fact, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are forward-looking information. All forward-looking information in this press release is based on the current expectations and views of future events of the management of Satellos and is based on assumptions and subject to risks and uncertainties. Although management believes the assumptions underlying the forward-looking information are reasonable, they may prove to be incorrect. The forward-looking information discussed in this press release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Satellos, including risks relating to the pharmaceutical and bioscience industry, general market conditions and equity markets, economic factors, and management’s ability to manage and operate the business of Satellos generally. Although Satellos has attempted to identify important factors that could cause actual actions, events or results to differ materially from the forward-looking statements in this press release, there may be other factors that cause actions, events or results to differ from those anticipated, planned or estimated. Accordingly, readers should not place undue reliance such forward-looking information.

The forward-looking statements contained in this press release are made as of the date of this press release, and Satellos does not undertake any obligation to update publicly or revise any of the included forward-looking

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