NEWS RELEASE

SATELLOS Announces Partnership with Jesse's Journey

8/25/2021

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES

TORONTO, ONTARIO –August 25, 2021, Satellos Bioscience Inc. ("Satellos") (TSX-V:MSCL), and Jesse's Journey, Canada's leader in Duchenne muscular dystrophy funded research, are proud to announce a research partnership and infrastructure grant to support the development of Satellos' novel approach to treating Duchenne.

Satellos scientists are developing small molecule drugs that they believe will restore faulty regeneration and repair observed in the muscles of patients with Duchenne and potentially other degenerative muscle disorders. The company's drug candidates regulate the activity of an enzyme, codenamed PTP-X, which Satellos discovered is involved in controlling muscle stem cell function, allowing these stem cells to properly divide and repair damaged tissue that accumulates in the muscles of Duchenne patients.

"This grant to purchase critical equipment will enable us to enhance our research throughput, thereby accelerating our evaluation and development of new drug candidates " said Frank Gleeson, CEO of Satellos Bioscience Inc. "Despite an incredibly tough COVID environment, Jesse's Journey has put together its largest pool of research funding in its 26-year history, and we could not be more proud to have obtained their support in advancing our unique approach to treating Duchenne."

"We are very pleased to announce our partnership with Satellos and to directly support the development of their exciting science" said Perry Esler, Executive Director of Jesse's Journey. "Jesse's Journey understands that research is the only way to defeat Duchenne, and we believe that evaluating and testing groundbreaking approaches to drug

development, like that of Satellos, will ultimately lead to better outcomes for patients and their families."

About Satellos

Satellos is a regenerative medicine company dedicated to developing novel therapeutics that stimulate or restore muscle regeneration in severe disorders. Satellos was founded on the discovery that dysregulated muscle stem-cell polarity — a process that balances replenishment of muscle stem cells and production of specialized tissue cells— can lead to the inability of the body to properly repair and regenerate muscle throughout life. Satellos' lead program is focused on developing an oral therapeutic drug for Duchenne muscular dystrophy that serves to correct this dysregulation which Satellos has identified as a root cause of the progressive nature of this disease. Satellos believes defects in muscle regeneration play a critical underlying role in numerous muscle disorders spanning rare diseases through to mass market indications. Accordingly, Satellos applies its proprietary discovery platform, MyoReGenX™, to identify regulatory pathways and drug candidates to treat muscle disorders where stem cell polarity is dysregulated. Satellos also maintains the rights to two clinical stage legacy assets as a result of the reverse takeover of iCo Therapeutics Inc. Founded in 2018, Satellos is headquartered in Canada. For more information about Satellos' regenerative therapeutic discovery platform, development programs, or licensing opportunities for iCo legacy assets please contact Ryan Mitchell, PhD, Director – Business Development @ **rmitchell@satellos.com** or visit Satellos.com.

For more information about Satellos contact:
Frank Gleeson

President and Chief Executive Officer

fgleeson@satellos.com

905.336.6128

About Jesse's Journey

Jesse's Journey is Canada's leading charity fighting to defeat Duchenne muscular dystrophy. For more than 25 years, Jesse's Journey has empowered patients, families, and caregivers living with Duchenne through education and resources, provided a collective voice to advocate for access to treatments in Canada, and has become the country's largest funder of Duchenne research investing more than $14.8M in projects around the world.

For more information about Jesse's Journey contact:

Rochelle ten Haaf

Manager, Marketing and Stakeholder Engagement

226-234-7497

rochelle@jessesjourney.com

www.jessesjourney.com

About Duchenne

Duchenne muscular dystrophy (“Duchenne”) is a fatal genetic disease that slowly and progressively robs people of their muscle strength and function. Diagnosed in childhood, affecting approximately one in 5,000 live male births, Duchenne is caused by a change in the dystrophin gene. In people living with Duchenne, it was discovered by Dr. Michael Rudnicki, the scientific founder of Satellos, that muscle stem cells are severely compromised in their ability to create muscle progenitor cells which repair injured muscle. As a result, people with Duchenne are unable to keep up with the continuous damage to their muscles throughout life.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUYANY SECURITIES IN ANYJURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANYJURISDICTION IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL.

THE SECURITIES ISSUED IN CONNECTION WITH THE ARRANGEMENT and concurrent financing HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “1933 ACT’) AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT. THE RESULTING ISSUER INTENDS TO ISSUE SUCH SECURITIES PURSUANT TO THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 3(a)(10) OF THE 1933 ACT.

Notice on forward-looking statements:

This release includes forward-looking information or forward-looking statements within the meaning of Canadian securities laws, the 1933 Act, the U.S. Securities TSXV Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995 regarding Satellos and its business, which may include, but are not limited to, statements with respect to the ability to obtain regulatory approvals, the final approval of the TSXV and issuance of the final exchange bulletin, the use of proceeds from the Concurrent Financing, Satellos’ technologies and drug development plans,

the timeline to commence clinical trial testing in humans and evaluation plans for drug molecules, the timeline for Satellos Shares to resume trading. Often but not always, forward-looking information can be identified by the use of words such as “expect”, “intends”, “anticipated”, “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may’, “could”, “would” or “will” be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties. Although the 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 risks regarding the pharmaceutical industry, market conditions, economic factors, management’s ability to manage and to operate the business of the company and the equity markets generally. 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.

No regulatory authority has approved or disapproved the content of this press release. Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.