Satellos Announces Closing of US$40M Public Offering

TORONTO--(BUSINESS WIRE)--December 20, 2024--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, today announced that it has closed an equity offering, issuing a total of 63,285,000 equity securities for gross proceeds of approximately $57 million (USD$40 million) (the "**Offering**").

"We are thrilled to raise USD$40 million in capital from high-quality healthcare specialized investors to further fund the advancement of our Phase 2 clinical program for SAT-3247," said Frank Gleeson, Co-Founder and CEO of Satellos.

Bloom Burton Securities Inc. acted as lead agent for the Offering (the "**Lead Agent**") together with a syndicate of agents including Canaccord Genuity Corp., Haywood Securities Inc. and Leede Financial Inc. (collectively, together with the Lead Agent, the "**Agents**"). Under the Offering, subscribers either purchased common shares at $0.90 per common share (the "**Common Shares**") or pre-funded common share purchase warrants for $0.89999 per pre-funded common share purchase warrant ("**Pre-Funded Warrants**" and, together with the Common Shares, the "**Securities**"). Investors purchased a total of 63,285,000 Securities (consisting of 51,420,000 Common Shares and 11,865,000 Pre-Funded Warrants) for gross proceeds of approximately $57 million (USD$40 million).

In Canada, the Securities purchased pursuant to the Offering were qualified for sale by way of a prospectus supplement dated December 17, 2024 (the "**Prospectus Supplement**") to the Company's base shelf prospectus dated April 7, 2024, which was filed in British Columbia, Alberta and Ontario. The Securities were purchased by way of private placement in the United States, pursuant to exemptions from the registration requirements under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**"), and pursuant to all applicable U.S. state securities laws. In addition, the Securities were also sold by way of private placement in certain other jurisdictions outside of Canada and the United States pursuant to and in compliance with applicable securities laws.

The net proceeds of the Offering will be used to advance the Company's Phase 2 clinical development of SAT-3247, as well as working capital needs and other general corporate purposes, as set out in the Prospectus Supplement.

Franklin Berger, a member of the Board of Directors of the Company, purchased 320,000 Common Shares under the Offering, Frank Gleeson, a director and the Chief Executive Officer of the Company, purchased 160,000 Common Shares under the Offering and, Bloom Burton & Co Inc., an insider of the Company, purchased 1,692,250 Common Shares under the Offering. The subscriptions for Common Shares by Franklin Berger, Frank Gleeson and Bloom Burton & Co Inc. are related party transactions within the meaning of applicable Canadian securities laws. The subscriptions by such insiders are exempt from the formal valuation and minority approval requirements applicable to related party transactions on the basis that the value of the transactions insofar as they involve related parties is less than 25% of the Company's market capitalization. The Board of Directors of the Company has approved the Offering. A material change report in respect of the related party transactions could not be filed earlier than 21 days prior to the closing of the Offering due to the limited time between the commitment by such insiders to purchase the subject Common Shares and the closing of the Offering.

The securities described herein have not been, and will not be, registered under the U.S. Securities Act, or any U.S. state securities laws, and accordingly, may not be offered or sold to, or for the account or benefit of, persons in the United States or to U.S. Persons (as such terms are defined in Regulation S under the U.S. Securities Act), except in compliance with the registration requirements of the U.S. Securities Act and applicable U.S. state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities.

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 initially in Duchenne muscular dystrophy (DMD). Satellos has generated a significant body of preclinical evidence in DMD to support its discovery that correcting muscle stem cell polarity with SAT-3247 has the potential to restore skeletal muscle regeneration to repair and strengthen muscle that has been damaged. The Company's lead drug candidate, SAT-3247, is currently in clinical development as a potential disease-modifying treatment for DMD. Additionally, Satellos is leveraging its breakthrough research and proprietary discovery platform MyoReGenX™, to identify degenerative muscle diseases 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, use of proceeds from the Offering; general benefits of modulating stem cell polarity; its prospective impact on Duchenne patients and muscle regeneration generally; 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, 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" or any variations (including negative 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 press 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, those listed in the "Risk Factors" section of the Prospectus Supplement dated December 17, 2024 and the Annual Information Form dated March 26, 2024 (both of which are on the Company's 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 as a result of new information, future events, or otherwise.

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