

iCo Strategic Reorganization

VANCOUVER, Jan. 18, 2016 /CNW/ - iCo Therapeutics Inc. ("iCo" or "the Company") (TSX-V: ICO) (OTCQX: ICOTF), today announced that effective immediately, in an effort to preserve its asset base and maximize shareholder value, the company is undertaking a strategic re-organization.

"Following the announcements of negative top-line and sub-group iCo-007 data sets iCo commenced an exhaustive search for both additional life science assets to acquire as well as potential business combinations," remarked iCo Chief Executive Officer, Andrew Rae. "To date, post a detailed review of many opportunities, we have been unable to conclude a value enhancing transaction which would have made sense for iCo and its shareholders. Management continues to believe that the current market capitalization of the Company does not accurately reflect iCo's intrinsic value, given our current cash position of approximately \$3.38 million dollars – after giving effect to all severance liabilities – plus the value of our iCo-008 and Oral Amphotericin B assets. Furthermore, raising equity capital at current share prices to enhance the value of these assets would prove to be excessively dilutive. Consequently, management is commencing a process to preserve iCo's cash resources, continue development of existing assets and investigate non-dilutive sources of funding for iCo-008 and the Oral Drug Delivery platform, while at the same time maintain an ability to pursue new business opportunities."

Cash preservation: steps are now being taken to significantly reduce iCo's monthly burn rate and fixed costs, which includes the termination of all employees. Andrew Rae and John Meekison will be retained in a reduced consulting capacity to continue their CEO and CFO positions, respectively. It is also anticipated that certain key persons including Dr. Peter Hnik who has acted as Chief Medical Officer historically will also participate in a consulting capacity. Remaining non-essential expenses will be eliminated.

Enhancing value of life science assets: iCo remains very excited about our Israeli partner's progress with regards to using Bertilimumab (iCo-008) to treat bullous pemphigoid and ulcerative colitis, and data on these Phase II trials is expected in H1 2016 and Q4 2016, respectively. Additionally, iCo maintains all rights to use Bertilimumab for eye diseases, and will continue exploring opportunities to partner this asset.

Oral Amphotericin B ("Oral AmpB"): iCo has now entered the process of manufacturing scale-up for the Oral AmpB compound in preparation for clinical trials. We are also pursuing additional avenues to fund this program both in terms of possible partnerships, potential non-dilutive funding such as grants, and/or raising capital in such a way as not to be dilutive to iCo's equity base. Recent efforts have focused on European sources of capital and non-dilutive funds.

Continued search for new opportunities: in addition to further developing our existing assets, Management will continue to search for new business opportunities. Such a search will not be restricted to the life science area, but will include other industries which could enhance value for iCo's shareholders.

About iCo Therapeutics

iCo Therapeutics in-licenses and redefines existing drug candidates or generics by employing reformulation and delivery technologies for new or expanded use indications. The Company holds worldwide rights to an oral drug delivery platform, with Oral Amphotericin B (Amp B) as the initial platform candidate, utilizing a known anti-fungal drug to treat life-threatening infectious diseases. iCo also has worldwide rights to two drug candidates: iCo-007 is a second generation antisense drug candidate targeting C-Raf kinase and iCo-008 is a monoclonal antibody targeting eotaxin-1. With Phase 2 clinical history, Bertilimumab (iCo-008) is a candidate for the treatment of vernal or atopic keratoconjunctivitis and wet age-related macular degeneration. iCo-008 is in Phase 2 clinical studies with iCo's partner, Immune Pharmaceuticals. iCo trades on the TSX Venture Exchange under the symbol "ICO" and the OTCQX under the symbol "ICOTF". For more information, visit the Company website at: www.icotherapeutics.com.

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.

Forward Looking Statements

Certain statements included in this press release may be considered forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will," and similar references to future periods. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on iCo's current beliefs as well as assumptions made by and information currently available to iCo and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, market acceptance and future commitments. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based only on information currently available to iCo and speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by iCo in its public securities filings and on its website, actual events may differ materially from current expectations. iCo disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE iCo Therapeutics Inc.

For further information: Mr. John Meekison, CFO, iCo Therapeutics, 604-602-9414 x 224, meekison@icotherapeutics.com; Andrew Rae, CEO, iCo Therapeutics, 778-772-7775, rae@icotherapeutics.com; Michael Moore, Investor Relations, NATIONAL Equicom, 858-886-7813, mmoore@national.ca

CO: iCo Therapeutics Inc.

CNW 07:00e 18-JAN-16