

iCo Therapeutics Announces First Quarter 2021 Financial Results

Vancouver, British Columbia--(Newsfile Corp. - May 31, 2021) - iCo Therapeutics (TSXV: ICO) (OTCQB: ICOTF) ("iCo" or the "Company"), today reported financial results for the quarter ended March 31, 2021. Amounts, unless specified otherwise, are expressed in Canadian dollars and presented under International Financial Reporting Standards ("IFRS").

Stated William Jarosz, CEO of iCo Therapeutics Inc., "We are very encouraged with our progress during the first quarter of 2021. We are working to complete our previously announced Arrangement with Satellos; we have raised C\$7.25M in a private placement to be used for funding the amalgamated entity going forward; we have received a vote of confidence from existing investors via the exercise of outstanding warrants; and we continue to progress our oral Amp B program toward clinical results across several indications. In the near term, we are diligently working with the Exchange to finalize our shareholder meeting materials and the date of the shareholders' meeting to consider the Arrangement with Satellos is expected to be announced in the near future."

Q1 2021 Operational and Financial Highlights

Corporate

On March 21, 2021, the Company entered into an agreement (the "Arrangement Agreement"), providing for the business combination of iCo and Satellos Bioscience Inc. ("Satellos") by way of a plan of arrangement (the "Arrangement") in accordance with Section 192 of the *Canada Business Corporations Act* (the "CBCA"). Pursuant to the Arrangement, Satellos will become a wholly-owned subsidiary of iCo, and the parties expect to complete an amalgamation of iCo and Satellos, with the resulting entity named "Satellos Bioscience Inc." (the "Resulting Issuer"), operating in the life sciences industry. Following the Arrangement, and the Concurrent Financing (described below) shareholders of iCo will hold an approximately 27.7% ownership interest, and the shareholders of Satellos will hold approximately 58.8% of the outstanding common shares of the Resulting Issuer.

The completion of the Arrangement will result in a reverse takeover of iCo as defined in the policies of the TSX Venture Exchange (the "Exchange"). Completion of the Arrangement is subject to, among other things, the approval of the Exchange, court approval, and approval from iCo and Satellos' shareholders. As part of the Arrangement, iCo has closed a private placement (the "Concurrent Financing") of subscription receipts (the "Subscription Receipts") issuing 85,294,117 subscription receipts at a price of \$0.085 per Subscription Receipt for aggregate gross proceeds of approximately C\$7.25 million, representing an upsize from the C\$6 million financing announced on March 22, 2021. Each Subscription Receipt entitles the holder thereof to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration, one common share in the Resulting Issuer. The proceeds from the Concurrent Financing have been placed in escrow and, upon satisfaction of the release conditions and completion of the Arrangement, will be used for research, development, and general corporate expenses of the Resulting Issuer.

During the quarter ended March 31, 2021, 27,335,000 warrants were exercised for proceeds of \$1,758,795.

Oral Amp B Delivery System

On March 15, 2021, iCo announced that its wholly owned subsidiary, Amphotericin B Technologies, Inc., entered into an agreement with IIT Research Institute to test the in vivo efficacy of iCo's novel oral amphotericin B asset ("iCo-019") against SARS-CoV-2, the causative agent of COVID-19 in the hACE2 mouse model (the "iCo-019 Study"). iCo anticipates that the iCo-019 Study will be completed by the end of Q2 2021.

Financial results for Quarter ended March 31, 2021

We incurred a total comprehensive loss of \$780,194 for the quarter ended March 31, 2021, compared to a total comprehensive loss of \$645,570 for the quarter ended March 31, 2020, representing an increased loss of \$134,624. The increase in the loss is primarily the result of higher general and administration expenses and lower refundable research and development tax credits offset by lower research and development expenses recognized during 2021.

Research and development expenses were \$82,971 for the quarter ended March 31, 2021 compared to \$670,690 for the quarter ended March 31, 2020, representing a decrease of \$587,719. The decrease was due to completion of our Oral Amp B Phase 1b clinical study in the corresponding quarter in the prior year. Accordingly, our contract research expenses were down significantly compared to last year.

For the quarter ended March 31, 2021 general and administrative expenses were \$690,899 compared to \$216,436 for the quarter ended March 31, 2020, representing an increase of \$474,463. The increase reflects higher professional fees associated with the Arrangement Agreement with Satellos during the period.

Liquidity and Outstanding Share Capital

As at March 31, 2021, we had cash and cash equivalents of \$2,103,250 compared to \$65,413 as at December 31, 2020.

As at May 31, 2021 we had an unlimited number of authorized common shares with 181,292,713 common shares issued and outstanding.

For complete financial results, please see our filings at www.sedar.com.

About iCo Therapeutics Inc.

iCo Therapeutics identifies existing development stage assets for use in underserved ocular and infectious diseases. Such assets may exhibit utility in non-ophthalmic conditions outside the Company's core focus areas and if so the Company will seek to capture further value via partnerships. iCo shares trade on the TSX Venture Exchange under the symbol "ICO" and on the OTCQB 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, which may include, but are not limited to, statements with respect to the completion of the Arrangement, the shareholder meeting to consider the Arrangement, satisfaction of the escrow release conditions, intended use of proceeds from the Concurrent Financing, progress of the Oral Amp B program, and the potential of the Oral Amp B compounded as a therapeutic agent for the novel Coronavirus. 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, including statements relating to reporting further data regarding studies for Oral Amp Delivery System, the timing of receipt of the statistical analysis for clinical data, the timing, receipt and amount of Australian refundable tax credits, any decrease in research and development expenditures and the completion of additional funding and commencement of additional clinical studies. 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. In evaluating forward-looking statements, readers should consider the risk factors set out herein, in the "Risk factors relating to the Arrangement" section of the Company's Management's Discussion and Analysis dated May 31, 2021 and in the Company's Annual Information Form dated April 29, 2019, which are both available under iCo's profile on SEDAR at www.sedar.com and as otherwise disclosed in the Company's filings under its profile on SEDAR from time to time. All forward-looking statements are made as of the date of this press release, and 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.

iCo Contact Information

William Jarosz
Chief Executive Officer
iCo Therapeutics
(917) 692-8799
Jarosz@icotherapeutics.com

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

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/85924>