



Press Release

For Immediate Release

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iCo Therapeutics Inc. Announces Upsized Subscription Receipt Private Placement

Vancouver, April 22, 2021: iCo Therapeutics Inc. (“iCo” or the “Company”) (TSXV: iCo) (OTCQB: iCoTF) is pleased to announce that, in connection with its proposed business combination with Satellos Bioscience Inc. (“Satellos”) by way of a plan of arrangement (the “Arrangement”), as previously announced on March 22, 2021, it intends to offer on a private placement basis (the “Financing”) 85,294,117 subscription receipts (the “Subscription Receipts”) at a price of \$0.085 per Subscription Receipt for aggregate gross proceeds of approximately C\$7.25 million, representing an upside from the C\$6 million financing announced on March 22, 2021. Each Subscription Receipt will entitle 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 (as described below). The proceeds from the Financing are to be 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.

The common shares underlying the Subscription Receipts are subject to a lock-up agreement and the Subscription Receipts and the underlying common shares of the Resulting Issuer will be subject to a hold period expiring 4 months and one day from the date of issuance in accordance with applicable Canadian securities laws. The Financing is anticipated to close on or about April 27, 2021, subject to approval by the TSX Venture Exchange (the “Exchange”).

The Financing is led by Bloom Burton Securities Inc. (“Bloom Burton”) and includes Richardson Wealth Ltd. (together the “Agents”). In connection with the Financing and in accordance with the policies of the Exchange, the Agents will receive: (i) a cash fee equal to 6.0% of the gross proceeds raised in connection with the Financing; and (ii) warrants equal to 6.0% of the number of Subscription Receipts issued in connection with the Financing (the “Broker Warrants”). Each Broker Warrant shall entitle the holder thereof to buy one common share of the Resulting Issuer at the issue price in connection with the Arrangement. The term of the Broker Warrants shall be 24 months from the expected closing date of Financing.

Completion of the Arrangement is subject to, among other things, the approval of the Exchange, the Supreme Court of British Columbia and the shareholders of iCo and Satellos (collectively, the “Shareholders”). iCo shares will remain halted for trading pending the approval of the Arrangement by the Supreme Court of British Columbia, the Shareholders and the permission of the Exchange. Upon closing of 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”). Upon the conclusion of the Financing, the holders of the Subscription Receipts will represent approximately 14% of the issued and outstanding common shares of the Resulting Issuer.

William Jarosz, the CEO of iCo noted, “We are very pleased by the success and expansion of the private placement. Following the private placement and Arrangement, the Company will be better capitalized around a more diverse set of clinical programs in various stages of development with very bright prospects for the future under the leadership of Satellos, a company addressing unmet needs in muscle wasting diseases, including Duchenne Muscular Dystrophy. We are also grateful for the support of existing investors participating in this financing who recognized the value of this new strategic direction for the Company.”

Frank Gleeson, the CEO of Satellos, added: “We view the Financing as an extremely encouraging endorsement of the proposed business combination of iCo and Satellos and the potential for its new technology platform which aims to attack and treat a devastating series of muscle wasting diseases. Together with iCo management, we are focused on completing the Arrangement so that we can begin to execute on what we believe is an exciting plan for the future.”

About iCo

iCo is a Canadian biotechnology company principally focused on the identification, development and commercialization of drug candidates to treat ocular and infectious diseases.

iCo generally focuses on in-licensing drug candidates with a clinical history and re-dose, reformulate and develop drug candidates for the treatment of ocular and infectious diseases. iCo assumes the clinical, regulatory and commercial development activities for its product candidates and advances such candidates along the regulatory and clinical pathway toward commercial approval. iCo believes its approach may reduce the risk, time and cost of developing therapeutics by avoiding some of the uncertainty associated with certain research and pre-clinical stages of drug development.

iCo currently has two in-licensed product candidates in various stages of development: iCo-008 (or for potential use in eotaxin-1 mediated indications, sub-licensed to Alexion Pharmaceuticals Inc., and an oral Amphotericin B delivery system under internal development for potential use in fungal infections).

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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 Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995 regarding iCo, Satellos and their respective businesses, which may include, but are not limited to, statements with respect to the completion of the Arrangement, the terms on which the Arrangement is intended to be completed, the ability to obtain regulatory, Exchange and shareholder approvals and other factors, anticipated timeline for the nomination by Satellos for a lead compound as its development candidate, conduct pre-IND studies and the timeline for Satellos to commence clinical trial testing in humans and evaluation plans for drug molecules, the timeline for iCO shares to resume trading, and statements regarding the Financing. 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 of each entity 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, including completion of the Arrangement and the Financing (and the proposed terms upon which the Arrangement and the Financing are proposed to be completed), may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the pharmaceutical industry, market conditions, economic factors, management's ability to manage and to operate the business of the Resulting Issuer and the equity markets generally. Although iCo and Satellos have 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 neither iCo nor Satellos undertake any obligation to publicly update or revise any forward- looking statement, whether as a result of new information, future events, or otherwise.

Neither the Exchange nor its regulation services provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

For More Information

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