

Ortho Regenerative Technologies Reports Its Second Quarter 2020 Financial Results

- **\$750,000 of confirmed subscriptions into private placement of convertible debenture units**
- **\$342,000 investment tax credits financing**
- **\$894,000 conversion of short- and long-term loans from Manitex into private placement of convertible debenture units**
- **Significant progress on development and regulatory activities to enable Ortho-R IND filing by fiscal year-end**
- **Signing of a collaborative Material Transfer Agreement ("MTA") with leading global Orthopaedic Company to evaluate formulation of the partner's commercial product properties when used in conjunction with Ortho's Ortho-R product**

MONTREAL, Oct. 1, 2019 /CNW/ - [Ortho Regenerative Technologies Inc.](#) (CSE: ORTH) ("Ortho RTI" or the "Company"), an emerging orthobiologics company today reported its financial results for the second quarter of 2020 ended July 31, 2019.

"We are pleased with the current progress achieved on our lead development program", said Claude LeDuc, President and Chief Executive Officer of Ortho RTI. "We see growing interest from reputable orthopaedic companies towards our proprietary platform. We look forward to generating even more interest with the upcoming results from our 6-month preclinical study, the anticipated filing of the IND and the start of the rotator cuff Phase I/II clinical trial".

Commenting on the 2020 second quarter financial results, Luc Mainville, Ortho-RTI's Senior Vice-President and Chief Financial Officer, said "The recently confirmed subscriptions in our private placement, loans conversion and investment tax credits financing totalling \$2.0 million provides us with the financial flexibility and required funding to advance confidently towards human trials".

Second Quarter 2020 Highlights

- In June 2019, the Company nominated Mr. Claude LeDuc as its new President and CEO. Mr. LeDuc has cumulated 32 years of senior executive, CEO, COO experience with private and Fortune 500 medical device and bio-pharma companies.
- In June 2019, the Company appointed Messrs. Pierre Laurin and Claude LeDuc to its Board of Directors. Both are well-known and seasoned industry veterans with a long track record of developing strategic biotherapeutic partnerships and successfully raising the capital required to develop world leading technologies.

Subsequent events to Q2 2020

- In August 2019, the Company provided a business update on its Ortho-R rotator cuff program. The Company completed the in-life portion of a 6-month preclinical study started in January 2019 that is required to start its rotator cuff Phase I/II clinical trial. The MRI data collection has been successfully completed and is being analyzed. Collected tissue samples are being prepared for histology analysis. The final report is expected in the fall of 2019, along with other final IND requirements regarding manufacturing and product stability.
- August 2019, the Company announced that it entered into a collaborative MTA with a leading global Orthopaedic Company (the "Partner"). Under the terms of the MTA, a formulation of the Partner's commercial product will be evaluated for its properties when used in conjunction with

Ortho's Ortho-R product. The work to be performed under the MTA is scheduled to be completed before 2019 year-end.

- In August 2019, the Company signed a new short-term loan agreement to finance its 2020 fiscal year Investment Tax Credits in the amount of \$0.34 million.
- In September 2019, the Company selected MCRA, LLC as its US based orthopedic specialty clinical research organization, to conduct its upcoming Phase I/II rotator cuff Ortho-R human trial.
- On September 30, 2019, the Corporation confirmed having received subscriptions totaling \$750,000 under its previously announced Non-Brokered Private Placement of unsecured convertible debenture units (the "Units"). Final terms of the Units are as follows: Each Unit consists of one unsecured convertible debenture in the principal amount of \$1,000 (each, a "Debenture") and 2,000 Class "A" share purchase warrants (each, a "Warrant"), with an exercise price of \$0.50, expiring 24 months after the date of issuance of such Warrants, representing a 60% warrant coverage. Debentures will be convertible at \$0.30 per share (the "Conversion price"). The Debentures will bear interest at a rate of 10% per annum from the date of issue, payable in cash, annually in arrears. In the event that the average VWAP over any twenty (20) consecutive trading days is greater or equal to \$1.00, the Corporation may give notice to the Warrant holder that it must exercise its remaining Warrants within a period of 30-days from the date of receipt of the notice, failing which the Warrants will automatically expire. The securities issued under the Private Placement will be subject to a four-month hold period in accordance with applicable securities legislation.
- Concurrent to the Convertible Debt Financing, the Corporation amended the terms of the Note payable of \$147,000, and the Convertible Loan of \$720,000, to allow both the Note and Convertible Loan to be converted in any kind of securities. Following such amendment, both the Note Payable and the Convertible loan plus accrued interest totalling \$894,000 were converted into the Non-Brokered Private Placement.

Financial Statements and MD&A

Ortho RTI's financial statements and Management's Discussion and Analysis for the three-month and six-month periods ending July 31, 2019 are available on SEDAR at www.sedar.com

About Ortho Regenerative Technologies Inc.

Ortho RTI is an emerging Orthobiologics company dedicated to the development of novel therapeutic soft tissue repair technologies to dramatically improve the success rate of orthopedic and sports medicine surgeries. Our proprietary RESTORE technology platform, is a muco-adhesive CHITOSAN based biopolymer matrix, specifically designed to deliver biologics such as Platelet-Rich Plasma (PRP) or Bone Marrow Aspirate Concentrate (BMAC), to augment and guide the regeneration of new tissue in various musculoskeletal conditions. Ortho-R, our lead Chitosan-PRP hybrid biologic implant product, is formulated and designed to increase the healing rates of occupational and sports related injuries to tendons, meniscus and ligaments. Other formulations are being developed for cartilage repair, bone void filling and osteoarthritis treatment. The polymer biologics hybrid combination can be directly applied into the site of injury by a surgeon during a routine operative procedure without significantly extending the time of the surgery and without further intervention. An Ortho-R Rotator Cuff Tear Repair Phase I/II clinical trial is planned with an FDA IND submission in Q1 2020. Considering the significant bioactivity and residency properties of our proprietary biopolymer, Ortho RTI continues to assess its potential for therapeutic uses outside of the soft tissue repair field. Further information about Ortho RTI is available on the Company's website at www.orthorti.com and on SEDAR at www.sedar.com. Also follow us on LinkedIn and Twitter.

Forward-Looking Statements

This news release may contain certain forward-looking statements regarding the Company's

expectations for future events. Such expectations are based on certain assumptions that are founded on currently available information. If these assumptions prove incorrect, actual results may differ materially from those contemplated by the forward-looking statements contained in this press release. Factors that could cause actual results to differ include, amongst others, uncertainty as to the final result and other risks. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by security laws.

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CNW 07:00e 01-OCT-19