Ortho Regenerative Technologies Reports its Third Quarter 2020 Financial Results

- **$1.6 million private placement closed consisting of $750,000 of subscriptions and $894,000 from conversion of loans from Manitex Capital Inc.**
- **$500,000 additional subscriptions into private placement received after quarter end, including $348,000 from staff and insiders.**
- **Leading US based orthopaedic specialty CRO selected for upcoming Phase I/II rotator cuff human trial.**
- **Filing of Phase I/II clinical trial US IND with the FDA expected during the first quarter of calendar 2020**

MONTREAL, Dec. 31, 2019 /CNW/ - **Ortho Regenerative Technologies Inc**. (**CSE: ORTH**) ("**Ortho RTI**" or the "**Company**"), an emerging orthobiologics company, today reported its financial results for the third quarter of 2020 ended October 31, 2019.

"We are pleased with the progress achieved during the last quarter. With support from our development partners, we continued to further advance all activities related to the initiation of our US Phase I/II clinical study on shoulder rotator cuff tears repair with our biologic implant Ortho-R," said Claude LeDuc, President and Chief Executive Officer of Ortho RTI. "The results of our 6-months pivotal preclinical study are expected in January 2020. As this study represents one of the last elements to enable Ortho RTI to file its US-IND with the FDA, we are enthusiastic about becoming a clinical-stage company in the first part of 2020."

Commenting on the FY 2020 third quarter financial results, Luc Mainville, the Company's Senior Vice-President and Chief Financial Officer, said: "Consistent with prior quarters, the bulk of our spending related to advancing our lead Rotator Cuff program. With continued support from our partners and financial backing from insiders and new investors, we kept on delivering our development milestones as planned. As demonstrated by the successful recent closing of private placements, we remain confident in our ability to secure the necessary capital going forward to fund our operations and development projects."

Third Quarter 2020 Highlights

- In August 2019, 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;
- In August 2019, the Company entered into a collaborative MTA with a leading global Orthopaedic Company. Under the terms of the MTA, a formulation of the Partner's commercial product is being 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. MCRA's regulatory and clinical trial preparation work has been initiated. The Company is advancing as planned towards the filing of its US-IND with the FDA during the first quarter of the calendar 2020;
- In October 2019, the Corporation closed a non-brokered $1.6 million private placement of

convertible debenture units consisting of $750,000 of subscriptions and $894,000 from conversion of loans from Manitex Capital Inc. Insider contribution into private placement totaled $1,3 million. The Company issued 1,644 unsecured convertible debenture units at a purchase price of $1,000 per Unit for gross proceeds of $1,644,000. Each Unit consists of one 10% unsecured convertible debenture for a principal amount of $1,000 convertible at a $0.30 price per Class "A" share of the Company and 2,000 Common Share purchase warrants with an exercise price of $0.50 representing a 60% warrant coverage. The Warrants will automatically convert into Common Shares of the Company at the Exercise Price in the event that the volume weighted average price ("VWAP") over any 20 consecutive trading days is greater or equal to $1.00. Both the Debentures and the Warrants have a maturity date of October 8, 2021; and

- In October 2019, the Company started the histopathology evaluation of the samples collected from the pivotal preclinical trial and successfully completed the manufacturing's methods and process validations. The Company also continued ongoing scale-up and stability activities for the manufacturing of cGMP grade clinical testing material. The final report of the pivotal preclinical results analysis is expected in January 2020.

Subsequent Events to Third Quarter 2020

On December 31, 2019, the Corporation closed a non-brokered $0.5 million private placement of convertible debenture units (the "Private Placement"), representing the first tranche of the $1 million private placement financing announced on December 30, 2019. The Company issued 500 unsecured convertible debenture units (the "Units") at a purchase price of $1,000 per Unit for gross proceeds of $500,000. Each Unit consists of one 10% unsecured convertible debenture for a principal amount of $1,000 (each, a "Debenture") convertible at a $0.30 price per Class "A" share of the Company ("Common Share") and 2,000 Common Share purchase warrants (each, a "Warrant"), with an exercise price of $0.50 ("Exercise Price"). The Warrants will automatically convert into Common Shares of the Company at the Exercise Price if the volume weighted average price over any 20 consecutive trading days is greater or equal to $1.00. Both the Debentures and the Warrants have a maturity date of December 31, 2021. Manitex Capital Inc., the Company's principal shareholder, the Chief Executive Officer, the Senior Vice-President and Chief Financial Officer, two independent directors and two senior staff members all participated in the Private Placement for an aggregate amount of $348,000. Participation of insiders of the Company in the Private Placement constitutes a "related party transaction" as defined under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions ("Regulation 61-101"). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided respectively under sections 5.5 (a) and 5.7(a) of Regulation 61-101 on the basis that the Company's Common Shares trade only on the Canadian Securities Exchange (CSE) and that participation in the Private Placement by insiders does not exceed 25% of the fair market value of the Company's market capitalization. A material change report was not filed more than 21 days prior to the closing of the Offering as the level of insider participation was not known at that time.

Financial Statements and MD&A

Ortho RTI's financial statements and Management's Discussion and Analysis for the three-month and nine-month periods ending October 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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For further information: Claude LeDuc, President and Chief Executive Officer, (514) 693-8804, leduc@orthorti.com; Luc Mainville, Senior Vice-President and Chief Financial Officer, 514-693-8854, mainville@orthorti.com; Frederic Dumais, Director Communications and Investor Relations, (514) 782-8803, dumais@orthorti.com

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