Ortho Regenerative Technologies Inc.

Management's Discussion and Analysis for the first quarter ended April 30, 2020
(In thousands of Canadian dollars, except for units, share and per share amounts)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") for Ortho Regenerative Technologies Inc. (the "Corporation" or "Ortho RTI") provides an overview of the Corporation's operations, performance and financial results for the first quarter of our 2021 fiscal year ended on April 30, 2020 and compares those of the same period in fiscal year 2020. This MD&A is the responsibility of management and has been reviewed and approved by its Board of Directors. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board of Directors and is comprised of financially literate directors. This report was reviewed by the Corporation's Audit Committee on June 29, 2020 and approved by Ortho RTI's Board of Directors on June 29, 2020. This document should be read in conjunction with the unaudited financial statements and notes thereto for the first quarter ended April 30, 2020 which have been prepared in accordance with *International Financial Reporting Standards*. Unless otherwise noted, all amounts are presented in thousands of Canadian dollars, except for share and per share amounts.

The ability of the Corporation to fulfill its obligations and finance its future activities depends on its ability to raise additional capital and the continuous support of its creditors. The Corporation believes its efforts to raise sufficient funds to support its activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of a material uncertainty that may cast a significant doubt about the Corporation's ability to continue as a going concern without obtaining additional financial resources. Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic initiatives. The financial statements as at April 30, 2020 do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern. Such adjustments could be material.

Forward-looking statements

The information contained in this MD&A may contain some forward-looking statements. Forward-looking information is not limited to information with respect to our future financial and operating performance, future development activities and adequacy of financial resources. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience. Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this management analysis. Although we have attempted to identify important factors that could cause actual results to differ from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information.

GLOSSARY TERMS

Calendar & Financial

CDU	Convertible Debenture Units
FY-20	Fiscal Year ended January 31, 2020
FY-21	Current Fiscal Year ending January 31, 2021
G&A	General and Administrative
ITC	Investment tax credits
Q1-21	First quarter 2021
Q4-20	Fourth quarter 2020
Q3-20	Third quarter 2020
Q2-20	Second quarter 2020
Q1-20	First quarter 2020
Q4-19	Fourth quarter 2019
Q3-19	Third quarter 2019
Q2-19	Second quarter 2019
R&D	Research and Development
YTD	Year to date
YE-21	Year-end 2021 – January 31, 2021
YE-20	Year-end 2020 – January 31, 2020

Corporate & Operations

cGMP	current Good Manufacturing Practice
CMO	Contract Manufacturing Organization
CSE	Canadian Securities Exchange
FDA	US Food and Drug Administration
IDE	Investigational Device Exemption
IND	Investigational New Drug application with the FDA
MCRA	MCRA, LLC, a US based orthopedic specialty CRO
MRI	Magnetic Resonance Imaging
MTA	Material Transfer Agreement
Ortho RTI	Ortho Regenerative Technologies Inc.
Ortho-C	Proprietary biopolymer for Articular Cartilage repair
Ortho-M	Proprietary biopolymer for Proprietary Biopolymer for Meniscus repair
Ortho-R	Proprietary biopolymer for Rotator cuff repair
Ortho-V	Proprietary biopolymer for Osteoarthritis healing
Polytechnique	Ecole Polytechnique de Montreal
PRP	Platelet-rich plasma
Pre-RFD	Pre-Request for Designation

(In thousands of Canadian dollars, except for units, share and per share amounts)

OVERVIEW OF THE BUSINESS AND BUSINESS STRATEGY

Ortho RTI has been incorporated under the Canada Business Corporations Act. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada. The Corporation's shares are publicly traded on the CSE under the symbol "*ORTH*." The Corporation has 24,752,424 common shares that are issued and fully paid as at April 30, 2020 of which 1,726,363 shares are held in escrow and to be released on October 10, 2020.

The Corporation is an emerging Orthopaedic and Sports Medicine biologics company dedicated to the development of novel therapeutic soft tissue repair technologies to dramatically improve the success rate of orthopaedic and sports medicine surgeries. The Corporation's proprietary biopolymer has been specifically designed to increase the healing rates of occupational and sports related injuries to tendons, ligaments, meniscus, and cartilage. The biopolymer – autologous PRP combination implant, can be directly placed into the site of injuries by surgeons during routine operative procedures without significantly extending the duration of surgeries and without further interventions. The Corporation's technology was developed at Polytechnique, and senior researchers at Polytechnique are still actively involved in the day-to-day development of Ortho RTI's pipeline.

Development Pipeline

Ortho RTI's pipeline includes four active R&D projects:

Development Stage

Program	Indication	Details
Ortho-R	Rotator Cuff	Ortho-R is Ortho RTI's lead program. Ortho-R is a biopolymer-PRP bioactive implant, specifically designed to guide and accelerate the repair of various musculoskeletal conditions. We are aiming to assess the clinical efficacy of Ortho-R, initially for Rotator Cuff repair. Ortho-R can also be used to accelerate the healing of other soft tissues such as ligaments and meniscus (see Ortho-M).
Ortho-M	Meniscus	Testing the efficacy of our biopolymer-PRP bioactive implant for meniscus repair

Feasibility Stage

Product	Indication	Details
Ortho-C	Cartilage repair	Feasibility research on a freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair, including microfracture and drilling.
Ortho-V	Osteoarthritis	Feasibility research on a freeze-dried biopolymer formulation combined with autologous biologics, tailored for intra-articular injections to provide visco-supplementation of articular joints and potentially gain disease modification outcomes in applications such as Osteoarthritis.

Considering the significant bioactivity and residency of our proprietary biopolymer – PRP implants, Ortho RTI continues to assess its potential for therapeutic uses outside of the soft tissue repair market.

Ortho-R for Rotator Cuff repair

Ortho-R is a freeze-dried formulation that contains a biopolymer, a lyoprotectant and a clot activator. This freeze-dried formulation can be solubilized in platelet-rich plasma ("PRP") to form injectable bioactive implants that coagulate after implantation. Extensive in vitro testing has allowed the Corporation to identify specific formulations that meet the criteria for optimal commercial products:

(i) rapid and complete solubilization in PRP;
(ii) biopolymer-PRP mixtures having paste-like handling properties desired by surgeons;
(iii) biopolymer-PRP mixtures that coagulate rapidly to form solid biopolymer-PRP hybrid implants;
(iv) biopolymer-PRP implants that are mechanically stable and resist platelet-mediated clot retraction; and
(v) dispersion of the biopolymer in the implants that is homogenous for optimal biodegradability.

The use of Ortho-R in conjunction with standard of care suturing techniques produced promising histological findings in small and large animal models, which is expected to translate into superior rotator cuff repair for humans. No adverse events were found in any of the above-mentioned animal studies, which suggests a high level of safety. Progress made during the recent quarters have set the stage for achievements of major corporate/regulatory/strategic milestones over the current and upcoming calendar years. Having completed the in-life portion of our pivotal animal study at the end of Q2-20, the preclinical study samples preparation and process were completed during the quarter. The pivotal study analysis is currently being processed with final results and report expected in June 2020. During the quarter, the Corporation has tried mitigating as much as possible the impact caused by the COVID-19 pandemic. We continued working on completing the product stability testing, and cGMP manufacturing processes, FDA regulatory documentation requirements. and as well as advancing the planned US clinical trial submission in Q3-2020 (calendar year).

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The following tables presents a summary of the past and projected milestones based on calendar quarters/years for the 2019-2022 period:

Past and Projected Milestones Year 2019-2022	Calendar	Calendar Quarters/Years									
		Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	2021	2022
Corporate / Strategic											
MTA collaboration	Initial Phase			➔							
	interim report				☑						
MTA collaboration - Step 2	On-Hold (Covid-19)										
Ortho-R Clinical Trial - Rotator Cuff repair											
CMC Manufacturing	Scale-up			➔		☑					
	Stability 2yrs - shelf life			➔			☑				
	Stability 3yrs - shelf life			➔				■			
	Clinical batch						➔	■			
6-month pivotal animal trial	in-life portion	➔		☑							
	results						■				
Pre-IND Meeting - FDA		☑									
US-FDA IND/IDE	Preperation			➔	☑						
	Filing Pre-RFD					☑					
	IND/IDE filing							■			
	IND/IDE approval						□	■			
US Human Clinical	CRO Selection			☑							
	trial START							➔			
	enrolment initiated								■		
	enrolment completed									■	
	interim results									■	
	Completion										■

➔ Initiation
□ previous target last quarter
■ Current Target
☑ Completed

Note that, when setting the above timelines, management has not taken into account any possible delays that could take place as a result of the Covid-19 pandemic. Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

Q1-2021 CORPORATE HIGHLIGHTS

Ortho-R Program

- On March 12, 2020, Ortho RTI announced positive results following completion of its MRI segment analysis of its pivotal preclinical study in Rotator Cuff Tear repair. The results confirmed the safety profile of Ortho-R treatment as well as statistical significance over standard-of-care control. The results demonstrated a statistically significant decreased in MRI tendon gap measurement, which is indicative of faster restauration of tissue structure. The MRI also showed a higher signal intensity ratio at the humeral head at 6 months with standard of care control, compared to ORTHO-R treatment. Higher SI ratio is indicative of less trabecula (bone structural tissue), more fluid, or combination thereof. Severe heterotopic ossification (HO) was less frequent with Ortho-R treatment as scored by MRI. HO is a condition of abnormal formation of bone in tissue. The formation of HO around the shoulder is a rare but potentially debilitating condition (Hallock 2019). These successful MRI analysis results clearly demonstrated the superiority of the Ortho-R treatment over standard of care control, in our "state-of-the-art" pivotal large animal study.

Financing

- On April 22, 2020, the Corporation completed a non-brokered private placement for $1,060 worth of unsecured convertible debentures units at a price of $1 (one thousand) per units. The debentures bear interest at a rate of 10% per annum with a maturity date of April 21, 2022. The debentures are convertible at a price per Class A common shares of $0.30, in whole or in part, at the option of the holder at any time prior to the close of business on the last business day immediately preceding the maturity date. Each debenture unit consisted of one $1 ($ one thousand) principal amount unsecured convertible debenture and 2,000 share purchase warrants, each exercisable into one common share of the Corporation at $0.50 per share two (2) years from issuance. 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 "average VWAP" is the average of the volume weighted average market prices of the Corporation's Class "A" Shares on a single day. The private placement included $395 of contributions from insiders which represented 37% of all subscriptions. This continued support from insiders represents a significant endorsement of the Corporation's development programs and other fast-developing corporate initiatives.

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Other corporate highlights & Subsequent events:

- On May 20, 2020, the Corporation announced that it has entered into a strategic and licensing agreement (the "Agreement") with Ingenew Pharmaceuticals Inc. ("Ingenew") a company controlled by an independent director of the Corporation. The Agreement will explore the expansion of the scope of Ortho RTI's proprietary technological platform applications to include the delivery of therapeutics. Under the Agreement, Ingenew will fund the research and development activities looking to specifically further advance Ortho RTI's proprietary technology platform as a delivery system for its proprietary therapeutics. Ingenew plans to integrate Ortho RTI's platform in its ongoing various oncology, urology and periodontal diseases programs, which are the main therapeutic areas that are exclusive to Ingenew under the Agreement. Ortho RTI is entitled to royalties on sales of products and on licensing revenues integrating Ingenew therapeutics agents and Ortho RTI's proprietary delivery platform. Ortho RTI will also benefit from a fully paid up grant back license from Ingenew to access all improvements to its proprietary technology platform for orthopedic applications. Other therapeutic fields can be targeted leveraging the further advanced Ortho RTI platform developed by either party or in collaboration.
- On June 22, 2020, the Corporation announced the appointment of Mr. Michael Atkin as its new independent Chairman of the Board. Mr. Atkin is succeeding Mr. Steve Saviuk. Mr. Saviuk will continue to serve the Company as a Board member. Mr. Atkin has over 30 years of experience in the life sciences sector as an entrepreneur, start-up executive, leader and manager in the pharmaceutical and biotechnology industries and a strong track record of partnering and advancing new technologies towards commercialization. Mr. Atkin is President of Syzent Partners Ltd., a consulting firm based in Montreal, QC. Prior to founding Syzent in 2008, Mr. Atkin was Executive Chair and subsequently CEO of Ulysses Pharmaceuticals, and founding CEO of Aegera Therapeutics. Earlier in his career, Mr. Atkin held senior executive positions in product development and licensing at Bristol-Myers Squibb Company and Lederle International, now part of Pfizer. He holds an MBA from Columbia University's graduate school of business (New York, USA) and a BA from the University of Kent at Canterbury (Great Britain).

SELECTED FINANCIAL DATA

The following table sets forth financial information relating to the periods indicated and should be read in conjunction with the April 30, 2020 unaudited financial statements.

Consolidated Statements of Loss

	Q1-21	**Q1-20**	***Change***	
	$	$	*$*	*%*
Expenses				
R&D	**404**	336	*68*	*20%*
Provision for (recovery) of income	**(39)**	(68)	*(29)*	*(43%)*
R&D Costs (Net)	**365**	268	*97*	*36%*
Recovery %	***9.8%***	*20.5%*	*(10.7%)*	
G&A	**507**	244	*263*	*108%*
Share-based compensation	**20**	10	*10*	*100%*
Financial	**168**	68	*100*	*146%*
Total Expenses net of ITC's	**1,060**	**590**	*470*	*80%*
Loss per share				
Basic and diluted	**0.04**	0.02	*0.02*	*79%*
Weighted average number of shares outstanding	**24,752,424**	**24,752,424**	-	*0%*

	Q1-21 vs Q1-20
Revenues	• Since Ortho RTI is a clinical stage company, there was no revenue generated during each of Q1-21 and Q1-20.
R&D expenses (Gross)	• Gross R&D expenses include, development costs related to work performed under a Collaborative R&D contract with Polytechnique as well as specific manufacturing activities, regulatory, pre-clinical and clinical work to advance our pipeline. R&D expenses and both internal and external expenses related to the development of our product pipeline. For most contracts, expenses are accounted for when contractual obligations are met. Gross R&D expenses are presented prior to considering R&D tax credits (ITC's) recovered from the provincial government for Scientific Research and Experimental Development (SR&ED) programs.
	• The 20% increase is due to a large non-recurrent expense incurred in Q1-21 and related to the finalization of our pre-clinical pivotal study on Ortho-R compared to a smaller amount expensed in Q1-20. Other R&D expenses included costs incurred in relation to the Polytechnique R&D contract which were stable between the 2 periods, as well as fees incurred in relation to the preparation of our US clinical trial such as 1) CRO consulting fees to

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	support our interactions with the US-FDA in anticipation of our IDE filing in Q3-21, 2) pre-selection of the US clinical centers to be involved in the study and 3) development of the clinical trial protocol, recruitment criteria etc. • The Q1-21 expenses also included savings made following the termination in Q2-20 of a senior R&D staff member involved in project management, since replaced by the new CEO who possesses the required skills to assume project management duties.
ITC's	• ITC's represent R&D tax credits recovered from the provincial government for Scientific Research and Experimental Development ("SR&ED") programs. Claims can be made for eligible R&D expenses and the recovery rates vary depending on the nature of the expense. Salary and wages typically lead to a greater recovery than external costs. Since going public in 2017, the Corporation lost its CPCC ("Canadian controlled private company") status, and consequently in only eligible to refundable Quebec credits, while federal credits are applied against future profits. • The Corporation will favour Quebec based suppliers where possible in order to claim SR&ED refundable credits and reduce the net costs of performing its R&D programs. • Ortho-R has opted to elect a US-based CRO, MCRA to help with the planning and execution of its Ortho-R clinical trial with most centers to be located in the US. The Corporation believes this is the best strategy to optimize the results of the study and create the most value for its shareholders. This decision will likely reduce the SR&ED claims going forward on the Ortho-R program.
	• The ITC's claimed for Q1-21 were $39 as compared to $68 for Q1-20 representing a 43% reduction. The reduction is driven by a decrease in R&D recovery rate of 9.8% as compared to 20.5% between the 2 periods and reflects the reduction in wages paid between the 2 periods (see R&D expenses above), and a greater portion of R&D expenses spent on US contracts which do not qualify for SR&ED credits.
R&D expenses (Net)	• Net R&D expenses was 36% higher for the quarter as compared to the prior year quarter, after considering the ITC's to be recovered. The increase is partly related to greater spending (see comments above) and lower % of ITC credits as the lower wages paid during the quarter and a greater portion of the spending in relation to non-Quebec based suppliers led to a reduction of the income tax credits % between the two periods.
G&A expenses	• G&A expenses include consulting fees paid to non-R&D staff, conferences and travel expenses, professional fees, and investors relation activities. G&A expenses also include office lease costs, presented as depreciation for the right-of-use asset and interest accretion on the related lease liability starting in FY-20. (see IFRS 16 – Leases).
	• During Q1-21, total G&A was $507 compared to $244 for the prior year period, representing a $263 increase. The 108% increase between Q1-20 and Q1-21 was due to a non-recurrent salary adjustment of $267 paid to senior management. The salary adjustment was paid in shares as part of the April 21, 2020 CDU financing to compensate for management having received CDU units between July 2020 to April 2021 in lieu of cash. Management was requested to convert all of its remuneration into CDU units in order to preserve liquidities and maximize allocation of cash raised from CDU financing towards payments of third-party suppliers. This provided cash savings to the Corporation and ensured that its lead Ortho-R program, kept progressing as planned. Before considering this one-time expense, G&A expenses were lower than the prior year period at $235 compared to $258 representing a 9% decrease. The $235 amount included $137 of salary and fees paid to the CEO, CFO and other staff compared to $153 for the comparative Q1-20 period.
Share-based compensation	• Represents the expense related to issuing options to staff, board members and consultants.
Financial expenses	• Since the start of 2020 fiscal year, the Corporation financed its operation via the issuance of interest-bearing instruments such as CDUs and ITC loans as opposed to equity. • Financial charges increased significantly in Q1-21 as compared to Q1-20 at $168 compared to $68 representing a 146% increase or $100. The financial charges for Q1-21 included $107 of interest accrued on the Convertible debentures issued between October 2019 and April 2020. • The financial expenses for Q1-21 included nil expenses for the convertible loan from Manitex as compared to $33 in Q1-20. The Manitex loan was converted into CDU's as part of the October 21, 2019 financing.
Total Expenses	• Total expenses net of ITC's for Q1-21 were $1,060 compared to $590 for Q1-20 representing an 80% increase or $470. The increase was driven by a non-recurrent salary adjustment for $267 (see G&A expenses), the net increase in R&D spending for $97 and the $107 CDU interest.

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Net loss for the period	• As indicated above, the loss for the Q1-21 compared to Q1-20 increased due to the financing strategy adopted to attract capital during the year as well as a result of a non-recurrent salary adjustment required to compensate for management not receiving a cash remuneration since July 2020. • Our lead program Ortho-R is entering human clinical trial phase in FY-21, which should facilitate equity-based financings as opposed to issuance of CDU's.

Balance Sheet Highlights

The following table sets forth the financial information related to the Corporation's statements of financial position for the periods indicated and should be read in conjunction with the unaudited financial statements for Q1-21.

As at,	**30-Apr-20**	31-Jan-20	*Change*	
	$	$	*$*	*%*
(Bank overdraft) / Cash	**54**	302	*(248)*	*(82%)*
Current assets	**416**	741	*(321)*	*(44%)*
ITC (current & non-current)	**204**	361	*(157)*	*(43%)*
Intangible Assets	**388**	396	*(8)*	*(2%)*
Non-current assets	**516**	546	*(30)*	*(5%)*
Total assets	**932**	1,287	*(351)*	*(27%)*
Liabilities – current	**1,425**	1,637	*(218)*	*(13%)*
Convertible debentures	**2,634**	1,726	*908*	*53%*
Liabilities - non-current	**2,679**	2,049	*630*	*31%*
ITC Loans	**437**	596	*(159)*	*(27%)*
Total liabilities	**4,115**	3,686	*429*	*12%*
Common shares	**5,415**	5,418	*(3)*	*(0%)*
Warrants	**856**	732	*124*	*17%*
Equity component of Convertible debentures	**520**	385	*135*	*35%*
Contributed surplus	**975**	955	*20*	*2%*
Deficit	**10,949**	9,889	*1,060*	*11%*

Selected items	**Q1-21 vs YE-20**
Cash	• Cash at the end of Q1-21 was $54 as compared to $302 at the start of the year. Amounts raised as part of the April 21, 2020 CDU financing were received throughout the January-April 2020 period and were used to settle liabilities and stay current on our supplier payments. For that reason, despite the $1,060 CDU financing closed on April 21, 2020, the cash reserves were limited at the end of the quarter. (See Liquidities and Capital resources)
ITC's and Current assets	• The 44% decrease in current assets results from the $248 decrease in cash resources, as well as a $157 reduction of ITC receivables offset partly by a $59 increase in sales tax receivables. ITC amounts collected during the Q1-21 period were used to reduce the ITC loans.
Intangible Asset	• Intangible assets reflect the net book value of our patents and biopolymer technology acquired from Polyvalor. The nominal reduction between Q1-20 and Q1-21 results from the amortization of these assets. Ortho RTI is the owner of 4 patent families. Our patent portfolio includes the following: ○ Patent Family No.1: Clot-activated polymer composition for repairing the tissue of the subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprising platelet-rich plasma (PRP), a biopolymer, a salt and a clot activator. ○ Patent Family No.2: Novel formulation of physiological biopolymer-inorganic salt solution/blood mixtures for tissue repair. *This patent family was abandoned on November 9, 2019*. The company's Freeze-Dried platform patents (family 3-4, covers all applications found in the Patent Family No.2 plus many other claims, such as faster coagulation onset time, easier use for the clinicians and a much longer commercially viable shelf life. ○ Patent Family No.3: Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injection. ○ Patent Family No.4: Freeze-dried biopolymer scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes, including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix.
Current liabilities	• Current liabilities as at Q1-21 have decreased by 13% or $218 compared to YE-20. The variance includes a $159 reduction in ITC loans following receipt of prior years' ITC claims and a $53 (5%) decrease in accounts payable and accrued liabilities. ITC loans have been secured to fund FY-20 and prior years ITC's, and are reimbursed on

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	reimbursement of ITC's from the government. Trade payables are mainly composed of R&D suppliers involved in the Ortho-R projects and G&A suppliers.
Convertible debentures units (CDU)	• During the past year, the Corporation issued $3,204 worth of CDU's to fund its operation including a first closing of $1,644 on October 8, 2019, a second closing of $500 on December 30, 2019 and a third closing of $1,060 on April 21, 2020. At YE-20, the Convertible debentures plus accreted interest net of the fair value allocated to the warrants issued as part of the CDU financing and the fair value allocated to the conversion option of the debentures amounted to $1,726 compared to $2,634 at the end of Q1-21. Please refer to note 13 of our Q1-21 unaudited financial statements for more details on the Convertible debentures. • The $908 net variation to the Convertible debentures for Q1-21 compared to YE-20 included a conversion of the $302 long term loan, $758 raised during the period which include the $267 non-recurrent salary adjustment to management paid in CDU's in lieu of cash (see G&A expenses), a $124 fair value allocated to warrants issued as part of the CDU financing, and $135 for the fair value allocated to the conversion features of the Convertible debentures.
Warrants	• $124 increase relates to the issuance of warrants as part of the April 21, 2020 CDU financing.
Equity component of Convertible debentures	• The equity component of the convertible debentures represents the fair value of the conversion features of the convertible debentures. The outstanding debentures can be converted at $0.30 until their respective 2-yr maturity. The $385 balance as at YE-20 represents the fair value of the conversion features for the convertible debentures issued in October and December 2019. The $135 increase for Q1-21 relates to the fair value of the conversion feature for the convertible debentures issued on April 21, 2020.
Contributed Surplus	• $20 increase relates to the stock-based compensation charged during the year.
Deficit	• Increase reflects the performance of the Corporation during Q1-21 – See Statement of Loss commentaries

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out the Corporation's selected unaudited quarterly financial information for the eight quarters ended April 30, 2020. This information is derived from unaudited quarterly financial statements prepared by management in accordance with IFRS. The following quarterly information is presented on the same basis as the audited financial statements and should be read in conjunction with those statements and their accompanying notes.

	Q1-21	**Q4-20**	Q3-20	Q2-20	**Q1-20**	Q4-19	**Q3-19**	Q2-19
R&D costs (Net of ITC's)	**365**	142	347	245	**331**	418	403	112
G&A expenses	**507**	136	254	360	**205**	248	296	309
Share-based compensation	**20**	74	37	44	**10**	36	50	26
Financial expenses (income)	**168**	125	49	63	**67**	(17)	29	38
Net loss for the quarter	**1,060**	477	687	712	**613**	685	778	485
Loss per share (Basic and diluted):	**0.04**	0.02	0.03	0.03	**0.02**	0.04	**0.03**	0.02

Notes	**Valuable information**
R&D expenses (Net of ITC's)	• Net R&D expenses represent gross R&D expenses less ITC provisions related to these costs and to be claimed after year-end**.** R&D expenses net of ITC provisions have fluctuated from quarter to quarter depending on the timing of work performed by our partners and suppliers as well as internal R&D spending. Fees for maintenance and filing of patents have been consistent over the comparable periods. • Net R&D expenses in Q1-21 have increased due to the timing of non-recurrent expenses incurred in relation to the Otho-R rotator cuff program. As indicated in the Statement of Loss commentaries, the R&D expenses in Q1-21 reflected the final invoice related to our pivotal animal study plus fees incurred in relation to the preparation of our US clinical trial including 1) CRO fees to support our US-FDA interactions in anticipation of our IDE filing in Q3-21, 2) pre-selection of the US clinical centers to be involved in the study and 3) development of the clinical trial protocol, recruitment criteria etc.
G&A expenses	• G&A expenses consist primarily of salaries or consulting fees for non-scientific management and staff, professional fees for audit and tax related matters, in-house counsel, insurance, and fees paid to investor relations firms. • G&A expenses have fluctuated from quarter to quarter but have showed a marked reduction in Q4-20 as compared to the previous quarters. Over the reported periods, Ortho RTI made significant changes to its senior management team, which resulted in the termination of the then acting CFO and the nomination of a new Senior Vice President and CFO in Q3-19, as well as termination and replacement of the CEO in Q2-20. The net effects of these changes included severance payments to the prior CFO, and CEO but more importantly resulted in a

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	substantial reduction of salaries/fees paid for the CFO role starting in Q4-19 and same for the CEO position starting Q3-20. In addition to the reduction of the G&A expenses, the replacement of the CEO has led to material decrease in R&D salaries as the new CEO is also assuming duties previously handled by a senior R&D staff member terminated in Q2-20. The full benefit of these staff changes represent in excess of 50% in annual recurrent savings for salaries and consulting fees for the position mentioned above, and will positively impact the Corporation's financial results over the quarters ahead as Ortho RTI is now allocating a greater % of its financial resources towards R&D activities. • The Q1-21 increase is well explained in the G&A section of Statement of Loss commentaries and relates mainly to a non-recurrent $267 salary adjustment paid to senior management for having agreed to receive CDU's in lieu of cash payments for their remuneration since July 2020. The total remuneration to senior management, inclusive of the $267 non-recurrent salary adjustment (non-cash) is still in line with industry comparables. • Other expenses, such as rent, insurance, and office expenses, have been relatively stable and had no significant impact on the overall spending.
Share-Based Compensation	• Share-based compensation are costs for the issuance of options to senior management, staff, board of directors, scientific advisory board and consultants working for the Corporation. • Share-based compensation has fluctuated as a results of staff changes, and due to the timing of expense recognition associated with the vesting of the options issued.
Financial expenses	• Financial expenses are costs associated with the ITC loans, term loan, notes payable and CDUs. • Financial expenses have fluctuated over the reported periods, based on 1) addition and repayment of ITC loans, 2) reduction/conversion of the Manitex note and loan, and 3) issuance of Convertible debentures. • The increase in financial expense in Q4-20 and Q1-21 results from the CDU financings closed over the last few quarters, including $1,644 in Q3-20, $500 in Q4-20, and $1,060 in Q1-21. • The net income of $17 for Q4-19 came from the settlement/conversion of a loan from Manitex.
Net loss	• Net loss in Q1-21 reflects the R&D spending which included the invoice for having completed the pivotal study for our Ortho-R rotator cuff program, the impact of the non-recurrent increase in our G&A expenses and the incremental financial expenses related to our CDU financings. Excluding the financial expenses, which reflect the Corporation's financing strategy adopted to attract the required capital to fund its operations and the non-recurrent G&A expenses, our Q1-21 results would be in line with prior months. Going forward Ortho RTI's net loss will be directly linked to the level of R&D spending made to advance the Corporation's lead program Ortho-R.

LIQUIDITIES AND CAPITAL RESSOURCES

Sources and Uses of Cash	**Q1-21**	**Q1-20**	***Change***	
			$	*%*
Operating activities:				
Net loss from operations	**(1,060)**	(590)	(470)	(80%)
Other Items not affecting cash	**582**	81	501	619%
Changes in non-cash working capital	**18**	162	(144)	(89%)
Cash used in operations	**(460)**	(347)	(113)	33%
Investing activities:				
Cash used by investing activities	**-**	-	-	-
Financing activities:				
Cash provided by financing activities	**212**	(145)	357	253%
Increase (Decrease) in cash	**(248)**	(492)	244	50%
Cash, beginning of period	**302**	524	(222)	(42%)
Cash, end of period	**54**	32	22	69%

	Q1-21 vs YE-20
Cash used in operations	• Cash used in operations represents the cash flows from operations, excluding income and expenses not affecting cash plus changes in non-cash working capital items.
	• Cash used in operations was only $460 for Q1-21 compared to our $1,060 loss. During the quarter there were a total of $582 of items not affecting cash such as the payment by way of CDU units of the senior management remuneration and salary adjustment (See Statement of LOSS – G&A commentaries) totaling $404, $xx of

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	conversion of $25 of depreciation and amortization, $20 of share-based compensation and the balance for accrued interest on the Convertible Debentures and ITC loans.
Cash used in investing activities	• There was no cash used for investing activities for Q1-21 and Q1-20 as the Corporation continued to leverage its agreement with Polytechnique with access to their laboratories.
Cash provided by financing activities	• Financing activities contributed $212 during Q1-21 as compared to a net used of $145 in Q1-20. The Corporation collected $212 from the CDU financing closed on April 21, 2020. The balance of the $758 CDU additions presented in Note 13 of our Q1-21 financial statements was secured by settling payables and consulting fees and salaries to management by issuing CDU's.

Cash, and Working Capital

As at,	**Q1-21**	Q4-20	*Change*	
	$	$	*$*	*%*
Cash	**54**	302	*(248)*	*(82%)*
Total current assets	**416**	741	*(325)*	*(44%)*
Accounts payables and accrued liabilities	**968**	1,021	*(53)*	*(5%)*
Total current liabilities	**1,425**	1,637	*212*	*(13%)*
Working Capital (i)	**(1,009)**	(896)	*(113)*	*13%*

(i) Working capital is a measure of current assets less current liabilities

Cash at the end of Q1-21 was $54 as compared to $302 at the end of Q4-20. The cash position decreased by $248 between the 2 periods despite the $1,060 CDU financing which closed on April 21, 2020. As indicated earlier, commitments for the April 2020 CDU financing were secured throughout the Q1-21 periods and used to settle payables and ensure continued progress of our Ortho-R program. While our cash position decreased, so did our current liabilities as we used short term assets (Cash and ITC's collected) to reduce our short-term ITC loan and payables.

Also, while our liquidities were limited as at April 30, 2021, the Corporation made significant improvement in terms of its accounts payable management. 85% of accounts payables were current and not due as April 30, 2020 as compared to 16% on January 31, 2020. This indicates a material improvement of the Corporation's working capital situation over the last quarter as well as increased opportunity to leverage supplier financings. Hence, while our working capital situation deteriorated by $113 during Q1-21, we believed that our situation improved significantly

Despite the limited liquidities, Ortho RTI continued to make significant progress towards the start of its first human trial on Ortho-R for rotator cuff repair. The Corporation is still on track to meet this important corporate milestone in FY-21. Over the prior periods, the Corporation has demonstrated its ability raise the necessary capital to support its operations and deliver on its development timelines and management has implemented a series of financing initiates in order to attract the required capital to continue funding its operations and deliver on shareholders expectations.

Future financing

As at April 30, 2020, Ortho RTI had 9,426,100 warrants outstanding including 3,012,500 exercisable at $0.70 and the balance exercisable at $0.50. These warrants are currently out-of-the-money as their exercise price exceeds the stock price for the underlying common shares of Ortho RTI. 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 extent to which these warrants are exercised will be a function of the market price of the Corporation's underlying common shares and investors' view of the opportunity for shareholder value creation over the investment time for each individual investor. If the acceleration clause is exercised, the maximum inflow of cash to the Corporation would be approximately $5,316.

The Corporation's use of available funds over the coming year is of utmost concern to the Board. Since the extent and timing of warrant exercise as a source of financing are uncertain, management continues to look for alternative sources of financing to secure the required capital necessary to fund its operations and development projects. Management's focus is on securing equity-based financings from Canadian and US based institutional and/or accredited investors. The Corporation is also actively promoting its technologies to strategic partners.

Going Concern

This MD&A has been prepared on a going-concern basis, which implies that the Corporation will continue realizing its assets and discharging liabilities in the normal course of business for the foreseeable future. As reflected in the annual audited financial statements, the Corporation is still a clinical stage R&D company and has not yet achieved profitability. During quarter ended on April 30, 2020, the

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Corporation incurred a net loss of $1,060, used cash in operations of $248 and had a working capital deficiency of $1,011. This raises significant doubt about the Company's ability to continue as a going concern.

Accordingly, the ability of the Corporation to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to obtain additional financing and ultimately on generating future profitable operations. Management anticipates that the continued advancement of its lead Ortho-R program will facilitate securing additional funds from existing and new investors. There is no assurance that any fund-raising initiatives will be successful. Factors within and outside the Corporation's control could have a significant bearing on its ability to obtain additional financing. The unaudited financial statements as at and for the period ended April 30, 2020 do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

An outbreak of a novel strain of coronavirus, identified as "COVID-19", was declared a global pandemic by the World Health Organization on March 11, 2020. In response, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures have disrupted the activities of many entities and have led to significant volatility in the global markets. The Corporation continues to monitor and actively manage the developing impacts from COVID-19, including but not limited to, the potential future effects on its assets, cash flow and liquidity, and will continue to assess impacts to the Corporation's operations, going concern assumption, and the value of assets and liabilities reported in these statements. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Discussion of operating cash requirements

All programs in the Corporation's current portfolio will require a significant investment to increase their market value (through, for example, clinical trials) or to attract a strategic partner. We estimate that $35 million will be required to bring our rotator cuff, meniscus, and cartilage programs to market. There are several areas where duplication between programs can provide savings such as the manufacture of the chitosan material, which is common across our product platform. We therefore do not need to replicate manufacturing capabilities, or the associated costs, for each of the projects.

Ortho-R for the repair of rotator cuff tears is a clinical development stage program and represents our lead product for commercialization. We currently estimate that an additional investment of at least $5 million will be required to provide proof of concept in human and another $10 million to bring the same program to commercialization.

Ortho-M (meniscus) is the Corporation's second candidate and is also in a development phase. Proof of efficacy in a large animal preclinical model is expected to take place in the coming fiscal year. Ortho-M's development pathway and plan will be similar to Ortho-R and will benefit from all cGMP activities performed on scaling-up Ortho-R. Consequently, management estimates that $1.5 million will be required prior to submitting an IDE application prior to testing Ortho-M in human for meniscus tear repair.

Ortho-C and Ortho-V are currently at earlier stage of development and management does not intent to commit any sums to the advancement of these projects until its successfully advances Ortho-R and Ortho-M in human clinical testing.

In order to successfully advance its current R&D programs, Ortho RTI entered, on September 1, 2018, into a $887 Collaborative R&D Agreement with Polytechnique to ensure access to Polytechnique's staff, expertise and laboratories up until September 2021.

Off-Balance Sheet Arrangements

The Corporation has one off-balance sheet arrangement see ("Commitments") below.

Transactions with Related Parties

The following table presents the related party transactions presented in the statement of loss for quarter ended:

	April 30, 2020	April 30, 2019
	$	$
Transactions with key management and members of the Board of Directors		
Share-based compensation to employees and directors	**18**	10
Consulting fees paid to a director, CEO and CFO *(note 1)*	**253**	75
Interest charged by Manitex, a shareholder of the Corporation	**47**	37
R&D costs charged by Polytechnique, a partner of Polyvalor	**74**	74

Note 1: all fees paid to the CEO and CFO were paid by issuing CDU units or accrued as payables, in lieu of cash.

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The following table presents the related party transactions presented in the statement of financial position as at:

	April 30, 2020	January 31, 2020
	$	$
Accounts payable and accrued liabilities due to a director, CEO and CFO	**88**	100
Accounts payable due to École Polytechnique, a partner of Polyvalor	**74**	74
Convertible debenture due to a director, CEO and CFO	**761**	516
Convertible debenture due to Manitex, a shareholder of the Corporation	**830**	783

All other related parties' transactions are disclosed in the respective notes in these financial statements.

Financial Risk Factors

The Corporation's activities expose it to financial risks: market risk, more specifically cash flow and fair value interest rate risk, and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Corporation's financial performance. The Corporation does not use derivative financial instruments to hedge these risks.

(a) Credit risk

Credit risk arises from cash deposited with a financial institution. The Corporation reduces this risk by dealing with creditworthy financial institutions.

(b) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to its note payable, short-term debt and convertible loan negotiated at a fixed rate.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities denominated in U.S. dollars and other currencies. The Corporation does not hold financial derivatives to manage fluctuation in these currencies.

The following presents the accounts that are exposed to foreign exchange volatility as at April 30, 2020:

	Foreign Currency	**CDN equivalent**	**Foreign Currency**	**CDN equivalent**
	$	**$**	**$**	**$**
Cash – USD	0.5	0.7	0.4	0.6
Accounts payable and accrued liabilities – USD	102.1	142.1	56.0	74.1
Accounts payable and accrued liabilities – GBP	3.5	5.3	6.4	9.4
Accounts payable and accrued liabilities – JPY	205.0	2.5	161.1	2.0

For the comparative period, these amounts were not material. If the foreign exchange rate had been 5% higher or lower, all other variables held constant, the impact of the foreign exchange gain or loss would have been $8.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities:

As at April 30, 2020		***Carrying value***	***Contractual cash flows***	***Less than 12 months***	***More than 12 months***
		$	**$**	**$**	**$**
Accounts payable and accrued liabilities		**960**	960	371	-
Interest payable		**5**	5	5	-
Investment tax credit loan	*(i)*	**437**	522	522	-
Long term loan		**40**	40	-	40
Convertible debentures	*(i)*	**2,634**	3,845	-	3,845
		4,076	5,372	1,487	3,885

(i) Includes interest payment to be made at the contractual rate

(In thousands of Canadian dollars, except for units, share and per share amounts)

As at January 31, 2020		*Carrying value*	*Contractual cash flows*	*Less than 12 months*	*More than 12 months*
		$	$	$	$
Accounts payable and accrued liabilities		**1,021**	1,021	1,021	-
Investment tax credit loan	*(i)*	**596**	723	723	-
Long term loans		**302**	302	-	302
Convertible debentures	*(i)*	**1,726**	2,573	-	2,573
		3,645	4,619	1,534	2,875

(i) Includes interest payment to be made at the contractual rate

(d) Capital risk management

The Corporation's definition of capital includes equity, comprised of issued common shares, warrants and contributed surplus. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient financial resources to meet its financial obligations and maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. To secure the additional capital necessary to carry out these plans, the Corporation will attempt to raise additional funds through the issuance of equity or by securing strategic partners. The Corporation is not subject to any externally imposed capital requirements.

Statement of Compliance

The financial statements included in this MD&A for the year ending January 31, 2020 have been prepared in accordance with *International Financial Reporting Standards* as issued by the *International Accounting Standards Board ("IASB")* as well as with those standards and interpretations as issued by the *International Financial Reporting Interpretations Committee ("IFRIC")* issued and effective or issued and early adopted as at the time of preparing these statements.

Use of Estimates and Judgements

Reference should be made to the Corporation's annual consolidated financial statements, *Note 3*, for an extended description of the information concerning the Corporation's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Commitments

On June 19, 2015, the Corporation entered into three (3) long term research service agreements with École Polytechnique. When the Corporation's product is commercialized, it must make non-refundable payments to Polyvalor equal to 1.5% of net sales.

SUBSEQUENT EVENTS

(a) On May 20, 2020, the Corporation announced that it has entered into a strategic and licensing agreement (the "Agreement") with Ingenew Pharmaceuticals Inc. ("Ingenew") a company controlled by an independent director of the Corporation. The Agreement will explore the expansion of the scope of Ortho's proprietary technological platform applications to include the delivery of therapeutics. Under the Agreement, Ingenew will fund the research and development activities looking to specifically further advance Ortho RTI's proprietary technology platform as a delivery system for its proprietary therapeutics. Ingenew plans to integrate Ortho RTI's platform in its ongoing various oncology, urology and periodontal diseases programs, which are the main therapeutic areas that are exclusive to Ingenew under the Agreement. Ortho RTI is entitled to royalties on sales of products and on licensing revenues integrating Ingenew therapeutics agents and Ortho RTI's proprietary delivery platform. Ortho RTI will also benefit from a fully paid up grant back license from Ingenew to access all improvements to its proprietary technology platform for orthopedic applications. Other therapeutic fields can be targeted leveraging the further advanced Ortho RTI platform developed by either party or in collaboration.

(b) Subsequent to the quarter end, the Corporation issued a total of 150,000 options to a new director and a new employee. The options' pricing and term were set in accordance with the Corporation's Option Plan.