

Ortho Regenerative Technologies Closes Non-Brokered \$2.5 Million Private Placement

- Private placement proceeds to be used to advance Ortho-R program into U.S. Phase I/II trial for rotator cuff tear repair
- Insiders contribute \$353,000 into the private placement

MONTREAL, Aug. 24, 2020 /CNW/ - [Ortho Regenerative Technologies Inc.](#) (CSE: ORTH) ("**Ortho RTI**" or the "**Company**"), an emerging orthobiologics company focused on the development of novel soft tissue repair regenerative technologies, announced today the closing of a non-brokered \$2.5 million private placement of units (the "**Private Placement**").

"We are thankful, once again, for the continued financial support from our shareholders, Board members and management. These are very exciting times for the Company as we get ready to proceed with the U.S. clinical portion of our Ortho-R development program", said Claude LeDuc, Chief Executive Officer of Ortho Regenerative Technologies. "This financing enables us to complete key preparatory work initiatives and begin the U.S. clinical trial. We expect our progress to be reflected over the coming months with the delivery of anticipated catalysts and milestones".

The Company issued 7,733,812 units (the "**Units**") at a purchase price of \$0.32 per Unit for total gross proceeds of \$2,474,820. Each Unit consists of one (1) class A share of the Company (a "Share") and one (1) Share purchase warrant of the Company (a "Warrant"). Each Warrant is exercisable into one (1) Share in the capital of the Company (a "Warrant Share") at the price of \$0.50 per Warrant Share for a period of 36 months from closing. In the event that the daily VWAP over any twenty (20) consecutive trading days is greater or equal to \$1.00, the Company may give notice to the Warrant holder, at any time after February 5, 2021, that all remaining Warrants must be exercised within a period of 30-days from the date of receipt of the notice, failing which the Warrants will automatically expire. The "VWAP" is the average of the volume weighted average market price of the Company's Common Shares on a single day.

The Common Shares and the Warrants issued under the Private Placement are subject to a statutory 4-months hold period under the applicable securities laws and in such case the certificates evidencing the Shares and the Warrants will bear a legend to that effect, as applicable. The Company paid \$51,366 in finder's fees in connection with the Private Placement. No broker or agent was involved in the transaction.

The net proceeds of the Offering will be used to fund the following ongoing value creation activities: 1) Securing FDA's approval to start our US clinical trial on ORTHO-R for rotator cuff tear repair 2) Manufacturing GMP Clinical Trial batch for Ortho-R 3) Completing US clinical trial investigation sites selection, setting, and training 4) Starting US clinical trial patients enrolment activities 5) Secure US exchange listing for Ortho RTI's shares 6) General and administrative corporate purposes.

Senior executives, including the Chief Executive Officer, two Directors, family members and 1 senior staff member participated in the Private Placement for an aggregate amount of \$353,160.

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 under sections 5.5(a) and 5.7(a) of Regulation 61-101 on the basis that participation in the Private Placement by insiders will not exceed 25% of the fair market value of the Company's market capitalization and also because the Company's Common Shares trade only on the Canadian Securities Exchange. A material change report was not filed in connection with the participation of the insiders in at least 21 days in advance of the closing of the Private Placement, which the Company deemed reasonable in the circumstances, in order to close the transaction as soon as practicable to enable it to use the funds.

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 proprietary 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 Chitosan-PRP combination ORTHO-R implant 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. A multi-site US Ortho-R Rotator Cuff Tear Repair Pilot Phase I/II clinical trial is being planned and organized. In parallel, an FDA IND submission is planned for the fall of 2020. Considering the significant potential of our technology platform, Ortho RTI continues to assess new therapeutic target 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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