Ortho Regenerative Technologies Inc.

Management's Discussion and Analysis for the three and nine months ended October 31, 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 third quarter of our 2021 fiscal year ended on October 31, 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 and approved by Ortho RTI's Board of Directors on December 17, 2020. This document should be read in conjunction with the unaudited financial statements and notes thereto for the third quarter ended October 31, 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.

Non-IFRS Financial Measures

This MD&A refers to certain non-IFRS measures. Management uses these non-IFRS financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use a non-IFRS measure, "EBITDA", to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. EBITDA is defined as net income (loss) before (i) provision for (recovery of) income taxes; (ii) interest (income) expense and other financing costs; (iii) depreciation; and (iv) amortization of intangible assets.

Cautionary note regarding forward-looking statements

This MD&A may contain some forward-looking information as defined under applicable Canadian securities laws. Forward looking information can generally be identified using forward-looking terminology such as "may", "anticipate", "expect", "intend", "estimate", "continue" or similar terminology. Forward looking information is subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Corporation to control or predict, that may cause the Corporation's actual results or performance to be materially different from actual results and are developed based on assumptions about such risks and other factors set out herein.

GLOSSARY TERMS

Calendar & Financial

CDU	Convertible Debenture Units
EBITDA (L)	EBITDA Loss
FY-20	Fiscal Year ended January 31, 2020
FY-21	Current Fiscal Year ending January 31, 2021
G&A	General and Administrative
IR	Investors Relations
ITC	Investment tax credits
Q3-21	Third quarter FY-21
Q2-21	Second quarter FY-21
Q1-21	First Quarter FY-21
Q4-20	Fourth quarter FY-20
Q3-20	Third quarter FY-20
Q2-20	Third quarter FY-20
Q1-20	First quarter FY-20
Q4-19	Fourth quarter FY-19
SR&ED	Scientific Research and Experimental Development
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
W/C	Working Capital, defined as short-term assets less short-term liabilities

Corporate & Operations

API	Active Pharmaceutical Ingredient
CMC	Chemistry Manufacturing and Controls
cGMP	current Good Manufacturing Practice
CMO	Contract Manufacturing Organization
CSE	Canadian Securities Exchange
FDA	US Food and Drug Administration
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
OTCQB	US over-the-counter venture trading market
Polytechnique	Ecole Polytechnique de Montreal
PRP	Platelet-rich plasma
Pre-RFD	Pre-Request for Designation

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*", as well as on the United States OTCQB market under the symbol "ORTIF". The Corporation has 33,131,236 common shares that are issued and fully paid as at October 31, 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. Efficacy of our product has already been demonstrated in a large animal pilot study. Over the coming year we are aiming at validating our model in a large animal pivotal study which would facilitate entering into human clinical trial.
Ortho-C	Cartilage repair	Testing our freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair, including microfracture and drilling. Efficacy of our product has already been demonstrated in a preclinical pilot study.

Feasibility Stage

Product	Indication	Details
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 patent protected 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 biologics implants;
(iv) biopolymer-PRP biologics 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.

Preclinical:

Earlier in FY-21, we have successfully completed the preclinical pivotal study's safety and clinical histology analysis, statistical analysis and final report. The study's final report confirmed the safety of Ortho-R as well as the evidence that our biologics hybrid implant delivered as an adjunct to standard of care surgery, improves tendon, tendon insertion site and overall repair in Rotator Cuff Tear repair compared to standard of care surgery alone. https://www.orthorti.com/cms_files/phpfQwJvt.pdf

Regulatory:

In Q2-21, we have received from the US FDA Office of Combination Products, the Ortho-R product designation as a Drug/Biologics combination product. Ortho- R has various physicochemical interacting actions on various cell types and other PRP components, therefore supporting a combination product with the Ortho-R reconstituted in PRP considered a Drug/Biologics that is delivered through accessory Devices. The product's jurisdictional assignment is to the FDA's Center for Biologics Evaluation and Research (CBER). There are multiple merits of a Drug/Biologics therapeutic combination product. One of them is the ability to have a multiple mode of action label, related to the various interactions between our proprietary biopolymer and PRP, which may justify the scientific rationale behind the product's therapeutic effect.

The required Investigational New Drug (IND) regulatory application to start our Ortho-R US RCT clinical trial, is being completed and will be submitted to the FDA before the end of the current fiscal year. In Q1-22, we expect to receive clearance from the FDA to initiate our first human clinical trial for testing Ortho-R for rotator cuff tear repair.

Manufacturing & CMC:

We continued working on the cGMP clinical lot production preparation with various activities such as new source material batch testing, methods and validations for the CGMP clinical lot. Completion of the clinical lot is expected during Q1-22 which would enable us to initiate our human clinical trial for testing Ortho-R for rotator cuff tear repair shortly thereafter.

Clinical Program:

We continued working with MCRA from Washington D.C., our US Clinical Research Organization (CRO), in charge of managing our US multi-center Phase I/II clinical trial. Activities focus were mainly on protocol, patients' assessment EDC system, MRI procedure protocol and system, clinical sites considerations. Clinical trial patients' enrollment is expected to start in Q1-22, immediately after Clinical Review Boards (CRB) approvals from the various clinical testing centers involved in our Phase I/II study and IND submission approvals by the FDA.

During the quarter, the Corporation has tried to mitigate the impact of the COVID-19 pandemic as much as possible.

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

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	Calendar Year 2019-2022		Calendar Quarters/Years										
			2019	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	H1-22	H2-22
Corporate / Strategic	MTA collaboration - initial Phase	Initial Phase	☑										
	MTA collaboration - Step 2	On-Hold (Covid-19)			⊙								
	Licensing Agreement - Ingenew Pharma				☑								
Finance	US OTC-QB Listing					➔	■						
	Debenture Financings		☑		☑								
	Private Placement - Unit Offering ($2.6M)					☑							
	Non-Convertible Debenture Financing ($3M)						☑							*new*
Clinical Trial	CMC Manufacturing	Scale-up	➔	☑									
Ortho-R Rotator Cuff repair		Stability 2yrs - shelf life data	➔		☑								
		Stability 3yrs - shelf life data	➔									■	
		Clinical batch			➔		□	■					
	6-month pivotal animal trial	in-life portion	☑										
		results			☑								
	Pre-IND Meeting - FDA		☑										
	US-FDA IND	Filing Pre-RFD		☑									
		Drug/Biologic Designation			☑								
		IND Preperation					☑							*new*
		IND filing					□	■					
		IND approval (30 days post filing)					□	■					
	US Phase I/II Clinical trial	CRO Selection	☑										
		Protocole completion				☑							
		Lead Investigator selection				☑							
		Study sites selection						■					
		Phase I/II trial START					□		➔				
		First patient enrolled							■				
		50% enrolment completed								■			
		enrolment completed									■		
		12-mth patient follow up completed											■
		Study results											■
Ortho-R Meniscus Program *(commitment to start and fund this program may be subject to securing further financing)*	6-month Large animal pivotal trial	CRO Selection and Protocole						■						*new*
		in-life portion Start							➔					*new*
		3-mth in life data								■				*new*
		in-life portion Ends									■			*new*
		study-results										■		*new*

➔ Initiation ☑ Completed
□ previous target last quarter ☑ Completed since last MD&A
■ Current Target ⊙ On-Hold

Note that, when setting the above timelines, management has not considered any further 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.

Q3-2021 CORPORATE HIGHLIGHTS

Ortho-R Program

- On August 6, 2020 – Ortho RTI announced that Ortho-R is designated as a Drug/Biologic combination product, by the FDA Office for Combination Products. The jurisdictional assignment for Ortho-R will be the Center for Biologics Evaluation and Research (CBER). Previously, on March 26th, 2020, the Corporation had submitted a pre-Request for Designation application to the FDA's Office for Combination Products to seek for guidance on designation status for Ortho-R product, a Chitosan-based matrix biopolymer mixed with Platelet Rich Plasma (PRP) to form an in-situ deliverable biologic implant to augment the repair of Rotator Cuff Tears after standard of care surgery. During the evaluation period, technical, scientific and preclinical information was exchanged with the FDA, and multiple rounds of questions and clarifications were addressed. This substantial information demonstrated that Ortho-R has various physicochemical interacting actions on various cell types and other PRP components, therefore supporting a combination product with the Ortho-R reconstituted in PRP considered a Drug/Biologics that is delivered through accessory Devices.

Financing

- On August 21, 2020 – Ortho RTI closed of a $2.5 million non-brokered private placement of units (the "Private Placement" or "Unit Offering"). The Company issued 7,733,812 units (the "Units") at a purchase price of $0.32 per Unit for total gross proceeds of $2,475. 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. The Company paid $51 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.

- On September 2, 2020 – Ortho RTI announced that it has completed an additional $138 non-brokered private placement of units (the "Additional Private Placement"). The Additional Private Placement was conducted at the same terms as the August 21, 2020 Unit Offering bringing the overall gross proceeds raised through the two private placements to $2.6 million. The Company issued an additional 430,000 units (the "Units") at a purchase price of $0.32 per Unit for total gross proceeds of $138. No broker or agent was involved in the transaction.

- On October 28, 2020 – Ortho RTI announced that its shares started trading on the OTCQB market in the United States under the symbol "ORTIF". The listing of its shares on the OTCQB will facilitate access to our securities for U.S. institutional and retail investors. This listing is part of Ortho RTI's strategy to broaden its shareholder base while increasing liquidity for all the Company's shares. The OTCQB Venture Market is the premiere marketplace for early stage and developing U.S. and international companies.

Other Operational and Corporate Highlights

- On October 19, 2020 – Ortho RTI announced the appointment of Mukesh Ahuja, MBBS, MSc as its new Vice-President Clinical and Medical Affairs. Mukesh Ahuja, MBBS, MSc is a highly qualified, medical executive with fourteen years of US experience as a clinical expert in Orthopedics, managing dozens of orthopedic clinical studies and partnering with surgeons to advance novel research approaches. Dr. Ahuja has practical knowledge of experimental and clinical research needs to support the development, commercialization and marketing of medical products and technologies. Prior to joining Ortho RTI Dr. Ahuja worked at Orthofix Medical, Inc. where he was responsible for the motion preservation program of spine business franchise. Prior to Orthofix, Dr. Ahuja was the Director of Medical and Clinical Affairs for Medacta USA, Inc. He also served as Research Administrator for the world-renowned Department of Orthopedic Surgery at Rush University Medical Center/ Midwest Orthopaedics. While at Rush, Dr. Ahuja led research programs for Sports Medicine and Spine, consisting of teams responsible for FDA, NIH, and industry trials, as well as investigator-initiated research. He has an extensive clinical research experience in Sports Medicine injuries and treatment products ranging from biologics, stems cells, tissues graft, devices, and drugs. Dr. Ahuja holds a Masters of Science in Clinical Research from Rush University Medical Center, Chicago, completed a Health Care Management Executive Certificate Program from Loyola University, Chicago, achieved his Certified Principal Investigator (CPI®) certification from ACRP and received a Bachelor of Medicine and Bachelor of Surgery (MBBS) medical degree from Liaquat University of Medical & Health Sciences, Pakistan and a Bachelor of Arts – Political Science and History, University of Sindh, Pakistan. Mukesh is a member of ACRP and AAHKS and recently joined the regulatory committee of Biologic Association. He also serves as a peer reviewer for OREF research grants committee. Mukesh has contributed to several manuscripts and abstracts published in reputable journals.

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

SELECTED FINANCIAL DATA

The following table sets forth financial information relating to the periods indicated and should be read in conjunction with the October 31, 2020 unaudited financial statements.

Statements of Loss

	Q3-21	Q3-20	*Change*		YTD 21	YTD 20	*Change*	
	$	$	*$[1]*	*%[2]*	**$**	$	*$[1]*	*%[2]*
Expenses								
R&D	**205**	421	*(216)*	*-51%*	**820**	1,077	*(257)*	*-24%*
Provision for (recovery) of ITC	**(14)**	-	*(14)*	*100%*	**(69)**	(154)	*85*	*55%*
R&D Costs (Net)	**191**	421	*(230)*	*-55%*	**751**	923	*(172)*	*-19%*
Recovery %	***7%***	*-%*	*7%*		***8%***	*14%*	*-6%*	
G&A	**342**	254	*88*	*35%*	**1,035**	820	*215*	*26%*
Share-based compensation	**101**	36	*65*	*181%*	**170**	90	*80*	*89%*
Financial	**179**	49	*130*	*265%*	**548**	179	*369*	*206%*
Total Expenses net of ITC's	**813**	760	*53*	*7%*	**2,504**	2,012	*492*	*24%*
Net Income (loss)	**(813)**	(760)	*(53)*	*-7%*	**(2,504)**	(2,012)	*(492)*	*-24%*
Loss per share								
Basic and diluted	**0.03**	0.03	*0.00*	*15%*	**0.09**	0.08	*0.01*	*15%*
Weighted average number of shares outstanding	**31,025,327**	24,752,424	*6,272,903*	*25%*	**26,852,952**	24,752,424	*2,100,528*	*8%*

1. A positive variance represents a negative impact to net income and a negative variance represents a positive impact to net income
2. Percentage change is presented in relative values

EBITDA(L) Reconciliation (See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures")

The following table provides a reconciliation of net loss to EBITDA(Loss) for Q3-21, and YTD-21 as compared to the 2020 periods.

	Q3-21	Q3-20	*Change*		YTD 21	YTD 20	*Change*	
	$	*$*	*$[1]*	*%[2]*	**$**	$	*$[1]*	*%[2]*
Net Profit (loss)	**(813)**	(760)	*(53)*	*-7%*	**(2,504)**	(2,012)	*(492)*	*-24%*
Add (deduct)								
Financial Expense	**179**	49	*130*	*265%*	**548**	179	*369*	*206%*
Depreciation	**15**	21	*(6)*	*-29%*	**46**	62	*(16)*	*-26%*
Amortization of intangible assets	**8**	8	*0*	*0%*	**24**	24	*0*	*0%*
EBITDA (L)	**(611)**	*(682)*	*71*	*-10%*	**(1,886)**	(1,747)	*(139)*	*-8%*

1. A positive variance represents a negative impact to net income and a negative variance represents a positive impact to net income
2. Percentage change is presented in relative values

	Q3-21 vs Q3-20	YTD-21 vs YTD-20
Revenues	• Ortho RTI is a clinical stage company. There were no revenues generated during each of Q3-21 and YTD-21.	
R&D expenses (Gross)	• R&D expenses include internal and external expenses. Internal expenses represent mostly salaries for our staff. External expenses include all development costs related to work performed under our 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 (Gross) are presented prior to considering R&D tax credits (ITCs) recovered from the provincial government for Scientific Research and Experimental Development (SR&ED) programs.	
	• The 51% decrease is due to the timing of non-recurrent expenses related to our Ortho-R programs. Costs related to the Ortho-R rotator cuff pivotal animal study were invoiced throughout the course of FY-20 as study milestones were met. A milestone was met in Q3-20 compared to nil in Q3-21 since the study was completed in Q1-21. Other R&D expenses included costs incurred in relation to the Polytechnique R&D contract which were	• The 24% decrease is due to the timing of non-recurrent expenses related to our Ortho-R program. Also, the termination of a senior R&D staff member involved in project management in Q2-20, has led to savings reflected in the YTD-21 results.

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

	stable between the 2 periods. Q3-21 results also included some fees incurred in relation to the preparation of our US clinical trial for the Ortho-R rotator cuff program.	
ITCs	• ITCs represent R&D tax credits recovered from the provincial government for 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. However manufacturing and pre-clinical activities if required for the meniscus (Ortho-M) and cartilage (Ortho-C) programs will take place in Quebec and help maximize SR&ED claims.	
	• ITCs accrued for Q3-21 were $14 as compared to $nil for Q3-20. Starting FY-21 a greater portion of R&D expenses is being spent on US contracts which do not qualify for SR&ED credits. This explains the net ITC recovery rate of 7%. The corresponding amount of ITC in Q3-20 is nil has the company reversed some prior ITC provisions.	• ITCs accrued for YTD-21 were $69 as compared to $154 for YTD-20 representing a 55% reduction. The reduction in ITC recovery results from a greater portion of R&D expenses spent on US contracts which do not qualify for SR&ED credits. The net ITC recovery rate dropped from 14% in YTD-20 to 8% in YTD-21.
R&D expenses (Net)	• Net R&D expense for Q3-21 was $230 lower than Q3-20 and results mainly from the decrease in gross spending between the two periods. (see commentaries above)	• Net R&D spending between YTD-20 and YTD-21, dropped 19% despite the reduced ITC recovery rate. Notwithstanding material progress realized on the Ortho-R rotator cuff program, the nature of the R&D activities performed during the period did not require material expenditures in YTD-21 as compared to YTD-20.
G&A expenses	• G&A expenses include salaries and consulting fees paid to non-R&D staff, professional fees, conferences, travel expenses, as well as 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.	
	• During Q3-21, G&A expenses were up $88 compared to the Q3-20 period. The 35% increase results from a $152 increase in IR spending between the 2 quarters which was partly offset by a $47 decrease in other consulting fees.	• The $215 increase in G&A expenses between the YTD-20 and YTD-21 period was mainly due to a non-recurrent salary adjustment paid to senior management in Q1-21. Also, the variance includes a $173 increase in IR spending in YTD-21 compared to last year. These increases were partly offset by a $120 severance paid to the prior acting CEO in YTD-20.
Share-based compensation	• Represents the expense related to issuing options to staff, consultants and board members. Variances for the quarter and YTD periods include non-recurrent grant to our scientific advisory Board members as well contractual vesting for members of management on options already outstanding.	
Financial expenses	• Over the last year, the Corporation financed its operation via the issuance of interest-bearing instruments such as CDUs and ITC loans as opposed to equity. While such financial instruments do not lead to an immediate dilution in the total number of shares outstanding in the short term, they lead to increased interest charges.	
	• As a result of CDU financings of $3.2 million which too place over the last year as well as incremental ITC loans, financial charges increased significantly in FY-21 as compared to FY-20 representing an increase of 265% in Q3-21 as compared to Q3-20 as well as a 206% increase in YTD-21 as compared to YTD-20.	
Total Expenses and Net Loss for the period.	• Total expenses net of ITCs for Q3-21 were $813 compared to $760 for Q3-20 representing a nominal 7% decrease. The $53 increase resulted from the respective increase in G&A, SBC and financial expenses which totaled $283 and were offset by the $230 decrease in net R&D spending.	• Total expenses net of ITCs for YTD-21 increased $492 over YTD-20 representing a 24% increase. The increase resulted mainly from the $215 increase in G&A and $369 increase in financial expenses as explained above. These increases were partly offset by the $172 decrease in net R&D spending.
EBITDA (L)	• Management believes that our EBITDA (L) performance is more indicative of our operating results as it eliminates the financial costs associated with our financial structure such as our CDU financing and ITC financings as well as the amortization of intangible assets.	

	• After eliminating the impact of the financial expenses, as well as depreciation, and amortization our EBITDA loss during Q3-21 was $611 compared to $682 for Q3-20, representing a 10% reduction.	• Our EBITDA loss during YTD-21 was slightly higher than our YTD-20 at $1,886 compared to $1,747 representing a nominal 8% increase.

Selected 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 Q3-21.

As at,	**31-Oct-20**	31-Jan-20	*Change*	
	$	$	*$[1]*	*%[2]*
Cash	**809**	302	*507*	*168%*
Prepaids	**500**	64	*436*	*781%*
Current assets	**1,592**	741	*851*	*115%*
ITC (current and non-current)	**233**	361	*(128)*	*-35%*
Intangible Assets	**372**	396	*(24)*	*-6%*
Non-current assets	**547**	546	*1*	*0%*
Total assets	**2,139**	1,287	852	*66%*
Trade accounts payable and accrued liabilities	**600**	1,021	(421)	*-41%*
ITC Loans	**537**	596	*(59)*	*-10%*
Liabilities – current	**1,273**	1,693	*(420)*	*-25%*
Long-term loan	**40**	302	*(262)*	*-87%*
Convertible Debentures	**2,679**	1,670	*1,009*	*60%*
Total liabilities	**3,996**	3,686	*310*	*8%*
Common shares	**7,190**	5,418	*1,772*	*33%*
Warrants	**1,460**	732	*728*	*99%*
Equity component of CDU	**520**	385	*135*	*35%*
Contributed surplus	**1,366**	955	*411*	*43%*
Deficit	**12,393**	9,889	*2,504*	*25%*

1. A positive variance represents a positive impact to our balance sheet and a negative variance represents a negative impact to our balance sheet
2. Percentage change is presented in relative values

Selected items	**Q3-21 vs YE-20**
Cash	• Cash at the end of Q3-21 was $809 as compared to $302 at the start of the year. Our cash resources improved significantly due to the Private Placement offerings which were completed during Q3-21, generating net proceeds of $2.4 million.
Prepaids	• Prepaids increased significantly between the 2 periods as the Corporation used part of the proceeds from the Private Placement financing to make a $287 partial pre-payment for the clinical trial material required to initiate the Ortho-R rotator cuff clinical trial next year. This prepayment helped secure more favorable timelines for the manufacturing activities. Additional prepaids also included interest and fees associated with the ITC loans.
Current assets	• The increase in cash and prepaids led to a 115% increase of current assets between the 2 periods.
ITCs	• The reduction of our ITC recovery rates (See "Statement of Loss" commentaries) and collection of prior year ITCs explain the $128 drop in our total ITC credits outstanding.

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

Intangible Asset	• Intangible assets reflect the net book value of our patents and biopolymer technology acquired from Polyvalor. The nominal reduction between YE-20 and Q3-21 results from amortization charges which were not offset by new investments. 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.
Trade accounts payable and accrued liabilities	• Trade accounts payables and accrued liabilities have reduced significantly during FY-21 as a result of the various financings completed including the additional CDU completed in April 2020, and the 2 Private placements completed in Q3-21.
Current Liabilities	• The $364 decrease in short-term liabilities results mainly from the $421 decrease in accounts payables.
Convertible debentures units (CDU)	• During the past year, the Corporation issued $3,204 worth of CDUs 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 the end of Q3-21, the Convertible debentures plus accreted interest net of the fair value allocated to the conversion option of the debentures and the fair value allocated to the warrants issued as part of the CDU financings amounted to $2,679 compared to $1,670 at YE-20. • The $1,009 net change to the convertible debentures between YE-20 and Q3-21 included a conversion of a $302 loan, $758 raised during the period, a $124 fair value allocated to warrants issued as part of the CDU financing, $135 for the fair value allocated to the conversion features of the Convertible debentures, and a $208 accretion expense representing the effective interest adjustment accumulated on the CDU.
Long-term Loans	• Long term loan at the end of Q3-21 have reduced by $262 since the start of FY-21. The $302 loan secured late in FY-20 was converted into the April 2020 CDU financing. During the YTD-21 the Corporation secured $40 from the Canada Emergency Response Benefit program which is part of the COVID-19 economic response plan.
Common Shares	• Common shares have increase by $1,772 as a result of the 2 Unit offerings completed in Q3-21.
Warrants	• The $728 increase between YE-20 and the end of Q3-21 relates to the issuance of warrants as part of the April 21, 2020 CDU financing as well as the Unit offering completed in Q3-21 and warrants issued for IR activities.
Equity component of Convertible debentures	• The equity component of the convertible debentures represents the fair value of the conversion features of the CDUs. 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 YTD-21 relates to the fair value of the conversion feature for the CDU issued on April 21, 2020.
Contributed Surplus	• $411 increase relates to a $93 net impact for stock options issued and exercised during the period as well as $318 for expired warrants.
Deficit	• Increase reflects the performance of the Corporation during YTD-21. (See "Statement of Loss" commentaries)

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

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out the Corporation's selected unaudited quarterly financial information for the eight quarters ended October 31, 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.

	Q3-20	Q2-20	Q1-21	Q4-20	**Q3-20**	Q2-20	Q1-20	Q4-19
R&D Expenses (Net)	**191**	195	365	142	**421**	194	308	418
G&A expenses	**342**	186	507	136	**254**	361	205	248
Share-based compensation	**101**	49	20	74	**36**	44	10	36
Financial expenses (income)	**179**	201	168	125	**49**	63	67	(17)
Net (loss) for the quarter	**(813)**	(631)	(1,060)	(477)	**(760)**	(662)	(590)	(685)
(Loss) per share (Basic and diluted)	**(0.03)**	(0.07)	(0.04)	(0.02)	**(0.03)**	(0.03)	(0.02)	(0.04)
EBITDA (Loss)	**(611)**	(413)	(862)	(319)	**(682)**	(570)	(495)	(679)

(See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures")

Notes	Valuable information
R&D expenses (Net of ITCs)	• 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 Q3-21 have been stable over the prior quarter. R&D expenses in Q1-21 and Q3-20 reflected milestone payments related to our Ortho-R rotator cuff pivotal animal study.
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 IR firms. • G&A expenses have fluctuated from quarter to quarter. G&A expenses over the last 8 quarters include non-recurrent charges related to changes to the senior management team, including a $120 severance in Q2-20 to prior acting CEO. • The Q1-21 amount relates mainly to a non-recurrent $267 salary adjustment paid to senior management for having agreed to receive no cash remuneration between July 2019 and April 2020. • G&A expenses in Q3-21 include non-recurrent IR spending of $187. • 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 fluctuates as a results of staff changes, and due to the timing of expense recognition associated with the vesting of the options issued. A non-recurrent grant to our Scientific Advisory Board members took place during the last quarter.
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 CDUs. • The increase in financial expense between Q4-20 and Q3-21 results from the CDU financings closed over the last year, including $1,644 in Q3-20, $500 in Q4-20, and $1,060 in Q1-21. Each CDUs have a 24-month maturity. Interest charges on the CDUs may go down over time as CDU holders opt to convert their debenture prior to maturity**.** The net income of $17 in Q4-19 came from the settlement/conversion of a loan from Manitex into a CDU financing.
Net loss	• Net loss in Q3-21 increased due to the additional financial expenses related to CDUs and ITC loans as well as higher spending for IR activities. The Q1-21 loss reflected the impact of the non-recurrent increase in our G&A expenses. • Going forward Ortho RTI's net loss will be mainly driven by the level of R&D spending made to advance the Corporation's R&D programs (Ortho-R, Ortho-M, and Ortho-C) as well as the financial expenses related to its capital structure.
EBITDA (Loss)	• EBITDA (Loss) (See "Management's Responsibility for Financial Reporting" – "Non-IFRS Financial Measures") eliminates the impact of the CDU, ITC and other financings which reflect the Corporation's financing strategy adopted to attract the required capital to fund its operations. After eliminating such expenses, the EBITDA (Loss) has increased in Q3-21 over the prior quarter as a result of the non-recurrent IR spending. The Q1-21 increase resulted from the non-recurrent adjustment to senior management compensation.

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

LIQUIDITIES AND CAPITAL RESSOURCES

For the year-to-date periods ended	**31-Oct-20**	31-Oct-19	***Change*** ^{1}	*%*^{2}
Cash provided by (used in):				
Operating Activities				
Net Loss from Operations	**(2,504)**	(2,012)	*(492)*	*-24%*
Add items not affecting cash	**512**	662	*(150)*	*-23%*
	(1,992)	(1,350)	*(642)*	*-48%*
Investing Activities	**(2)**	-	*(2)*	*0%*
Financing Activities	**2,501**	824	*1,677*	*204%*
(Decrease) Increase in cash	**507**	(526)	*1,033*	*196%*
Cash, Beginning of the period	**302**	524	*(222)*	*-42%*
Cash, End of the period	**809**	(2)	*811*	*40550%*

1. A positive variance represents a positive impact to cash flows and a negative variance represents a negative impact to cash flows
2. Percentage change is presented in relative values

	YTD-21 vs YTD-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 has increased by 48% at $1,998 for the YTD-21 as compared to $1,350 for the YTD-20 period. The $642 increase results from the $492 increase in net loss and the $150 decrease in items not affecting cash. Items not affecting cash decreased during the 2 periods due to the increase in prepaids and strong reduction in trade payables that followed the Q3-21 Private Placement financing which were partly offset by conversion of consulting fees into equity instruments and CDUs.
Cash used in investing activities	• There was nominal cash used for investing activities for the YTD-21 and YTD-20 periods as the Corporation continued to leverage its agreement with Polytechnique with access to their laboratories.
Cash provided by financing activities	• Financing activities contributed $2,501 the first YTD-21 as compared to $824 for the prior year period. During the YTD-21, the Corporation collected $2,395 from the 2 Private Placements closed in August and September 2020, $355 from the CDU financing closed on April 21, 2020 as well as a $40 new loan under the Canada Emergency Response Benefit program. This was offset mainly by a repayment of ITC loans for $193. This compares to $672 for the issuance of CDUs, $203 worth of new ITC loans secured in the prior year period net of ITC loan repayment and a $18 payment of lease obligation.
Cash, End of the period	• Despite a sharp reduction in its trade payables and large deposits made to secure favorable timelines for the manufacturing of its clinical trial lot ("See Balance Sheet commentaries"), the Corporation ended Q3-21 with $809 of cash compared to $302 at the beginning of FY-21 representing a 168% increase in cash resources.

Cash, and Working Capital

As at,	**Q3-21** **$**	Q3 - 20 $	*Change* *$*^{1}	*%*^{2}	**YTD-21** **$**	YE-20 $	*Change* *$*^{1}	*%*^{2}
Cash	**809**	(2)	*811*	*40550%*	**809**	302	*507*	*168%*
Working Capital	**319**	(1,519)	*1,838*	*121%*	**388**	(896)	*1,284*	*143%*
Total assets	**2,139**	1,010	*1,129*	*112%*	**2,139**	1,287	*852*	*66%*

1. A positive variance represents a positive impact and a negative variance represents a negative impact
2. Percentage change is presented in relative values

Cash at the end of Q3-21 was $809 as compared to negative $2 cash at the end of Q3-20 and $302 at the end of YE-20. In addition to the strong improvement in our cash position between FY-20 and FY-21, the Corporation has used the proceeds of the various financing completed during FY-21 to significantly improve its W/C situation. W/C as at the end of Q3-21 was $319 compared to negative W/C of $1,519 a year ago, representing a $1,838 improvement.

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 on track to meet this important corporate milestone in the earlier part of FY-22. During the quarter and over the prior periods, the Corporation has demonstrated its ability raise the necessary capital to support its operations and deliver on its development timelines.

Management has continued to implement IR and financing initiatives to attract the required capital to fund its operations and deliver R&D and corporate milestones as demonstrated by the non-convertible debenture financing close after the end of Q3-21 (See "Subsequent Events"). Taking into consideration this $3 million non-convertible financing, our W/C is expected to exceed $2 million at YE-21 as compared to a working capital deficit of $896 at the start of the current fiscal year. This will put Ortho RTI in a favorable position to start its Ortho-R rotator cuff tear repair clinical program in early FY-22. (See "Overview of the Business")

Future financing

As at October 31 2020, Ortho RTI had 18.4 million warrants outstanding with an average exercise price of $0.52. All warrants are subject to acceleration clauses. If the average VWAP of the Corporation's shares 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 for all warrants outstanding at the end of Q3-21, the maximum influx of cash to the Corporation would exceed $9.5 million.

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 nine-month period ended on October 31, 2020, the Corporation incurred a net loss of $2,504, and used cash in operations of $1,992. Despite the fact that working capital stood at $319 as at October 31, 2020 as well as the additional financing closed subsequent to the end of Q3-21, the Company's performance 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 October 31, 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.

Covid-19 pandemic

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 (Ortho-R), meniscus (Ortho-M), and cartilage (Ortho-C) 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 several manufacturing activities, or some 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.

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

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 IND 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 intend 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. (See "Commitments")

Off-Balance Sheet Arrangements

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

Related Parties Transactions

The following table presents the related party transactions presented in the statement of loss for the respective periods:

	Q3-21	Q3-20	**YTD-21**	YTD-20
Transactions with key management and members of the Board of Directors:				
Termination benefits paid to a former CEO	**-**	-	**-**	120
Share-based compensation to employees and Directors	**115**	37	**175**	90
Consulting fees paid to a director, CEO and CFO	**55**	70	**363**	175
Interest earned on debentures held by Directors, CEO and CFO	**47**	6	**124**	6
Interest earned on debentures held by Manitex, a shareholder of Ortho RTI	**49**	65	**146**	115
Consulting fees and rental costs charged paid to Valeo Pharma	**24**	25	**95**	90
R&D costs charged by Polytechnique, a partner of Polyvalor	**57**	74	**204**	221

Compensation of key management includes Directors, CEO, and the CFO.

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

	Oct. 31, 20	Jan. 31, 20
Amounts due to key members of management and members of the Board of Directors		
Accounts payable and accrued liabilities due to directors, CEO and CFO	**86**	100
Accrued interest on debentures due to directors, CEO and CFO	**66**	2
Convertible debentures due to directors, CEO and CFO	**776**	516
Accrued interest on debentures due to Manitex, a shareholder of the Company	**12**	5
Convertible debentures due to Manitex, a shareholder of the Corporation	**827**	783
Accounts payable due to Valeo Pharma for consulting fees and rent	**82**	54
Accounts payable due to Polytechnique, a partner of Polyvalor	**74**	74

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.

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

The following presents the accounts that are exposed to foreign exchange volatility as at:

	October 31, 2020		January 31, 2020	
	Foreign Currency	**CAD equivalent**	Foreign Currency	CAD equivalent
Cash – USD	93	124	-	1
Accounts payable and accrued liabilities – USD	76	101	56	74
Accounts payable and accrued liabilities – EUR	-	-	6	9
Accounts payable and accrued liabilities – JPY	-	-	161	2

A plus or minus 5% variation in exchange rates, all other variables held constant, would result in a foreign exchange gain or loss of $11.

(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 October 31, 2020		***Carrying value***	***Contractual cash flows***	***Less than 12 months***	***Greater than 12 months***
Financial liabilities					
Accounts payable and accrued liabilities		**600**	600	600	-
Investment tax credit loan	(i)	**537**	605	605	-
Interest payable		**114**	114	114	-
Canada Emergency Business Account		**40**	40	-	40
Convertible debenture Unit	(i)	**2,679**	3,572	280	3,292
		3,903	4,931	1,599	3,332

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

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	-
Interest payable on debenture		**56**	56	56	-
Long term loans		**302**	302	-	302
Convertible debentures	(i)	**1,670**	2,573	-	2,573
		3,645	4,619	1,800	2,819

(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 unaudited financial statements included in this MD&A for the quarter ending October 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. As part of these agreements, the Corporation is committed to pay quarterly instalments of $73.5 until the first quarter of 2022.

SUBSEQUENT EVENTS

a) On December 2, 2020 – Ortho RTI completed a non-brokered private placement of secured non-convertible debenture units for gross proceeds of $3.0 million (the "Offering"). The Company issued 3,000 secured non-convertible debenture units (the 'Debenture Units") at a price of $1 (thousands) per Debenture Unit for total gross proceeds of $3.0 million. Each Debenture Unit consists of one 3-year, 10% secured non-convertible debenture of the Company in the principal amount of $1 (thousand) (each a "Debenture") and 500 Class "A" share purchase warrants (each a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Class "A" of the Company (each a "Share") at an exercise price of $0.75 at any time up to 36 months following the closing date of the Offering (the "Closing Date"). The Debenture Units are subject to a statutory hold period under the applicable securities laws and in such case the certificates evidencing the securities will bear a legend to that effect, as applicable. The Company has paid $127 in commissions and issued 170,850 broker warrants in connection with the Offering, in compliance with applicable securities laws. The Debentures will be secured by a first ranking lien on all the Corporation's assets.

b) On December 3, 2020, Ortho RTI used the proceeds from the Secured Debenture Offering (See a) above), to reimburse the totality of the ITC loans capital and accrued interest representing a total amount of $444. Upon repayment of the ITC loans, the first ranking lien security which had previously been granted in favour of the ITC loan lender has been radiated.