

# CHITOGENX REPORTS 2023 FISCAL YEAR-END RESULTS

- **Successful completion of initial portion of U.S. Phase I/II ORTHO-R rotator cuff tear repair clinical trial**
  - **Phil Deschamps and Jonathan Sackier M.D. hired as new CEO and Chief Medical Officer**
  - **\$4.0 million grants secured to expand indications of ORTHO-R technology platform**
  - **Meniscus repair development program launched, with soft-tissue residency properties of ORTHO-R confirmed**
  - **Changed corporate name to better represent Company's proprietary technology platform expanded applications beyond orthopedics**
- \$7.1 million raised from private placements with insiders' participation exceeding \$2.3 million**

MONTREAL, May 31, 2023 /CNW/ - [ChitogenX](#) Inc., (CSE: CHGX) (OTCQB: CHNXF) ("**ChitogenX**" or the "**Company**"), a clinical-stage regenerative medicine company, today reported its financial results and highlights for the fourth quarter and fiscal year ended January 31, 2023.

"The Company delivered several important corporate milestones during the last fiscal year. Initiation and acceleration of patient enrollment including completion of the initial portion of the U.S. Phase I/II rotator cuff tear repair clinical trial without safety issues, the expansion of the scope of indications with the start of the meniscus development program, and the acceleration of the commercial readiness of the ORTHO-R technology platform are all great examples of such accomplishments", said Philippe Deschamps, President, and CEO. "With several active collaborations and strategic initiatives ongoing, ChitogenX is positioned at the forefront of the rapidly expanding field of regenerative medicine".

## Fourth Quarter and Fiscal 2023 ORTHO-R Program Highlights

- In November 2022, the Company successfully completed the initial portion of its U.S. Phase I/II ORTHO-R rotator cuff tear repair clinical trial requiring staggered enrolment of 5 patients and Data Safety Monitoring Committee review, no safety issues were reported;
- In November 2022, the Company successfully completed the large animal surgeries for its pre-clinical meniscus repair program mainly funded by the previously announced Axelys grant;
- In October 2022, the Company launched its second orthopedic development program in meniscus repair following the development completion of its preclinical arthroscopic surgery program;
- In July 2022, the Company initiated patients' enrollment following the successful completion of the first patient surgery in its U.S. Phase I/II rotator cuff tear repair clinical trial;
- In May 2022, the Company received from the United States Patent and Trademark Office, a patent related to the Company's ORTHO-R soft tissue repair platform. The issued patent, titled,

"Freeze-Dried Polymer Compositions for mixing with platelet rich plasma to form implants for tissue repair and/or composition for therapeutic intra-articular injection" (US Patent Application No. U.S. 11,285,100 B2) provides broad protection for both the composition and the method of use of the Company's Ortho R Technology; and

- In February 2022, the Company entered into a Material Transfer Agreement with an undisclosed, industry-leading, global strategic medical company for the exclusive use of their proprietary platelet-rich plasma ("PRP") system in the Company's ORTHO-R rotator cuff tear repair, phase I/II U.S. clinical trial. The Strategic Company has provided PRP system disposable kits for all enrolled patients in the study as well as technical and training support in return for a right of "first offer" to distribute ORTHO-R in combination with their proprietary PRP System.

#### **Fourth Quarter and Fiscal 2023 Corporate Highlights**

- In December 2022, the Company reached an agreement with holders of existing convertible and non-convertible debentures for the accelerated conversion of \$2.6 million worth of convertible debentures as well as the extension of the \$3.0 million non-convertible debenture maturity from November 2023 to February 2025;
- In December 2022, the Company secured \$1.2 million to fund operations and support initiatives related to the Phase I/II Clinical trial for rotator cuff tear repair;
- In October 2022, the Company signed a partnership with the California Medical Innovations Institute to identify collaborative projects and pursue proof of concept research programs utilizing ChitogenX's proprietary regenerative medicine solutions to improve patient outcomes;
- In October 2022, the Company announced its decision to pursue sales of medical grade chitosan as a new near-term commercial revenue initiative following the completion of an internal commercial and regulatory readiness process;
- In September 2022, the Company changed its corporate name from Ortho Regenerative Technologies Inc. to ChitogenX Inc. to better reflect the Company's expanded clinical and commercial opportunities, mission, values, and core competencies;
- In May 2022, the Company received, through its partnership with Polytechnique Montreal, a \$500,000 non-dilutive grant from Axelys, to advance the development of its second technology platform indication, ORTHO-M, for meniscus repair;
- In April 2022, the Company closed an oversubscribed non-brokered private placement of units for \$3.2 million with approximately \$560,000 of Insiders' subscriptions and issued 16,000,000 Units at a price of \$0.20 per Unit; and
- In March 2022, the Company announced the appointment of Philippe Deschamps as its new Chief Executive Officer following the retirement of Mr. LeDuc.

#### **Fourth Quarter 2023 Subsequent Events**

- In May 2023, the Company closed a first tranche of its amended non-brokered private placement offering of units for \$3.86 million, including \$1.8 million of Insiders' subscriptions and issued 25,708,988 Units at a price of \$0.15 per Unit. Holders of debentures that matured on May 1, 2023, also opted to reinvest \$2.1 million of principal and accrued interest into the Private Placement;
- In May 2023, the Company amended the terms of its non-brokered private placement offering

previously disclosed on April 4, 2023. The amended non-brokered private placement offering now consists of 33,333,333 units of the Company at a price of \$0.15 per Unit for increased maximum gross proceeds of up to \$5.0 million (the "Offering");

- In April 2023, the Company changed its auditors from Ernst&Young LLP to Guimond Lavallée, Chartered Professional Accountants Corporation;
- In April 2023, the Company announced a new non-brokered private placement offering of 12,500,000 units of the Company at a price of \$0.20 per Unit for gross proceeds of \$2.5 million replacing the previously announced private placement pursuant to the listed issuer financing exemption;
- In February 2023, the Company obtained, in partnership with Polytechnique Montréal, a \$3,472,000 grant from The Natural Sciences and Engineering Research Council of Canada ("NSERC") and Prima Québec. The 4-year grant will be used to advance the scientific development, expand the scope of indications, develop new biomaterials for regenerative medicine and accelerate the commercial readiness of the Company's flagship ORTHO-R technology platform;
- In February 2023, the Company successfully confirmed soft-tissue residency properties of its chitosan/PRP based biopolymer matrix, ORTHO-R, in a grant-supported large animal meniscus tear repair study; and
- In February 2023, the Company announced a best-efforts private placement of 19,333,333 units of the Company at a price of \$0.225 per Unit for gross proceeds of up to \$4,350,000, subject to a minimum of \$3,000,000 pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 – Prospectus Exemptions ("NI 45-106").

## **Fourth Quarter and Fiscal 2023 Financial Statements and MD&A**

ChitogenX's financial statements and Management's Discussion and Analysis for the three and twelve-month periods ended January 31, 2023, are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **About ChitogenX Inc.**

ChitogenX Inc. (formally Ortho Regenerative Technologies Inc.) is a clinical stage regenerative medicine company dedicated to the development of novel therapeutic tissue repair technologies to improve tissue healing. The Company is committed to the clinical development of its proprietary RESTORE technology platform, a muco-adhesive CHITOSAN based biopolymer matrix, specifically designed to deliver biologics such as platelet-rich plasma (PRP) or bone marrow aspirate concentrate (BMAC), to enhance healing in various regenerative medicine applications.

Other formulations are being developed to leverage the technology's performance characteristics such as tissue adhesion, pliability, and ability to deliver biologics or therapeutics to various tissues damaged by trauma or disease. Further information about ChitogenX is available on the Company's website at [www.chitogenx.com](http://www.chitogenx.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).


## **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.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

SOURCE ChitogenX Inc.

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/May2023/31/c5256.html>

%SEDAR: 00037950E

**For further information:** Company, Philippe Deschamps, President and Chief Executive Officer, 614-596-2597, [deschamps@chitogenx.com](mailto:deschamps@chitogenx.com); or Luc Mainville, Senior Vice-president and Chief Financial Officer, 514-693-8854, [mainville@chitogenx.com](mailto:mainville@chitogenx.com); Investors, Frederic Dumais, Director Communications and Investor Relations, (514) 693-8847, [dumais@chitogenx.com](mailto:dumais@chitogenx.com)

CO: ChitogenX Inc.

CNW 18:06e 31-MAY-23