

CHITOGENX REPORTS THIRD QUARTER 2024 RESULTS

- Launch of new skin repair development program targeting \$19B in unmet medical needs
- Successful demonstration of protection from joint degeneration and osteoarthritis post meniscal repair surgery in ORTHO-R large animal study
- Conclusion of enrollment of Phase I/II clinical trial for rotator cuff tear repair
- Received Notice of allowance for key patent in the U.S. and Canada
- Reduced operating losses by 73% during YTD-24 compared to prior year
- Closed a \$0.64 million private placement and improved working capital since FY-23 by \$3.6 million

MONTREAL, Jan. 3, 2024 /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 third quarter of fiscal year 2024 ended on October 31, 2023.

"We launched a highly promising skin repair development program targeting \$19B in unmet medical needs. This follows several important development milestones in the orthopedic field, with the completion of enrollment in our Phase I/II rotator cuff repair trial as well as demonstrated protection against osteoarthritis in a pivotal large animal meniscus study. The Company is now prioritizing development programs with faster regulatory pathway in key markets such as the U.S. The unique characteristics of our proprietary chitosan-based polymer are especially well-suited to help address current technological limitations in the skin repair market for example", said Philippe Deschamps, President, and CEO. "Leveraging our Polytechnique partnership and non-dilutive research grants will help us pursue and secure strategic development partnership agreements going forward without having to commit material financial resources", continued Deschamps.

Commenting on the third quarter 2024 results, Luc Mainville, ChitogenX' Senior Vice-President, and Chief Financial Officer, said; "During our third quarter 2024 we continued to improve our financial situation by reducing our working capital deficit by 53% and our operating losses by 73% compared to last year. We were able to attract additional capital and leverage our R&D grants to support our R&D efforts while reaching important milestones that will help our ability to fund the Company going forward".

Third Quarter 2024 Corporate Highlights

- In September 2023, the Company concluded subjects' enrolment at 20 in its U.S. Phase I/II rotator cuff tear repair phase I/II clinical trial. All study activities will be completed by June 2024 as per clinical trial protocol following completion of the clinical follow-up and safety analysis for the 20 recruited subjects;
- In September 2023, the Corporation closed the third tranche of its non-brokered private placement offering of units. The third tranche consisted of gross cash proceeds of \$0.39 million and \$0.25 million in debt conversion from holders of convertible debentures which matured on May 1, 2023. The Corporation issued 4,255,138 units at a price of \$0.15 per unit for a total consideration of \$0.64 million;
- In September 2023, the Company received a notice of allowance for a key patent in the US and Canada. The patents make the Chitosan based biopolymer scaffold proprietary without the need for it to be combined with Plasma Rich Platelets or other blood products as was previously the case; and
- In August 2023, the Company announced the voting results from its Annual General Meeting of

Shareholders ("AGM") held via videoconference on July 19, 2023. The following seven (7) nominees were elected as Directors of the Company to hold office until the next Annual Meeting of Shareholders or until their successors are elected or appointed: Mr. Tim Cunningham, Mr. Philippe Deschamps, Mr. Pierre Laurin, Dr. Brent Norton, Mr. Patrick O'Donnell, Mr. Steve Saviuk, and Mr. Howard P. Walthall. Guimond Lavallée, Chartered Professional Accountants Corporation were also appointed as auditor of the Company.

Third Quarter 2024 Subsequent Events

- In November 2023, the Company launched a new development program targeting significant unmet medical needs in the burn and skin repair market, currently valued at US \$19B and growing at 5% + CAGR through 2032. Proof of concept studies have already been successfully completed and results will be the subject of news releases in the coming weeks;
- In November 2023, the Company announced that ORTHO-R successfully demonstrated protection from joint degeneration post meniscal repair surgery in a large animal study. The results demonstrated protection from knee joint degeneration and osteoarthritis development post meniscal repair surgery;
- In November 2023, the Company granted an aggregate of 3,316,667 DSUs and 500,000 Options to Directors and Officers of the Company, in lieu of cash compensation; and
- The Corporation reached an agreement to extend the repayment of \$0.33 million of short-term notes (Capital and interest) to February 1, 2025.

Third Quarter 2024 Financial Statements and MD&A

ChitogenX's financial statements and Management's Discussion and Analysis for the three- and nine-month period ended October 31, 2023, is available on SEDAR at 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 and on SEDAR at 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.

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