

Ortho Regenerative Technologies Inc.
Interim Condensed Financial Statements

Three-month and nine-month periods ended October 31, 2017 and 2016

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.

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Ortho Regenerative Technologies Inc.
Condensed Statements of Financial Position

(Unaudited)

As at

| | October 31, 2017 | January 31, 2017 |
|--|------------------|--------------------|
| | \$ | \$ |
| | | (Restated, Note 4) |
| Assets | | |
| Cash | 1,031,498 | 7,366 |
| Sales tax receivable | 23,769 | 14,928 |
| Prepaid expenses | 27,721 | 11,222 |
| Investment tax credits | 160,000 | 345,005 |
| Total current assets | 1,242,988 | 378,521 |
| Investment tax credits | 242,716 | - |
| Intangible asset (Note 5) | 487,741 | 368,150 |
| Total non-current assets | 730,457 | 368,150 |
| Total assets | 1,973,445 | 746,671 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 309,996 | 800,311 |
| Operating loan (Note 6) | - | 879,850 |
| Note payable (Note 7) | 231,833 | - |
| Short term loan (Note 8) | 269,849 | - |
| Total current liabilities | 811,678 | 1,680,161 |
| Convertible loan (Note 9) | 582,389 | - |
| Class A shares liability (Note 10) | - | 333,334 |
| Total non-current liabilities | 582,389 | 333,334 |
| Total liabilities | 1,394,067 | 2,013,495 |
| Shareholders' equity (deficiency) | | |
| Common shares (Note 11) | 3,291,369 | 1,200,031 |
| Warrants (Note 11) | 785,545 | 238,000 |
| Contributed surplus (Note 11) | 499,330 | 276,115 |
| Deficit | (3,996,866) | (2,980,970) |
| Total shareholders' equity (deficiency) | 579,378 | (1,266,824) |
| Total liabilities and shareholders' equity (deficiency) | 1,973,445 | 746,671 |

Going Concern (Note 1); Related Party Transactions (Note 16); Commitments (Note 17); Subsequent Events (Note 18);

"/s/ Brent Norton", Director

"/s/ Laurence Terrisse-Rulleau", Director

Ortho Regenerative Technologies Inc.
Condensed Statements of Loss and Comprehensive Loss
(Unaudited)

For the three-month and nine-month periods ended October 31

| | Three-months ended | | Nine-months ended | |
|---|--------------------|-----------------------------|-------------------|-----------------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ (Restated, Note 4) | \$ | \$ (Restated, Note 4) |
| General and Administrative Expenses | | | | |
| Professional fees | 38,548 | 33,246 | 71,350 | 94,313 |
| Consulting fees <i>(Note 16)</i> | 158,832 | 50,119 | 362,359 | 109,657 |
| Research and development costs <i>(Note 12 and 16)</i> | 217,773 | 236,109 | 356,344 | 657,274 |
| Office and administrative <i>(Note 13 and 16)</i> | 92,613 | 72,737 | 194,268 | 309,813 |
| Travel and promotion | 10,141 | 13,755 | 22,079 | 40,340 |
| Transfer agent and filing fees | 18,710 | 16,386 | 32,408 | 35,259 |
| Share-based compensation <i>(Note 11, 13 and 16)</i> | 51,073 | 40,473 | 156,154 | 149,058 |
| Amortization – intangible asset <i>(Note 5)</i> | 8,409 | - | 16,819 | - |
| | 596,099 | 462,825 | 1,211,781 | 1,395,714 |
| Financial Expenses (Income) | | | | |
| Interest and bank charges <i>(Note 16)</i> | 23,208 | 10,727 | 34,472 | 24,688 |
| Interest paid with shares <i>(Note 10)</i> | - | - | 20,000 | - |
| Interest and accretion on convertible loan <i>(Note 9 and 16)</i> | 24,689 | - | 50,949 | - |
| Gain on settlement of debt <i>(Note 10)</i> | - | - | (24,000) | - |
| Change in fair value on Class A shares <i>(Note 10)</i> | - | - | (10,734) | - |
| Derecognition of liabilities on Class A shares <i>(Note 10)</i> | (246,842) | - | (246,842) | - |
| | (198,945) | - | (195,885) | 24,688 |
| Net loss and comprehensive loss | 397,154 | 473,552 | 1,015,896 | 1,420,402 |

Ortho Regenerative Technologies Inc.
Condensed Statement of Changes in Shareholders' Equity (Deficiency)

(Unaudited)

For the nine-month period ended October 31,

| | Number of shares | Share capital | Warrants | Contributed surplus | Accumulated Deficit | Total Equity (deficiency) |
|--|---------------------|------------------|----------------|------------------------|------------------------|---------------------------------|
| Balance, as at January 31, 2016, (Restated, Note 4) | 12,966,666 | 1,006,617 | 130,000 | 146,060 | (1,319,922) | (37,245) |
| Issuance of units as equity (Note 11) | 1,080,000 | 451,400 | 108,000 | - | - | 559,400 |
| Share issue costs (Note 11) | 46,500 | (257,986) | - | - | - | (257,986) |
| Share based compensation (Note 11) | - | - | - | 149,058 | - | 149,058 |
| Net loss for the period | - | - | - | - | (1,420,402) | (1,420,402) |
| Balance, as at October 31, 2016, (Restated, Note 4) | 14,093,166 | 1,200,031 | 238,000 | 295,118 | (2,740,324) | (1,007,175) |
| Balance, as at January 31, 2017, (Restated, Note 4) | 14,093,166 | 1,200,031 | 238,000 | 276,115 | (2,980,970) | (1,266,824) |
| Issuance of units as equity (Note 11) | 4,305,000 | 1,701,750 | 450,750 | - | - | 2,152,500 |
| Transfer of shares presented as a liability | 1,073,334 | 171,758 | - | - | - | 171,758 |
| Conversion of debt into units as equity (Note 11) | 800,000 | 320,000 | 80,000 | - | - | 400,000 |
| Share issue costs (Note 11) | - | (85,375) | - | - | - | (85,375) |
| Issuance of warrants (Note 11) | - | (16,795) | 16,795 | - | - | - |
| Share based compensation (Note 11) | - | - | - | 156,154 | - | 156,154 |
| Conversion feature on convertible loan (Note 9) | - | - | - | 67,061 | - | 67,061 |
| Net loss for the period | - | - | - | - | (1,015,896) | (1,015,896) |
| Balance, as at October 31, 2017 | 20,271,500 | 3,291,369 | 785,545 | 499,330 | (3,996,866) | 579,378 |

The number of shares held in escrow as at October 31, 2017 is 10,357,972 (2016 - 11,508,858)

Ortho Regenerative Technologies Inc.
Condensed Statements of Cash Flows

(Unaudited)

For the nine-month period ended October 31

| | 2017 | 2016 |
|---|--------------------|-----------------------|
| | \$ | \$ |
| | | (Restated, Note 4) |
| Operating activities: | | |
| Net loss from operations | (1,015,896) | (1,420,402) |
| Add items not affecting cash: | | |
| Share based compensation (Note 11) | 156,154 | 149,058 |
| Consulting fees paid by issuance of shares (Note 11) | 15,000 | - |
| Amortization – intangible asset (Note 5) | 16,819 | - |
| Amortization – finance costs | 2,723 | - |
| Gain on settlement of debt (Note 10) | (24,000) | - |
| Change in fair value on Class A shares (Note 10) | (10,734) | - |
| Interest paid by issuance of shares (Note 10) | 20,000 | - |
| Interest and accretion on convertible loan (Note 9) | 50,523 | - |
| Interest accrued on note payable (Note 7) | 7,096 | - |
| Derecognition of liability shares (Note 10) | (246,842) | - |
| | (1,029,157) | (1,271,344) |
| Net change in non-cash operating working capital: | | |
| Investment tax credits | (57,711) | (44,090) |
| Sales tax receivable and prepaid expenses | (25,340) | 5,542 |
| Accounts payable and accrued liabilities | (226,529) | (47,268) |
| | (309,579) | (85,816) |
| Cash used in operating activities | (1,338,736) | (1,357,160) |
| Investing activities: | | |
| Acquisition of intangible asset | (36,410) | (35,000) |
| Financing activities: | | |
| Increase in operating loan | 81,100 | 314,150 |
| Proceed from short term debt | 278,700 | - |
| Issuance of share capital as equity (Note 11) | 2,137,500 | 540,000 |
| Payment of debt issue costs | (12,647) | - |
| Payment of share issue costs (Note 11) | (85,375) | (23,250) |
| Payment of deferred share issue costs (Note 11) | - | (61,462) |
| Cash provided by financing activities | 2,399,278 | 769,438 |
| Increase (decrease) in cash | 1,024,132 | (622,722) |
| Cash, beginning of period | 7,366 | 646,246 |
| Cash, end of period | 1,031,498 | 23,524 |
| Supplementary cash flow information | | |
| Acquired intangible assets by issuance of shares (Note 10) | 100,000 | - |
| Settlement of accounts payable by issuance of a note payable (Note 7) | 224,737 | - |
| Settlement of accrued interest by issuance of convertible loan (Note 6) | 39,050 | - |
| Settlement of operating loan by issuance of convertible loan (Note 6) | 560,950 | - |
| Settlement of operating loan by issuance of shares (Note 6) | 400,000 | - |
| Derecognition of liability shares transferred to equity (Note 6) | 171,758 | - |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation" or "Ortho") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada. As of October 10, 2017, the Corporation's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol ORTH.

The Corporation specializes in research on innovative medical products which stimulate the regeneration of joint tissues.

These interim condensed financial statements ("financial statements") are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at October 31, 2017, the Corporation has a deficit of \$ 3,996,866 and working capital of \$ 431,310. During the nine-month period, the Corporation closed several private placements for an amount of \$2,137,500, as described in Note 11. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the continuous support of its creditors. The Corporation believes its efforts to raise sufficient funds to support its activities, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company. Such adjustment could be material.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative 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.

These financial statements were approved and authorized for issuance by the Board of Directors on December 15, 2017.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

| | | |
|--|-------------------------|------------------|
| | October 31, 2017 | January 31, 2017 |
| End of period exchange rate | 1.2893 | 1.3012 |
| | October 31, 2017 | October 31, 2016 |
| Three-month period average exchange rate | 1.2496 | 1.3272 |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

2. Summary of Significant Accounting Policies *(Continued from previous page)*

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended January 31, 2017 as they follow the same accounting policies and methods of application except for the accounting change described in note 4 of these financial statements.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The amendment shall be applied by way of prospective application for annual reporting periods beginning on January 1, 2017 or thereafter. The Corporation is currently evaluating the impact of adopting this standard.

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

2. Summary of Significant Accounting Policies (Continued from previous page)

d) Future accounting pronouncements (Continued from previous page)

IAS 12 Income Taxes

IAS 12 - Income Taxes was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2017. The Corporation is currently evaluating the impact of adopting this standard.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2017 annual financial statements and are still applicable for the period ended October 31, 2017, except the judgment relating to intangible assets since Management changed its accounting policy as describe in note 4.

4. Change in Accounting Policy

During the second quarter, the Corporation changed its accounting policy with respect to its intangible assets, specifically its development costs and patent prosecution costs. Previously, the Corporation capitalized these costs, when the Corporation could demonstrate that all the specific criteria related to technical, market and financial feasibility were met.

Under the new policy, research and development expenditures are charged to operations as incurred. Management considers this new accounting policy to provide more reliable and relevant information to users of the financial statements in assessing the financial position of the Corporation and comparing its performance to other biotech companies.

As required by IAS 8, Accounting policies, changes in accounting estimates and errors, the Corporation has restated the comparative periods presented in these financial statements to reflect the new policy. Consequently, development costs and patent prosecution costs in the amount of \$926,639 and \$392,042 were charged to operations for the years ended January 31, 2017 and 2016 respectively, and \$61,239 for the quarter ended April 30, 2017.

The restated line items on the statement financial position as at January 31, 2017, have been reconciled to the previously reported amounts as follows:

| January 31, 2017 | Previously reported \$ | Adjustments \$ | Restated \$ |
|---|------------------------------|-------------------|------------------|
| Assets | | | |
| Intangible assets | 1,294,789 | (926,639) | 368,150 |
| Total Assets | 1,683,310 | (926,639) | 756,671 |
| Shareholders' deficiency | | | |
| Deficit | 2,054,331 | 926,639 | 2,980,970 |
| Total shareholders' deficiency | 340,185 | 926,639 | 1,266,824 |
| Total liabilities and shareholders' deficiency | 1,683,310 | (926,639) | 756,671 |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

4. Change in Accounting Policy (Continued from previous page)

The restated line items on the statement of loss and comprehensive loss for the three-month and nine-month period ended October 31, 2016, have been reconciled to the previously reported amounts as follows:

| October 31, 2016 | Previously reported \$ | Adjustments \$ | Restated \$ |
|---|------------------------------|-------------------|----------------|
| <i>Three-month period</i> | | | |
| General and administrative expenses | | | |
| Research and development costs | 52,500 | 183,609 | 236,109 |
| Total general and administrative expenses | 279,216 | 183,609 | 462,825 |
| Net loss and comprehensive loss for the period | 289,943 | 183,609 | 473,552 |
| Basic and diluted loss per common share | 0.02 | 0.01 | 0.03 |
| <i>Nine-month period</i> | | | |
| General and administrative expenses | | | |
| Research and development costs | 159,893 | 497,381 | 657,274 |
| Total general and administrative expenses | 898,333 | 497,381 | 1,395,714 |
| Net loss and comprehensive loss for the period | 923,021 | 497,381 | 1,420,402 |
| Basic and diluted loss per common share | 0.07 | 0.04 | 0.11 |

Following the accounting change, management changed the caption Research costs to Research and development costs.

The restated line items on the statement of cash flows for the nine-month period ended October 31, 2016, have been reconciled to the previously reported amounts as follows:

| October 31, 2016 | Previously reported \$ | Adjustments \$ | Restated \$ |
|--|------------------------------|-------------------|----------------|
| <i>Nine-month period</i> | | | |
| Operating activities | | | |
| Net loss for the period | 923,021 | 497,381 | 1,420,402 |
| Cash used in operating activities | 859,779 | 497,381 | 1,357,160 |
| Investing activities | | | |
| Acquisition of intangible assets | 532,381 | (497,381) | 35,000 |
| Cash used in investing activities | 532,381 | (497,381) | 35,000 |

The restated line items on the statement of changes in Shareholder's Deficiency for the year ended January 31, 2016, have been reconciled to the previously reported amounts as follows:

| January 31, 2016 | Previously reported \$ | Adjustments \$ | Restated \$ |
|--|------------------------------|-------------------|----------------|
| Shareholders' equity (deficiency) | | | |
| Deficit | (927,880) | (392,042) | (1,319,922) |
| Total shareholders' equity (deficiency) | 354,797 | (392,042) | (37,245) |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

4. Change in Accounting Policy (Continued from previous page)

The restated line items on the statement of changes in Shareholder's Deficiency for the nine-month period ended October 31, 2016, have been reconciled to the previously reported amounts as follows:

| October 31, 2016 | Previously reported \$ | Adjustments \$ | Restated \$ |
|---------------------------------------|------------------------------|-------------------|------------------|
| Shareholders' deficiency | | | |
| Deficit | 1,850,901 | 889,423 | 2,740,324 |
| Total shareholders' deficiency | 117,752 | 889,423 | 1,007,175 |

5. Intangible Asset

On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor Limited Partnership. During this quarter, transfer of knowledge and manufacturing process has begun, therefore the Corporation commenced amortization of the IP on a straight-line basis over the estimated remaining life of the IP of 15 years.

| | Cost \$ | Accumulated amortization \$ | Carrying Value \$ |
|--|----------------|-----------------------------------|----------------------|
| Balance as at January 31, 2017, (Restated Note 4) | 368,150 | - | 368,150 |
| Additions | 136,410 | - | 136,410 |
| Amortization | - | (16,819) | (16,819) |
| Balance as at October 31, 2017 | 504,560 | (16,819) | 487,741 |

6. Operating Loan

The Corporation had a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation. Borrowing under this unsecured loan agreement bore interest at 8% per annum and was due on demand. On April 27, 2017, the Corporation entered into a debt conversion and convertible loan agreement with Manitex, which settled the amount due on the operating loan and a partial amount from the interest accrued. On April 27, 2017, the Corporation is indebted to Manitex in an aggregate amount of \$1,219,050 and was settled as follow:

| | |
|--|------------------|
| | \$ |
| Unsecured operating loan | 960,950 |
| Accrued interest | 57,411 |
| Various accounts payable | 200,689 |
| Total indebtedness | 1,219,050 |
| Settlement by issuance of Convertible loan (Note 8) | (600,000) |
| Settlement by issuance of 800,000 units (Note 10) | (400,000) |
| Amount included in accounts payable, until July 28, 2017 | 219,050 |
| Amount included in the issuance of a note payable (Note 7) | (219,050) |
| | - |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

7. Note Payable

On July 28th, 2017, the Corporation and Manitex signed an unsecured note payable in the amount of \$224,737, including the amount of \$219,050 described in note 6, bearing interest at 12% and maturing October 31, 2018.

Note payable consists of the following:

| | October 31, 2017 | January 31, 2017 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Principal | 224,737 | - |
| Interest accrued | 7,096 | - |
| Total note payable | 231,833 | - |

8. Short-Term Loan

On September 12, 2017, The Corporation signed a short-term loan agreement to finance its investment tax credits. The loan is secured by a first rank moveable hypothec on its investment tax credits, bears interest at a fix rate of 1.5% per month. The amounts are due upon receiving the refunds by the respective governments.

| | October 31, 2017 | January 31, 2017 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Principal | 278,700 | - |
| Deferred financing cost | (8,851) | - |
| Total short-term loan | 269,849 | - |

9. Convertible Loan

Convertible loan consists of the following:

| | October 31, 2017 | January 31, 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Face value of the convertible loan upon conversion (Note 6) | 600,000 | - |
| Less: discount | (67,061) | - |
| Book value of convertible loan on initial recognition | 532,939 | - |
| Accretion expense during the period | 50,524 | - |
| Deferred financing charges | (1,074) | - |
| Convertible loan, long term | 582,389 | - |

On April 27, 2017, the Corporation converted \$600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into shares of the Corporation at a deemed price of \$1.00 per shares. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed \$1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of \$1.00 per share of the Corporation.

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

9. Convertible Loan (Continued from previous page)

At the time of issue, the convertible loan was separated into liability and equity components using the residual method. The fair value of the liability component was calculated using discounted cash flows for the convertible loan assuming an effective interest rate of 18%. The effective interest rate was based on the estimated rate for a debenture with similar terms but without a conversion feature from comparable companies. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible loan and the fair value of the liability component. The liability component was subsequently measured at amortized cost using the effective interest rate method and was accreted up to the principal balance at maturity. The accretion is presented as a financial expense.

Transaction costs of \$1,500 were incurred on the issuance of the convertible loan and were netted against the liability. The transaction costs allocated to the liability component will be amortized at the effective interest rate over the term of the convertible debentures and will be presented as a financial expense.

10. Class A shares liability

As per the shareholders' agreement all shares held by Polyvalor have a put right associated to them allowing Polyvalor to require that the Corporation redeem the shares if the Corporation has not listed its shares on a recognized stock exchange by June 19, 2022. On October 10th, 2017, the Corporation listed its shares on the CSE and therefore has derecognized the liability. Accordingly, as per IAS 39 the difference between the fair value and the accounting value is charged to comprehensive loss on the date of derecognition.

Class A shares consists of the following:

| | October 31, 2017 | January 31, 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| 833,334 shares issued on June 19, 2015, held in escrow | 333,334 | 333,334 |
| 240,000 shares issued on March 31, 2017 ⁽¹⁾ | 96,000 | - |
| | 429,334 | 333,334 |
| Change in fair value of the shares ⁽²⁾ | (10,734) | - |
| Fair value of 1,073,334 Class A common shares | 418,600 | 333,334 |
| Transfer of 1,073,334 Class A common shares to equity | (171,758) | - |
| Gain on derecognition of the liability | (246,242) | - |
| | - | 333,334 |

- (1) On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of \$0.50 per common share to satisfy \$120,000 of outstanding amounts owing to them. The amount represents the commitment of a non-refundable fee of \$100,000 as per the Assignment and Transfer Agreement, an interest of \$10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of \$10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals \$120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of \$96,000, based on the private placement recently closed. Accordingly, a gain of \$24,000 was charged to the statement of loss as a gain on settlement of debt.
- (2) As at July 31, 2017, management reviewed the fair value and determined that the value of the common shares is \$0.39 based on the offered private placement which was closed on July 28, 2017, which resulted in a change in fair value of \$10,734 charge to comprehensive loss.

Details of the assumptions used are as follows for the respective dates:

| | July 31, 2017 | March 31, 2017 | January 31, 2017 |
|---|------------------|-------------------|---------------------|
| Weighted average risk-free interest rate | 1.28% | 0.72% | 0.82% |
| Weighted average volatility factor | 96% | 87% | 125% |
| Weighted average expected life (in years) | 1.5 | 1.5 | 1.5 |
| Weighted of Class A common shares | \$0.39 | \$0.40 | \$0.40 |

Ortho Regenerative Technologies Inc.
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(Unaudited)
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10. Class A shares liability (Continued from previous page)

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

11. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

| | | |
|--|---------------------|-------------|
| Issued and fully paid as at October 31 and January 31: | 2017 | 2017 |
| 20,271,500 (2017 – 14,093,166) Class A common shares | \$ 3,662,430 | \$1,472,017 |

The following units were issued in the respective reporting periods:

| Number of Units | Issue date | Gross Proceeds \$ | FV shares \$ | FV of warrants \$ | Total issue costs \$ |
|--|--------------------------|-------------------------|------------------|-------------------------|-------------------------|
| <i>For the period ended October 31, 2017</i> | | | | | |
| 1,810,000 ^(a&e) | Oct 31, 2017 | 905,000 | 724,000 | 181,000 | 40,000 |
| 780,000 ^(a&e) | July 28, 2017 | 390,000 | 304,200 | 85,800 | 16,350 |
| 385,000 ^(a&e) | June 28, 2017 | 192,500 | 142,450 | 50,050 | 7,120 |
| 30,000 ^(a&c) | June 28, 2017 | - | 11,100 | 3,900 | - |
| 340,000 ^(a&e) | April 27, 2017 | 170,000 | 136,000 | 50,050 | 10,180 |
| 800,000 ^(a&d) | April 27, 2017 | - | 320,000 | 80,000 | - |
| 960,000 ^(a&e) | March 31, 2017 | 480,000 | 344,000 | 136,000 | 28,520 |
| 5,105,000 | | 2,137,500 | 2,021,750 | 586,800 | 102,170 |
| <i>For the period ended October 31, 2016</i> | | | | | |
| 920,000 ^(b) | August 2, 2016 | 460,000 | 368,000 | 92,000 | 19,250 |
| 38,500 ^(c) | August 2, 2016 | - | 15,400 | - | 15,400 |
| 160,000 ^(b) | February 28, 2016 | 80,000 | 64,000 | 16,000 | - |
| 8,000 ^(c) | February 28, 2016 | - | 3,200 | - | 8,000 |
| 1,126,500 | | 540,000 | 450,600 | 108,000 | 42,650 |

- (a) subscription price of \$0.50 per unit, with each unit consisting of one Class A common share and one-half common share purchase warrant. A full warrant will entitle the holder to acquire one common share at an exercise price of \$0.70 per share at any time on or before the close of business on a date that is eighteen months from the subscription date. If, during the eighteen months after that date, the Corporation's weighted average share price for 30 consecutive trading days equals or exceeds \$1.00, the Corporation may give notice to the warrant holders that they must exercise their warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the proceeds were allocated between the common shares and the half-warrant.

Ortho Regenerative Technologies Inc.
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(Unaudited)
As at October 31, 2017

11. Share Capital (Continued from previous page)

(a) Authorized (Continued from previous page):

- (b) subscription price of \$0.50 per unit, with each unit consisting of one Class A common share and one-half (1/2) common share purchase warrant. A full warrant will entitle the holder to acquire one common share at an exercise price of \$0.70 per share at any time on or before the close of business on a date that is twenty-four months from the subscription date. If, during the twenty-four months after that date, the Corporation's weighted average share price for 30 consecutive trading days equals or exceeds \$1.00, the Corporation may give notice to the warrant holders that they must exercise their full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the proceeds were allocated between the common shares and the half-warrant.
- (c) the Corporation settled a liability of \$15,000 by the issuance of 30,000 units.
- (d) the Corporation entered into a debt conversion and convertible loan agreement with Manitex. From the outstanding amount of \$1,219,050, \$400,000 is converted into 800,000 units at deemed price of \$0.50 per Unit. Using the Black-Scholes option valuation model, the same values were allocated between the common shares and the half-warrant as to the placement concluded on April 28, 2017. (Note 6)
- (e) in connection with these private placements, the Corporation issued a total of 135,750 Broker's warrants of which \$16,795 was credited to warrants and debited as issue costs based on the Black-Scholes option valuation model.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 10,357,972 shares are held in escrow and will be released by the Escrowed Securities as follows:

| Release Date | Portion of Escrowed Securities Released |
|-----------------------|--|
| On April 10th, 2018 | 1/6 of the Escrowed Securities |
| On October 10th, 2018 | 1/5 of the Escrowed Securities |
| On April 10th, 2019 | 1/4 of the Escrowed Securities |
| On October 10th, 2019 | 1/3 of the Escrowed Securities |
| On April 10th, 2020 | 1/2 of the Escrowed Securities |
| On October 10th, 2020 | The remaining of the Escrowed Securities |

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to \$215,336 and was charged to share capital in the period.

The following schedules the common shares issuable on exercise of the full warrants and share-based payment transactions granted during the current fiscal year:

| | Shares issuable on exercise of | | | |
|----------------------------------|--------------------------------|----------------------------------|------------------|----------------------------------|
| | Full Warrants | | Share options | |
| | Number of shares # | Weighted exercise price \$ | Number # | Weighted exercise price \$ |
| Balance, January 31, 2016 | 650,000 | 0.70 | 1,025,000 | 0.16 |
| Granted during the period | 540,000 | 0.70 | 400,000 | 0.50 |
| Expired during the period | - | - | - | - |
| Cancelled during the period | - | - | (625,000) | 0.20 |
| Exercised during the period | - | - | - | - |
| Balance, October 31, 2016 | 1,190,000 | 0.70 | 800,800 | 0.25 |
| Balance, January 31, 2017 | 1,190,000 | 0.70 | 800,000 | 0.25 |
| Granted during the period | 2,688,250 | 0.70 | 800,000 | 0.50 |
| Expired during the period | - | - | - | - |
| Cancelled during the period | - | - | (50,000) | 0.50 |
| Forfeited during the period | - | - | (50,000) | 0.50 |
| Exercised during the period | - | - | - | - |
| Balance, October 31, 2017 | 3,878,250 | 0.70 | 1,500,000 | 0.39 |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

11. Share Capital (Continued from previous page)

(b) Share option and compensation expense:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate.

The following options were granted in the respective reporting periods:

| Number of options | Issue date | Expiry date | Exercise price \$ | Fair Value of options \$ | Total Compensation |
|--|--------------------|--------------------|-------------------|--------------------------|--------------------|
| <i>For the period ended October 31, 2017</i> | | | | | |
| 100,000 ^(a) | September 26, 2017 | September 26, 2022 | 0.50 | 0.20 | 22,991 |
| 100,000 ^(a) | July 17, 2017 | July 17, 2022 | 0.50 | 0.20 | 26,365 |
| 600,000 ^(b) | May 17, 2017 | May 17, 2022 | 0.50 | 0.20 | 178,446 |
| 800,000 | | | | | |
| <i>For the period ended October 31, 2016</i> | | | | | |
| 28,200 ^(c) | August 2, 2016 | August 2, 2021 | 0.50 | | 92,638 |
| 371,800 ^(c) | June 23, 2016 | June 23, 2021 | 0.50 | 0.20 | |
| 400,000 | | | | | |

(a) The options vest 25% every 6 months following the grant date

(b) The options vest 40% at the grant date and 20% every 6 months following the grant date

(c) The options vest 25% every 6 months commencing at the grant date

The total compensation cost will be recognized on a gradual basis over the vesting period of the stock options.

On April 27, 2017, 50,000 options were cancelled, and the recognized compensation related to these options amounted to \$ 5,442. On July 27, 2017, 50,000 options were forfeited by one consultants

In total, \$156,154 (\$ 149,058 – October 31, 2016) of employees, consultants and directors' remuneration expense has been included in the statement of loss and credited to contributed surplus.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

11. Share Capital (Continued from previous page)

(b) Share option and compensation expense (Continued from previous page):

The following options to purchase common shares were outstanding as at October 31, 2017:

| Number of Options outstanding | Number of Options Exercisable | Exercise price \$ | Remaining contractual life |
|----------------------------------|-------------------------------------|----------------------|----------------------------|
| 400,000 ¹ | 200,000 | 0.10 | 2.98 years |
| 1,100,000 | 465,000 | 0.50 | 4.18 years |

¹ As per the escrow agreement 360,000 of these options are held in escrow and are subject to the same release conditions as described in a).

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

| | September 2017 | July 2017 | May 2017 | August 2016 | June 2016 |
|---|-------------------|--------------|-------------|----------------|--------------|
| Weighted average risk-free interest rate | 1.52% | 1.52% | 0.62% | 0.62% | 0.62% |
| Weighted average volatility factor | 106.58% | 106.58% | 78.15% | 78.15% | 78.15% |
| Weighted average expected life (in years) | 5 | 5 | 5 | 5 | 5 |
| Weighted fair value of options | \$0.2996 | \$0.2996 | \$0.2322 | \$0.2322 | \$0.2322 |
| Forfeiture rate | 12% | 12% | 3.33% | 3.33% | 3.33% |

At the time that the options were granted, the stock was not listed on any exchange. Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(c) Warrants

As at October 31, 2017, the Corporation had outstanding warrants as follows:

| Number of full warrants | Issue date | Expiry date | Exercise price \$ | Fair Value of full warrants \$ | Remaining contractual life in years |
|----------------------------|-------------------|-------------------|-------------------------|--------------------------------------|---|
| 650,000 | January 29, 2016 | January 29, 2019 | 0.70 | 0.20 | 1.25 |
| 80,000 | February 28, 2016 | March 9, 2019 | 0.70 | 0.20 | 1.35 |
| 460,000 | August 2, 2016 | August 2, 2018 | 0.70 | 0.20 | 0.75 |
| 480,000 | March 27, 2017 | October 1, 2018 | 0.70 | 0.20 | 0.92 |
| 43,000 | March 27, 2017 | October 1, 2018 | 0.50 | 0.14 | 0.92 |
| 570,000 | April 27, 2017 | October 29, 2018 | 0.70 | 0.20 | 0.99 |
| 12,000 | April 27, 2017 | October 29, 2018 | 0.50 | 0.14 | 0.99 |
| 207,500 | June 28, 2017 | December 28, 2018 | 0.70 | 0.26 | 1.16 |
| 1,750 | June 28, 2017 | December 28, 2018 | 0.50 | 0.14 | 1.16 |
| 390,000 | July 28, 2017 | January 29, 2019 | 0.70 | 0.22 | 1.25 |
| 19,000 | July 28, 2017 | January 29, 2019 | 0.50 | 0.15 | 1.25 |
| 965,000 | October 31, 2017 | April 29, 2019 | 0.70 | 0.10 | 1.49 |
| 3,878,250 | | | | | 1.12 |

On September 12th, 2017, the Board agreed to extend the expiry date of the warrants issued in January and February 2016 to January 29, and March 9, 2019, respectively, all the other terms and conditions remain the same.

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

11. Share Capital (Continued from previous page)

(c) Warrants (Continued from previous page):

Under the Black-Scholes option-pricing model, the following assumptions were used when the half-warrants were granted:

| | 2017 | 2016 |
|---|------------------------|---------------|
| Price share ¹ | \$0.48 | n/a |
| Weighted average risk-free interest rate | 0.72% - 1.46% | 0.49% - 0.56% |
| Weighted average volatility factor | 66.17% - 107% | 125% |
| Weighted average expected life (in years) | 1.5 | 2 |
| Weighted fair value of half-warrants | \$0.10 - \$0.13 | \$0.10 |
| Weighted fair value of broker's-warrants | \$0.14 - \$0.20 | - |

¹ The share price is only applicable for the warrants that were issued on October 31, 2017.

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

| | 3 months ended October 31, 2017 | | 9 months ended October 31, 2016 | |
|---|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| | 2017 | 2016 (Restated, Note 4) | 2017 | 2016 (Restated, Note 4) |
| Weighted average number of common share outstanding | 17,658,722 | 14,082,749 | 16,452,770 | 13,538,898 |
| Basic and diluted loss per common share | 0.02 | 0.03 | 0.06 | 0.11 |

The number of options and full warrants outstanding as at October 31, 2017 and 2016 is not included in the calculation because the effect is anti-dilutive.

12. Research and Development Costs

Research and development costs consist of:

| | October 31, 2017 | | October 31, 2016 | |
|-----------------------|-----------------------------|----------------------------|--|---|
| | Three-month Period \$ | Nine-month period \$ | Three-month Period \$ Restated (Note 4) | Nine-month period \$ Restated (Note 4) |
| Research expenses | 20,820 | 99,324 | 52,500 | 183,996 |
| Development cost | 196,953 | 492,098 | 183,609 | 497,381 |
| | 217,773 | 591,422 | 236,109 | 681,377 |
| Investment tax credit | - | (235,078) | - | (24,103) |
| | 217,773 | 356,344 | 236,109 | 657,274 |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

13. Personnel Costs

Office and administrative expenses includes personnel costs, which consist of:

| | October 31, 2017 | | October 31, 2016 | |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Three-month Period \$ | Nine-month period \$ | Three-month Period \$ | Nine-month period \$ |
| Salaries and expenses for employees | 84,381 | 172,754 | 43,996 | 280,704 |
| Share-based compensation for employees | 5,963 | 13,313 | 10,452 | 14,014 |
| | 90,344 | 186,067 | 54,448 | 294,718 |

14. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

| | October 31, 2017 | | January 31, 2017 | |
|-------------------------|-------------------------------|------------------|-------------------------------|------------------|
| | Carrying Value FVTPL \$ | Fair Value \$ | Carrying Value FVTPL \$ | Fair Value \$ |
| Financial Assets | | | | |
| Cash | 1,031,498 | 1,031,498 | 7,366 | 7,366 |

| | October 31, 2017 | | | January 31, 2017 | | |
|--|-------------------------------|--|------------------|-------------------------------|--|------------------|
| | Carrying Value FVTPL \$ | Carrying Value Other financial liabilities \$ | Fair Value \$ | Carrying Value FVTPL \$ | Carrying Value Other financial liabilities \$ | Fair Value \$ |
| Financial Liabilities | | | | | | |
| Accounts payable and accrued liabilities | - | 309,995 | 309,995 | - | 800,311 | 800,311 |
| Operating loan | - | - | - | - | 879,850 | 879,850 |
| Note payable | - | 231,833 | 231,833 | - | - | - |
| Short-term loan | - | 278,700 | 278,700 | - | - | - |
| Convertible loan | - | 582,389 | 582,389 | - | - | - |
| Class A shares liability | - | - | - | 333,334 | - | 333,334 |
| | - | 1,402,917 | 1,402,917 | 333,334 | 1,680,161 | 2,013,495 |

The Corporation's has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities fair value of these financial instruments approximated their fair values due to their relatively short periods to maturity.

IFRS 13 Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at October 31, 2017 is as follows:

| | Level 1 \$ | Level 2 \$ | Level 3 \$ |
|-------------------------|---------------|---------------|---------------|
| Financial Assets | | | |
| Cash | 1,031,498 | - | - |

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

14. Financial Instruments (Continued from previous page)

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at January 31, 2017 is as follows:

| | Level 1 \$ | Level 2 \$ | Level 3 \$ |
|------------------------------|---------------|---------------|---------------|
| Financial Assets | | | |
| Cash | 7,366 | - | - |
| Financial Liabilities | | | |
| Class A shares liability | - | - | 333,334 |

The fair value of financial assets and liabilities not traded in active markets that are based on unobservable inputs are classified as Level 3. A fair value measurement developed using a present value technique might be categorized within Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorized. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy. As described in Note 10, the liability was derecognize on October 10, 2017, therefore no fair value measurement was required as at October 31, 2017

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of reporting period. During the periods ended October 31, 2017 and January 31, 2017, there were no transfer between Levels 1, 2 and 3 of the fair value hierarchy.

15. Financial Risk Factors

The Corporation's activities expose it to financial risks: market risk specifically to 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) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month, its note payable, its short-term debt and its convertible loan negotiated at a fixed rate.

(b) 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, 2017 | Carrying Value \$ | Less than 30 days \$ | 30 days to 3 months \$ | 3 months to 12 months \$ | More than 12 months \$ |
|--|-------------------------|----------------------------|------------------------------|--------------------------------|------------------------------|
| Financial Liabilities | | | | | |
| Accounts payable and accrued liabilities | 309,995 | 269,418 | 16,763 | 23,814 | - |
| Note payable | 231,833 | - | - | 231,833 | - |
| Convertible loan | 583,463 | - | - | - | 583,463 |
| Short-term loan | 278,700 | - | - | 126,700 | 152,000 |
| | 1,403,991 | 269,418 | 16,763 | 382,347 | 735,463 |

Ortho Regenerative Technologies Inc.
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(Unaudited)
As at October 31, 2017

15. Financial Risk Factors

(b) *Liquidity risk* (Continued from previous page):

| January 31, 2017 | Carrying Value \$ | Less than 30 days \$ | 30 days to 3 months \$ | 3 months to 12 months \$ | More than 12 months \$ |
|--|-------------------------|----------------------------|------------------------------|--------------------------------|------------------------------|
| Financial Liabilities | | | | | |
| Accounts payable and accrued liabilities | 800,311 | 18,992 | 109,460 | 671,859 | - |
| Operating loan | 879,850 | - | - | 879,850 | - |
| Class A shares liability | 333,334 | - | - | - | 333,334 |
| | 2,013,495 | 18,992 | 109,460 | 1,551,709 | 333,334 |

(c) *Capital risk management*

The Corporation' objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, warrants and contributed surplus, in the definition of capital. 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. To secure the additional capital necessary to pursue 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.

16. Related Party Transactions

The following table presents the related parties transactions presented in the statement of Loss for the year ended:

| | October 31, 2017 \$ | October 31, 2016 \$ |
|--|---------------------------|---------------------------|
| <i>Transactions with key management and members of the Board of Directors:</i> | | |
| Salaries and expense for employee benefits | 130,421 | 280,704 |
| Share-based compensation to employees and directors | 165,609 | 149,058 |
| Consulting fees charged by a director and acting CEO | 145,000 | 32,625 |
| Consulting fees accrued for a director and acting CEO | 62,750 | - |
| <i>Transactions with a family member of a director and acting CEO</i> | | |
| Consulting fees charged by | 15,000 | - |
| <i>Transactions with Manitex, a shareholder of the Corporation:</i> | | |
| Interest charged by | 75,205 | 23,834 |
| Consulting fees charge by | 8,100 | - |
| <i>Transaction with Polytechnique, a partner of Polyvalor :</i> | | |
| Reversal of interest accrued for | (6,215) | - |
| Research and development costs | 419,400 | 524,997 |

The remuneration of key management, which include the Vice-President Finance and Chief Financial Officer ("CFO") and for the comparative period the former President and CEO and CFO.

Ortho Regenerative Technologies Inc.
Notes to Interim Condensed Financial Statements

(Unaudited)
As at October 31, 2017

16. Related Party Transactions (Continued from previous page)

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

| | October 31, 2017 | January 31, 2017 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Accounts payable and accrued liabilities due to a director and acting CEO | 62,750 | 10,000 |
| Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation | - | 191,371 |
| Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor | 23,133 | 385,882 |
| <i>Transaction with Polyvalor, holder of 1,073,333 common shares:</i> | | |
| Amounts included in Intellectual Property | 136,410 | 35,000 |

17. Commitments

On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of \$2,100,000. On October 10, 2017, with an effective date of August 1, 2017, both parties revised the monthly payments of the three Research Service Agreements for a revised remaining amount of \$161,931. The revised monthly amounts are as follow:

- i) Agreement 1: \$6,940 monthly for the remaining 7 months
- ii) Agreement 2: \$9,253 monthly for the remaining 7 months
- iii) Agreement 3: \$6,940 monthly for the remaining 7 months

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

18. Subsequent Events

On December 11, 2017, the Corporation closed the second tranche of \$160,000 for 320,000 units at a subscription price of \$0.50 per unit, with each unit consisting of one Class A common share and one-half common share purchase warrant. A full warrant will entitle the holder to acquire one common share at an exercise price of \$0.70 per share at any time on or before the close of business on a date that is eighteen months from the subscription date. If, during the eighteen months after that date, the Corporation's weighted average share price for 30 consecutive trading days equals or exceeds \$1.00, the Corporation may give notice to the warrant holders that they must exercise their warrants within a period of 30-days from the date of receipt of the notice. An amount of \$110,000 was completed by one authorized dealer, with a cash fees of \$5,500 of the placement value and 11,000 of broker's warrants.

In addition, on December 8, 2017, the Corporation issued 19,112 shares by the exercised of 19,112 brokers warrants for gross proceeds of \$9,556