



**PRESS RELEASE  
FOR IMMEDIATE DISCLOSURE**

## **CHITOGENX REPORTS 2024 FISCAL YEAR-END RESULTS**

- **Launched new skin repair development program targeting \$19B in unmet medical needs**
- **Successfully demonstrated protection from joint degeneration and osteoarthritis post meniscal repair surgery in ORTHO-R large animal study**
- **Concluded enrollment of Phase I/II clinical trial for rotator cuff tear repair**
- **Secured 4-yr off balance sheet \$3.5 million grant to advance R&D initiatives**
- **Now focused on activities leading to faster commercial status and evaluating opportunities for fast-track regulatory programs**
- **Reduced operating losses by 79% and 75% during Q4-24 and FY-24 respectively compared to prior year**

Montreal, QC, May 28, 2024 – [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 2024 ended on January 31, 2024.

“Regenerative medicine, one of the fastest expanding and most exciting field in modern medicine is faced with limitations, namely the absence of a solution allowing for administered substances to remain on the site of delivery long enough to have its desired and designed effects. This is where ChitogenX’s solution comes into play. Our chitosan-based biopolymer is a safe and reliable delivery mechanism to aid in repairing tissues and organs. Its unique properties offer the unique benefit of significantly increasing the in-situ residency time of cells, pharmaceutical, or biologic implants so that they may deliver their regenerative effects”, said Pierre Laurin, President, and CEO. “After having successfully generated proof of concept data, we can now focus on activities that will lead to faster commercial status. As such, we are evaluating opportunities for fast-track regulatory programs with potential 510(k) pre-market submissions in the US and commercial readiness in other jurisdictions”.

Commenting on the fourth quarter and fiscal 2024 results, Luc Mainville, ChitogenX’ Senior Vice-President, and Chief Financial Officer, said; “The Company has taken diverse steps in 2024 to significantly reduce its cash burn and preserve its financial resources. Operating losses have decreased by 79% and 75% in Q4-24 and fiscal 24 respectively. We have also significantly improved our balance sheet with a \$3.8 million improvement in our working capital and reducing our liabilities by \$3.9 million. We have also taken proactive recurrent measures to cut down our operating cash burn rate by 68%. With these measures now implemented, we are actively pursuing strategic initiatives and R&D



partnering arrangements so that we can secure non-dilutive financing to advance our numerous value creation initiatives”.

#### **Fourth Quarter and Fiscal 2024 ORTHO-R Program Highlights**

- In November 2023, the Company announced that ORTHO-R, its proprietary chitosan/PRP based biopolymer matrix successfully demonstrated protection from joint degeneration post meniscal repair surgery in a large animal study. These results demonstrated protection from knee joint degeneration and osteoarthritis development post meniscal repair surgery and provide further evidence that the Company’s proprietary chitosan-based biopolymer, combined with PRP can potentially bring significant benefit to human tissue repair:
- 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 February 2023, the Company obtained, in partnership with Polytechnique Montréal, a \$3,472,000 grant (Gross) 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 ORTHO-R technology platform; and
- 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.

#### **Fourth Quarter 2024 Corporate Highlights**

- In December 2023, the Company agreed with certain investors to convert \$30,000 of accrued interests into their principal totalling \$300,000 and to amend certain terms (the "Amended Notes"). The Amended Notes bear interest at 12% and with a maturity date of February 1, 2025;
- In November 2023, the Company agreed with investors to convert \$300,000 of accrued interests to the principal amount of its \$3 million convertible debenture maturing February 1, 2025, with the same conditions;
- 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;
- On November 7, 2023, ChitogenX announced that it had 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. New patent issued both in US and Canada supports ChitogenX' proprietary chitosan-based biopolymer as ideal combination with cellular regeneration technologies. Both burn and skin repair program have the potential for streamlined regulatory process, and faster path to commercialization. Development work will be primarily funded by the recently awarded \$3.4 M grant.

#### **Fourth Quarter 2024 Subsequent Events**

- In March 2024, the Company received a \$56,000 payment as a partial grant payment under the PRP project. A residual \$19,000 payment is expected to be received during Q3-25;
- In March 2024 the Company secured a \$75,000 unsecured note from a shareholder, bearing interest at 15% per annum and repayable on March 6, 2026; and
- In February 2024, the Company announced that Philippe Deschamps decided to resign from his CEO and Board of Directors' position with Mr. Pierre Laurin, who served as Chairman of the Board of Directors, now acting as CEO.

#### **Fourth Quarter and Fiscal 2024 Financial Statements and MD&A**

ChitogenX's financial statements and Management's Discussion and Analysis for the three- and twelve-month period ended January 31, 2024, is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **About ChitogenX Inc.**

ChitogenX 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 Chitosan Based Biopolymer technology platform, a proprietary muco-adhesive scaffold, specifically designed to be combined with therapeutics to improve tissue repair.

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.

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