

# Titan Medical Reports Operating and Financial Results for the Fourth Quarter and Year End 2022 and Announces Availability of Materials for the 2023 Annual Meeting of Shareholders

TORONTO, Ontario, May 31, 2023 (GLOBE NEWSWIRE) -- Titan Medical Inc. ("**Titan**" or the "**Company**") (TSX: TMD; OTC: TMDIF), announced today the financial results for the three and twelve months ended December 31, 2022. The Company also announced that its 2023 annual meeting (the "**Meeting**") is scheduled for Friday, June 30, 2023 at 4:00 pm E.T. to be held virtually at <https://web.lumiagm.com/420568592>.

## Recent Activities:

- On May 26<sup>th</sup>, the Company announced a non-exclusive license agreement with a global technology leader in minimally invasive care and the pioneer of robotic-assisted surgery for an upfront payment of US\$7.5 million.
- On May 29<sup>th</sup>, as a result of the strategic review process ("**Strategic Review**") announced on November 30, 2022, the Board of Directors of Titan (the "**Board**") approved a strategic transition in the Company's business from the development and commercialization of robotic-assisted surgeries ("**RAS**") technologies to evaluating new opportunities to further develop and license its intellectual property ("**Strategic Transition**"). Titan continues to retain the rights necessary to develop and commercialize RAS technologies, should it choose to do so, including the two-instrument Enos single-access RAS system (the "**Enos System**") and, as announced on January 9, 2023, a three-instrument single-access RAS system that builds on the Enos System technologies.
- On May 29<sup>th</sup>, the Company announced executive leadership team changes effective June 1, 2023, reflecting the Company's Strategic Transition and to reduce operating expenses in the business, including the appointment of Paul Cataford as interim President and CEO, and Chien Huang as CFO.

## Financial Highlights:

Note that the financial review below discusses the business as of December 31<sup>st</sup>, 2022. As part of the Strategic Review and as previously disclosed, the Company significantly reduced all operating expenses commencing in late 2022 and through-out 2023 to date.

As of December 31, 2022, Titan had cash of \$3.3 million, compared to \$32.3 million at December 31, 2021. The Company has improved its cash position with the US\$7.5 million in

proceeds from the licensing deal announced on May 26<sup>th</sup>.

For the year ended December 31, 2022, research and development (**R&D**) expenses were \$33.0 million compared to \$38.2 million in the comparative period. In 2022, R&D expenses were related to the development of the Enos System and the Enos 2.0 Technology. In 2021, R&D expenses were related to the development of the Enos System and the development work required to achieve the milestones under a development agreement with Medtronic plc (the "**Development Agreement**").

For the three months ended December 31, 2022, R&D expenses decreased to \$6.3 million compared to \$9.9 million for the for the three months ended December 31, 2021. In the three months ended December 31, 2022, R&D expenses related to the development of the Enos System. In December 2022, as part of the Strategic Review process, the Company implemented cost-cutting measures that reduced R&D expenses. In the comparative quarter, R&D expenses related to the development of the Enos System and the development work required to achieve the final milestone under the Development Agreement.

General and administrative ("**G&A**") expenses were \$11.8 million for the year ended December 31, 2022 compared to \$12.8 million in the comparative period. The decrease in G&A expenses is primarily related to a decrease in severance costs and professional and consulting fees, partially offset by an increase non-cash stock-based compensation.

G&A expenses decreased to \$3.1 million for the three months ended December 31, 2022 compared to \$3.2 million for the three months ended December 31, 2021. In the current quarter, an increase in non-cash stock-based compensation was offset by a decrease in severance costs and amortization.

The company's audited annual financial statements and MD&A are available at [www.sedar.com](http://www.sedar.com).

### **2023 Annual Meeting:**

As described in the distributed proxy materials, shareholders are entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof if they were a shareholder of record as of the close of business on May 16, 2023. The directors have fixed 4:00 p.m. ET on June 28, 2023, or at least 48 hours, excluding Saturdays and holidays, before any adjournment of the meeting, as the time before which proxies to be used at the Meeting (or any adjournment thereof) must be deposited with the company or with Computershare Trust Company of Canada.

Items to be presented and voted on at the Meeting include the following:

1. Presentation of the audited financial statements of the Company for the fiscal year ended December 31, 2022.
2. Election of directors of the Company for the ensuing year.
3. Appointment as auditors of BDO Canada, LLP, the incumbent auditors of the Company, and authorize directors to fix the remuneration of the auditors.

For further information regarding the matters to be acted upon at the Meeting is set forth in the proxy statement and other proxy materials for the Meeting, which are available at <https://ir.titanmedicalinc.com/news-events/shareholder-meeting>.

If you have any questions or require more information with regard to the procedures for voting, please contact Shorecrest Group, by (i) telephone at 1-888-637-5789 (North American Toll-Free) or 1-647-931-7454 (Collect Calls Outside North America), or (ii) email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).

## **About Titan Medical**

Titan Medical Inc. (TSX: TMD; OTC: TMDIF), a medical technology company headquartered in Toronto, Ontario with operations in Chapel Hill, North Carolina, has developed an expansive patent portfolio related to the enhancement of robotic assisted surgery (RAS), including through a single access point, and is currently focused on evaluating new opportunities to further develop and license its intellectual property.

## **Cautionary Statement Regarding Forward-Looking Information**

This news release contains “forward-looking statements” within the meaning of applicable Canadian and U.S. securities laws, which reflect the current expectations of management of the Company’s future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are frequently, but not always, identified by words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “potential for” and similar expressions, although these words may not be present in all forward-looking statements. Forward-looking statements that appear in this release may include, without limitation, references to: the Company continues to retain the rights necessary to develop and commercialize RAS technologies; the Company’s current focus on evaluating new opportunities to further develop and license its intellectual property; details relating to the timing and place of the Meeting; the anticipated changes in management.

These forward-looking statements reflect management’s current beliefs with respect to future events and are based on information currently available to management that, while considered reasonable by management as of the date on which the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Forward-looking statements involve significant risks, uncertainties and assumptions and many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Such factors and assumptions include, but are not limited to, the Company’s ability to retain key personnel; its ability to execute on its business plans and strategies, including the Strategic Transition; its ability to continue to license some or all its intellectual property to third parties and receive any material consideration; the sufficiency of its working capital to continue to fund its operations and avoid making any filing under the Bankruptcy and Insolvency Act (Canada) or the Companies’ Creditors Arrangement Act and other factors listed in the “Risk Factors” section of the Company’s Annual Information Form for the fiscal year ended December 31, 2022 (which may be viewed at [www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking

statements prove incorrect, actual results, performance, or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this news release. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements.

Although the forward-looking statements contained in the news release are based upon what management currently believes to be reasonable assumptions and the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. Except as required by law, the Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on forward-looking statements. All the forward-looking statements are expressly qualified by the foregoing cautionary statements.

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