Orthometrix, Inc.
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Naples, Florida 34110
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Contact: Reynald Bonmati, CEO
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Board of Directors:
Reynald Bonmati, M.Sc. Ch.E., MBA: *Chairman of the Board, Treasurer*
André-Jacques Neusy, M.D.: *Director*
William Orr, B.Sc.: *Director*
Neil H. Koenig, CPA: *Director*

Management:
Reynald Bonmati, M.Sc. Ch.E., MBA
President/Chief Executive Officer
Arik Avni, B.Sc., M.Sc., PT (Physical Therapy), *VP/Chief Technical Officer*
Neil H. Koenig, CPA
Acting Chief Financial Officer, Secretary
Chrystèle Zawislack, B.Sc.E., M.E.
Director of Marketing
Marisa Masucci, A.S. (Marketing)
Sales Administration Manager

Industry: *Medical Devices*

No. of Employees/Key Consultants: *10*
Headquarters*: Naples, FL*
Satellite Office*: White Plains, NY*

Capitalization:
Number of Shares Authorized:
75,000,000 shares
Number of Shares Outstanding:
53,211,864 shares
Par Value: *$0.0005*
Number of Shareholders of Record: *80*
Percentage Controlled by Insiders: *80%*

Market: *OTC Pink (current information)*
Symbol: *OMRX*

Transfer Agent:
American Stock Transfer & Trust
6201 15th Avenue
Brooklyn, NY 11219

Legal Counsel:
K&L Gates LLP
599 Lexington Ave
New York, NY 10022

Accountants:
Imowitz Koenig & Co. LLP
622 Third Avenue, 33rd Floor
New York, NY 10017

Business Description: *In response to the need of an aging population driven to lead a more active and independent life, Orthometrix, Inc., a Delaware corporation ("Orthometrix"), has developed and/or acquired the rights to, technologies, procedures and devices (1) to assess musculoskeletal conditions, (2) to help restore mobility following orthopedic or neurological trauma (sports injury, hip/knee replacement, stroke); (3) to maintain or increase musculoskeletal performance and mobility that is inherent to a better quality of life; and (4) to help delay the adverse effect on mobility of certain medical conditions like Parkinson's or diabetic neuropathy.*
Orthometrix manages its worldwide marketing, sales, service and clinical education activities from Naples, Florida and White Plains, NY. R&D and manufacturing activities are managed by Orthometrix's manufacturing partners in Germany (pQCT™ XCT, Galileo™/VibraFlex®, Leonardo™), Israel (SmartStep®), the USA (Tailwind™) and by Orthometrix itself in France (Oscar, Jr. DXA Phantom).

Products/Services: *Orthometrix's current devices include:*

- *The **XCT systems**, two lines of x-ray scanners based on peripheral Quantitative Computed Tomography (pQCT®) for **bone and muscle diagnostic** used in hospital, clinics and also for **bone and muscle research** used in teaching institutions and research laboratories, for which the Company is the sole source for the US and Canada.*
- *Several lines of motorized exercise systems based on a patented vibration technology, the **Galileo™** and **VibraFlex®** series. Such systems are primarily used in **rehabilitation, physical therapy and sports medicine** to facilitate exercise by patients with conditions affecting muscle, tendons and ligaments, poor muscle strength and coordination, and poor blood circulation **(sports injuries, spinal cord injuries, lower back pain, foot and ankle pain, osteoarthritis, incontinence, poor blood circulation, diabetic neuropathy, and Parkinson's disease)**. The VibraFlex systems have recently been increasingly used in the **sports and fitness/wellness markets**, i.e. by professional athletes, sports teams, fitness centers, gyms, sports clubs, spas, health studios, etc… The **fitness-conscious general public** is now discovering whole body vibration ("WBV"). While it primarily focuses on professional markets, the Company has licensed its patented WBV technology to a number of providers of equipment to the general public.*
- *The **Leonardo™**, a Ground Reaction Force Plate to monitor improvement in users of the Galileo/VibraFlex WBV therapy, With one of the largest children/adolescent reference population database available in the marketplace, the Leonardo is the tool of choice for Pediatrics.*
- *The **SmartStep®**, a patented Functional Feedback Therapy system using audio and visual Biofeedback to help "**retrain the brain**" to re-learn how to walk correctly after an orthopedic or neurological trauma, not only at the hospital (the **SmartStep® Clinic**) but also at home (**My iSmartStep®**). The SmartStep® Clinic is used in **orthopedic rehabilitation (sports injuries, hip/knee surgery), neurological rehabilitation (stroke), physical therapy and sports medicine** to record and analyze key functional ambulatory parameters in real time and to train/retrain the patient to walk correctly in any environment. It improves outcomes and shortens recovery times while allowing practitioners to increase the output of their practice. My SmartStep® helps patients increase their mobility at home and achieve faster recovery.*
- *The **Tailwind™**, a patented Bilateral Arm Trainer with Rhythmic Auditory Cueing (BATRAC) that was developed by physicians at the University of Maryland School of Medicine and has been shown to improve arm movement in stroke patients with paralysis.*

Markets:
The main potential market segments for the Company's products (US market only) are as follows (these are merely market sizes and not realistic expectations of Company sales):

- *XCT systems total market size:* **$2 million/year;**
- *WBV systems total market size for medical applications:* **$500 million**
- *WBV systems total market size for fitness/wellness:* **$500 million**
- *WBV systems total market size for the home market:* **$5 billion**
- *SmartStep® systems:*
  - *Clinical Rehabilitation Hospitals/Clinics - Total market size:* **$500 million + $10 million/year of consumable.**
  - *Rentals post Hip & Knee Surgeries - Total market size:* **$500 million/year**
  - *Rentals for Sports & Occupational Injuries - Total market size:* **$1 billion/year**
  - *Sales to Stroke Patients and Amputees - Total market size:* **$2 billion/year**
- *Tailwind™ system:*
  - *Clinical Rehabilitation Hospitals/Clinics - Total market size:* **$100 million**
  - *Sales to Stroke Patients - Total market size:* **$1.5 billion/year**

International Markets: *The XCT systems are only marketed in North America, which represents the majority of the research market for such devices. The WBV systems are marketed in North, Central and South America, with sales in Central and South America being managed out of Miami, FL. The SmartStep® systems are marketed worldwide, except in Israel where Andante Medical Devices Ltd, the manufacturer of the SmartStep® is located. The Company's SmartStep® marketing efforts currently focus on the Pacific Rim (Japan, South Korea, Taiwan and soon China and Australia) and on Europe (Germany).*

Regulatory: *In the US, the Galileo™/VibraFlex® are Class I devices approved by the FDA for medical usage. The Tailwind™ is also a Class I device. The XCT and SmartStep® devices have received FDA 510(k) market clearance (Class II). In Canada, the XCT, Galileo™/VibraFlex® and SmartStep® devices have received a medical license from Health Canada (Class III, Class I and Class I respectively). In Southeast Asia, the SmartStep® has received market approval in South Korean, Japan and Taiwan, and has passed regulatory testing in China, with market approval expected in 2014. The SmartStep® has received the CE mark in Europe.*

Worldwide Patents/Trademarks: *The Galileo™/VibraFlex®, SmartStep® and Tailwind™ devices and methods are protected by several US and European patents. VibraFlex® and pQCT™ are registered trademarks in the US. SmartStep® and iSmartStep® are registered trademarks in the US, Canada, Europe and Japan.*

Manufacturing: *All the Company devices are manufactured and/or assembled for the Company under Good Manufacturing Practices by Stratec Medizintechnik GmbH in Germany (XCT systems); Novotec Medical GmbH in Germany (Galileo™, VibraFlex® and Leonardo™); and Andante Medical Devices, Inc. in Israel (SmartStep®); the Tailwind™ is supplied by Encore Path, Inc. in Maryland; the Company assembles the Oscar, Jr. DXA Phantom from subassemblies manufactured in France.*

Competition: *Our XCT systems have no direct competition, only more expensive alternatives (micro CT, whole body CT). Our WBV systems (Galileo™/VibraFlex®) have a number of competitors, mainly cheaper models from Asia sold in the fitness/wellness and home markets. In the medical markets, our patented Galileo™/VibraFlex® systems are market leaders, supported by the larger number of peer-reviewed medical publications validating our claims. The SmartStep® Clinic has limited competition in the rehabilitation hospital/clinic market, which the Company views as more costly and/or unsatisfactory alternatives. My SmartStep® has no direct competition in the homecare market. The Tailwind™ has a number of competitors worldwide.*

Summary P&L: N/A

(in $million)	2012 (audited)	2013 (audited)	2014 (audited)
TOTAL REVENUE	$0.651	$1.072	$1.530
GROSS MARGIN	65%	69%	70%
OPERATING EXPENSES	$0.567	$0.612	$0.801
OPERATING INCOME	($0.145)	$0.128	$0.263
PROFIT (LOSS)	($0.226)	$0.058	$0.416

Company History:
The Company has two phases in its historical development, acting each time as an incubator to launch mass market medical devices in the US and abroad.

1993-2002

- *The Company was founded by Reynald Bonmati in 1993 under the name Ostech, Inc. to distribute the pDEXA®, a cost-effective bone densitometer made by Norland Corporation in Wisconsin to help diagnose Osteoporosis, initially in the Pacific Rim, in anticipation of the opening of the US market. The Company completed a successful Initial Public Offering (IPO) of its stock in August 1995, on the coattail of the market approval of Merck's Fosamax®, the first Osteoporosis drug approved by the FDA. The Company sold 2,000,000 shares in its IPO at $10 ½ per share, representing about 20% of the Company. It changed its name to Norland Medical Systems, Inc. (NASDAQ: NMS) and acquired Norland Corporation. In June 1996, the Company did a 3/2 split of its common stock. The value of a share of common stock peaked at $32.00.*
- *In 2002, as reimbursement rates for bone densitometry continued to drop in the US, the Company sold its Norland DXA product line, which represented the bulk of its sales, to Cooper Surgical Corporation, the women's health care business of the Cooper Companies, Inc. (NYSE: COO), and the Company changed its name to Orthometrix, Inc. (NASDAQ: OMRX).*

2002-present

- *With nominal sales reduced to the pQCT™ line of XCT scanners for research, the Company refocused its activities on the musculoskeletal mobility market and operated as an "incubator" in search of new products with mass market potential to distribute in that market in addition to its pQCT scanners. The Galileo™/VibraFlex® WBV system were licensed from Germany and introduced in the US and Canada. The Company acquired exclusive rights to the Orbasone™, a cost-effective Extracorporeal Shock Wave Therapy (ESWT) system for the non-invasive treatment of heal pain (Plantar Fasciitis), elbow and shoulder pain. A multi-center Pre-Market Approval (PMA) clinical study was successfully completed and the Company received market approval by the FDA for the Orbasone™ in 2005. Unfortunately, after a number of Orbasone™ units were manufactured and sold to recoup the Company's substantial regulatory investment, healthcare reimbursement was significantly reduced, limiting the market and forcing the Company to shelve the technology and reduce its activity to providing consumables and service to its installed base.*
- *Without new products to replace the Orbasone, sales were reduced to the pQCT™ line of XCT scanners and Galileo™/VibraFlex® WBV systems, and the Company went back in the red. In March 2009, in order to save significant filing costs and reinvest such savings into its continuing search for new products, the Company "went dark", i.e. it deregistered its common stock and ceased its SEC reporting. Since then, the Company stock has been trading on the OTC-pink sheets market.*
- *In September 2013, the Company entered into a 5-year agreement with Andante Medical Devices, Inc. to exclusively distribute the SmartStep® worldwide, except in Israel. The Company and Andante also entered into a one-year agreement for the Company to provide management services and cash advances to Andante in exchange for a warrant to purchase approximately 40% of Andante's stock at par value. These agreements have since been extended by 16 months. Although there is no assurance that SmartStep sales will meet the Company's expectations, the Company expects SmartStep® to significantly contribute to its sales.*
- *In December 2013, the Company was approached by the OTC Markets Group to use its OTCIQ market intelligence and investor relations portal to resume distributing its financial information to the market in an orderly fashion and improve its pink sheet status to the OTC Pink "Current Information" tier, which it achieved in August 2014.*
- *In July 2014, the Company entered into a 5-year agreement with Encore Path, Inc. to exclusively distribute worldwide the Tailwind™ arm rehabilitation device developed by physicians at the University of Maryland.*
- *In October 2014, both Andante and Encore Path applied with the Center for Medicare and Medicaid Services (CMS) for reimbursement codes for physicians to prescribe the use of the devices after hip/knee surgery and stroke, respectively. Both applications were officially accepted by CSM in February 2015. Final notifications are due by November 2015. Should either device be approved for reimbursement in the US, we believe the Company could duplicate its first success.*



pQCT™ XCT



WBV Galileo™/VibraFlex™





SmartStep™ systems



Tailwind™ system

FORWARD-LOOKING STATEMENTS

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: *The statements which are not historical facts contained in this release are forward looking statements that involve risk and uncertainties, including, but not limited to, any effect on future financial results from efforts to broaden the Company's position in the musculoskeletal devices and medical devices business, any potential impact on sales of the pQCT® systems and Oscar, Jr. DXA phantom for bone & muscle research and diagnostic, any potential impact on sales of the Galileo™, VibraFlex®, SmartStep®, Leonardo™, Tailwind™ and Orbasone™ ESWT electrodes for rehabilitation, physical therapy, sports, fitness, wellness and pain management in the hospital, clinic or at home, and other risks. These risks and uncertainties could cause actual results to differ materially from those expected and/or contained in the forward-looking statements. Any forward-looking statement made in this release is made as of the date of this release and the Company assumes no obligation, subject to applicable law, to update such forward-looking statement.*