

# Aurora Spine Corporation Announces First Quarter 2024 Financial Results

## NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

CARLSBAD, Calif., May 13, 2024 — Aurora Spine Corporation (“Aurora Spine” or the “Company”) (TSXV: ASG) (OTCQB: ASAPF), a leader in spine and interventional spine technology that improves spinal surgery outcomes, today announced its financial results for first quarter ended March 31, 2024.

All figures are in U.S. dollars.

### Financial and Business Highlights

- **Positive EBITDAC** – Q1 2024 EBITDAC was \$117,171 as compared to (\$377,871) in Q1 2023, an improvement of \$495,042. This represents the third consecutive quarter of positive EBITDAC, and the second consecutive quarter of \$4 million plus in revenue.
- **Sales growth** – Q1 2024 sales of \$4,013,801, represents an Increase of \$1,055,713 or 35.7% compared to sales of \$2,958,088 in the same period the previous year.
- **Higher Margins** – Gross margin of 61.9% in the current period is a 10.2% increase over the 51.7% gross margin in the comparable period of the previous year. Margin growth is driven by sales of higher margin implants and decreased distributor commissions as a percentage of sales offset by higher royalty and shipping costs.
- **SiLO sales** – Sales of the SiLO-TFX SI joint implant and SiLO allograft implant made up 35.2% or \$1.41 million in sales in the quarter as compared to 20.3% or \$601K in the same period the previous year and 32.8% or \$1.33 million of sales in Q4 2023. Sales of the higher margin SiLO-TFX implants are related to expansion in the pain market.
- **Zip 51** – Sales of the Zip 51 implant increased to \$544,190 as compared to \$185,490 in the same period the previous year, an increase of 193%. Increased marketing of the product among surgeons led to increased use and an overall increase in Zip sales.
- **Sales force** – The Company continued to expand its sales force in the first quarter. This has contributed to our increased sales, and as the new sales staff bring new surgeons to Aurora, we expect their success to continue. The Company also plans to add additional new sales staff in 2024.
- **Training** – The Company continued to conduct more advanced training sessions and cadaver labs that introduced leading orthopedic, neurosurgical, and pain management physicians to the ZIP™ and SiLO™ implants.

### Management Commentary

“Aurora Spine’s commitment to innovation is exemplified by our state-of-the-art technology platforms, renowned for their superior performance and clinical efficacy,” said Trent Northcutt, CEO and President of Aurora Spine. “The ZIP, SiLO-TFX, and DEXA technologies are leading the way to increased revenues and margins.”

Northcutt emphasized the importance of strategic alliances in Aurora Spine’s growth strategy. “Aurora continues to cultivate strategic alliances with healthcare providers, surgery centers and distributors to extend our reach and to set new standards of accessibility and care, especially within the growing sacroiliac fusion market.”

Mr. Chad Clouse, Chief Financial Officer of Aurora Spine, added, “The Company shows continued progress with a third consecutive EBITDAC positive quarter and the second consecutive quarter with \$4 million plus in sales. The Company has continued to invest in cost control through the asset purchase of a local supplier. This investment will allow the company to produce its own implants, instruments, and allow for quick prototyping of future products at a lower cost.”

## **Financial Results**

Total revenues for the first quarter of 2024 were \$4.01 million, an increase of 35.7% when compared to \$2.96 million in the same quarter one year ago. The quarter saw increased activity in the pain market with increased SI joint implant sales due to SiLO TFX and continued growth in Zip implants. We have also been targeting the pain market with increased marketing, training, new product releases, and an increase in the sales force. This has resulted in a changing product mix with large increases in our ZIP 51 and SiLO TFX sales.

Gross margin on total revenues were 61.9% for the first quarter of 2024, compared to 51.7% in Q1 of 2023. The improvements in gross margins are attributable to the company’s strategy of selling more proprietary, Aurora Spine products into markets with improved pricing, like ambulatory surgery centers. As the company continues to focus on growing sales of proprietary products, gross margin has the capabilities for additional improvements, dependent upon sales mix and shipping costs.

Total operating expenses were \$2.75 million for the first quarter of 2024, compared to \$2.19 million in the first quarter of 2023. Operating expenses are higher during the current quarter primarily due to an increase in salary expense offset by a decrease in research and development and professional fees. Salary expense and travel costs increased as the Company hired more salespeople.

EBITDAC (a non-GAAP figure non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation) was \$0.12 million for the first quarter of 2024, compared to \$(0.38) million in the first quarter of 2023. EBITDAC improvements were due to higher gross margin levels from selling more proprietary

products.

Net loss was \$(0.267) million for the first quarter of 2024, compared to the first quarter of 2023 with a loss of \$(0.663) million. Basic and diluted net loss per share was \$(0.00) per share in the first quarter of 2024 and \$(0.01) per share for the first quarter of 2023.

Full financial statements can be found on SEDAR at ([www.sedarplus.ca](http://www.sedarplus.ca)).

## SELECTED STATEMENT OF FINANCIAL POSITION INFORMATION

The following table summarizes selected key financial data.

As at	March 31, 2024	December 31, 2023	December 31, 2022
	\$USD	\$USD	\$USD
Cash	366,756	766,829	423,401
Receivables	4,324,354	3,968,439	3,666,310
Prepaid and other current assets	258,864	204,173	186,800
Inventory	3,631,876	3,562,349	3,054,173
Current Assets	8,581,850	8,501,790	7,330,684
Notes Receivable	460,193	454,628	-
Intangible Assets	903,514	753,180	881,354
Property and Equipment	2,087,288	2,275,478	1,910,940
Total Assets	12,032,845	11,985,076	10,122,978
Current Liabilities	3,566,977	3,273,058	3,029,599
Non-Current Liabilities	3,394,706	3,414,695	2,773,919
Share Capital	27,657,591	27,657,591	25,218,093

## SELECTED QUARTERLY INFORMATION

The Company's functional currency is the US dollar (USD). The functional currency of the Company's US subsidiary Aurora is USD.

Operating results for each quarter for the last two fiscal years are presented in the table below.

Quarters End	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	\$USD	\$USD	\$USD	\$USD	\$USD	\$USD	\$USD	\$USD
Revenue	4,013,801	4,044,234	3,949,530	3,568,583	2,958,088	3,609,514	3,648,680	4,067,166
Cost of goods sold	(1,529,538)	(1,749,216)	(1,592,530)	(1,537,410)	(1,429,987)	(1,783,881)	(1,706,677)	(1,926,683)
Gross profit	2,484,263	2,295,018	2,357,000	2,031,173	1,528,101	1,825,632	1,942,003	2,140,483
Operating expenses	2,751,188	2,580,613	2,606,618	2,513,587	2,191,039	2,665,203	2,057,655	2,367,985
EBITDAC*	117,171	109,734	120,796	(163,660)	(377,871)	(358,311)	150,687	96,285

Net loss	<b>(266,925 )</b>	(285,595 )	(249,618 )	(482,414 )	<b>(662,938 )</b>	(839,570 )	(115,652 )	(159,667 )
Basic and diluted loss per share**	<b>(0.00 )</b>	(0.00 )	(0.00 )	(0.01 )	<b>(0.01 )</b>	(0.01 )	(0.00 )	(0.00 )

\* EBITDAC is a non-GAAP, non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation. This amount includes Gains (losses) on sale of property and equipment and Other income (expense).

\*\* Outstanding options and warrants have not been included in the calculation of the diluted loss per share as they would have the effect of being anti-dilutive.

## First Quarter 2024 and Fiscal Year 2023 Conference Call Details

**Date and Time:** Tuesday May 14, 2024, at 11:00 a.m. ET / 8:00 a.m. PT

**Call-in Information:** Interested parties can access the conference call by dialing (844) 861-5497 or (412) 317-5794.

**Webcast:** Interested parties can access the conference call via a live webcast, which is available via the following link: <https://app.webinar.net/JbqanyRDeyx>.

**Replay:** A teleconference replay of the call will be available until May 21, 2024, at (877) 344-7529 or (412) 317-0088, replay access code 9427446. Additionally, a replay of the webcast will be available at <https://app.webinar.net/JbqanyRDeyx> for 90 days.

## About Aurora Spine

Aurora Spine is focused on bringing new solutions to the spinal implant market through a series of innovative, minimally invasive, regenerative spinal implant technologies. Additional information can be accessed at [www.aurora-spine.com](http://www.aurora-spine.com) or [www.aurorapaincare.com](http://www.aurorapaincare.com). Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## Forward-Looking Statements

*This news release contains forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Aurora Spine, including, without limitation, those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Information” in Aurora Spine’s final prospectus (collectively, “forward-looking information”). Forward-looking information in this news release includes information concerning the proposed use and success of the company’s products in surgical procedures. Aurora Spine cautions investors of Aurora Spine’s securities about important factors that could cause Aurora Spine’s actual results to differ materially from those projected in any forward-looking statements included in this news release. Any statements*

*that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ unilaterally from those expressed in such forward-looking statements. No assurance can be given that the expectations set out herein will prove to be correct and, accordingly, prospective investors should not place undue reliance on these forward-looking statements. These statements speak only as of the date of this press release and Aurora Spine does not assume any obligation to update or revise them to reflect new events or circumstances.*

**Contact:**

Aurora Spine Corporation

Trent Northcutt  
President and Chief Executive Officer  
(760) 424-2004

Chad Clouse  
Chief Financial Officer  
(760) 424-2004

[www.aurora-spine.com](http://www.aurora-spine.com)

