

# Aurora Spine Corporation Announces Second Quarter 2024 Financial Results

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CARLSBAD, Calif., Aug. 21, 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 second quarter ended June 30, 2024.

All figures are in U.S. dollars.

### Financial and Business Highlights

- **Continued Positive EBITDAC** – Q2 2024 EBITDAC was \$105,522 as compared to (\$163,660) in Q2 2023, an improvement of \$269,182. This marks the fourth consecutive quarter of positive EBITDAC, underscoring Aurora Spine’s consistent profitability.
- **Robust Sales Growth** – Q2 2024 sales of \$4,079,543, represents an Increase of \$510,960 or 14.3% compared to sales of \$3,568,583 in the same period the previous year. This growth reflects the strong market demand for Aurora’s advanced spine solutions, leading to the third consecutive quarter surpassing \$4 million in revenue.
- **Enhanced Profit Margins** – Gross margin of 62.4% in the current period is a 5.5% increase over the 56.9% 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.
- **Surge in SiLO sales** – The SiLO-TFX SI joint implant and SiLO allograft implant generated \$1.7 million in sales, accounting for 41.7% of total Q2 revenue. This is a significant jump from the 22.3% or \$795K contribution in Q2 2023. Notably, SiLO-TFX sales grew by 20.4% from Q1 2024 to Q2 2024, reflecting the success of Aurora’s expansion into the pain management market.
- **Zip 51 Sales Double** – Sales of the ZIP 51 implant nearly doubled, reaching \$669,316 in Q2 2024 compared to \$345,505 in Q2 2023, an impressive 93.7% increase. The robust growth is attributed to intensified marketing efforts and increased adoption among surgeons.
- **Expanding Sales Force** – Aurora continued to scale its sales team throughout Q2, directly contributing to the sales surge. The addition of new sales professionals is expected to further drive growth as they onboard more surgeons into Aurora’s ecosystem.
- **Advanced Training Initiatives** – The Company maintained its commitment to excellence by conducting advanced training sessions and cadaver labs for top orthopedic, neurosurgical, and pain management physicians, showcasing the clinical

advantages of the ZIP™ and SiLO™ implants.

## Management Commentary

Trent Northcutt, Chief Executive Officer of Aurora Spine, commented, “The second quarter of 2024 was a pivotal period for Aurora, with notable progress in both our financial performance and market penetration. Our strategic focus on expanding the sales force and targeting underserved markets has yielded strong results, as evidenced by our significant sales growth and improved profitability. We remain dedicated to pushing the boundaries of spinal technology, delivering superior clinical outcomes, and driving sustained financial success for our stakeholders.”

## Financial Results

**Revenue Growth:** Total revenues for Q2 2024 reached \$4.02 million, marking a 14.3% increase compared to \$3.66 million in Q2 2023. The quarter benefited from strong demand in the pain management sector, particularly for the SiLO TFX and ZIP 51 implants, driven by targeted marketing, training, and product innovation.

**Gross Margin Expansion:** Gross margins improved to 62.4% in Q2 2024, up from 56.9% in the same period last year. The margin improvement is a direct result of the increased sales of proprietary products with higher profitability, particularly in markets with favorable pricing dynamics like ambulatory surgery centers.

**Operating Expenses:** Operating expenses for Q2 2024 were \$2.74 million, up from \$2.51 million in Q2 2023. The rise in expenses was primarily due to increased salary and travel costs associated with expanding the sales force, partially offset by reductions in research and development and professional fees.

**EBITDAC Improvement:** EBITDAC (a non-GAAP figure non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation) was \$0.11 million, compared to a loss of \$(0.16) million in Q2 2023. This improvement highlights Aurora’s ability to enhance profitability through efficient operations and a focus on high-margin product lines.

**Reduced Net Loss:** The Company reported a net loss of \$(0.154) million for Q2 2024, significantly narrowing from a net loss of \$(0.482) million in Q2 2023. Basic and diluted net loss per share improved to \$(0.00) in Q2 2024 from \$(0.01) in Q2 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	June 30, 2024	December 31, 2023	December 31, 2022
	\$	\$	\$
Cash	518,546	766,829	423,401
Receivables	4,215,811	3,968,439	3,666,310
Prepaid and other current assets	185,106	204,173	186,800
Inventory	3,587,987	3,562,349	3,054,173
Current assets	8,507,450	8,501,790	7,330,684
Notes receivable	465,819	454,628	-
Intangible assets	850,048	753,180	881,354
Property and equipment	2,167,421	2,275,478	1,910,940
Total assets	11,990,738	11,985,076	10,122,978
Current liabilities	3,618,981	3,273,058	3,029,599
Non-current liabilities	3,448,161	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	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	<b>4,079,543</b>	4,013,801	4,044,234	3,949,530	<b>3,568,583</b>	2,958,088	3,609,514	3,648,680
Cost of goods sold	<b>(1,532,173)</b>	(1,529,538)	(1,749,216)	(1,592,530)	<b>(1,537,410)</b>	(1,429,987)	(1,783,881)	(1,706,677)
Gross profit	<b>2,547,370</b>	2,484,263	2,295,018	2,357,000	<b>2,031,173</b>	1,528,101	1,825,632	1,942,003
Operating expenses	<b>2,701,478</b>	2,751,188	2,580,613	2,606,618	<b>2,513,587</b>	2,191,039	2,665,203	2,057,655
EBITDAC*	<b>105,522</b>	117,171	109,734	120,796	<b>(163,660)</b>	(377,871)	(358,311)	150,687
Net loss	<b>(154,108)</b>	(266,925)	(285,595)	(249,618)	<b>(482,414)</b>	(662,938)	(839,570)	(115,652)
Basic and diluted loss per share**	<b>(0.00)</b>	(0.00)	(0.00)	(0.00)	<b>(0.01)</b>	(0.01)	(0.01)	(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.

## Second Quarter 2024 Conference Call Details

**Date and Time:** Friday, August 23, 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/5xAJmW9XzV6>.

**Replay:** A teleconference replay of the call will be available until August 30, 2024, at (877) 344-7529 or (412) 317-0088, replay access code 1299715. Additionally, a replay of the webcast will be available at <https://app.webinar.net/5xAJmW9XzV6> 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.*

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