

Aurora Spine Corporation Announces Third Quarter 2024 Financial Results

- Company reports record revenue and net income -

- Company to host conference call on Monday, October 28th at 11am ET/8am PT -

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CARLSBAD, Calif., Oct. 24, 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 third quarter ended September 30, 2024.

All figures are in U.S. dollars.

Financial and Business Highlights

- **Record quarterly revenue** - The company recorded record quarterly revenue of \$4,767,121 in Q3 2024 compared to Q3 2023 sales of \$3,949,530, an improvement of 21% or \$817,591.
- **First quarter of positive net income** - Q3 2024 had a net income of \$71,120 as compared to a net loss of (\$249,618) in Q3 2023, an improvement of \$320,738. The nine-month period ended September 2024 has a net loss of (\$349,911) compared to a net loss of (\$1,394,968) in the comparable period, an improvement of \$1,045,057.
- **Quarter over quarter sales growth** - Q3 2024 sales of \$4,767,121, represents an increase of \$687,578 or 16.8% compared to sales of \$4,079,543 in Q2 2024 and compared to 10.7% growth over the same periods the previous year.
- **5th quarter of positive EBITDAC** - Q3 2024 EBITDAC was \$380,117 as compared to \$120,796 in Q3 2023, an improvement of \$259,321. EBITDAC for the nine-months of 2024 was \$602,810 compared to the nine-months ended September 2023 of (\$420,735) an improvement of \$1,023,545. EBITDAC tripled with only a 13% increase in operating expenses.
- **Surge in SiLO sales** - Sales of the SiLO-TFX SI joint implant and SiLO allograft implant made up 48.2% or \$2.3 million in sales in the quarter as compared to 30.5% or \$1.2 million in the same period the previous year. Sales increased 62.7% from Q1 2024 to Q3 2024. Sales of the higher margin SiLO-TFX implants are related to expansion in the pain market.
- **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

“The third quarter demonstrated how Aurora Spine is executing on its strategic plan and focused on growth and profitability,” said Trent Northcutt, CEO of Aurora Spine. “This quarter has been nothing short of extraordinary, proving the power of our innovative product portfolio and our relentless commitment to patient-first technologies. With strong contributions from our leading solutions-such as the SiLO™-TFX System, ZIP-LP & 51™ system, and DEXA-C technologies-we’ve knocked it out of the park with nearly a 21% increase in total revenues for the third quarter of 2024 over the same quarter one year ago. Our talented regional sales leadership teams have been the all-star players driving these incredible results, and their energy is propelling us toward even greater success.”

“Looking ahead, we’re not slowing down. We are building momentum with new training labs, multicenter studies featuring the ZIP, SiLO-TFX, and DEXA systems, and expanding our reach into untapped regions. With new, talented sales leaders joining our lineup, the future of Aurora Spine is brighter than ever. These achievements reflect our unwavering dedication to innovation, superior patient outcomes, and maximizing value for our shareholders.”

Chad Clouse, Chief Financial Officer of Aurora Spine, commented, “The Company’s efforts to reach profitability were realized in the third quarter through increased sales and continued cost control. The third quarter marks record growth in sales, net income, continued positive EBITDAC and month-over-month sales growth while we continued to control expenses related to this growth. Notably, collection efforts have reduced trade receivables and increased cash from operations significantly over the previous year and this enables the company to reinvest into additional growth opportunities”

Financial Results

Revenue Growth: Total revenues for Q3 2024 reached \$4.77 million, marking a 20.7% increase compared to \$3.95 million in Q3 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 60.5% in Q3 2024, up from 59.7% 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 Q3 2024 were \$2.81 million, up from \$2.61 million in Q3 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 \$0.38 million, compared to \$0.12 million in Q3 2023. This improvement highlights Aurora's ability to enhance profitability through efficient operations and a focus on high-margin product lines.

Net Income: The Company reported net income of \$0.07 million for Q3 2024, significantly narrowing from a net loss of \$(0.250) million in Q3 2023.

Full financial statements can be found on SEDAR at (www.sedarplus.ca).

SELECTED STATEMENT OF FINANCIAL POSITION INFORMATION

The following table summarizes selected key financial data.

As at	September 30, 2024	December 31, 2023	December 31, 2022
	\$	\$	\$
Cash	882,050	766,829	423,401
Receivables	3,881,336	3,968,439	3,666,310
Prepaid and other current assets	276,343	204,173	186,800
Inventory	3,722,806	3,562,349	3,054,173
Current assets	8,762,535	8,501,790	7,330,684
Notes receivable	471,507	454,628	-
Intangible assets	803,669	753,180	881,354
Property and equipment	2,053,823	2,275,478	1,910,940
Total assets	12,091,534	11,985,076	10,122,978
Current liabilities	3,652,344	3,273,058	3,029,599
Non-current liabilities	3,416,098	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	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	4,767,121	4,079,543	4,013,801	4,044,234	3,949,530	3,568,583	2,958,088	3,609,514

Cost of goods sold	(1,884,637)	(1,532,173)	(1,529,538)	(1,749,216)	(1,592,530)	(1,537,410)	(1,429,987)	(1,783,881)
Gross profit	2,882,484	2,547,370	2,484,263	2,295,018	2,357,000	2,031,173	1,528,101	1,825,632
Operating expenses	2,811,364	2,701,478	2,751,188	2,580,613	2,606,618	2,513,587	2,191,039	2,665,203
EBITDAC*	380,117	105,522	117,171	109,734	120,796	(163,660)	(377,871)	(358,311)
Net income (loss)	71,120	(154,108)	(266,925)	(285,595)	(249,618)	(482,414)	(662,938)	(839,570)
Basic and diluted income (loss) per share**	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)

* EBITDAC is a non-GAAP, non-IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation. This amount includes income (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.

Third Quarter 2024 Conference Call Details

Date and Time: Monday, October 28, 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/y2kqEAqEXWA>.

Replay: A teleconference replay of the call will be available until November 4, 2024, at (877) 344-7529 or (412) 317-0088, replay access code 3686054. Additionally, a replay of the webcast will be available at <https://app.webinar.net/y2kqEAqEXWA> 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 or 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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