

Aurora Spine Corporation Announces Third Quarter Fiscal 2023 Financial Results

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

- **Management to host conference call for investors in coming week, details to follow -**

CARLSBAD, Calif., Nov. 14, 2023 — Aurora Spine Corporation (“Aurora Spine” or the “Company”) (TSXV: ASG) (OTCQB: ASAPF), a designer and manufacturer of innovative medical devices that improve spinal surgery outcomes, today announced the financial results for its third quarter fiscal 2023 ended September 30, 2023. All figures are in U.S. dollars.

HIGHLIGHTS DURING THE PERIOD

- **Growing Sales** - Q3 Sales of \$3.9 million compared to \$3.6 million in same quarter last year up 7.7%.
- **Product mix** - Gross margin percentage increased to 59.7% in Q3 2023 compared to 53.2% in Q3 2022. A change in product mix lead by growth in our Pain division has resulted in an overall higher gross margin and higher gross margin as a percentage of sales.
- **Full Release of SiLO TFX** - With over 35 instrument sets release to the sales team, SiLO TFX sales increased 51% quarter over quarter making up 30.5% of sales in Q3 2023. Total SI joint product sales in 2023 were 24.8% of sales compared to 20.4% in the comparable period. The Company is very pleased with these results as throughout the latter half of 2022 and early 2023, our SiLO bone dowel SI Joint product was negatively affected by changes in coding and reimbursement allowances to physicians and surgery centers using these allograft (bone) products and procedures.
- **Positive EBITDAC** - The Company had positive EBITDAC of \$120,796 in Q3 2023 compared to (\$163,660), (\$378,871) and (\$358,311) in the three previous quarters.
- **Hired more Sales Staff**- The Company hired two new sales associates in Q3 with a focus in the Southeast and the Southwest. These hires are expected to help drive sales growth in 2024. The Company expects to hire two more sales associates in Q4.

Management Commentary

Mr. Trent Northcutt, President and Chief Executive Officer of Aurora Spine, stated, “We are pleased with our third quarter’s results. Our success in the third quarter is attributed to our laser-focused execution across all facets of Aurora Spine & Pain. We are well-positioned for

continued growth with plans to expand our presence across the U.S. in both the hospital and ambulatory surgery center settings. We expect to finish 2023 strong and look forward to carrying our success and momentum into 2024.”

Financial Results

Total revenues for the third quarter of 2023 were \$3.95 million an increase of 8.2% when compared to \$3.65 million in the same quarter one year ago. The increase is due to gains with pain doctors and interventional radiologists offset by decreases in the Ortho/Neuro side of our business. The decrease in the Ortho/Neuro revenue is due to lower sales of lumbar screws, cervical cages, and cervical plates due to several factors including delays in securing cervical plate toolsets and inventory from our European supplier resulting in a loss of surgeries and necessitating sourcing onshore production.

Gross margin on total revenues were 59.7% for the third quarter of 2023, compared to 53.2% in Q2 of 2022. The year-over-year change in gross margins was attributable to the product mix in the quarter with increased sales of higher margin products, like ZIP and SiLO TFX.

Total operating expenses were \$2.607 million for the third quarter of 2023, compared to \$2.058 million in the third quarter of 2022. Operating expenses increased during the third quarter primarily due to increased marketing and training and expenses incurred from the hiring of new sales personnel.

EBITDAC (a non-GAAP figure non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation) was \$0.121 million for the third quarter of 2023, compared to \$0.151 million in the third quarter of 2022.

Net loss was \$(0.250) million for the third quarter of 2023, compared to the third quarter of 2022 with a loss of \$(0.116) million. Basic and diluted net (loss) income per share was \$(0.00) per share in the third quarter of 2023 and \$(0.00) per share for the third quarter of 2022.

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

SELECTED BALANCE SHEET INFORMATION

The following table summarizes selected key financial data.

| As at | September 30, 2023 | December 31, 2022 | December 31, 2021 |
|----------------------------------|--------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Cash | 373,385 | 423,401 | 3,172,575 |
| Receivables | 3,538,120 | 3,666,310 | 2,668,174 |
| Prepaid and other current assets | 135,393 | 186,800 | 674,687 |
| Inventory | 3,353,033 | 3,054,173 | 1,889,640 |

| | | | |
|-------------------------|------------|------------|------------|
| Current Assets | 7,399,931 | 7,330,684 | 8,405,076 |
| Intangible Assets | 787,846 | 881,354 | 854,331 |
| Property and Equipment | 2,568,540 | 1,910,940 | 1,304,242 |
| Total Assets | 10,756,317 | 10,122,978 | 10,563,649 |
| Current Liabilities | 3,653,348 | 3,029,599 | 2,627,281 |
| Non-Current Liabilities | 3,369,861 | 2,773,919 | 2,367,056 |
| Share Capital | 26,105,376 | 25,218,093 | 25,087,474 |

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, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
|------------------------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | 3,949,530 | 3,568,583 | 2,958,088 | 3,609,514 | 3,648,680 | 4,067,166 | 3,551,964 | 2,964,980 |
| Cost of goods sold | (1,592,530) | (1,537,410) | (1,429,987) | (1,783,881) | (1,706,677) | (1,926,683) | (1,650,355) | (1,602,047) |
| Gross profit | 2,357,000 | 2,031,173 | 1,528,101 | 1,825,632 | 1,942,003 | 2,140,483 | 1,901,609 | 1,362,933 |
| Operating expenses | 2,606,618 | 2,513,587 | 2,191,039 | 2,665,203 | 2,057,655 | 2,367,985 | 2,288,186 | 2,266,897 |
| EBITDAC* | 120,796 | (163,660) | (377,871) | (358,311) | 150,687 | 96,285 | (153,972) | (566,569) |
| Net loss | (249,618) | (482,414) | (662,938) | (839,570) | (115,652) | (159,667) | (386,577) | (903,964) |
| Basic and diluted loss per share** | (0.00) | (0.01) | (0.01) | (0.01) | (0.00) | (0.00) | (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 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.

Third Quarter Fiscal Year 2023 Conference Call Details

Date and Time: Wednesday, November 15, 2023, 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/GwW2E1YEPoX> or in the Investor Relations section of the Company's website at <https://www.aurora-spine.com/investors-v02>.

Replay: A teleconference replay of the call will be available until November 22, 2023, at (877) 344-7529 or (412) 317-0088, replay access code 8439397. Additionally, a replay of the webcast will be available in the Investor Relations section of the Company's website at <https://www.aurora-spine.com/investors-v02> or at <https://app.webinar.net/GwW2E1YEPoX> for 90 days.

About Aurora Spine

Aurora Spine is focused on bringing new solutions to the spinal and SI joint implant market through a series of innovative, minimally invasive, regenerative spinal implant technologies. Aurora's goal is to improve patients' quality of life by developing and distributing implants using its proprietary technologies to relieve back pain and preserve spinal bone structure and anatomy. The company's fully developed product portfolio primarily addresses the market need for minimally invasive spinal and SI joint surgical devices. Additional information can be accessed at www.aurora-spine.com or www.aurorapaincare.com.

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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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