

AURORA SPINE CORPORATION
FILES CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

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

Carlsbad, California, November 28, 2017 /Marketwired/ - Aurora Spine Corporation (“Aurora Spine” or the “Company”) (TSXV: ASG) announces financial results for the three and nine months ended September 30, 2017.

To our Shareholders:

During the three months ended September 30, 2017 we generated revenues in the amount of \$1,676,738 compared to \$1,625,676 during the same period the previous year, an increase of \$51,062 or 3%. The primary drivers of this increase were:

- An increase of approximately \$434K in the sales of lumbar cages and screws, offset by a decrease of \$140K in the sales of cervical cages; and
- A reduction of \$243K in ZIP sales attributable to a change in the distribution model and pricing with one of the Company’s key, high volume surgeons. The Company expects that the shortfall in sales from this situation will be fully replaced by year end.

Operating expenses during the current quarter were \$1,034,319 compared to \$1,321,734 during the same period the previous year, a decrease of \$287,415 or 22%.

During the nine months ended September 30, 2017 we generated revenues in the amount of \$4,639,139 compared to \$5,067,893 during the same period the previous year, a decrease of 8.5%. The primary drivers of this reduction were:

- A reduction of approximately \$419k in Biologics sales. These sales were predominantly through one hospital where a change of control occurred and Aurora was required to amend payment terms; and
- A reduction of \$428k in ZIP sales, primarily attributable to a change in the distribution model and pricing with one of the Company’s key, high volume surgeons.
- A reduction of \$393k in cervical plates and cages, offset by increases of \$811k in sales of lumbar cages, and other lumbar fusion products.

Highlights from Q3 2017

- On July 12, 2017, the Company received a loan in the aggregate principal amount of US\$350,000 from an insider of the Company. The Loan is evidenced by a promissory note (the "Note") bearing interest at 9% per annum. The principal amount together with interest thereon is due on June 29, 2021. The Company may prepay the principal amount and interest thereon, in whole or in part, at any time without penalty. The Company's wholly owned subsidiary, Aurora Spine, Inc., has entered into certain ancillary agreements to guarantee and secure the obligations of the Company under the Note. The Company's wholly owned subsidiary, Aurora Spine, Inc., is party to certain ancillary agreements to guarantee and secure the obligations of the Company under the Note. As a result of this new advance, the total principal amount owing by the Company to the insider, following the partial repayment of prior loan advances, is US\$1.6 million. The insider

may at any time on providing 366 days' prior written notice to the Company demand full repayment of the total amount owing by the Company to the insider. The Company intends to use the remaining loan proceeds after having repaid the short term demand loan of US \$200,000 for general corporate purposes.

Highlights subsequent to Q3 2017

- On October 18, 2017, the Company completed a non-brokered private placement of common shares (the "October 2017 Offering"). Under the Offering, the Company issued 1,250,000 common shares to a director of the Company at a price of CDN\$0.125 (US\$0.10) per share for aggregate gross proceeds of CDN\$156,250 (US\$125,000). Share issuance costs totaled CDN\$1,730 (US\$1,384). The proceeds of the October 2017 Offering will be used for general working capital purposes.
- The Company participated at the 2017 North American Spine Society Annual Meeting held in October 2017 at the Orange County Convention Center in Orlando, Florida. The North American Spine Society is a global multidisciplinary medical society that utilizes education, research and advocacy to foster the highest quality, ethical, value and evidence based spine care.

Aurora Spine showcased its Screwless Procedure™ and highlighted its latest fusion technologies, including the patented ZIP® MIS Interspinous fusion systems. The Screwless Procedure product portfolio consists of the innovative ZIP® ISP Product Line, TiNano® Interbody cages, Biologics, and Surgical Tools. All Aurora Spine spinal implants are pre-packaged sterile to provide the best products possible for both surgeons and patients alike.

SELECTED BALANCE SHEET INFORMATION

The following table summarizes selected key financial data.

As at	September 30, 2017 \$	December 31, 2016 \$
Cash	188,233	192,842
Trade receivables	1,086,162	1,228,553
Prepaid expenses and deposits	296,442	318,386
Inventory	2,808,006	2,996,940
Current assets	4,378,843	4,736,721
Intangible assets	267,901	210,966
Property and equipment	1,479,552	2,095,565
Total assets	6,126,296	7,043,252
Current liabilities	1,978,984	2,400,196
Long-term liabilities	1,740,000	1,172,963
Common share equity	19,582,424	19,358,978

The Screwless Procedure has been developed to increase the possibility of significant benefits to patients, hospitals, and surgeons, including reduced surgery time, less blood loss, shorter hospital stays, and

significantly faster recovery time. These benefits will continue to be the driving force of Aurora Spine's competitive advantage and growth.

- In Q3 2017, we continued our strategy of building a revenue base in the U.S. market. We accomplished this by expanding product usages with our current distribution network, developed new distribution channels and trained new surgeons on the Aurora product advantages; and
- We began collaborating with other spine product manufacturers to increase sales and enhance product portfolio.

In Q4 2017, we will focus on:

- Continuing our strategy of expanding our revenue base by adding new surgeons under our original distribution and pricing model;
- Expanding our direct sales teams in the US; and
- Continuing to collaborate with other spine product manufacturers to increase sales and enhance our product portfolio.

We expect that these initiatives will create value for our shareholders. Management and I thank our shareholders for their continued support in these endeavors. We will look to extend our technology position further with minimally disruptive procedural solutions for the spine.

None of this would be possible without the dedication and commitment of our hardworking colleagues at Aurora. I want to thank them for the great accomplishments they have made this year, for Aurora and ultimately, for patients. They have embraced change and risen to the numerous challenges before them, and I am grateful for their ongoing support of our company and our mission.

I would also like to thank you, our investors, for your continued support. Together, we have built a strong foundation, and I look forward to the opportunities ahead of us. I am truly grateful to be part of an organization that makes such a positive improvement in the lives of patients around the world.

The statements together with the Management Discussion and Analysis can be found on SEDAR at www.sedar.com.

Trent J. Northcutt
President and Chief Executive Officer

About Aurora Spine

Aurora Spine is an early stage company focused on bringing new solutions to the spinal implant market through a series of screwless, innovative, minimally invasive, regenerative spinal implant technologies. Aurora Spine continues to position itself at the forefront of spinal surgery procedures, focusing on minimally invasive spine surgery technologies. Aurora Spine is changing spine surgery by focusing on disruptive technologies following the Company's commitment to - Simplifying the Complex.

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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