

**AURORA SPINE CORPORATION**  
**FILES CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018**

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**Carlsbad, California, November 22, 2018** /Marketwired/ - Aurora Spine Corporation (“Aurora Spine” or the “Company”) (TSXV: ASG) announces financial results for the Third Quarter, 2018. All figures are in U.S. dollars.

**To our Shareholders:**

The third quarter of 2018 was an outstanding quarter. We achieved our highest quarterly revenue ever resulting in record cash flow. The new revenue levels have delivered a breakthrough to positive net income for the company, driving our growing confidence in the bright future for Aurora Spine. We are very pleased with the strong sales of our expanding product portfolio, and more importantly, the level of adoption we are seeing by surgeons in surgery centers, and hospital systems nationwide. The synergy of our product portfolio and outcome-focused innovation is expected to provide a powerful platform for our future growth.

**Highlights:**

- **Record Revenues** – During the quarter, we generated more than \$2.6 million in revenues, the highest quarterly revenue in the Company’s history and an increase of over \$999k or 59% as compared to Q3 2017.
- **Gross Profit and Margin Rises** - Gross profit was more than \$1.3 million, up more than \$650k over the comparable quarter last year. Gross margin as a percentage of sales also rose to 50.7% as compared to 42.1% in the comparable quarter last year.
- **Positive Cash Flow in Q3 2018** – EBITDAC was over \$396k for the quarter. This is an improvement of almost \$497k from the comparable quarter last year. For the nine month period, EBITDAC was \$768k, a change of almost \$1.4 million from the negative \$631k EBITDAC recorded in the first 9 months of last year. EBITDAC is a non GAAP, non IFRS measure defined as Earnings before interest, taxes, depreciation, amortization and stock based compensation, adjusted by the gain on sale of property and equipment.
- **Operating Expenses Relative to Sales Lowered** - Continuing a trend started last year, total operating expense was \$1.2 million (45% as a percentage of sales), a reduction of over 17% relative to sales as compared to \$1.0 million (62% as a percentage of sales) from Q3 of last year.
- **Canadian Milestone** - On July 9, 2018 the company announced the 100th surgical implantation of its ZIP ULTRA® minimally invasive interspinous device in Canada performed at False Creek Healthcare Centre in Vancouver, BC by Navraj Heran, MD, the center’s Chief of Neurosurgery.

## Highlight subsequent to Q3 2018:

- ZIP European Patent Granted** – On October 25, 2018 the company announced the grant by the European Patent Office (the "EPO") of Aurora's first European patent related to the ZIP, minimally invasive spinal implant. The patent is titled "Dynamic and Non-Dynamic Interspinous Fusion Implant and Bone Growth Stimulation System", and covers Aurora's family of ZIP interspinous devices, including its ZIP Ultra, ZIP 51, ZIP LP and Dyna-ZIP among others.

## SELECTED BALANCE SHEET INFORMATION

The following table summarizes selected key financial data.

| As at                         | September 30, 2018<br>\$ | December 31, 2017<br>\$ | December 31, 2016<br>\$ |
|-------------------------------|--------------------------|-------------------------|-------------------------|
| Cash                          | 620,886                  | 12,665                  | 192,842                 |
| Trade receivables             | 1,805,525                | 811,491                 | 1,228,553               |
| Prepaid expenses and deposits | 416,143                  | 471,859                 | 318,386                 |
| Inventory                     | 2,168,331                | 2,462,509               | 2,996,940               |
| Current assets                | 5,010,885                | 3,758,524               | 4,736,721               |
| Intangible assets             | 253,286                  | 264,247                 | 210,966                 |
| Property and equipment        | 933,178                  | 1,265,720               | 2,095,565               |
| Total assets                  | 6,197,349                | 5,288,491               | 7,043,252               |
| Current liabilities           | 1,786,770                | 1,735,108               | 2,400,196               |
| Long-term liabilities         | 1,987,500                | 1,902,000               | 1,172,963               |

## SELECTED QUARTERLY INFORMATION

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

| Quarters ended                            | September 30, 2018<br>\$ | June 30, 2018<br>\$ | March 31, 2018<br>\$ | December 31, 2017<br>\$ | September 30, 2017<br>\$ | June 30, 2017<br>\$ | March 31, 2017<br>\$ | December 31, 2016<br>\$ |
|---|--------------------------|---------------------|----------------------|-------------------------|--------------------------|---------------------|----------------------|-------------------------|
| Revenue                                   | <b>2,675,947</b>         | 2,002,101           | 1,503,297            | 1,349,975               | <b>1,676,738</b>         | 1,436,024           | 1,526,377            | 1,688,582               |
| Cost of goods sold                        | <b>(1,319,018)</b>       | (877,746)           | (626,453)            | (1,017,320)             | <b>(970,801)</b>         | (709,060)           | (732,704)            | (879,751)               |
| Gross profit                              | <b>1,356,929</b>         | 1,124,355           | 876,844              | 332,655                 | <b>705,937</b>           | 726,964             | 793,673              | 808,831                 |
| Operating expenses                        | <b>1,217,196*</b>        | 1,083,310*          | 1,036,527*           | 1,230,740*              | <b>1,034,319</b>         | 1,183,085           | 1,351,436*           | 1,503,071               |
| EBITDAC**                                 | <b>396,809</b>           | 298,579             | 72,977               | (649,335)               | <b>(100,022)</b>         | (189,391)           | (341,556)            | (571,566)               |
| Net income (loss)                         | <b>139,733</b>           | 41,045              | (159,683)            | (898,085)               | <b>(328,382)</b>         | (456,121)           | (557,763)            | (694,240)               |
| Basic and diluted income (loss) per share | <b>0.01</b>              | 0.01                | (0.01)               | (0.02)                  | <b>(0.01)</b>            | (0.01)              | (0.02)               | (0.02)                  |

\* Adjusted by gain on sale of property and equipment.

\*\* EBITDAC - a non GAAP, non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based Compensation. Additionally, this amount is adjusted by gain on sale of property and equipment.

We are pleased that our efforts are beginning to create value for our shareholders. Strong cash flow from operations will help us to further expand sales, move new products through our development group and help support and assist our service levels to our surgeons. We are grateful for their ongoing support of our company and our mission of improving the lives of patients with debilitating spine issues.

The statements together with the Management Discussion and Analysis can be found on SEDAR at [www.sedar.com](http://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.

### **For more information, please contact:**

#### **Aurora Spine Corporation**

Trent Northcutt  
President and Chief Executive Officer  
(760) 424-2004  
[www.aurora-spine.com](http://www.aurora-spine.com)

Sarina Mason  
Chief Financial Officer  
(760) 424-2004