



JUNE 2020

INVESTOR PRESENTATION

TSXV: ASG
US: AROSF

FORWARD LOOKING DISCLAIMER



This presentation contains certain statements that may be deemed "forward-looking statements."

All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward looking statements include, failure to successfully negotiate or subsequently close such transactions, inability to obtain required shareholder or regulatory approvals, uncertainty with respect to findings under exploration programs and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward- looking statements.

Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

COMPANY OVERVIEW



Aurora Spine has developed a portfolio of solutions for the spinal implant market through a series of innovative, minimally invasive, regenerative spinal implant technologies.

► Headquarters in Carlsbad, CA

\$11.2 M

Record FY19 Revenue

27.5%

5-Year Revenue CAGR

\$10 M

Market Cap*

\$2.8 M

Pro Forma* Cash Balance
At Dec. 31, 2019

All numbers USD unless noted. *As at December 31, 2019, cash of \$444,741. Subsequent to year end, completed a private placement of 8,932,000 common shares with net proceeds of US \$1,637,799. A director of the Company subscribed to and received 1,579,000 shares in exchange for cash of US \$300,010. The Company also received government loans under PPP of US \$450,888 and a US \$10,000 grant.



RECENT ACCOMPLISHMENTS



Strong Revenue Growth

- ▶ 28% Y/Y growth in FY 2019 to \$11.2 million, a new record.



Ongoing Conversion Away from Low-Margin 3rd Party Products to High-Margin Proprietary Products

- ▶ The Company has acquired or brought in house key products that were previously 3rd party products which will significantly drive gross margin expansion.



Advanced Product Development

- ▶ Recently finalized product designs for the Posterior SI Joint fusion products and the ZIP-Flex interlaminar fixation device. These products are an important part of numerous new product launch offerings for 2020 expected to drive incremental revenue growth.



Expansion into Pain Market

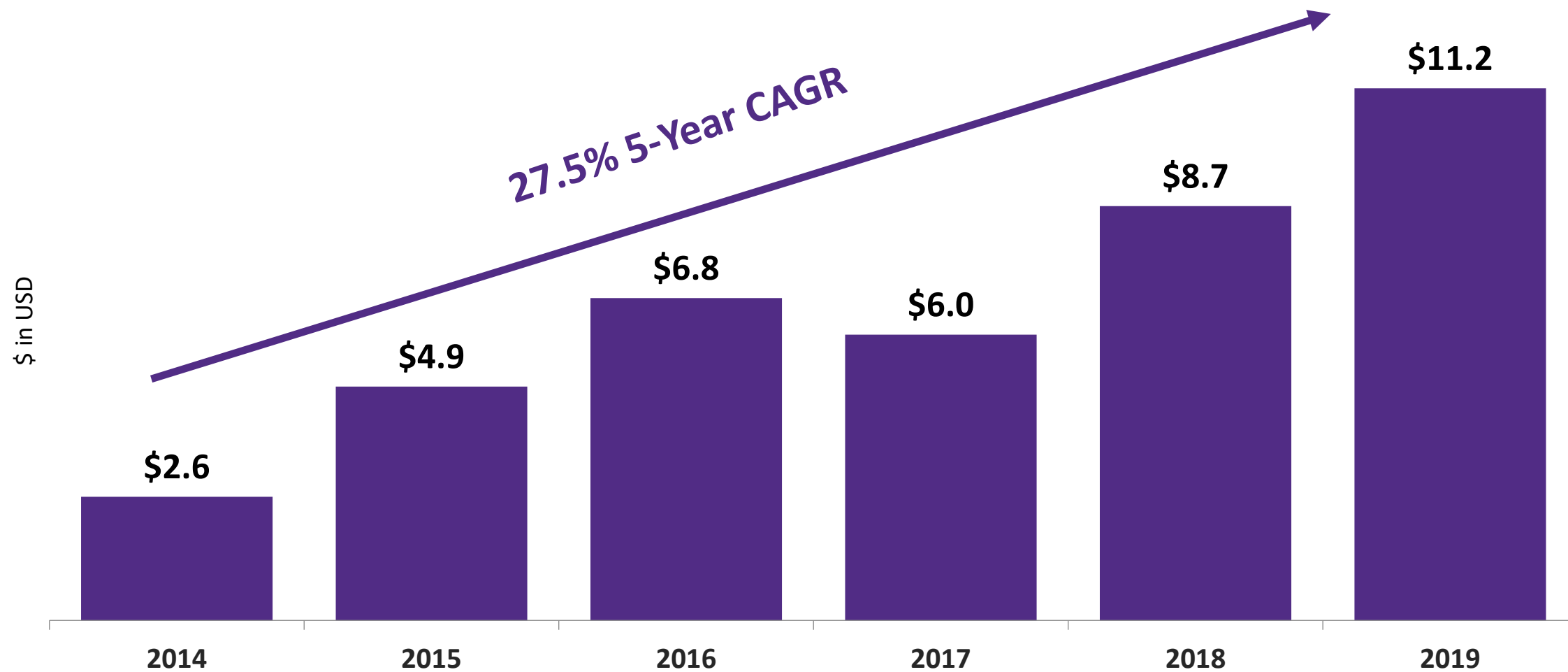
- ▶ The Company has recently ramped efforts to expand its product offering into the pain market, a robust market that is growing year over year.



Strengthened Balance Sheet

- ▶ In February 2020, the Company completed a private placement of USD \$1.7 million (CDN \$2.3 million).
- ▶ The Company applied for and received USD \$450,888 under the CARES Act in the form of a Payroll Protection Program loan.

REVENUE GROWTH



SPINE SURGERY MARKET OVERVIEW



- ▶ Majority of spine surgery is targeted at relieving pain caused by disc injury or disease
- ▶ Most surgeries involve damaged disc remediation or removal
- ▶ Removal necessitates fusing together of the vertebrae above and below the damaged area
- ▶ Vertebrae must be held in place to ensure bone growth (fusion) between the vertebrae



Fusion Devices



Cages



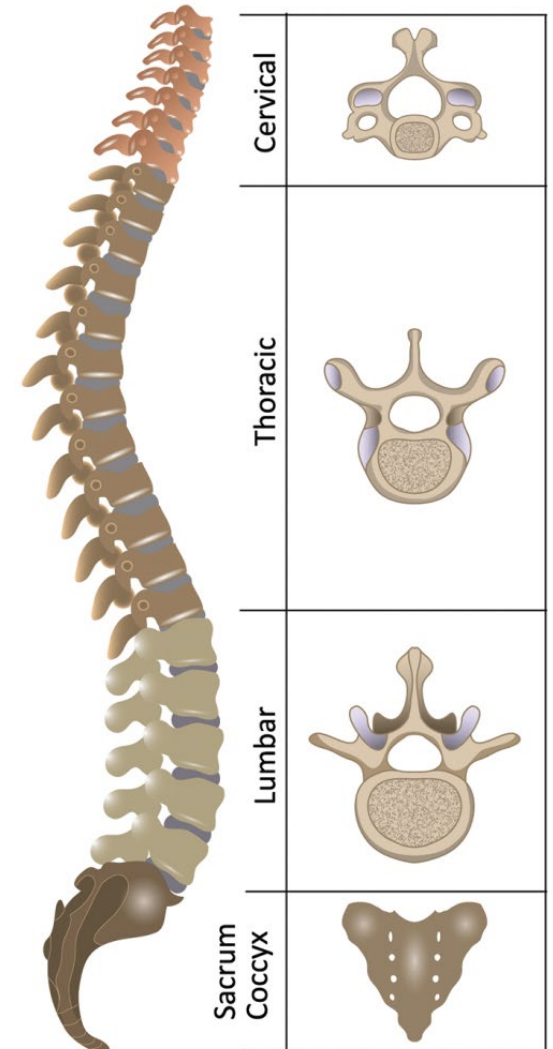
Plates



Stand-Alone



Lumbar Screws

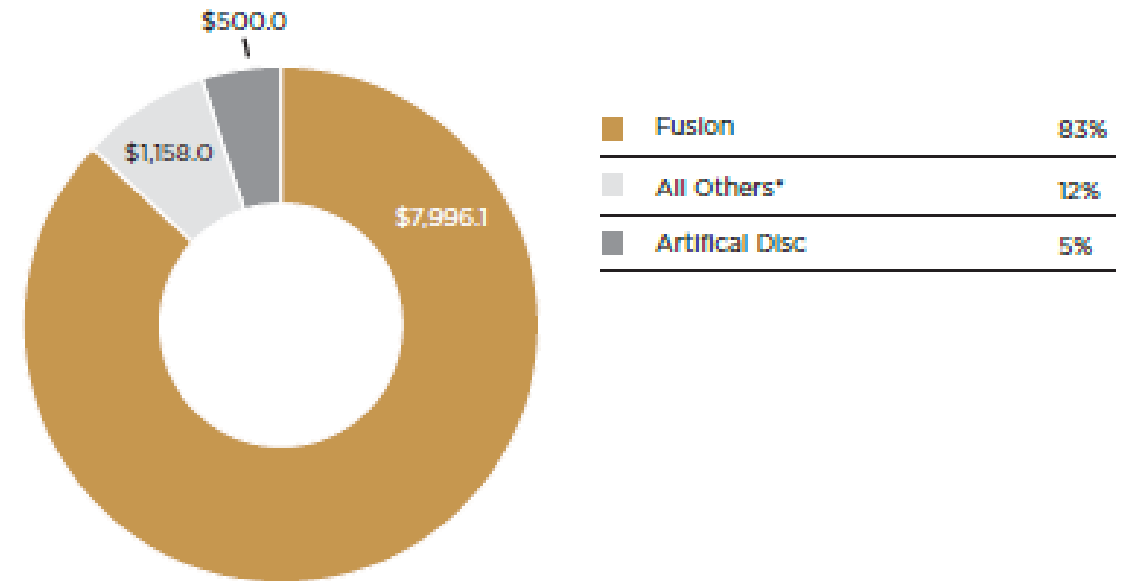


ADDRESSABLE MARKET OPPORTUNITY



- ▶ An estimated \$9.6 billion spine implant market in the U.S.
- ▶ Market growing at >3% annually
- ▶ 80% of the market supplied by 6 companies
- ▶ Innovation comes from the other 20%
- ▶ Successful innovators get acquired

SPINE SALES BY SEGMENT ¹
(\$Millions)



* Kyphoplasty, dynamic stabilization, etc.

1. Source: ORTHOWORLD's The Orthopaedic Industry Annual Report (June 2020)



PRODUCT PORTFOLIO

EXISTING PRODUCT PORTFOLIO



THE ZIP/SCREWLESS PRODUCT



- ▶ The ZIP™ Aurora Spine's minimally invasive interspinous fixation implant for spinal fusion and was developed as an alternative to pedicle screw fixation.
- ▶ Reduces OR time by 36%: 98 minutes vs. 153 minutes ISP vs. Pedicle Screws
- ▶ 40% less hospital stay: 1.9 days vs. 3.1 days ISP vs. Pedicle Screws
- ▶ 69% less blood loss vs. Pedicle screws

TINANO INTERBODY CAGES



- ▶ TiNANO™ Aurora Spine's modern, minimally invasive interbody fusion cages with PEEK and coated with TiNANO® titanium plasma spray coating.

THIRD PARTY PRODUCTS



LUMBAR SCREWS

- ▶ Pedicle Screws are the largest lumbar segment in spinal hardware market



STAND-ALONE

- ▶ Stand-Alone Cage & Screws is a growing market segment



CERVICAL PLATES

- ▶ Cervical Plates are the largest cervical segment in spinal hardware market



BIOLOGICS

- ▶ Human bone allograft products support spinal fusion

CASE STUDY / COMPETITIVE ADVANTAGE



Biomechanical Stability and Clinical Outcome after Interspinous Process Fixation

A Systematic Literature Review

Joseph A. Sclafani MD^{1,2}, Kevin Liang PhD², Ray Linovitz MD, Trent Northcutt³, Laszlo Garamszegi³, Diana Glaser Ph.D³

1. Spine Institute of San Diego; 2. Milestone Research Organization, San Diego; 3. Aurora Spine Inc.

Chronic back pain is something many people live with each day. It is the leading cause of disability in people under 45 years old and 28% of adults with lower back pain report limited activity due to a chronic condition.

Pedicle screw fixation has been the most widely used method of stabilization, however there has been an increase in the use of ISP devices, such as the ZIP™ from Aurora Spine, as a less invasive alternative.

Minimally invasive ISP devices have been shown in several studies to have resulted in better outcomes when compared to pedicle screw procedures:

- Preserves normal anatomy
- Improved fusion and spine stabilization rates
- Shorter surgery times
- 50% lower estimated blood loss
- Decrease in length of hospital stay
- Fewer post-op complications
 - Less pain, anemia, infection and exacerbation of co-morbidities
- Faster healing times
- Overall decrease in costs for procedures

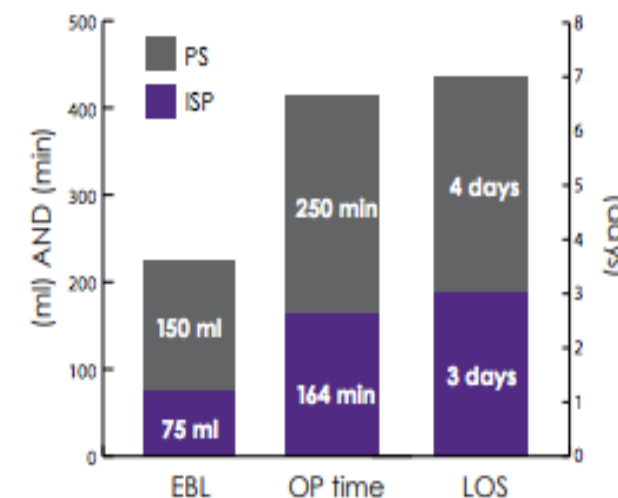


Figure 5: Clinical outcome in the interspinous fusion device group and pedicle screw group after surgery for EBL, OP time and LOS. EBL: estimated blood loss, OP time: duration of the operation, LOS: Length of hospital stay.¹¹

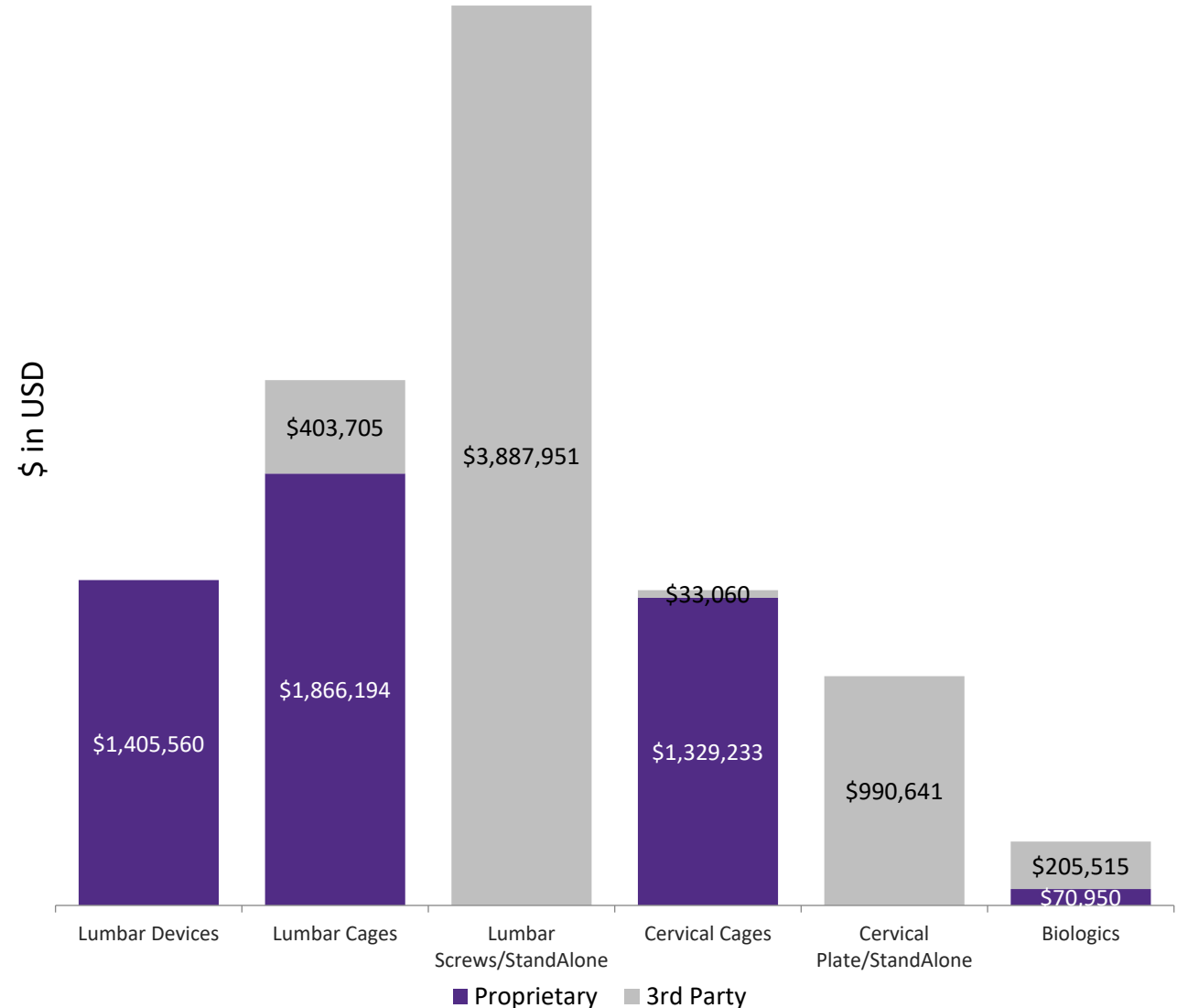


KEY VALUE
CREATION
DRIVERS

FY 2019 REVENUE: PROPRIETARY VS 3RD PARTY



- ▶ 3rd Party Products
 - ▶ 54% of all sales in FY 2019 are 3rd party products
 - ▶ 100% screws; 41% lumbar cages; 100% cervical plates
- ▶ Conversion to Aurora Spine products expected to yield significant increase in contribution margin.



MARGIN EXPANSION: NEW PRODUCT REPLACEMENT



APOLLO (CERVICAL PLATE)



APOLLO™ is a thin & lowprofile anterior cervical plate with large windows that allow graft access & visualization.

- ▶ Acquired Apollo Cervical Plate, the product is projected to be 510(k) FDA Cleared Product in late-Q4 2020
- ▶ Will replace current 3rd party product being sold by Aurora
- ▶ 3rd party cervical plate products represent about \$1.1 million of annual revenue and supports TiNANO™ cervical cage sales.
- ▶ Estimated Launch Q4 2020

Additional Cervical & Thoracolumbar products in the R&D phase



New Technologies for the Ortho, Neuro and Pain Market will be developed:

- ▶ Through a series of R&D developments.
- ▶ M&A transactions
- ▶ Strategic 510(k) purchases

REVENUE GROWTH: NEW PRODUCT DEVELOPMENT



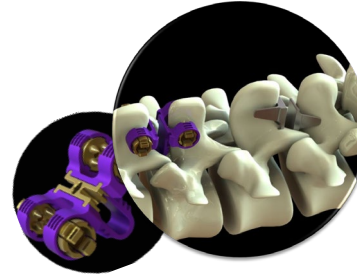
SiLO™ Si Joint (PAIN MARKET)



SiLO™ Posterior Si Joint Fusion System

- ▶ Addresses new market opportunity for Aurora spine -- Joint Pain
- ▶ Sacroiliac joint (Si Joint) fusion is a surgical procedure which fuses the iliac bone (pelvis) to the spine (sacrum) for stabilization.
- ▶ The Global MIS Sacroiliac Joint Fusion market is valued at US \$150 million in 2018 and will reach \$450 million by the end of 2025, growing at a CAGR of 14.7% during 2019-2025.
- ▶ A Crossover product: Ortho, Neuro, and Pain Physician can all use this product.
- ▶ Estimated Launch Q3 2020

ZIPFlex™



ZIP FLEX™ is Aurora Spine's minimally invasive posterior non-fusion interspinous implant for motion preservation.

- ▶ This product will compete with CoFLEX & Vertaflex. Both products were key strategic acquisitions by RTI & Boston Scientific.
- ▶ A Crossover product: Ortho, Neuro, and Pain Physician can all use this product.
- ▶ Estimated Launch Q3 2021

EASiFX™



EASiFx is Aurora Spine's MIS Si Joint Fusion System with Fixation. Posterior Si Joint Fusion System.

- ▶ A Crossover product: Ortho, Neuro, and Pain Physician can all use this product.
- ▶ Currently in Bio-mechanical testing. Requires FDA 501(k) approval.
- ▶ Estimated Launch Q2 2021

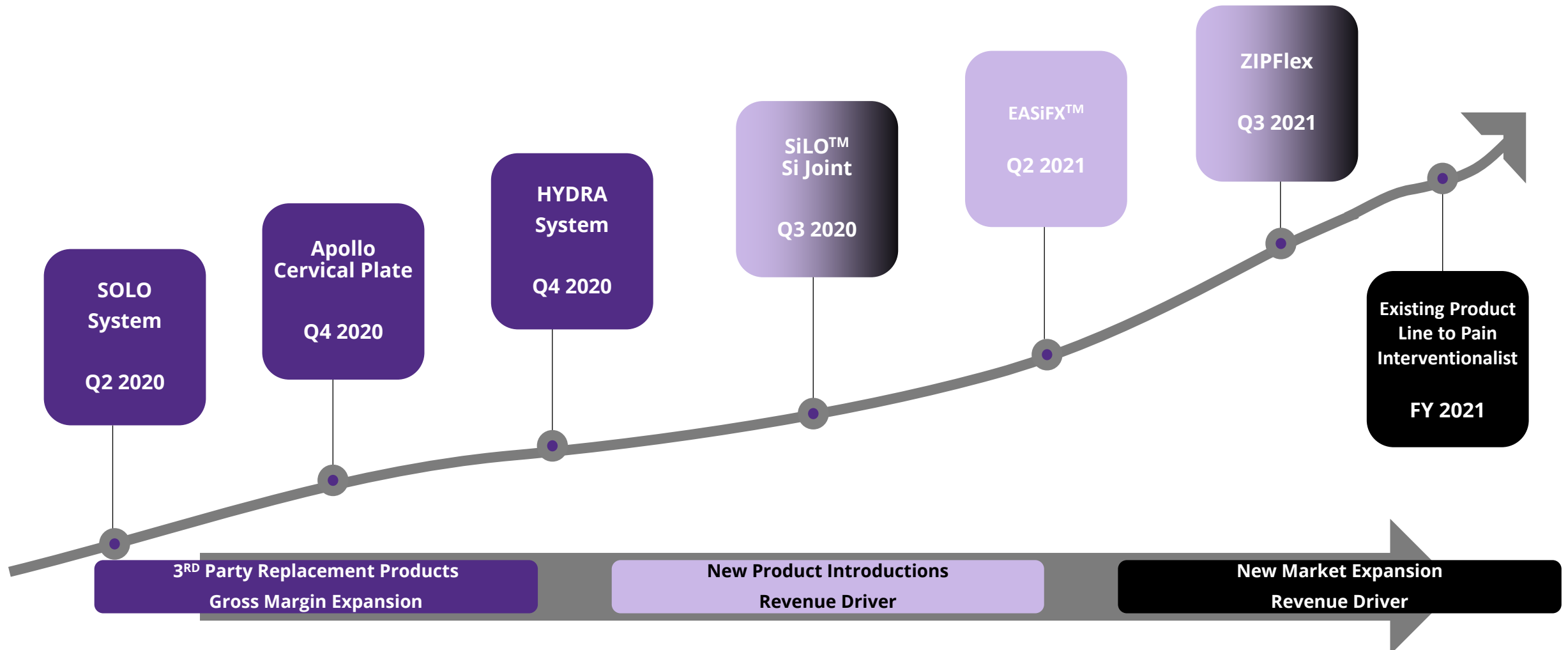
REVENUE GROWTH: NEW MARKET EXPANSION - PAIN



The global pain management devices market size is expected to reach USD 14.55 billion by 2026 registering a CAGR of 13.8%.

- ▶ Pain Management Physicians are reducing use of opioids and increasingly using mechanical devices such as the ZIP™ & SiLO™.
- ▶ North America was the largest regional market in 2018 and held around half of the global revenue share owing to the increased number of people affiliated with pain requiring management devices.
- ▶ Key companies in the global pain management devices market include B Braun Melsungen AG., Baxter International, Inc., Boston Scientific Corp., Codman and Shurtleff, DJO Global LLC, Pfizer, Inc., Medtronic Plc, Smiths Medical, Stryker Corp., and St. Jude Medical

KEY VALUE CREATION DRIVERS



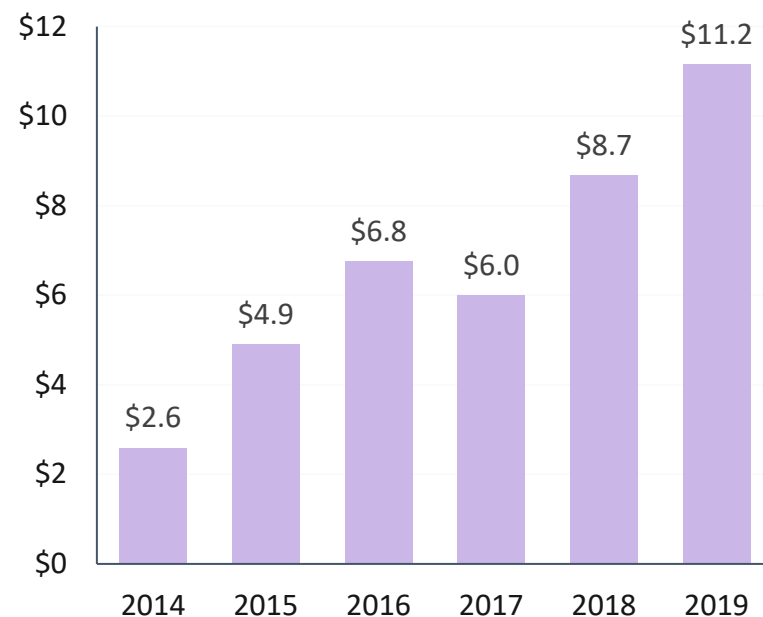


FINANCIALS

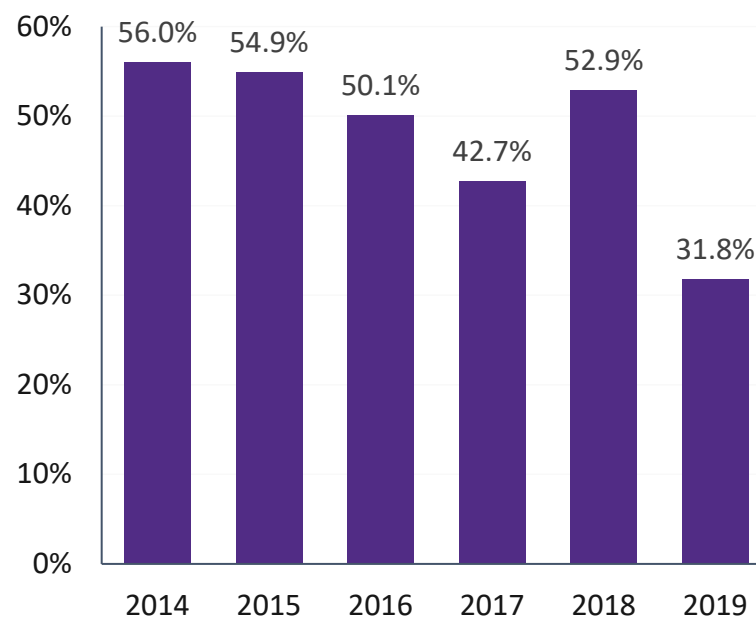
INCOME STATEMENT HIGHLIGHTS



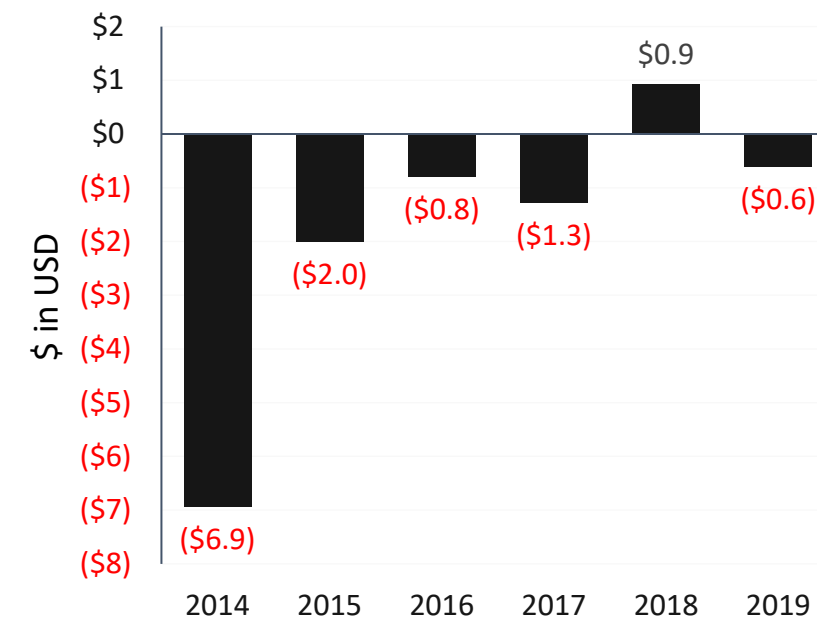
Revenue



Gross Profit Margins



Adjusted EBITDA



Successful execution of 3rd party to proprietary product strategy could result in a significant increase of incremental gross margins on FY 2019 revenue base, and a return to Adjusted EBITDA profitability

BALANCE SHEET HIGHLIGHTS



\$ in USD	12/31/2019	Pro Forma Adjustments*
Cash and cash equivalents	\$444,741	+\$2,398,697
Accounts receivable, net	\$2,443,096	
Inventory	\$1,529,474	
Total current assets	\$4,679,528	+\$2,398,697
Property, plant and equipment	\$1,155,249	
Intangible assets	\$838,915	
Total Assets	\$6,673,692	+\$2,398,697
Current liabilities	\$2,523,223	
Long-term debt (due to related parties)	\$2,100,000	
Lease liabilities	\$282,444	
Shareholders' equity	\$1,768,025	+\$2,398,697
Shares Outstanding	44,477,744	+10,511,000

*As at December 31, 2019, cash of \$444,741. Subsequent to year end, completed a private placement of 8,932,000 common shares with net proceeds of US \$1,637,799. A director of the Company subscribed to and received 1,579,000 shares in exchange for cash of US \$300,010. The Company also received government loans under PPP of US \$450,888 and a US \$10,000 grant.

PEER COMPARISON INFORMATION



As of 6/10/2020

USD

Ticker	Company	Stock Price	Enterprise Value	SALES (TTM)	EV/SALES (TTM)
ASG/AROSF	Aurora Spine Corporation	\$0.18	\$9.18	\$11.20	0.82
Ticker	Company	Stock Price	Enterprise Value	SALES (TTM)	EV/SALES (TTM)
MDT	Medtronic	\$96.65	\$151,645.48	\$31,062.00	4.88
ZBH	Zimmer Biomet	\$134.29	\$35,361.24	\$7,982.20	4.43
JNJ	Johnson & Johnson (DePuy)	\$147.11	\$402,793.81	\$82,729.00	4.87
SYK	Stryker	\$201.15	\$82,919.66	\$14,956.00	5.54
NUVA	NuVasive	\$62.47	\$3,205.98	\$1,158.93	2.77
RTIX	RTI Surgical	\$3.20	\$401.61	\$308.38	1.30
SPNE	SeaSpine	\$11.44	\$222.24	\$159.04	1.40
OFIG	Orthofix Medical	\$36.62	\$648.99	\$455.67	1.42
KIDS	OrthoPediatrics	\$48.63	\$766.29	\$74.24	10.32
SIBN	SI-Bone	\$17.51	\$448.90	\$69.13	6.49
Peer Group					4.34

Discount to Peer Group

-81.14%

Note: Reflects pro forma increase in cash and shares outstanding to Enterprise Value

\$465+ Million Acquisition

~\$60 Million FY 2019 Sales

7.8X Revenue

MARLBOROUGH, Mass., May 9, 2019 -- Boston Scientific (NYSE: BSX) today announced that it has entered into a definitive agreement to acquire Vertiflex, Inc., a privately-held company which has developed and commercialized the Superior® Indirect Decompression System, a minimally-invasive device used to improve physical function and reduce pain in patients with lumbar spinal stenosis (LSS). The procedure – primarily performed by physicians who treat chronic pain patients with therapies including spinal cord stimulation and radiofrequency ablation – is expected to reach \$60 million in sales in 2019. The transaction consists of \$465 million in upfront cash and additional payments contingent on commercial milestones for the next three years.

2020 MILESTONES AND OBJECTIVES



Execute initiative to focus on new products.

- ▶ Full conversion to proprietary products slated by end of FY20 and FY21

Return to EBITDA profitability

- ▶ Aurora continues to focus on strategic product expansion, to significant increase incremental gross margins on FY 2019 revenue base

New product introductions to drive revenue growth

- ▶ Expand sales focus into Pain Interventionalist market
- ▶ SiLO Si Joint launch in 2H:20
- ▶ EasiFix launch Q1:21

FDA approval of ZipFlex Q2 2021

- ▶ Goal to launch product in Q3 2021

Commence U.S. investor relations focus for the company

MANAGEMENT TEAM



Trent Northcutt
Chief Executive Officer

- 20+ years experience in medical device market
- VP of Sales and Business Development for Aphatec Spine, Inc.
- VP of Spineart USA, Inc.
- VP Sales and Operations at Lanx, LLC – responsible for launching Aspen ISP fusion device



Laszlo Garamszegi
Chief Technology Officer

- 20+ years experience in medical device market
- Co-inventor of the ZIP ISP
- Co-founder of several successful medical start-ups
- Co-inventor of 4Closure Laparoscopic Fascia Closure Device; subsequently sold to Baxter Int'l (NYSE: BAX)
- Holds 11 patents in US for spinal implant designs



Dave Meyer
VP & Chief Legal Officer

- 25+ years of legal experience and 30+ business experience
- COO of Anthony Robbins Companies
- Represented clients including Pulte Homes, Chevy's, Ross Dress for Less, Gymboree, Oakland Alameda County Coliseum and Carruth Cellars

BOARD OF DIRECTORS



David Rosenkrantz
Chairman

- 18+ years experience in investment banking
- Co-founded Patica Corporation in 1993
- VP of Spineart USA, Inc.
- Focus on financing equity needs for small-cap, high growth companies.



Trent Northcutt
CEO

- 20+ years experience in medical device market
- VP of Sales and Business Development for Aphatec Spine, Inc.
- VP of Spineart USA, Inc.
- VP Sales and Operations at Lanx, LLC – responsible for launching Aspen ISP fusion device



Jim Snow
Board Member

- 23+ years executive healthcare management and start-up experience
- President and CEO of Renaissance Biologic and Medical Resources
- Co-founded US Healthworks and served as VP of M&A
- Co-founded Integrated Healthcare Services (IHS)



Mike Seid
Board Member

- 17+ years of investment, finance, management and operations experience
- President and managing partner of Axxcess Wealth Management
- Director of Axxcess Healthcare Group, LLC, focus on early stage life science and medical device companies



Daryl Maclellan
Board Member

- President of Desante Financial Services, Inc. and Managing Director of Maximum Financial Services Inc.
- Was President of CIT Canada and President of CIT Group Securities (Canada) Inc.
- Board member of the Canadian Financing Lease Association



Tracy Graf
Board Member

- President of Carfinco Financial Group Inc. (TSX: CFN) since 1998
- Was General Manager of Graf Management and Cattle Co. Ltd.
- Board position with Canadian Simmental Association and director of Casablance Capital Corp.