



AURORA SPINE CORPORATION

Interim Management's Discussion and Analysis

(Unaudited)

For the Three and Nine-Months Ended September 30, 2025

(in US Dollars)

This management's discussion and analysis of financial conditions and results of operations ("MD&A") is intended to assist you in understanding the corporate structure of Aurora Spine Corporation ("the Company", "we", "our") and evaluating the changes in the Company's financial condition and operations for the three and nine-month period ended September 30, 2025.

The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, and the unaudited condensed consolidated interim financial statements for the three- and nine-month period ended September 30, 2025, prepared in accordance with IFRS together with the accompanying notes. Additional information is available on SEDAR+ at www.sedarplus.ca, and on our website at www.aurora-spine.com.

The parent Company has a functional currency of Canadian dollars (CAD). The subsidiary has a functional currency of United States dollars (USD). The consolidated financial statements are prepared using the historical cost method and are presented in USD.

This MD&A is prepared as of November 17, 2025.

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements that reflect management's current expectations of future events. Such forward-looking statements are subject to certain factors and involve risks and uncertainties. Actual results may differ from expected results. Factors that could cause our results, our operations and future events to change materially compared to the expectations expressed or implied by such forward-looking statements include, but are not limited to, market risk, interest rate risk, currency risk, credit risk and liquidity risk, uncertainty regarding additional funding requirements and our ability to obtain such funding and uncertainty regarding sales as well as those risks and uncertainties mentioned herein. We believe that the assumptions and expectations reflected herein are reasonable, but no assurance can be given that these assumptions and expectations will be correct. You should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. Forward-looking information is provided as of the date of this MD&A and we do not intend, and do not assume any obligation, to update this forward-looking information, except as required by law.

CORPORATE STRUCTURE

The Company was incorporated under the laws of the Province of Ontario on July 4, 2013. The registered head office of the Company is located at 20 Holly Street, Suite 300, Toronto, Ontario, M4S 3B1. The principal office of the Company is located at 1930 Palomar Point Way, Suite 103, Carlsbad, California, 92008. The Company was formed as part of a reorganization to carry out a Public Offering ("Public Offering") and to acquire all of the outstanding capital stock of Aurora Spine, Inc. ("Aurora").

The Company filed an Initial Public Offering Prospectus on August 27, 2013, with securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario which was subsequently completed in September 2013 offering 5,150,000 common shares at a price of US\$0.70 per share, for gross proceeds of US\$3,605,000. Trading began on September 10, 2013.

On September 5, 2013, the Company and its wholly-owned subsidiary AS Acquisition Corp. (a newly-formed Nevada corporation) and Aurora entered into a merger agreement which set forth the terms and conditions pursuant to which the Company acquired all of the issued and outstanding shares of capital stock of Aurora in exchange for the issuance to the existing shareholders of an aggregate of 7,272,059 Common Shares and 6,107,141 Restricted Voting Shares. Pursuant to the merger agreement, Aurora and AS Acquisition Corp. merged under the laws of the State of Nevada, with Aurora being the surviving entity. The reorganization closed immediately prior to the closing of the Public Offering and was intended to be treated as an integrated transaction with the Public Offering for U.S. federal income tax purposes.

Between 2014 and 2021, the Company completed various private placements raising aggregate gross proceeds of CDN\$26,361,993 (US\$22,328,557), issuing a total of 47,002,404 common shares.

On October 19, 2023, the Company completed a private placement. The Company issued 6,445,939 common shares and 6,445,939 warrants exercisable for an equivalent number of common shares for aggregate gross proceeds of US\$1,409,920 (CDN\$1,933,782). US\$803,149 was allocated to common shares and US\$606,771 was allocated to warrants. In connection with this offering, the Company paid commissions, fees, and incurred legal and other expenses of US\$68,001 (CDN\$93,267). Regarding the warrants, 6,445,939 are exercisable immediately and any time up to three years following the date of issuance at CDN\$0.50.

BUSINESS OF AURORA

Aurora is focused on bringing new solutions to the spinal implant market through a series of innovative, minimally invasive, regenerative spinal implant technologies. The Company's goal is to improve patients' quality of life by developing and distributing spinal implant products that relieve back pain and preserve spinal bone structure and anatomy. Once fully developed, we expect our product portfolio to primarily address the market need for minimally invasive spinal surgical devices.

The Company has developed intellectual property leading to ownership of most of its product portfolio. Aurora has augmented this with certain third party developed products. We continue to develop new IP and products, undertake patent filing applications, improve our designs using feedback from leading surgeons for product evaluation, and conduct surgeon training and education. We sell our products utilizing both direct sales and distribution models. We are a registered ISO 13485 certified company. We received FDA approval for our first product, the Company's ZIP™ Ultra Minimally Invasive Interspinous Fusion System (the "ZIP ULTRA™") on December 3, 2013.

Our Products and Customers

Our ISP ("interspinous process" or "ISP") lumbar fusion devices now include the ZIP®, the ZIP ULTR®, the ZIP LP™ and the ZIP-51™. We also offer a line of interbody products: Discovery for cervical procedures; SOLO™, an ALIF 3D printed stand-alone lumbar fusion device; SiLO™ a posterior allograft implant and SiLO TFX, a titanium implant device, both for sacroiliac ("SI") joint fusion; and Dexa-C a 3D printed cervical fusion device which is paired with the Apollo cervical plate. Certain of the Company's TiNano™ product line of lumbar fusion devices, including Echo SD are being transitioned to titanium from PEEK material to utilize our recently developed and patented Dexa technology.

Aurora's products generally fall into three product lines:

- ISP lumbar fusion devices
- Cervical and Stand-alone ("SA") Lumbar fusion cages
- SI joint fusion devices

In addition, Aurora markets certain third party developed products used during spine surgeries (i.e. surgical screws and bone growth biologic materials).

Our products are used by two groups of physicians: (i) Orthopaedic and Neuromolecular surgeons, and (ii) Pain and Interventional Radiological surgeons. Depending upon where these groups practice medicine our sales are to Hospitals, Ambulatory Surgical Centers and private surgical offices.

ZIP ISP Products

Our ZIP family of ISP devices are designed for patients suffering from degenerative disc disease whose pain has not been eliminated by non-surgical treatment methods. The vast majority of these patients have traditionally been treated using open surgery to install pedicle screws and rods to fix and ultimately allow two or more vertebrae to fuse together.

Our ZIP ISP product design utilizes an interlocking two-piece design consisting of two titanium side plates with a hollow titanium core chamber to host bone or biologic grafting material. The side plates have been designed as solid geometries with proprietary swiveling spikes to aid in attachment to uneven bone surfaces. The outer portions of the device are durable enough to last a lifetime under both compressive and tensile loads, while still maintaining required stiffness in the interspinous space. The hollow core chamber will be available in a variety of diameters to fit most patient anatomies.

Our ZIP ISP devices are also designed with a proprietary mechanism along the barrel for locking the side plates together. We believe this is superior to our competitors' screw/nut locking mechanisms for permanence, stability and ease of implantation.

We currently offer a lower spine (lumbar) ISP device although some of our devices have been used mid-spine (thoracic). In the future, we may introduce a multi-segment ISP device that will cover a larger number of spine segments and be designed to allow surgeons to perform corrective procedures (e.g., for scoliosis) without pedicle fixation.

SA-ALIF Cages

SA-ALIF technology allows for the cage, plate and screws to be integrated into a single unit; a feature some surgeons prefer. 3D Printed Stand-Alone ALIF Cage (SA-ALIF) are made of porous titanium and combine an integrated plate and spacer system that helps to preserve the natural anatomic profile while providing spinal column support and stability.

Anterior lumbar interbody fusion (ALIF) is a spine surgery that involves approaching the spine from the front (anterior) of the body to remove all or part of a herniated disc from in between two adjacent vertebrae (interbody) in the lower back (lumbar spine), then fusing, or joining together, the vertebrae on either side of the remaining disc space using bone graft or bone graft substitute. Anterior approaches, such as in SA-ALIF, allow surgeons access to the discs at the front of the spine and do not require muscle stripping as in posterior approaches. SA-ALIF provides the surgeon with a clear approach to the lumbar spine.

Utilizing our ZIP® ISP platform in harmony with 3D Printed SA-ALIF Cage Technology allows Aurora to participate in the full procedure in a Lumbar fusion surgery, adding value to the patient, the doctor and the company. Multiple published clinical studies support the procedure, documenting positive clinical outcomes such as reduced blood loss, less time in the O.R., and shortened hospital stays as compared to traditional posterior fusion procedures.

DEXA Technology and Interbody Cages

The Company recorded an intangible for US patent #10,779,954 B1 titled “Body Density Scan Result-Matched Orthopedic Implants and Methods of Use”. The patent will be utilized to create spinal implants that match the patient’s specific bone density based on a DEXA Scan/T-score allowing for the best bone fusion treatment and most favorable outcome based on that patient’s bone density. By comparing and using a product that matches a patient’s bone density, the technology should promote quicker bone growth and employ superior fixation.

Aurora Spine’s DEXA Technology™ is part of the company’s patent focused innovation. DEXA Technology™ was created and patented to combine the essential design benefits of better patient fusion clinical outcomes with modern 3D printing, and additive implant manufacturing. Aurora Spine’s new DEXA Technology™ will provide surgeons with additional solutions in selecting the right implant for their patient. Traditionally, medical devices for spinal procedures are designed as ‘one size fits all’ and assume that every patient’s bone density is similar.

Interbody cage products are used to fill the space between vertebrae after degenerative disc material has been removed. The cages with embedded screws, or cages with external plates and screws, provide spacing and stability between the vertebrae while bone grows to complete the fusion process. The DEXA-C™ Cervical Interbody System is a porous 3D-printed intervertebral cage that incorporates low-, mid-, or high-density lattice pattern options to support the matching of patients’ bone quality utilizing Aurora’s patented DEXA Technology™. The profile of the device is rectangular with a hollow core for bone graft to promote bone integration and fusion between the endplates. The device is available in various footprints and heights to accommodate variability among patients and is manufactured from titanium alloy per ASTM F3001.

SI Joint Fusion Devices

In addition to solving musculoskeletal disorders of the spine, Aurora is doing the same for sacropelvic anatomy. We have developed proprietary minimally invasive surgical implant systems to address sacroiliac joint dysfunction. Our products include both allograft implants and patented titanium implants and the instruments used to implant them. Since launching our first-generation SILO system in 2021, we have launched a new patented implant, SILO-TFX in 2023. Within the United States, our SILO, and SILO-TFX implant systems have clearances for applications across sacroiliac joint dysfunction and fusion, and degeneration. Minimally invasive sacroiliac (SI) joint fusion is an increasingly common treatment for patients with low back pain due to SI joint dysfunction. Therefore, it represents a high-growth potential niche in the orthopedic spine market.

SPINAL IMPLANT MARKET

Product Regulation

Sale of our products requires approval under the FD&C Act in the United States, registration and approval of a CE mark in the European Union and similar regulatory approvals in other jurisdictions around the world. Further, our products require approval by the governing board of hospitals at which our implants will be used in surgery.

All our products are classified as Class II devices in the United States. Class II devices require either approval or clearance from the U.S. Food and Drug Administration (FDA) before they can be marketed in the United States.

Products that have substantial similarity to products that already have been approved by the FDA can obtain clearance for sale through the Premarket Notification process under Section 510k of the FD&C Act. Devices that are not substantially similar to previously approved products must obtain FDA approval through the more rigorous, time-consuming and expensive Premarket Approval process, which in most cases requires extensive clinical trials. We believe that all of our products that are currently in development have predicate devices already approved or cleared by the FDA, and that as a result we will be able to take advantage of the more streamlined Premarket Notification clearance process.

In the US, most spinal implants today are paid for by third-party payors, either private insurance companies or government programs, including Medicare, Medicaid or State workers compensation programs. We believe that surgeons, hospitals and ambulatory surgical centers can use current North American Spine Society ("NASS") and Medicare-approved payment codes with any of our proposed products, and that our products are reimbursable under both private and government-sponsored insurance plans.

Surgical Solutions

Spinal surgery has been used since the early 1900's to treat back pain and neck spinal pain. However, surgery can be expensive and complicated and generally is recommended only when conventional therapies such as physical therapy, exercise, traction, bed rest, braces and steroid and non-steroid anti-inflammatory medications, have failed. Lower back pain is generally considered one of the most widely experienced health problems in the United States and many parts of the world, and one of the most frequent conditions for which people see a physician or are absent from work. Other factors driving the growth of the global spinal fusion market are believed to be growing awareness about treatment of spinal disorders, rising income levels, rising obese populations and a rising number of spinal injuries resulting from increased use of machinery and motor vehicles in certain regions of the world.

Growth Drivers

The increasing adoption of minimally invasive surgeries is anticipated to be the key factor driving the market during the forecast period, further improving diagnostic capabilities for sacroiliac joint disorders and the adoption of new technologies are likely to offer better SI joint fusion systems.

In addition, the increasing geriatric population in developed countries like the US and the growing incidences of chronic diseases are anticipated to make a significant contribution in boosting the market. The SiLO TFX procedure addresses this market.

Spinal Fusion

Spinal fusion is among the most common spinal surgeries performed today and is used primarily to eliminate the pain caused by abnormal motion of the vertebrae in a weak or unstable spine (caused by infections, tumors, or other degenerative conditions) and to treat spinal fractures. It is also used to treat spinal deformities such as scoliosis and kyphosis.

Spinal fusion is a surgical technique used to join two or more vertebrae. Spinal fusion works in conjunction with the body's natural bone growth processes to set up a biological response that causes a bone graft, using material implanted by the surgeon, to grow between the two vertebral elements and fuse the two vertebral elements together into one long bone, thereby stopping the motion that causes the pain. The fusion process typically takes six to twelve months after surgery to complete.

In most cases, spinal fusion is augmented by a process called fixation, which refers to the placement of permanent rigid or semi-rigid prosthetic devices made of titanium or other materials. These devices were developed in response to the need to limit compression on the affected vertebrae and stabilize them to facilitate bone fusion, without requiring the patient to be immobilized. These fusion/fixation devices include pedicle screws, rods or plates, titanium or PEEK cages and, more recently, ISP devices.

Spinal fusion techniques currently are used in both cervical and lumbar spines. Most fusions on the cervical spine are performed using anterior interbody fusion, in which, following an anterior discectomy, a bone graft is placed between two vertebrae and replaces the removed disc. During the healing process, the vertebrae grow together, creating a solid piece of bone out of the two vertebrae.

Three types of interbody fusion procedures are most commonly used today and include:

1. Anterior Lumbar Interbody Fusion, in which an abdominal incision is used to reach the lumbar spine.

2. Posterior Lumbar Interbody Fusion, in which an incision on the patient's back is used to reach the lumbar spine; and
3. Lateral Lumbar Interbody Fusion, in which a lateral incision is used to reach the lumbar spine.

One of the challenges for both surgeons and spinal implant device companies is to bridge the gap between patient satisfaction and clinical success. Early fusion procedures performed without fixation devices and using grafts of the patient's own bone required a secondary surgical site from which the bone would be harvested and often suffered from stabilization issues during the period needed for vertebral fusion to occur. Plate devices and pedicle screws, while effective at stabilization, involve more anatomically invasive procedures and can involve extended recovery times.

Other Surgical Options

The growing need to identify better solutions for degenerative disc of the spine has led to innovation in less-invasive spinal fusion procedures, spinal navigation systems and robotics, non-fusion, motion-preserving devices, and advanced biological products, including allografts, synthetics, and bone-morphogenetic proteins ("BMPs"), which eliminate the need to harvest bone for grafts from the patient's own body.

In recent years, MIS devices have been introduced into the spinal implant market to provide a less invasive alternative to pedicle screw instrumentation in fusion procedures. ISP devices attach to the spine with a clamp, rather than screws, and utilize counter stresses to help maintain attachment. These devices are designed to provide the necessary fixation and stability, while preserving the patient's anatomy and reducing complications and recovery time. Also in recent years, so-called "motion preserving" techniques, such as artificial disc replacement, have begun to be offered as alternatives to fusion. These techniques have not yet been adopted on a widespread basis in the U.S. because, amongst other things, reimbursement by third-party payors has not been rapidly forthcoming and the advantages of these techniques over fusion have not been well established.

Sacroiliac Joint Dysfunction and Degeneration

Over 30 million American adults are estimated to have chronic lower back pain. Studies indicate that 15% to 30% of patients with chronic low back pain may have symptoms originating with the sacroiliac joint. Based on our market experience and internal estimates, and the assumption that the average person suffering from sacroiliac joint dysfunction has been in pain for five years, we estimate that the potential market for sacroiliac joint fusion in the United States could be approximately 279,000 patients for a potential annual market in the United States of approximately \$2.5 billion.

Sacroiliac joint patients may have experienced one or more events that have contributed to disruption and/or degeneration of the sacroiliac joint, such as pregnancy, falls, previous lumbar surgery, accidents, and aging, which may cause degeneration of the cushioning in the joint much like other joints. Patients with sacroiliac joint dysfunction frequently experience significant pain simply from sitting, standing, or rolling over in bed. The pain can be exacerbated with activity - when a patient walks or runs. We believe that approximately 65% of people who suffer from sacroiliac pain are women. Although several non-surgical treatments exist for sacroiliac joint pain, including physical therapy, opiates and non-steroidal anti-inflammatory medications, intra-articular injection of steroid medications and radio frequency ablation, these treatments did not provide long-term pain or disability relief in our randomized controlled clinical trials.

The Changing Market

Ortho and Neurosurgeons, utilizing pedicle screw systems continue to dominate the spinal fusion market. However, the introduction and movement towards newer technologies involving minimally invasive approaches like ISP, SI joint and facet devices is broadening their options with significant patient advantages. These technologies are also opening the fusion market to pain surgeons and interventional radiologists. Other technologies such as dynamic stabilization (motion preserving devices) and artificial discs are also making limited inroads in spine surgery.

Competition

The global spinal surgery market is characterized by strong competition, most of which is targeted toward Ortho/Neurosurgeons. Management believes the top five companies account for more than 70% of the overall market, and that the FDA's reclassification of spinal fusion devices from Class III to Class II in 2007 has attracted, and will continue to attract, new entrants in the market. We continue to see product launches and an increased focus on

research and development activities, and we anticipate that intense competition between the new entrants and existing companies may lead to pricing pressure on all companies in the future.

Companies such as Medtronic Inc., SeaSpine and ATEC, are the leading players in the global market for spinal surgery devices and represent a significant portion of the total market share. We believe that this is due, in large part, to their broad portfolios of spinal fusion devices. Other companies with significant market shares include Globus Medical Inc. Since spine surgery is a relatively new market for Pain doctors and Interventional Radiologists, Aurora believes that the market has less competitive intensity than traditional spine. Aurora is bringing new minimal invasive options which bridge the gap between Ortho, Neuro and the Pain/Interventional Market.

Further information and analysis regarding the Company's overall performance is discussed below.

SIGNIFICANT EVENTS DURING THE PERIOD

- Revenue Performance:** While quarter-over-quarter sales were essentially flat throughout the first 3 quarters, the Company's 9-month cumulative sales year-over-year were up \$484,698 over the comparable period last year, reflecting continued market expansion and product demand across key segments. Q3 2025 sales were lower at \$4,430,755 as compared to \$4,767,121 an exceptionally strong comparable quarter last year, combined with product rotation and slower sales in our spinal screw business. Q3 2025 did however mark the fifth consecutive quarter exceeding \$4.4 million in sales, demonstrating consistent execution and strong customer retention.
- EBITDAC Performance:** Q3 2025 marked a second consecutive quarter of positive EBITDAC. EBITDAC was \$165,600 in Q3 2025 and \$141,745 in the previous quarter.
- Product Innovation:** The Company Introduced Hydra ARO Lumbar Fusion System product line, a facet fusion device, during Q3 2025. The product achieved initial sales within the quarter, reinforcing the Company's commitment to innovation and diversification within the spine and pain markets.

OVERALL PERFORMANCE

Aurora Spine Corporation's unaudited interim condensed consolidated financial statements are presented in US dollars which is its functional currency.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

SELECTED BALANCE SHEET INFORMATION

The following table summarizes selected key financial data.

As at	September 30, 2025	December 31, 2024	December 31, 2023
	\$	\$	\$
Cash	665,757	825,621	766,829
Receivables	4,208,468	3,784,858	3,968,439
Prepaid and other current assets	181,666	276,084	204,173
Inventory	3,818,985	3,613,557	3,562,349
Current Assets	8,874,876	8,500,120	8,501,790
Note Receivable	253,893	323,653	454,628
Intangible Assets	701,485	801,625	753,180
Property and Equipment	1,856,881	2,047,989	2,275,478
Total Assets	11,687,135	11,673,387	11,985,076
Current Liabilities	4,575,707	3,884,234	3,273,058
Non-Current Liabilities	3,280,520	3,391,892	3,414,695
Share Capital	27,720,815	27,657,591	27,657,591

ANALYSIS OF FINANCIAL CONDITION AND FINANCIAL PERFORMANCE

Since inception, Aurora has focused on research and development followed by marketing and surgeon education to grow our business. The Company has expanded the range of products offered, applied for and received FDA approval for several products and increased the number of hospital approvals.

The Company has several FDA cleared products and procedures, all designed to improve spine patient outcomes, drive continued surgeon interests, and provide unique benefits that deliver value to hospitals and patients. Inventory is on-hand to support future sales and hospital approvals have increased.

SELECTED QUARTERLY INFORMATION

The parent Company has a functional currency of Canadian dollars (CAD). The subsidiary has a functional currency of United States dollars (USD). These consolidated financial statements are prepared using the historical cost method and are presented in USD.

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

Quarters End	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	4,430,755	4,497,381	4,417,027	4,702,317	4,767,121	4,079,543	4,013,801	4,044,234
Cost of goods sold	(1,731,357)	(1,698,257)	(1,854,244)	(1,982,273)	(1,884,637)	(1,532,173)	(1,529,538)	(1,749,216)
Gross profit	2,699,398	2,799,124	2,562,783	2,720,044	2,882,484	2,547,370	2,484,263	2,295,018
Operating expenses	2,814,214	2,971,754	2,879,114	3,219,197	2,811,364	2,701,478	2,751,188	2,580,613
Loss on FV remeasurement	(27,164)	(26,130)	(33,347)	(153,543)	-	-	-	-
EBITDAC*	165,600	141,745	(20,924)	(320,360)	380,117	105,522	117,171	109,734
Net loss***	(141,980)	(198,760)	(349,678)	(652,696)	71,120	(154,108)	(266,925)	(285,595)
Basic and diluted loss per share**	(0.00)	(0.00)	(0.00)	(0.01)	0.00	(0.00)	(0.00)	(0.00)

* 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.

***Net loss includes the FV remeasurement on the note receivable.

EBITDAC is a non-GAAP, non IFRS measure defined as Earnings before Interest, Tax, Depreciation, Amortization and Stock based compensation. EBITDAC is calculated as net income (loss) from continuing operations excluding interest, taxes, depreciation and amortization, and stock-based compensation, and non-recurring items. EBITDAC is intended to provide a proxy for the Company's operating cash flow and is widely used by industry analysts to compare the Company to its competitors and derive expectations of future financial performance for the Company.

EBITDAC for each quarter for the last two years are presented in the table below:

Quarters End	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Net Loss	(141,980)	(198,760)	(349,678)	(652,696)	71,120	(154,108)	(266,925)	(285,595)
Plus								
Interest	40,614	42,167	43,670	44,666	43,348	42,468	44,603	47,491
Taxes	-	-	-	-	-	-	-	-
Depreciation	196,421	233,195	220,794	214,425	190,895	157,154	264,063	256,633
Amortization	46,379	46,379	46,379	46,379	46,379	53,466	34,666	34,666
Stock-Based Compensation	24,166	18,764	17,911	26,866	28,375	6,542	40,764	56,539
EBITDAC	165,600	141,745	(20,924)	(320,360)	380,117	105,522	117,171	109,734

Since the Company has been in the development stage, quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information above is not necessarily indicative of results for any future quarter.

Comparative - Three Months Ended September 30, 2025 and 2024

During the three months ended September 30, 2025, the Company generated revenues in the amount of \$4,430,755 compared to \$4,767,121 during the same period the previous year, a decrease of \$336,366 or -7.1%. The current period shows decreases in lumbar sales as the Company transitioned from a third-party lumbar screw to the Osteo

Onyx lumbar product. Sales of lumbar screws were down 30% from Q1 as the company works with facilities and doctors to complete the transition.

During the current quarter, cost of sales was \$1,731,357 and gross profit was \$2,699,398 as compared to \$1,884,637 and \$2,882,484, respectively, in the comparable period last year. Gross margin in the current period was 60.9% of revenue compared to 60.5% of revenue in the comparable period last year. Gross margin was slightly higher due to more direct sales which decreased distributor commissions.

Operating expenses during the current quarter were \$2,814,214 compared to \$2,811,364 during the same period the previous year, an increase of \$2,850. Operating expenses are higher during the current quarter primarily due to an increase in sales commissions, marketing and R&D offset by a decrease in G&A and consulting fees.

Executive compensation during the current quarter was \$142,959 compared to \$146,527 during the same period the previous year. Salaries expense during the current quarter was \$1,161,036 compared to \$1,153,029 during the same period the previous year. Salaries expense in the current quarter is comparable to the previous period due to more salespeople in 2025 offset by lower sales in the third quarter of the current quarter compared to the previous period.

Consulting fees during the current quarter were \$151,667 compared to \$179,167 during the same period the previous year. These fees reflect amounts paid to independent sales consultants and physicians consulting on new and existing products. Consulting fees increase and decrease as the Company completes projects and releases new products.

General and administrative expenses were \$439,887 during the current quarter compared to \$553,560 during the same period the previous year. General and administrative expenses include business travel, office expenses, supplies, foreign exchange gain/loss and professional fees. Professional fees during the current quarter were \$74,745 compared to \$96,964 in the prior period. Professional fees include legal fees, regulatory audits, financial audits, and tax preparation. The decrease is primarily due to lower business travel costs.

Research and development expenses during the current quarter were \$199,326 compared to \$139,565 during the prior period. R&D expenses include study fees for the Zip and Dexta-C studies, research and testing for current and future products. The Zip study is expected to be completed in Q4 2025.

Marketing costs were \$242,799 during the current quarter compared to \$163,203 in the same period the previous year. Marketing expenses primarily relate to tradeshow attendance, advertising and promotion, and lab training. Lab training is used to train doctors on the Company's products and promote new products in a lab setting in which instruments and implants can be evaluated by doctors on a cadaver. The increase is due to increased training expenses and the timing of society meetings in 2025 compared to 2024.

Insurance expense during the current quarter was \$168,960 compared to \$167,316 during the same period the previous year. Insurance expense includes health insurance for employees and premium costs for product insurance and general liability insurance. The increase relates primarily to health insurance due to a higher head count in 2025 as compared to the same period the previous year.

As a result of the above, EBITDAC during the three months ended September 30, 2025, was \$165,600 compared to \$380,117 during the same period the previous year, a decline of \$214,517.

Cash Flows – Three Months Ended September 30, 2025 and 2024

Cash flows from operating activities during the three months ended September 30, 2025, were \$343,184, primarily consisting of the operating loss reduced by depreciation and non-cash share-based compensation and adjusted for changes in working capital components during the period. Changes in working capital resulted primarily from decreases in prepaid expenses, other current assets, and inventory and an increase in accounts receivable and accounts payable.

Cash flows from operating activities during the three months ended September 30, 2024, were \$518,683; primarily consisting of the operating income increased by depreciation and non-cash share-based compensation and adjusted for changes in working capital components during the period. Changes in working capital resulted from decreases in accounts receivable and increases in prepaid expenses, other current assets, inventory and accounts payable.

Cash flows used in financing activities during the three months ended September 30, 2025, were \$82,072 related to payments of the principal portion of lease liabilities. Cash flows used in financing activities during the three months ended September 30, 2024, were \$86,482 related to the payments of the principal portion of lease liabilities.

Cash flows used in investing activities during the three months ended September 30, 2025, were \$176,334. These amounts relate primarily to the purchase of instruments and additions to intangible assets. Cash flows used in investing

activities during the three months ended September 30, 2024, were \$68,697. These amounts relate primarily to the purchase of instruments used by surgeons to implant devices.

Comparative - Nine Months Ended September 30, 2025 and 2024

During the nine months ended September 30, 2025, the Company generated revenues in the amount of \$13,345,163 compared to \$12,860,465 during the same period the previous year, an increase of \$484,698 or 3.7%. The current period saw increased activity in the pain market with increased SI joint implant sales related to SiLO TFX and growth in biologics sales. The Company has been targeting the pain market with increased marketing, training, new product releases, and an increase in the sales force.

During the current period, cost of sales was \$5,283,858 and gross profit was \$8,061,305 as compared to \$4,946,348 and \$7,914,117, respectively, in the comparable period last year. Gross margin in the current period was 60.4% of revenue compared to 61.5% of revenue in the comparable period. Gross margin was lower in the current period due to higher distributor commissions, and shipping expenses offset by lower royalty costs.

Operating expenses during the current period were \$8,665,083 compared to \$8,264,028 during the same period the previous year, an increase of \$401,055. Operating expenses are higher during the current period primarily due to an increase in sales commissions, marketing and insurance expenses offset by a decrease in G&A and consulting fees.

Executive compensation during the period was \$430,433 compared to \$435,829 during the same period the previous year. Salaries expense during the current period was \$3,712,434 compared to \$3,236,381 during the same period the previous year. The Company hired new salespeople in 2025 and paid higher internal commission rates. Commissions were also higher due to increased sales.

Consulting fees during the current period were \$380,000 compared to \$502,342 during the same period the previous year. These fees reflect amounts paid to independent sales consultants and physicians consulting on new and existing products. Consulting fees increase and decrease as the Company completes projects and releases new products.

General and administrative expenses were \$1,363,035 during the current period compared to \$1,675,135 during the same period the previous year. General and administrative expenses include business travel, ECL expense, office expenses, supplies, foreign exchange gain/loss and professional fees. Professional fees during the current period were \$208,374 compared to \$322,909 in the prior period. Professional fees include legal fees, regulatory audits, financial audits and tax preparation. The decrease is primarily due to lower business travel costs.

Research and development expenses during the current period were \$522,897 compared to \$489,643 during the prior period. R&D expenses include study fees for the Zip and Dexa-C studies, research and testing for current and future products. The Zip study is expected to be completed in Q4 2025.

Marketing costs were \$719,977 during the current period compared to \$489,273 in the same period the previous year. Marketing expenses primarily relate to tradeshow attendance, advertising, and promotion and lab training. Lab training is used to train doctors on the Company's products and promote new products in a lab setting in which instruments and implants can be evaluated by doctors on a cadaver. The difference is due to increased lab training in 2025 compared to 2024.

Insurance expenses during the current period were \$559,469 compared to \$483,702 during the same period the previous year. Insurance expenses include health insurance for the employees and premium costs for product insurance and general liability insurance. The increase relates primarily to health insurance due to a higher head count in 2025 as compared to the same period the previous year.

As a result of the above, EBITDAC during the nine months ended September 30, 2025, was \$286,421 compared to \$602,810 during the same period the previous year, a decrease of \$316,389.

Cash Flows – Nine Months Ended September 30, 2025 and 2024

Cash flows from operating activities during the nine months ended September 30, 2025, were \$380,852, primarily consisting of the operating loss reduced by depreciation and non-cash share-based compensation and adjusted for changes in working capital components during the period. Changes in working capital resulted from increases in accounts receivable, inventory, and accounts payable and accrued liabilities and a decrease in prepaid and other current assets.

Cash flows from operating activities during the nine months ended September 30, 2024, were \$741,047; primarily consisting of the operating loss reduced by depreciation and non-cash share-based compensation and adjusted for

changes in working capital components during the period. Changes in working capital resulted from increases in prepaid expenses and other current assets, inventory, and accounts payable and accrued liabilities and a decrease in accounts receivable.

Cash flows used in financing activities during the nine months ended September 30, 2025, were \$178,340 related to payments of the principal portion of the lease liability offset by cash received from stock options exercised. Cash flows used in financing activities during the nine months ended September 30, 2024, were \$200,814 related to payments of the principal portion of the lease liability.

Cash flows used in investing activities during the nine months ended September 30, 2025, were \$362,377. These amounts primarily relate to the purchase of instruments and the addition of intangible assets. Cash flows used in investing activities during the nine months ended September 30, 2024, were \$425,012. These amounts relate primarily to the purchase of instruments used by surgeons to implant devices. On March 22, 2024, the Company acquired the assets of Expleo, an unlisted company based in Carlsbad, California that specializes in the manufacture of medical equipment and implants. The Company purchased intangible assets in the amount of \$185,000 and tools and equipment totaling \$22,000. This acquisition allows the Company to expand instrument and implant manufacturing and allows for fast prototyping of new products.

LIQUIDITY AND CAPITAL RESOURCES

Our objective is to maintain enough liquid resources to meet operational requirements. As at September 30, 2025, we had cash of \$665,757 (December 31, 2024 - \$825,621). Working capital as at September 30, 2025, was \$4,299,169 (December 31, 2024 - \$4,615,886).

Our principal uses of cash since inception have been for the development of our products, general and administrative activities, compensation and advertising and marketing efforts. Going forward, we expect to be self-funding for continued product development and marketing as we continue our commercialization efforts.

In the event we are unable to generate significant revenue and achieve profitable net income in the long term, we will rely on equity and debt financing to fund our cash requirements. There is no guarantee that our operations will yield positive results in the future. There can be no assurance that new capital will be available as necessary to meet our continuing expenditures (if required), or if the capital is available, that it will be on terms acceptable to us.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Lease Commitment

At September 30, 2025, the liability related to the right of use assets is \$773,468 (at December 31, 2024 -\$965,751) of which \$467,020 (at December 31, 2024- \$686,392) is non-current and \$306,448 (at December 31, 2024- \$279,359) is current.

The lease liability is secured by the related underlying asset. Future minimum lease payments as at September 30, 2025 are as follows:

September 30, 2025	Within 1 year	1-2 years	2-3 years	3-4 years	Total
Lease payments	\$ 340,238	\$ 238,403	\$ 171,865	\$ 87,542	\$ 838,048
Finance charges	33,651	20,112	10,198	1,467	65,428
Total	\$ 373,889	\$ 258,515	\$ 182,063	\$ 89,009	\$ 903,476

Payments related to short-term leases were expensed on a straight-line basis. The expense related to these payments not included in the lease liability was \$Nil for the nine-months ended September 30, 2025 (\$Nil for the year-ended December 31, 2024).

COMMITMENTS

In November 2018, the Company entered into an agreement whereby the Company agreed to pay a 7% royalty for sales of the SiLO TFX implant quarterly, within 45 days of the end of each quarter. The license agreement allows the Company to offset the royalties earned with training and education expenses related to the SiLO TFX implant up to the royalty amount. Royalties expensed during the nine-month period ended September 30, 2025, were \$388,933 (\$451,816 during the year ended December 31, 2024).

Other

The Company had no other commitments for material capital expenditure, no contingencies, and no off-balance sheet arrangements, other than the above-mentioned items.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management and personnel that have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management are the members of the Board of Directors, the chief executive officer, the chief financial officer, the chief technology officer and chief legal officer. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The following comprises the remuneration of key management of the Company:

For the nine-months ended	September 30, 2025	September 30, 2024
Salaries	\$ 430,433	\$ 435,829
Share-based compensation	22,850	38,706
Total	\$ 453,283	\$ 474,535

As at September 30, 2025, and December 31, 2024, there is an outstanding secured promissory note to a director of the Company with a principal amount of \$1,600,000 which bears an interest rate of 9% per annum. The promissory note was modified in 2025, and the due date was extended to on or before June 2027. No gain or loss was recorded due to the modification. As at September 30, 2025, and December 31, 2024, the accrued interest related to the loan is \$1,213,500 and \$1,105,500, respectively. The promissory note is secured by the tangible and intangible assets of the Company.

462,500 stock options granted to board members on January 16, 2017, and set to expire on January 16, 2025, were purchased by the board members for CDN\$ 0.20 per share for a total of CDN\$92,500 (USD\$64,224) in Q1 2025.

31,000 stock options granted to the Chief Executive Officer's spouse on July 20, 2017, and set to expire on July 20, 2025, were exercised for CDN \$0.15 per share for a total of CDN \$4,650 (USD \$3,400) in Q3 2025.

WARRANTS

On October 20, 2025, the Company announced that, subject to the approval of the TSX Venture Exchange, it is proposing to amend the terms of an aggregate of 6,445,939 common share purchase warrants (the "Warrants") by extending the expiry date of the Warrants to October 15, 2026. The Warrants, with an exercise price of CDN\$0.50 and an original expiry date of October 19, 2025, were issued pursuant to the Company's private placement that closed and was announced on October 23, 2023. All other terms of the Warrants will remain unchanged for the extended exercise period. The completion of the proposed Warrant extension is subject to acceptance by the TSX Venture Exchange.

ACCOUNTING POLICIES

The Company's accounting policies can be found in Note 3 of the audited financial statements for the three- and nine-month periods ended September 30, 2025, and year ended December 31, 2024.

FINANCIAL RISK MANAGEMENT

The Company manages risk through established policies that provide management control to mitigate risk over operations. These policies provide for risk identification and assessment, and that appropriate and effective procedures are in place to mitigate risk. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For the purposes of this disclosure, market risk is segregated into three categories: other market risks, interest rate risk and currency risk. Other risks associated with financial instruments include credit risk, concentration and liquidity risk.

Tariff and Trade Policy Risk

The Company operates primarily in the United States and sources certain raw materials, services, inventory and instruments from global suppliers. The Company's exposure to tariff and trade policy risk is considered minimal, as a

significant portion of its supply chain and customer base is located within the United States and other countries with stable trade relationships. Management continues to monitor developments in international trade policies, including the potential imposition of tariffs, import duties, or other restrictions that could affect material costs or availability. To further reduce exposure, the Company actively collaborates with U.S.-based businesses and suppliers to strengthen domestic sourcing arrangements and ensure continuity of supply.

Under **IFRS 7 – Financial Instruments: Disclosures**, the Company considers tariff and trade policy risks to be a low component of its overall market risk profile. At the reporting date, no material financial impact from tariffs or trade measures has been identified, and management does not anticipate any significant adverse effect on the Company's financial position or performance in the foreseeable future.

Reimbursement Rates

If reimbursement rates paid by third-party payers are reduced or if third-party payers otherwise restrain our ability to obtain or provide services to members, our business could be harmed. Changes to Medicare and Medicaid rates or methods governing Medicare and Medicaid payments for our services could materially adversely affect our business.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and trade receivables.

An expected credit loss (ECL) analysis is performed at each reporting date. The provision amounts are based on direct management consultation with the customer. The calculations reflect the probability-weighted outcome with reasonable and supportable information that is available at the reporting date while also considering past events as well as current and future economic conditions. Accounts receivables are written off when there is no reasonable expectation of recovery which indicators include amongst others, business failure, failure to make contractual payments, and the failure of a debtor to engage in a repayment plan.

The exposure to credit risk for the Company's trade receivables is minimized as the Company does not have significant concentration of trade receivables in an individual customer; the Company deals with reputable distributors and hospitals; and its customer base is established and continuously monitored. Management consistently assesses customers for counterparty risks.

Accounts Receivable	September 30, 2025	December 31, 2024
Current	\$ 2,182,295	\$ 1,716,221
Past due 1-30 days	639,342	613,474
Past due 31-60 days	19,725	385,226
Past due over 60 days	457,260	493,486
Accounts Receivable balance and maximum credit risk	4,331,569	3,208,407
Expected credit loss	(123,101)	(67,562)
Other receivables	1,032,946	644,013
Net receivables, net of expected credit loss	\$ 4,208,468	\$ 3,784,858

Cash

Cash is deposited in bank accounts held with major banks in the United States. As most of the Company's cash is held in one bank there is a concentration of credit risk. The risk is managed by using major banks that are US-based federally insured banks.

Foreign currency risk

The prices paid by the Company's subsidiary for services and supplies are paid in US dollars. The Company raised funds in Canadian dollars, which have been converted to US dollars. All financial instruments are denominated in US dollars. The Company has foreign currency risk as it raises money in CAD and converts it to USD. Currency risk as at September 30, 2025, and December 31, 2024, is not deemed to be a risk to be hedged at the present time.

Interest rate risk

Interest rate risk arises because of changes in market interest rates. The Company has a related party loan and leases that are interest bearing. The Company has no third-party borrowings bearing interest and considers itself to have minimal exposure to cashflow interest rate risk.

Liquidity risk

Liquidity risk includes the risk that the Company will not be able to meet operational liquidity requirements to conduct its business. The Company's operating cash requirements include general, administrative and amounts necessary to obtain inventory and regulatory approval expenses to commercialize its products. The Company's objective is to maintain enough liquid resources to meet operational requirements and product line expansion.

The Company's current assets exceed current liabilities by \$4,299,169 (December 31, 2024 - \$4,615,886). The Company's continuing operations are dependent upon its ability to generate cash flow from operations and secure additional equity capital, none of which are assured. There can be no assurances that the Company's activities will be successful or that sufficient funds can be raised in a timely manner.

Capital management

The Company's objective when managing capital, defined as its debt and equity, is to safeguard the entity's ability to continue as a going concern so that it can provide returns for shareholders. The Company is not subject to any externally imposed capital requirements. Management's objective is to ensure adequate working capital to fund operations and commercialize and distribute products. If necessary, it will use the sale of equity or asset-based borrowing to fund business operations to meet objectives. The Company's management considers its capital to be the aggregate of shareholders' equity, comprising share capital, warrants, share-based remuneration reserve and deficit, which at September 30, 2025, and December 31, 2024, was \$3,830,908 and \$4,397,261, respectively.

Risk Factors

In addition to the other information included in this report, readers should carefully consider the following factors which describe the risks, uncertainties, and other factors that may materially and adversely affect our business, products, financial conditions and operating results. There are many factors that affect our business and our results from operations, some of which are beyond our control. The following is a description of important factors that may cause our actual results of operations in future periods to differ materially from those currently expected or discussed in the forward-looking statements ("FLS") set forth in this report relating to our financial results, operations, and business prospects. Except as required by law, we undertake no obligation to update any such FLS to reflect events or circumstances after the date of this MD&A.

These risks include, but are not limited to the following:

- We have a limited operating history and there is no assurance that we will be able to achieve or maintain profitability.
- Our business is reliant on the good standing of our licenses and quality control system.
- We operate in a highly regulated business and any failure or significant delay in obtaining regulatory approvals could adversely affect our ability to conduct our business.
- Changes in reimbursement coding relating to our products or product categories can adversely affect sales.
- Selling prices may vary based on several factors outside our control.
- We may not be able to reach our growth targets or successfully manage our growth.
- The continuance of contractual relations with 3rd parties cannot be guaranteed.
- We may not be able to develop new products and find a market for their sale.
- Our success will depend on attracting and retaining key personnel.
- We may be subject to product liability claims.
- We may be subject to risks related to our information technology, including cyber-attacks.
- Changing technology, including robotics, may make our technology obsolete.
- Disruptions in our supply chain and material shortage may leave us unable to manufacture our devices in a timely and efficient manner.
- Rising material prices may lower the profitability of some products, specifically the price of titanium.
- There is no assurance that we will continue to meet the listing standards of the TSXV.
- There is no assurance that hospitals and ambulatory surgery centers in areas affected by the recent hurricanes will continue to function or pay the company on time.
- Tariffs imposed by our own and/or foreign governments.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A was prepared as of November 17, 2025. The Company regularly discloses additional information through the filing of press releases, material change reports, financial statements, quarterly and annual reports on SEDAR at <http://www.sedarplus.ca>, and on our website at www.auroraspine.us.

This report was approved on November 17, 2025.