



Aurora
Solar Technologies

AURORA SOLAR TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED 31 DECEMBER 2024 AND 2023

Stated in Canadian Dollars

DATE: 27 FEBRUARY 2025

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TO OUR SHAREHOLDERS

The following information should be read in conjunction with the unaudited Condensed Interim Consolidated Financial Statements of Aurora Solar Technologies Inc. (“the Company”, or “Aurora”) for the three and nine months ended 31 December 2024 and 2023, and the related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). This discussion covers the three and nine months ended 31 December 2024 and 2023 and the subsequent period up to the date of the issuance of this Management Discussion and Analysis (“MD&A”). All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information about the Company, including the audited annual Consolidated Financial Statements, and the notes thereto, for the years ended 31 March 2024 and 2023, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com.

Discussion of the Company, its operations and associated risks are further described in the Company’s filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may be deemed to be “forward-looking statements”. All statements in this discussion other than statements of historical facts, that address future events or developments that the Company expects, are forward-looking statements. Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of the MD&A. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company’s current estimates and expectations or beliefs regarding future events and include, without limitation, information or statements concerning the Company’s expectations of financial resources available to fund operations; general business and economic conditions; the Company’s ability to successfully execute its plans and intentions; the Company’s ability to obtain financing at reasonable terms through the sale of equity and/or debt commitments; dependence on a small number of key personnel; the Company’s ability to attract and retain skilled staff; political instability; market competition; future supply and demand, ability to procure inventory, production capabilities and price of products; the timing and amount of estimated future production; costs of production; government regulation, operations, limitations of insurance coverage; delays in obtaining governmental approvals or financing or in the completion of development activities; and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those



described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully, and thus, readers should not place undue reliance on the Company's forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. These forward-looking statements are made as of the date hereof.

GENERAL

The Company was incorporated under the laws of the Province of British Columbia, Canada on 26 October 2006. On August 25, 2022, Aurora acquired 100% of the outstanding share capital of BT Imaging Pty. Ltd. ("Bti"), a global leader in photoluminescence (PL) imaging tools and instruments for photovoltaic ("PV") material inspection and quality control. Bti was incorporated in 2007 in the State of New South Wales, Australia as a private limited company to commercialize imaging technology originally developed at the University of New South Wales School of Photovoltaic and Renewable Energy Engineering. The purpose of this strategic acquisition was to transform the Company by combining metrology expertise, intellectual property, and smart factory concepts associated with machine vision products, defect characterizations and manufacturing understanding to create an innovative PL platform for the solar industry ecosystem. This innovative PL platform is based on proprietary imaging tools and predictive learning software capabilities to provide end users with intelligent analytics and artificial intelligence ("AI") to improve quality, reliability and cell-to-module efficiencies.

As background, the majority of solar panels or modules seen on rooftops and large-scale "solar energy farms" are made from purified silicon that is formed into ingots, sawn into silicon wafers and then produced to create solar cells then modules. In solar cell research and production design applications, Bti's R series products are used to inspect and characterize wafer materials, examine experimental and production cell design results, and to verify their electrical performance for comparison to design objectives for manufacturing purposes. Bti's R series products are state of the art metrology tools used to evaluate new cell materials and processing steps to improve cell efficiency, including multi-junction, perovskite and thin film solar cells. In silicon wafer production, the R series products are used to determine optimal wafer slicing locations in each ingot by sensing the extent and locations of impurities that can affect finished cell performance.

Bti's W series products are used later in wafer production or at the incoming stage of cell production for quality assurance and classification of the as-cut wafers. As chemical and thermal processes transform the wafers from inert substrates to energy-generating solar cells, Bti's W and C series products are utilized for inline production inspection and quality control purposes. Solar cells are then wired together and framed to form modules. The performance of finished modules is largely determined by the wafer material quality, the cell design and manufacturing quality control, and the module assembly quality control. Bti's M series products are used for module quality control and process optimization during production. These offline series products are strategically important to the Company's growth strategy as it leverages the proven offline product series to evolve from a



leading provider of inspection equipment to a strategic provider of Intelligent PL Solutions, based on high-precision analytics, contactless, AI-driven inspection, and testing systems to optimize the quality and profitability of solar manufacturing while supporting reliability and bankability—a key determinant for developers and financiers. This strategy establishes the foundation for broader adoption and scalability across inline production applications.

To improve manufacturing plant performance, the Company integrates BT Imaging’s machine vision and non-contact PL metrology inspection products with superior defect detection, precise measurements, and predictive analytics. These capabilities optimize cell-to-module efficiencies as part of its Intelligent PL Solutions-based platform. Leveraging proprietary machine learning and advanced defect characterizations, the platform provides real-time diagnostics for quality assurance and reliability purposes. The Company expects its Intelligent PL Solutions platform to deliver advanced cell and module manufacturers a competitive advantage in profitability and quality while mitigating risks associated with reliability and bankability on behalf of power project developers. By transitioning to this strategic Intelligent PL Solutions platform, the Company positions itself to capture growth opportunities within the solar manufacturing ecosystem and drive long-term value creation.

The address of the Company’s corporate and administrative office and principal place of business is Suite 900, 2025 Willingdon Avenue, Burnaby, BC V5C 0J3.

MARKET POSITION AND DEVELOPMENT

The Company’s focus is on top-tier manufacturers of PV products and strategic members of the solar ecosystem who value the benefits of integrated measurement and process control and its Intelligent PL Solutions platform. Currently, the majority of the world’s solar product manufacturing is conducted by Chinese companies in China and in other locations, primarily in the Southeast Asia region. However, new market opportunities are emerging in India, Australia, the United States, and other regions, driven by onshoring manufacturing trends and the growing demand for solar energy as a renewable resource.

The Company has sales agent agreements in place to develop market opportunities in India, Asia Pacific and Europe and intends to expand further in the United States. The combined business has sales and technical service facilities in China with sales, product development and technical support in Sydney, Australia and Vancouver, Canada.

The solar energy (PV) industry is rapidly growing, driven by technological advancements that are increasingly positioning it as a key component of the global energy sector. Wafer, cell, and module configurations continue to evolve, incorporating larger sizes, advanced materials, and higher performance demands, creating both challenges and opportunities for testing, inspection, and manufacturing profitability. Key trends shaping the future of solar manufacturing include increasing emphasis on quality assurance and cell efficiency roadmaps. New government initiatives tied to ESG mandates and renewable energy requirements in regions such as Australia, North America, India, Europe, and China are further catalysing changes, including the realignment of supply chains within the PV ecosystem. Additionally, current geopolitical risks continue to affect PV manufacturing in China, the world’s largest production hub. These market dynamics collectively underscore the critical need for the Company’s Intelligent PL Solutions platform and serve as a significant driver of its growth strategy.



As widely reported, Chinese customer sentiment remains cautious in the short term; however, a more optimistic outlook is anticipated over the medium to long term. This perspective is supported by increasing demand for solar energy, industry trends emphasizing efficiency and quality, and a growing focus on onshoring manufacturing. Chinese solar manufacturing customers continue to invest in the development of next-generation solar cells and innovations to enhance manufacturing plant economics, which is supportive of the Company's products. While Chinese market dynamics remain challenging, emerging onshoring opportunities in regions such as India, the U.S., and other key markets are expected to diversify sales and offset this sentiment, driving demand for the Company's offline and strategically important future inline products.

The Company is transforming from a leading provider of testing and inspection equipment into a strategic provider of Intelligent PL Solutions, designed to optimize the quality and profitability of cell and module manufacturing while enhancing reliability for downstream buyers. Its new inline product series positions the Company as a valuable operational partner for solar manufacturers, directly supporting their production facilities and strengthening bankability for the industry. Central to its growth strategy, the Inline Intelligent PL Solutions platform exemplifies the Company's commitment to building long-term value in a rapidly evolving solar manufacturing landscape.

The Intelligent PL Solutions platform is a contactless, AI-driven inspection system that leverages advanced machine vision and photoluminescence (PL) metrology technologies. These capabilities enable accurate defect detection, precise measurements, and predictive analytics, optimizing solar manufacturing processes. This growth strategy is supported by a strong technical leadership team with deep expertise in solar manufacturing technologies, processes, and advanced cell type architectures. The team's experience includes the commercialization of innovative technologies and the commissioning of multi-gigawatt TOPCon and HJT production lines, building on earlier PERC advancements. Their expertise has fostered trusted relationships with customer sponsors, enabling successful demonstration programs built on technical excellence and mutual confidence. Inline Intelligent PL Solutions sales are projected to commence in calendar year 2025, with progress from these customer demonstrations underscoring the platform's potential and setting the stage for broader adoption and commercialization in the near term.

With this proactive adaptive strategy, the Company's growth strategy demonstrates its commitment to building long-term value in an evolving market landscape. By leveraging its Intelligent PL Solutions platform, enhanced technical capabilities, and strong industry partnerships, the Company is well-positioned to capture emerging opportunities and navigate the dynamic solar manufacturing sector. Progress achieved through ongoing demonstration programs underscores the platform's potential, setting the stage for broader adoption and commercialization.

To support these goals, the Company has established two key performance objectives for the current fiscal year. The first is to diversify its core offline equipment business beyond China, and the second is to drive its transformation into a strategic inline production system provider through the Intelligent PL Solutions platform. Progress is being made on both objectives. The Company has secured new equipment orders from regions outside China, including India, Japan, and the United States. Additionally, it has entered into collaboration agreements



with a TOPCon manufacturing customer and a leading internationally recognized institution to accelerate the commercialization of its inline Intelligent PL Solutions platform.

This changing industry landscape presents significant growth opportunities for the Company to address the increasing global demand for solar power through its Intelligent PL platform. With approximately 200 tools operating globally among solar manufacturers and research institutions, the Company has established itself as a trusted provider within the PV ecosystem. It has successfully attracted expertise and partnerships to enhance its capabilities as an innovator, building a recognized center of excellence in Australia to support its growing strategic importance in the solar industry. As adoption of the inline Intelligent PL Solutions platform grows, the Company anticipates new revenue streams driven by manufacturers' reliance on real-time defect characterizations, advanced measurements, and predictive analytics, as well as opportunities tied to supply integration, tailored licensing models, and risk mitigation for bankability, ensuring long-term relevance in the evolving solar industry

In parallel, the Company is pursuing opportunities for strategic collaboration to scale its Intelligent PL Solutions platform, aligning its growth strategy with market demand. These efforts include leveraging non-dilutive sources such as research grants and growth capital from strategic partnerships to deliver key growth catalysts while ensuring prudent financial management. The Company is continuing to invest in enhancing its capabilities through targeted expertise, product innovation, and strategic partnerships to position its Intelligent PL Solutions for advanced and next-generation solar manufacturing applications. While the pace of commercialization reflects the Company's self-funded approach, efforts are underway to explore collaborative opportunities and strategic investments that can safeguard and accelerate this significant growth opportunity.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

During the nine months ended 31 December 2024, the Company experienced a softening in sales and pipeline opportunities, driven by manufacturing and supply chain realignments and a market slowdown in China and countries closely tied to Chinese manufacturers. The ongoing solar manufacturing industry consolidation and realignments has been widely reported.

During the nine months ended 31 December 2024, the Company provided a corporate update alongside its financial statements, highlighting record sales, progress in restructuring, strengthened capabilities, and its strategic positioning within the growing PV solar energy product manufacturing market, including successfully imaging tandem cells for the first time with its new R-MJ (multi-junction) product for next-generation solar cells.

During the nine months ended 31 December 2024, the Company issued 1,250,000 options to employees of the Company, with a five-year term, vesting over three years.

During the nine months ended 31 December 2024, Bti received a favourable ruling from the Board of Appeals of the German patent office relating to a third-party objection of certain claims with one of its European patents.

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During the nine months ended 31 December 2024, BTi entered into a second third-party collaboration to validate its inline Intelligent PL Solutions platform with a leading cell and module manufacturer.

This second collaboration aims to support early-stage commercial sales and assess broader adoption of the platform. This strategic customer validation arrangement is a multi-phased program, beginning with an initial demonstration period, followed by a product purchase decision for an inline manufacturing application. This validation customer also has the option to secure a first-mover advantage, contingent on a volume product order and a potential investment opportunity. This arrangement includes customary binding and non-binding obligations and is expected to progress in phases throughout the 2025 calendar year.

During the nine and three months 31 December 2024, the Company secured the trade facility in the amount of AUD2,000,000 with the Commonwealth Bank of Australia.

SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD END

There were no significant events or transactions subsequent to the period ended 31 December 2024 to the date of this report.

RESULTS OF OPERATIONS

The net loss and comprehensive loss attributable to the shareholders for the three and nine months ended 31 December 2024 was \$1,326,134 and \$1,854,562 respectively (2023 - income of \$253 and loss of \$636,937). The primary difference in operational results is due to the impairment loss of \$628,927 in addition to anticipated seasonal fluctuations within the Company's main customer-based market within China. For additional information regarding the impairment loss, refer to Note 10 of the Condensed Interim Consolidated Financial Statements for the three and nine months ended 31 December 2024.

The reasons for the fluctuations in the results of operations are as follows:

Rounded (000's)	9 Months 2025	9 Months 2024	3 Months 2025	3 Months 2024
Product sales	\$ 5,499,000	\$ 8,955,000	\$ 1,417,000	\$ 4,290,000
Variance increase (decrease)	(3,456,000)		(2,873,000)	

During the nine and three months ended 31 December 2024, product sales were mostly derived from the Company's offline products. Sales for new solar manufacturing plants have been negatively impacted by a slowdown and re-alignment taking place in the Chinese market. This weakness in our primary market is driven by a weaker Chinese economy combined with overcapacity issues and tariffs which reduced demand for the Company's offline products in the short term.

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Rounded (000's)	9 Months 2025	9 Months 2024	3 Months 2025	3 Months 2024
Cost of sales	\$ 2,440,000	\$ 3,801,000	\$ 683,000	\$ 1,672,000
Variance increase (decrease)	(1,361,000)		(989,000)	

During the nine months ended 31 December 2024, costs of sales decreased compared to the same period last year as a result of a decrease in product sales and an increase in operational efficiencies. Cost of sales consists primarily of raw materials, direct labour, transportation costs and indirect overhead. Factors that affect the cost of sales include raw material prices, particularly high-quality specialized components, which are difficult to source and, the cost of continuous improvement for product technical advancements. The Company regularly reviews its procurement processes in the context of product life cycle improvements, cost down strategies and integrated sub-component synergies.

Rounded (000's)	9 Months 2025	9 Months 2024	3 Months 2025	3 Months 2024
Sales and Marketing	\$ 966,000	\$ 1,027,000	\$ 308,000	\$ 332,000
Variance increase (decrease)	(61,000)		(24,000)	

During the nine and three months ended 31 December 2024, the cost of sales and marketing activities marginally decreased from the same comparable period last year. Sales and marketing activities are driven by business development and marketing activities, targeted sales initiatives and the Company's commission-based compensation plan. During the nine months ended 31 December 2024, the Company hosted a booth at the SNEC PV Photovoltaic Power Conference and Exhibition in China and attended the RE+ Exhibition in the United States resulting in higher cost of attendance when compared to the same period last year. Company representatives attended various technical conferences and workshops in China and outside China during the period leading to additional sales opportunities. During the nine months ended 31 December 2024, the Company established a new sales agency arrangement in India that led to its first sale in India and an initial sales pipeline for incremental opportunities.

Rounded (000's)	9 Months 2025	9 Months 2024	3 Months 2025	3 Months 2024
General and administrative	\$ 2,438,000	\$ 2,220,000	\$ 751,000	\$ 822,000
Variance increase (decrease)	218,000		(71,000)	

During the nine ended 31 December 2024, costs increased by \$218,000 from the same comparable period last year. Cost increases are attributable to the Company's growth and business development initiatives where the Company has replaced interim consultants and advisors with key employees and has added a managing director for the Bti operations in Australia. Additionally, during the nine months ended 31 December 2024, the Company realized an increase in costs from the same period last year relating to its audit, information systems and accounting related expenses to support the current and expected growth initiatives of the Company. The Company has implemented cost control strategies to ensure it has sufficient working capital to support its ambitious inline Intelligent PL Solutions platform and to reflect a more a cautionary business outlook in the Chinese market.

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Rounded (000's)	9 Months 2025	9 Months 2024	3 Months 2025	3 Months 2024
Research and development	\$ 681,000	\$ 623,000	\$ 208,000	\$ 248,000
Variance increase (decrease)	58,000		(40,000)	

During the nine months ended 31 December 2024, the Company has focused its sustaining investment in lifecycle product enhancements and product development associated with its inline Intelligent PL Solutions platform for cell and module solutions. To support these initiatives, the Company has hired and successfully retained key industry experts to enhance its capabilities that resulted in an increase in salaries and wages and relocations costs from the same comparable period last year.

SELECTED ANNUAL INFORMATION

Financial Data for the past four annual periods:

Fiscal Year Ended	Mar-2024	Mar-2023 ⁽²⁾	Mar-2022	Mar-2021 ⁽¹⁾
Rounded (000's)				
Total Revenues	\$ 10,915,000	5,509,000	-	1,866,000
Loss from Continuing Operations	\$ (334,000)	(3,768,000)	(4,382,000)	(3,771,000)
Loss and Comprehensive Loss for the Year	\$ (60,000)	(4,320,000)	(4,247,000)	(3,520,000)
Loss per Share (Basic and Diluted)	\$ (0.00)	(0.02)	(0.03)	(0.03)
Total Assets	\$ 10,195,000	9,422,000	3,189,000	3,816,000
Working Capital ⁽³⁾	\$ 3,826,000	3,732,000	2,017,000	2,511,000

⁽¹⁾ For comparative purposes, information for the year ended 31 March 2021 was restated due to a change in presentation for Finance Cost which was formerly included in "Loss from Continuing Operations" and is now included in "Loss and Comprehensive Loss for the Year". There is no impact on net income, retained earnings, or assets and liabilities as a result of this change.

⁽²⁾ The first fiscal year with the inclusion of 100% wholly-owned subsidiary, Bti.

⁽³⁾ "Working Capital" is defined as current assets minus current liabilities.

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FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three Months Ended	24-Dec	24-Sept	24-Jun	24-Mar	23-Dec	23-Sept	23-Jun	23-Mar
Total Revenues	1,416,501	2,175,347	1,907,351	1,959,955	4,289,597	2,742,761	1,922,309	1,728,676
Income (loss) from continuing operations for the period	(1,126,315)	(389,297)	(439,958)	(342,873)	514,533	(182,369)	(206,928)	(2,018,143) ⁽¹⁾
Income (loss) per share (Basic and diluted)	0.000	0.000	0.000	(0.002)	0.004	(0.001)	0.000	(0.009)
Total assets	7,450,257	8,662,628	9,756,226	10,195,797	11,842,949	11,030,812	10,241,811	9,422,304
Working capital	2,655,828	3,206,878	3,675,270	3,826,257	4,201,003	3,124,523	3,420,888	3,731,861

(1) Final purchase price adjustment recognized in the period.

Management has allowed Working Capital to remain greater than expected outflows in each quarter, despite variations in timing of sales orders.

OUTSTANDING SHARES

As of 31 December 2024, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 263,294,076 represents Nil warrants and options of 41,100,000.

As of the date of this MD&A, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 263,294,076 represents Nil warrants and options of 41,100,000.

During the nine months ended 31 December 2024, there were 1,716,664 options that expired or were forfeited.

500,000 at \$0.10 per option with a grant date of 7 April 2020

816,664 at \$0.54 per option with a grant date of 24 February 2021

300,000 at \$0.10 per option with a grant date of 25 March 2022

100,000 at \$0.11 per option with a grant date of 25 August 2022

During the nine months ended 31 December 2024, 1,250,000 options were issued to an employee of the Company with an exercise price of \$0.05 vesting over 5 years.

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LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

The Company's Working Capital surplus on 31 December 2024, was \$2,655,828 (31 March 2024-\$3,717,563).

Cash used in investing activities during the nine and three months ended 31 December 2024 totalled \$325,418 and \$81,794 respectively (2023 – \$125,807 and \$51,896).

Cash used in financing activities during the nine and three months ended 31 December 2024 totalled \$158,457 and \$46,647 respectively (2023 - \$200,016 and \$76,587).

Actual future funding requirements may vary from those planned due to several factors, including timing of sales and changes in the pace of research and development with respect to current and future products and potential value enhancing transactions to support growth.

Management believes it will be able to raise debt or equity financing as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions through the capital markets and most recently through the acquisition of self-funding entities, such as, the Bti transaction.

Although the Company has been successful in the past in obtaining financing through the capital markets, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, to support the development of the Company's measurement technologies as well as the Company's operations. The Company includes components of equity in its managed capital. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance investments of the Company.

Management reviews its capital management approach on an ongoing basis and believe that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements.



RELATED PARTY TRANSACTIONS

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Related party transactions are recorded as part of the general and administrative expenses on the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss, and include the following expenses recognized during the period:

Principal Position Rounded (000's)	For the Nine Months Ended 31 December 2024	For the Nine Months Ended 31 December 2023	For the Three Months Ended 31 December 2024	For the Three Months Ended 31 December 2023
Wages and short-term benefits	\$ 681,000	\$ 532,000	\$ 220,000	\$ 273,000
Share based payments	133,000	234,000	30,000	58,000
Total Remuneration	\$ 814,000	\$ 766,000	\$ 250,000	\$ 331,000

Included in amounts payable on the Condensed Interim Consolidated Statement of Financial Position is \$Nil (31 March 2024 - \$150,000) due to related parties with respect to professional fees, wages and short-term benefits, and expense reimbursements, and are non-interest bearing.

During the nine months ended 31 December 2024, the Company incurred \$2,415 (2023 – \$15,000) in legal fees from a company in which a director is a partner. The Company also incurred \$41,063 (2023 - \$87,065) in consulting fees from companies in which directors are owners. These indirect costs are in the normal course of business operations and are measured at fair value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of 31 December 2024, and as of the date hereof.



ADDITIONAL GAAP AND NON-GAAP MEASURES

This MD&A makes reference to certain additional GAAP and non-GAAP financial measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. The Company uses Loss from Operations as an additional GAAP measure and uses non-GAAP financial measures, including Adjusted Earnings Before Interest, Tax and Amortization ("Adjusted EBITDA"), to provide investors with supplemental measures of its operating performance and to highlight trends in their core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Gross profit and Gross margin

The Company defines "gross profit" as revenue less cost of sales and "gross margin" as gross profit as a percentage of revenue. Gross profit and gross margin should not be construed as an alternative for revenue or net loss determined in accordance with IFRS. The Company believes that gross profit and gross margin are meaningful metrics in assessing the Company's financial performance and operational efficiency.

Loss from Operations

The Company uses Loss from Operations as an additional GAAP financial measure within the financial statements and MD&A, but it is not a defined term under IFRS to assess performance. Management believes that this measure provides useful supplemental information to investors and is computed consistently for each reporting period. Loss from Operations is calculated as total revenues less total operating expenses derived from the Statement of Comprehensive Loss. This measure provides an indication of financial performance excluding the undernoted items such as foreign exchange, other income, and expenditures (which typically include non-recurring transaction) and interest expense. As a result, management believes that this metric provides a clearer picture of the ongoing financial performance of the Company from operating activities. This metric is used by management to analyze operating performance, but it is not intended to represent an alternative to net earnings or other measures of financial performance in accordance with IFRS.

Adjusted Net Income (Loss) from Operations

Management believes that Adjusted Net Income (Loss) from Operations is a useful measure of performance that can facilitate period-to-period comparisons, as it excludes items that do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance. Adjusted Net Income (Loss) from Operations is calculated as Loss from Operation less non-cash items. The exclusion of non-cash items in Adjusted Net Income (Loss) from Operations does not, however, imply that these items are necessarily non-recurring. These measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

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The following table summarizes the Company's Loss from Operations for the nine and three months ended 31 December 2024 and 2023:

	For The Nine Months Ended 31 December 2024	For The Nine Months Ended 31 December 2023	For The Three Months Ended 31 December 2024	For The Three Months Ended 31 December 2023
Revenue	\$ 5,499,199	\$ 8,954,667	\$ 1,416,501	\$ 4,289,597
Cost of Sales	<u>(2,440,484)</u>	<u>(3,800,979)</u>	<u>(683,360)</u>	<u>(1,671,671)</u>
Gross margin	3,058,715	5,153,688	733,141	2,617,926
Operating expenses	<u>5,369,234</u>	<u>4,503,550</u>	<u>1,947,960</u>	<u>1,556,811</u>
(Loss) income from operations	\$ (2,310,519)	\$ 650,138	\$ (1,214,819)	\$ 1,061,115
Adjustment for non-cash items	1,283,328	633,161	681,185	154,926
Adjusted net (loss) income from operations for the period excluding non-cash items	\$ (1,027,191)	\$ 1,283,299	\$ (533,634)	\$ 1,216,041

Adjusted EBITDA

Adjusted EBITDA should not be construed as an alternative to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Company's performance. The Company defines "Adjusted EBITDA" as loss before income taxes less interest, depreciation, and amortization, provision for arbitration, acquisition related expenses, net other expenditures (income), and stock-based compensation. The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. Adjusted EBITDA for the nine and three months ended 31 December 2024 and the comparable period in fiscal 2023 was as follows:

	For The Nine Months Ended 31 December 2024	For The Nine Months Ended 31 December 2023	For The Three Months Ended 31 December 2024	For The Three Months Ended 31 December 2023
Net (loss) income after tax	\$ (1,988,798)	\$ 125,236	\$ (1,126,315)	\$ 514,533
Income (refund) tax	(326,030)	277,997	(91,344)	332,052
Depreciation and amortization	522,247	374,508	202,218	112,348
Interest expense	11,683	8,604	3,020	2,643
Provision for arbitration	-	208,950	-	208,950
Other expenses	628,927	65,333	628,927	-
Share based compensation	218,080	312,955	51,644	120,488
Adjusted EBITDA	\$ (933,891)	\$ 1,373,583	\$ (331,850)	\$ 1,291,014



CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the critical judgements and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Condensed Interim Consolidated Financial Statements.

Critical judgements in applying accounting policies

Revenue recognition

The amount of revenue recognized is adjusted for expected returns, which are estimated by management based on the historical data for the related types of goods sold. Actual results may differ from management estimates. Revenue is recognized once the control of a good or service is transferred to a customer and is available to make use of the good or service. Contracts detail the specific performance obligations associated with the distinct service or good provided. In the instance of a contract that does not specify distinct goods and services, the one performance obligation may include several goods or services that are provided to a customer and delivered against a performance metric. Judgement is used to determine whether multiple promised goods or services in a contract should be accounted for separately or as bundle. Judgement is also exercised to the extent of determining the stand-alone price to be allocated to each of the promised goods and services.

Key sources of estimation uncertainty

Inventory valuation

The Company's raw inventory is only valuable to the extent that it can be turned into saleable product. Inventory must be measured at lower of cost and net realizable value and the Company must estimate that the measurement criteria used has not changed. The Company reviews its inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the Company to determine the estimated selling price of its units less the estimated cost to convert the inventory on-hand into a finished product.

Estimates of net realizable value require assessment of the impact of technological changes and estimates of salvage values if products or components are judged obsolete. Any future changes in the estimated inventory valuation could have a material adverse impact on our financial condition and results of operations.

Impairment testing

The Company assesses impairment of tangible and intangible assets with finite lives when an impairment indicator arises (e.g. change in use or discontinued use, obsolescence or physical damage). If indication of impairment exists, the assets recoverable amount is estimated. In the case of goodwill and intangibles with infinite lives, the Company tests at least annually for impairment, in accordance with IAS 36 Impairment of Assets. The recoverable amounts of cash-generating units ("CGU") are determined based on the greater of their fair value less costs of disposal and value in use which require the use of estimates and judgements.



A CGU is defined as the smallest identifiable group of assets that generates cash inflows largely independent of other assets or groups of assets. The Company has only one CGU, which consist of the assets of both BTi and Aurora.

When the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, the asset is tested at the CGU level. In assessing impairment, the Company compares the carrying amount of the asset or CGU to the recoverable amount, which is determined as the higher of the asset or CGU's fair value less costs of disposal and its value-in-use. Value-in-use is assessed based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects applicable market and economic conditions, the time value of money and the risks specific to the asset. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. An impairment loss is recognized whenever the carrying amount of the asset or CGU exceeds its recoverable amount and is recorded in the consolidated statements of loss and comprehensive loss.

The Company tests goodwill and indefinite life intangible assets for impairment on an annual basis at 31 March or whenever events or changes in circumstances indicate that the asset's carrying amount may be less than its recoverable amount.

Amounts receivable

The Company estimates the recoverability of amounts receivable based on assessments of client credit ratings, payment history and other related items. Estimates of expected credit losses take into account the Company's collection history, deterioration of collection rates during the average credit period, as well as observable charges in and forecasts of future economic conditions that affect default risk.

Provisions and contingent liabilities

A provision is recognized if the Company has a present legal or constructive obligation, as a result of past events, that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for product liability, accrual of product warranties, liabilities for potential litigation claims and settlements. Management must use judgement in determining whether all the above three conditions have been met to recognize a provision or whether a contingent liability is in existence at the reporting date. Should an event change that impacts the recognition of a provision or a contingency, the impact could be materially different from management's initial estimate and affect future financial statements.

Accounting for acquisitions

Determining the fair value of assets acquired and liabilities assumed and resulting goodwill, if any, requires that management make certain judgements and estimate taking into account information available at the time of acquisition about future events, including, but not restricted to, future supply, future demand, inventory, production and price of products and the timing and amount of future production.

The judgments made in determining the estimated fair value assigned to the net identifiable assets acquired, as well as the estimated useful life of non-financial assets, could impact the net income of subsequent periods through depreciation and amortization, and in certain instances through impairment charges. The Company



believes that the estimated fair values assigned to the net identifiable assets acquired are based on reasonable assumptions that a marketplace participant would use. While we use our best estimates and assumptions to accurately value the net identifiable assets acquired at the acquisition date, estimates are inherently uncertain and subject to refinement. To estimate the fair value of the customer relationships of Bti, a multi-period excess earnings method (“MEEM”) was used to value customer relationships and the relief from royalty method approach to value the patents and software. Significant judgment is applied in estimating the fair value of customer relationships and the technology acquired, which involves the use of significant assumptions, such as an EBITDA margin, application of a discount rate and projected revenues. During the measurement period, for up to 12 months following the acquisition, we recorded adjustments to the initial estimate of the net identifiable assets acquired based on new information obtained that would have existed as of the date of the acquisition.

FINANCIAL INSTRUMENTS AND RISK FACTORS

a) Fair value measurement

The Company classifies its fair value measurements with a fair value hierarchy, which categorizes into three levels the inputs used in making the measurements. The three levels of hierarchy are:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

b) Classification of fair values of financial assets and liabilities

Financial instruments of the Company carried on the Condensed Interim Consolidated Statements of Financial Position are carried at amortized cost or fair value through profit or loss.

The Company’s financial assets classified as amortized cost include cash and amounts receivable. Amounts payable and accrued liabilities are classified as financial liabilities at amortized cost. The carrying value of these financial assets and liabilities approximate the fair value because of their short-term nature.

Lease liabilities and the term loan are also classified as other financial liabilities at amortized cost and are subsequently measured using the effective interest method.



c) Other risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operations and budgets accordingly.

d) 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 exposure to credit risk is both from its bank accounts as well as from credit sales. The Company is exposed to credit risk by holding cash, which are all held in financial institutions in Australia, Canada and China, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company's other exposure to credit risk is through its amounts receivable that are made up of a small number of customers. Management assesses the credit risk of new customers as well as monitors the creditworthiness of existing customers through a review of the trade receivables' aging analysis. The Company determines the allowance using an expected credit loss ("ECL") model. Over-due balances are reviewed for collectability and allowance for doubtful amounts, where appropriate, will be provided. As at 31 December 2024 the Company has \$399,257 (31 March 2024 - \$604,974) in trade amounts receivable.

e) Interest rate risk

Interest rate risk is the risk of losses that arise because of changes in contracted interest rates. The Company maintains cash in accounts at Canadian chartered banks, a Chinese state-owned commercial bank and an Australian big four bank, that all bear interest at nominal rates. The Company's lease liabilities and long-term debt are based on fixed interest rates. The Company's exposure to interest rate risk is nominal.



f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% change in exchange would impact the financial statements by \$57,000 (31 March 2023- (\$19,000)). As at 31 December 2024, the Company held currency totalling the following:

Rounded (000's)	Sensitivity	31 December	31 March
	(CAD\$)	2024	2024
Cash in United States dollars	5% \$ (42,000)	\$ 580,000 USD	\$ (109,000) USD
Cash in Chinese RMB	5% \$ (4,000)	\$ 369,000 RMB	\$ (2,000) RMB
Cash in Australian dollars	5% \$ (6,000)	\$ 123,000 AUD	\$ (29,000) AUD
Cash in Euros	5% \$ -	\$ 1,000 EURO	\$ - EURO
Amounts receivable in United States dollars	5% \$ (19,000)	\$ 267,000 USD	\$ (30,000) USD
Amounts receivable in Australian dollars	5% \$ (2,000)	\$ 40,000 AUD	\$ (7,000) AUD
Amounts payable in United States dollars	5% \$ 6,000	\$ (79,000) USD	\$ 10,000 USD
Amounts payable in Chinese RMB	5% \$ 4,000	\$ (452,000) RMB	\$ 5,000 RMB
Amounts payable in Australian dollars	5% \$ 24,000	\$ (528,000) AUD	\$ 27,000 AUD
Amounts payable in Euros	5% \$ -	\$ - EURO	\$ - EURO
Deferred Revenue in United States Dollars	5% \$ 96,000	\$ (1,333,000) USD	\$ 116,000 USD

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves to meet its liquidity requirements at any point in time.

The Company manages liquidity risk through the management of its capital structure and resources to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. The Company's ability to fund its operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive, and regulatory conditions, and other factors, some of which are beyond its control. The Company's primary short-term liquidity needs are to fund its net operating losses and lease payments. The Company's medium-term liquidity needs primarily relate to lease payments. The Company's long-term liquidity needs primarily relate to potential strategic plans.

In an effort to manage liquidity prudently while the Company moves toward profitability and positive cash flows, the Company, during the year ended 31 March 2023, completed the acquisition of Bti, a revenue-generating and cash-flow positive entity and implemented an operational restructuring of the combined business.

The above initiative provided the Company with increased liquidity and flexibility to meet its financial commitments and continue operations.



The table below presents the contractual maturity of the Company’s financial liabilities, including both principal and interest payments as at 31 December 2024:

	Less than 1 year	1 to 3 years	Total¹
Amounts payable and accrued liabilities	\$ 922,998	\$ -	\$ 922,998
Lease Liabilities	165,849	-	165,849
Term Loan	9,847	30,361	40,208
	\$ 1,098,694	\$ 30,361	\$ 1,129,055

¹ The Company has no contractual obligations greater than 3 years.

Further, it is management’s opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company continues to monitor its policies and processes for managing risks associated with its financial instruments.

The Chinese Renminbi held in China are not freely convertible into other currencies, and the exchange risk is, therefore, less easily managed. However, under China’s Foreign Exchange Control Regulations and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Further, the cash balances held in Industrial Commercial Bank of China (“ICBC”) accounts represent only a small portion of the Company’s total cash resources and the exchange risk is, therefore, proportionally small. As at 31 December 2024, the Company held cash balances in ICBC of \$81,140 (31 March 2024-\$40,008)

OTHER RISK FACTORS AND UNCERTAINTIES

a) Geographic Risk

Geographic risk is the risk that the concentration of the Company’s business and financial results may be adversely affected by growing geo-political trade and diplomatic matters. The Company manages this risk through its presence in China with its Chinese representative office and local Chinese staff along with its presence in Canada and Australia.

b) Product Risk

Product risk is the risk that the Company’s current and next generation of technology might not be successful and/or may require further technical development before customer acceptance. The Company’s future growth is dependent on the continued sales success of Bti’s R, W, C and M series products including, fit for purpose lifecycle improvements. Product fit and go to market strategy with its Intelligent PL Solutions platform for inline cell and module manufacturing applications has yet to be widely adopted and may not gain market traction. The Company’s future growth is dependent on the Company’s products maintaining competitive advantage through expertise, technology and innovation.



c) Intellectual Property Risk

The Company regards its software as proprietary and attempts to protect it with patents, copyrights, trademarks, and trade secret measures, including restrictions on disclosure and technical measures. Despite these precautions, it may be possible for third parties to copy the Company's programs or aspects of its trade secrets. The Company could incur substantial costs in protecting and enforcing its intellectual property rights. Moreover, from time to time third parties may assert patent, trademark, copyright, and other intellectual property rights to technologies that are important to the Company. In such an event, the Company may be required to incur significant costs in litigating a resolution to the asserted claim. There can be no assurance that such resolution would not require that the Company pay damages or obtain a license of a third party's proprietary rights in order to continue selling its products as currently offered, or, if such a license is required, that it will be available on terms acceptable to the Company. The Company is not aware of any infringement of any third party's patent rights, copyrights, trade secrecy rights or other intellectual property disputes in the development or support of its products.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis.



A CAUTIONARY TALE

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future supply, demand, inventory, production and price of products, the timing and amount of estimated future production, costs of production, requirements for additional capital, government regulation operations, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted,

On behalf of the Board of Directors,

“Kevin Dodds”
Kevin Dodds, CEO