



## **AURORA SOLAR TECHNOLOGIES INC.**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED 30 JUNE 2025 AND 2024**

Stated in Canadian Dollars

**DATE: 29 AUGUST 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 months ended 30 June 2025 and 2024, and the related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and Interpretations (collectively "IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). This discussion covers the three months ended 30 June 2025 and 2024 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 Consolidated Financial Statements, and the notes thereto, for the years ended 31 March 2025 and 2024, prepared in accordance with IFRS Accounting Standards, can be found on SEDAR at [www.sedar.com](http://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](http://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 integrating metrology expertise, intellectual property, and smart factory concepts in machine vision measurements, defect imaging characterizations, and manufacturing process insight to create an innovative PL platform tailored to the evolving needs of the solar industry. 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.

The offline product series plays a strategic role in the Company's growth as it builds on a proven base of approximately 300 systems deployed globally. This platform supports the Company's evolution from a leading inspection equipment supplier to a strategic provider of inline Intelligent PL Solutions, combining high-precision analytics, contactless IV (current-voltage) measurements, and AI-driven inspection with advanced defect detection imaging to improve manufacturing quality, profitability, and reliability. This foundation positions the Company for broader adoption and scalable deployment across inline production environments, supporting the solar industry's demand for quality assurance, bankability, and performance reliability.

To support improved manufacturing performance, the Company integrates its Intelligent PL tools directly into customer production lines. These inline tools combine non-contact photoluminescence (PL) metrology with machine vision, advanced defect detection, and predictive analytics. They enable real-time diagnostics to optimize cell-to-module efficiency and overall production quality. By replacing legacy IV/EL (contact-based current-voltage) inspection tools, the Company's contactless IV measurement system provides an essential metrology product that manufacturers rely on for binning, throughput and evaluating cell efficiency. The Company's non-contact platform is architecture-agnostic, delivers higher throughput, and captures full IV parameter imaging without the need for specialized contacting jigs. This provides a clear manufacturing advantage in identifying important defects, optimizing binning performance, improving factory yield, and enhancing the bankability of next-generation solar cells.

Following successful technical demonstrations with two major solar manufacturers, the Company has entered the commercialization phase for its inline products.

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 is entering a pivotal phase, supported by strong technical validation and rising customer interest in its next-generation inline Intelligent PL Solutions platform for advanced solar cell technologies. This shift moves the business beyond traditional offline tools toward real-time, integrated diagnostics leveraging its contactless IV measurement system, superior imaging, and predictive analytics to improve manufacturing performance. Based on confirmed manufacturing needs and evolving industry trends, the Company is now advancing commercialization of its inline platform backed by a partnership-led investment strategy, Australian government grant funding, and a long-term collaboration with University of New South Wales ("NSW"). It is well positioned to scale and unlock long-term value, building on its ongoing technical leadership in the global solar ecosystem. Based on customer validation and product demand for its inline Intelligent PL Solutions platform, the Company believes it has the potential to scale this opportunity well beyond the sales of the current offline business in the near term.



The Company is focused on serving top-tier solar manufacturers and key players within the PV ecosystem who recognize the value of integrated measurement and process control through its Intelligent PL Solutions platform. While the majority of global solar manufacturing is currently concentrated in China and Southeast Asia, new opportunities are emerging in regions such as India, Australia, and the United States. These shifts are driven by rising demand for renewable energy and broader onshoring trends that are reshaping global supply chains.

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.

With approximately 300 systems deployed worldwide across manufacturers and research institutions, the Company has established itself as a trusted provider of high-precision metrology tools. It continues to invest in talent and partnerships that reinforce its position as an innovation leader, with a recognized center of excellence based in Australia. As adoption of the inline Intelligent PL Solutions platform accelerates, the Company expects to unlock new revenue streams tied to real-time IV measurements, advanced defect detection, predictive analytics, and integrated supply partnerships. Future growth opportunities include tailored licensing models and analytics-driven solutions that apply the Company's metrology expertise to solar manufacturing and potential adjacent sectors.

The PV industry continues to expand by adding hundreds of gigawatts of new capacity annually, driven by growing global energy demand, supportive government policies, and increasing investment in renewable infrastructure. Wafer, cell, and module designs are evolving with larger sizes, new materials, and higher performance demands creating challenges and opportunities in testing, inspection, and manufacturing efficiency. Key trends include greater emphasis on quality assurance and cell efficiency, requiring innovative technologies like the Company's inline Intelligent PL Solutions platform. It addresses critical metrology needs for advanced cells, including multi-busbar, zero-busbar, TOPCon, Heterojunction, and Tandem designs. Government ESG mandates and renewable energy targets are also driving change, alongside supply chain shifts and geopolitical risks in China. These dynamics highlight the growing relevance of the Company's platform and its role in the Company's growth strategy.

While the global solar industry continues to benefit from strong structural tailwinds driven by rising energy demand, efficiency targets, and supply chain realignment near-term conditions in China remain subdued. Geopolitical uncertainty and short-term overcapacity, as the rapid expansion of TOPCon solar manufacturing has rendered many legacy plants unprofitable leading to a more cautious stance on capital expenditures, particularly for offline tools. This environment has pressured the Company's financial performance and working capital. Similar financial pressures have been widely reported across the solar industry, affecting both manufacturers and peer companies, underscoring the broader market challenges currently in play.

Against this backdrop, the Company is positioning itself for recovery and long-term growth. The solar manufacturing industry has historically cycled rapidly through major solar cell architectural shifts from Mono to PERC to TOPCon and HJT. The Company's dual-platform strategy, combining offline and inline solutions, is built to meet these evolving demands. By advancing its inline Intelligent PL Solutions platform while maintaining its competitive offline offerings, the Company aims to deliver proven performance, meet confirmed manufacturing



needs, and strengthen its market position ahead of the next wave of industry investment. Recent technical validation and customer feedback reinforce the Company's view that adoption on the inline platform could accelerate in the near term, representing a step-change growth opportunity for the business.

To support this transition, the Company has adopted a partnership-led investment strategy aimed at securing working capital and accelerating the commercialization of its inline Intelligent PL Solutions platform. This strategy is grounded in strong customer engagement, technical validation, and non-dilutive funding through Australian government programs that promote innovation and advanced manufacturing. Progress has been further reinforced by a long-term collaboration and IP agreement with the UNSW and ongoing Australian government support, reaffirming the Company's technical expertise, innovation capabilities, and role as a center of excellence to support next-generation solar manufacturing and other intelligent inspection applications. Building this foundation creates long-term value and enhances the Company's ability to execute its growth strategy and commercialization objectives with greater confidence.

The Company recently introduced its Intelligent PL Solutions platform globally, featuring a non-contact inline IV (current-voltage) measurement system. This represents a strategic shift from standalone offline inspection tools to integrated, real-time diagnostics that improve cell and module quality, boost factory performance, and support downstream reliability. These systems deliver accurate, high-throughput, non-contact measurements across advanced metallisation patterns and is agnostic to cell architecture. Unlike legacy IV/EL (contact-based current-voltage) inspection tools, it eliminates the need for contact jigs and enables rapid defect diagnosis. These tools include data analytics and AI capabilities to support binning strategies, enhance factory economics, and strengthen the bankability of next-generation solar cells, driving strong customer interest.

To scale adoption, the Company is actively pursuing strategic collaborations and growth capital, including research grants and partnership investment. These efforts support continued innovation, targeted hiring, and product development aligned with advanced solar manufacturing needs. While commercialization has progressed at a measured pace due to a self-funded model, the Company's partnership-led investment strategy is focused on building long-term value and create clear pathways for value realization in the fast-paced solar industry.

Despite short-term offline tool sales and working capital challenges, the Company maintains a constructive medium-to long-term outlook. Global trends continue to favor its core strengths, including a shift toward higher cell efficiency, stronger quality assurance, and the onshoring of solar manufacturing. Chinese manufacturers remain committed to next-generation cell development and line upgrades; areas aligned with the Company's inline PL Solutions platform and legacy offline products. Meanwhile, growing demand in markets such as India, the Middle East, and the United States supports the Company's strategy to diversify and scale internationally.



## **HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD**

During the three months ended 30 June 2025, the Company provided a corporate update on recent developments across its strategic growth, technology commercialization, and financing initiatives, positioning it for scalable growth beginning in late fiscal 2026 and beyond. The Company announced that it had achieved a key milestone, being the first commercial order for its inline Intelligent PL Solutions platform, which validated both the technology and market readiness. The Company also announced that its second major customer engagement with a Tier 1 Chinese solar manufacturer is underway, with results to date confirming the platform's ability to deliver performance optimization and actionable manufacturing insights.

This corporate update noted that despite industry headwinds in China impacting offline tool sales, the Company is seeing increased interest in next-generation solar manufacturing, particularly for back-contact, zero bus bar, and tandem cell applications. To strengthen innovation and execution, the Company reported key leadership changes and entered a long-term IP and services agreement with the University of New South Wales. It also improved its financial position through over AUD2,000,000 million in non-dilutive funding, including an AUD1,635,000 R&D tax facility and a AUD598,000 government grant. These funds, together with ongoing but reduced offline revenue, provide near-term runway toward key inline commercialization milestones. The Company is also evaluating partnership-led investment options including asset-level financing, drawdown-based procurement facilities, or a potential spinout of the inline platform to support scale-up and long-term value creation.

During the three months ended 30 June 2025, the Company announced that BT Imaging earned global recognition at the SNEC International Photovoltaic Power Generation and Smart Energy Exhibition & Conference ("SNEC") for its Intelligent PL Solutions Platform, earning three major industry awards which included: SNEC top 10 Highlights Selection Honor Award, APVIA Technical Achievement Award and the APVIA Industrial Contribution Award.

At the SNEC conference the Company introduced its inline contactless IV (current-voltage) measurement system. This innovation addresses critical metrology challenges for next-generation solar cells, including multi-busbar or zero-busbar TOPCon and Heterojunction cells with back-contact designs, as well as Tandem solar cells. In addition, two new metrology tools were introduced to address emerging industry trends and evolving customer needs:

- **i5:** an inline inspection system incorporating contactless IV measurement, advanced imaging, and AI-powered defect detection. It enables feedback loops for improved re-working, yield optimization, and root cause analysis based on performance, operations, and cost benefits.
- **R3-MJ:** an offline metrology tool optimized for tandem, thin filmed, and multi-junction solar cells in development.

During the three months ended 30 June 2025, the Company continued to experience a significant softening in offline tool 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.





On the 25 of June 2025, the Company held its Annual General and Special Meeting whereby all resolutions were passed.

During the three months ended 30 June 2025, the Company has entered into confidential, high-level discussions with several strategic parties regarding: (i) production-grade Qualification Tool deployments linked to volume order commitments; (ii) integrated supply and go-to-market partnerships; and (iii) targeted investment to accelerate commercialization and to support working capital needs. These discussions follow recent technical validation and growing customer interest in its inline Intelligent PL Solutions platform. These discussions are centered on scaling this platform while maintaining the Company's core technical and IP leadership as a hub for metrology innovation across next-generation solar manufacturing and adjacent sector applications. As part of its growth strategy, the Company is assessing the most effective path to scale by aligning platform readiness with customer demand and securing the working capital needed to execute and accelerate adoption of its Intelligent PL Solutions platform.

During the three months ended 30 June 2025, the Company received grant amounts relating to the New South Wales Government Clean Technology Innovation Fund, a manufacturing Initiative, in the amount AUD308,683.

#### **SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD END**

The Company has entered into multiple NDAs relating to strategic engagements and opportunities under its partnership-led investment strategy for the inline Intelligent PL Solutions platform, covering both prospective partners and major end customers. These engagements are aimed at supporting commercialization and scaling opportunities as the Company advances its growth strategy with industry leaders.

Subsequent to the three months ended 30 June 2025, the Paddington Street Finance Tranche A Loan in the amount of AUD755,000 plus applicable interest and fees was repaid in full.

Subsequent to the three months ended 30 June 2025, the Company received the R&D tax incentive refund in the amount of AUD948,822.



## RESULTS OF OPERATIONS

The net loss and total comprehensive loss attributable to the shareholders for the three months ended 30 June 2025 was \$661,934 compared to the comprehensive loss of \$260,373 during the three months ended 30 June 2024.

The decline in operational results is primarily due to lower offline tool sales in the Company's core market of China. This reduction stems from geopolitical uncertainty and short-term overcapacity, as the rapid buildout of TOPCon solar manufacturing has made many legacy plants unprofitable, leading to a more cautious approach to capital expenditures for the Company's offline tools.

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

Rounded (000's)	3 Months 2026	3 Months 2025
<b>Product sales</b>	\$ 551,000	\$ 1,907,000
Variance increase (decrease)	(1,356,000)	

During the three months ended 30 June 2025, product sales are 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 well reported overcapacity issues and tariffs which reduced demand for the Company's offline products in the short term. To offset this weakness, the Company is implementing a partnership-driven strategy, leveraging recent inline product technology readiness to generate incremental sales, support existing products, and advance the scale-up of its inline Intelligent PL Solutions platform, focused initially on its W tool and new i-5 product, as part of initial cooperation with partners.

Rounded (000's)	3 Months 2026	3 Months 2025
<b>Cost of sales</b>	\$ 415,000	\$ 811,000
Variance increase (decrease)	(396,000)	

During the three months ended 30 June 2025, 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.

**AURORA SOLAR TECHNOLOGIES INC.**

Canadian Dollars

**FOR THE THREE MONTHS ENDED 30 JUNE 2025 AND 2024****MANAGEMENT DISCUSSION AND ANALYSIS**

	3 Months 2026	3 Months 2025
Rounded (000's)		
<b>Sales and Marketing</b>	<b>\$ 207,000</b>	<b>\$ 302,000</b>
Variance increase (decrease)	<b>(95,000)</b>	

During the three months ended 30 June 2025, sales and marketing activities 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, where commission payments are directly tied to sales revenue. During the three months ended 30 June 2025, the Company hosted a booth and received three innovation awards at the SNEC PV Photovoltaic Power Conference and Exhibition in China.

	3 Months 2026	3 Months 2025
Rounded (000's)		
<b>General and administrative</b>	<b>\$ 708,000</b>	<b>\$ 878,000</b>
Variance increase (decrease)	<b>(170,000)</b>	

During the three months ended 30 June 2025, the decrease was a result of targeted staff and overhead reductions. The Company has implemented cost control measures and is focused on maintaining sufficient working capital to support the commercialization of its inline platform, which is key to attracting partnership-led investment amid a more cautious market outlook.

	3 Months 2026	3 Months 2025
Rounded (000's)		
<b>Research and development</b>	<b>\$ 183,000</b>	<b>\$ 246,000</b>
Variance increase (decrease)	<b>(63,000)</b>	

During the three months ended 30 June 2025, the Company has continued to refocus its sustaining investment in lifecycle product enhancements and prioritized product development associated with its inline Intelligent PL Solutions platform for cell and module solutions.

## AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

**FOR THE THREE MONTHS ENDED 30 JUNE 2025 AND 2024**

### MANAGEMENT DISCUSSION AND ANALYSIS



### SELECTED ANNUAL INFORMATION

Financial Data for the past four annual periods:

<b>Fiscal Year Ended</b>	<b>Mar-2025</b>	<b>Mar-2024</b>	<b>Mar-2023<sup>(1)</sup></b>	<b>Mar-2022</b>
Rounded (000's)				
Total Revenues	\$ <b>6,294,000</b>	10,915,000	5,509,000	-
Loss from Continuing Operations	\$ <b>(4,121,000)</b>	(334,000)	(3,768,000)	(4,382,000)
Loss and Comprehensive Loss for the Year	\$ <b>(3,265,000)</b>	(60,000)	(4,320,000)	(4,247,000)
Loss per Share (Basic and Diluted)	\$ <b>(0.02)</b>	(0.00)	(0.02)	(0.03)
Total Assets	\$ <b>7,097,000</b>	10,195,000	9,422,000	3,189,000
Working Capital <sup>(2)</sup>	\$ <b>2,311,000</b>	3,826,000	3,732,000	2,017,000

<sup>(1)</sup> The first fiscal year with the inclusion of 100% wholly-owned subsidiary, Bti.

<sup>(2)</sup> "Working Capital" is defined as current assets minus current liabilities.

### 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 Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards, specifically International Accounting Standards (IAS)34, Interim Financial Reporting, and are expressed in Canadian dollars.

<b>Three Months Ended</b>	<b>25-Jun</b>	<b>25-Mar</b>	<b>24-Dec</b>	<b>24-Sept</b>	<b>24-Jun</b>	<b>24-Mar</b>	<b>23-Dec</b>	<b>23-Sept</b>
<b>Total Revenues</b>	551,166	794,710	1,416,501	2,175,347	1,907,351	1,959,955	4,289,597	2,742,761
<b>Income (loss) from continuing operations for the period</b>	(903,942)	(1,264,649)	(1,126,315)	(389,297)	(439,958)	(342,873)	514,533	(182,369)
<b>Income (loss) per share (Basic and diluted)</b>	0.000	0.000	0.000	0.000	0.000	(0.002)	0.004	(0.001)
<b>Total assets</b>	6,251,123	7,097,301	7,450,257	8,662,628	9,756,226	10,195,179	11,842,949	11,030,812
<b>Working capital</b>	1,686,462	2,193,410	2,655,828	3,206,878	3,675,270	3,826,257	4,201,003	3,124,523

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 30 June 2025, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 256,744,074 represents Nil warrants and options of 34,549,998.

As of the date of this MD&A, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 256,744,074 represents Nil warrants and options of 34,549,998.

During the three months ended 30 June 2025, the following options expired or were forfeited:

400,000 at \$0.10 per option with a grant date of 7 April 2020

500,000 at \$0.05 per option with a grant date of 10 July 2023

4,250,002 at \$0.05 per option with a grant date of 15 August 2023

## **LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY**

The Company's Working Capital surplus on 30 June 2025, was \$1,686,462 compared with \$2,310,788 on 31 March 2025.

Cash used in operating activities during the period ended 30 June 2025 totalled \$1,032,245 (30 June 2024 – \$645,559).

Cash used in investing activities during the period ended 30 June 2025 totalled \$136,861 (30 June 2024 – \$168,451).

Cash used in financing activities during the period ended 30 June 2025 totalled \$60,190 (30 June 2024 - \$54,517).

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.

The Company is currently operating in a challenging economic environment characterized by a significant market downturn. This sales downturn has introduced increased liquidity risk due to impacts on cash flows from operations and the ability to access capital markets.

Management believes it will be able to raise debt or equity financing and/or strategic investment as required in the long-term, though it recognizes the increased inherent risks associated with these financing efforts in today's market. 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.



During the three months ended 30 June 2025 as well as the fiscal year ended 31 March 2025, management has observed persistent headwinds across equity markets for micro-cap issuers, TSX-V listed companies, and global solar businesses more broadly. These challenges may persist, reinforcing the Company's strategic focus on partnership-led investment to support ongoing operations and growth. In parallel, the Company is exploring new forms of operating-level financing, including potential equity or debt issuance at the operating entity level, partner-aligned structures, and other internal measures designed to support near and long-term value creation, attract strategic partners, and ensure leadership team continuity to drive innovation, technical delivery and commercialization of its inline Intelligent PL Solutions growth strategy.

### **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. During the fiscal year ended 31 March 2025, the Company entered into a loan agreement that required the Company hold certain levels of cash and cash equivalents on hand. The Company is not subject to any other 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)	30 June 2025	30 June 2024
Wages and short-term benefits	\$ 210,900	\$ 221,000
Share based payments	17,000	57,000
Total Remuneration	\$ 227,900	\$ 278,000

Included in amounts payable on the Condensed Interim Consolidated Statement of Financial Position is \$27,000 (31 March 2025 - \$33,906) due to related parties with respect to professional fees, wages and short-term benefits, and expense reimbursements, and are non-interest bearing.

During the three months ended 30 June 2025, the Company incurred \$3,000 (2025 - \$Nil) in legal fees from a company in which a director is a partner. The Company also incurred \$13,307 (2025 - \$13,665) 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 30 June 2025, 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 Accounting Standards, do not have a standardized meaning prescribed by IFRS Accounting Standards 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 Accounting Standards 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 Accounting Standards. 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 Accounting Standards 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 Accounting Standards. 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 Accounting Standards 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 analyse operating performance, but it is not intended to represent an alternative to net earnings or other measures of financial performance in accordance with IFRS Accounting Standards.

### **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

**AURORA SOLAR TECHNOLOGIES INC.**

Canadian Dollars

**FOR THE THREE MONTHS ENDED 30 JUNE 2025 AND 2024****MANAGEMENT DISCUSSION AND ANALYSIS**

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.

The following table summarizes the Company's Loss from Operations for the three months ended 30 June 2025 and 2024:

	<b>For The Three Months Ended 30 June 2025</b>	<b>For The Three Months Ended 30 June 2024</b>
Revenue	\$ 551,166	\$ 1,907,351
Cost of Sales	(414,565)	(810,585)
Gross margin	136,601	1,096,766
Operating expenses	1,069,578	1,695,450
(Loss) income from operations	\$ (932,977)	(598,684)
Adjustment for non-cash items	(27,333)	310,564
Adjusted net (loss) income from operations for the period excluding non-cash items	\$ (960,310)	(288,120)

**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 three months ended 30 June 2025 and the comparable period in fiscal 2024 was as follows:

	<b>For The Three Months Ended 30 June 2025</b>	<b>For The Three Months Ended 30 June 2024</b>
Net (loss) income after tax	\$ (903,942)	\$ (439,958)
Income tax	22,911	(163,151)
Depreciation and amortization	148,003	134,144
Interest expense	1,245	4,730
Impairment loss	(189,126)	-
Share based compensation	29,520	93,751
Adjusted EBITDA	\$ (891,389)	\$ (370,484)





## **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 Consolidated Financial Statements.



## **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 30 June 2025 the Company has \$237,811 (31 March 2025 - \$158,966) 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 Condensed Interim Consolidated Financial Statements by \$33,000 (31 March 2025- \$26,000). As at 30 June 2025, the Company held currency totalling the following:

<b>Rounded ('000's)</b>		<b>Sensitivity (CAD\$)</b>		<b>30 June 2025</b>	<b>30-Jun 2024</b>
Cash in United States dollars	5% \$	(7,000)	\$	102,000 USD	\$ (69,000) USD
Cash in Chinese RMB	5% \$	(4,000)	\$	422,000 RMB	\$ (8,000) RMB
Cash in Australian dollars	5% \$	(2,000)	\$	53,000 AUD	\$ (22,000) AUD
Cash in Euros	5% \$	-	\$	1,000 EURO	\$ - EURO
Amounts receivable in United States dollars	5% \$	(16,000)	\$	237,000 USD	\$ (17,000) USD
Amounts receivable in Australian dollars	5% \$	(61,000)	\$	1,366,000 AUD	\$ (18,000) AUD
Amounts payable in United States dollars	5% \$	11,000	\$	(164,000) USD	\$ 4,000 USD
Amounts payable in Chinese RMB	5% \$	-	\$	- RMB	\$ 2,000 RMB
Amounts payable in Australian dollars	5% \$	44,000	\$	(994,000) AUD	\$ 19,000 AUD
Amounts payable in Euros	5% \$	-	\$	(1,000) EURO	\$ 1,000 EURO
Deferred revenue in United States Dollars	5% \$	68,000	\$	(998,000) USD	\$ 127,000 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 sales, 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.

The Company's objective in managing its liquidity is to ensure it has sufficient readily available funds to meet its financial obligations when due, under both normal and stressed conditions. The Company is currently operating in a challenging economic environment characterized by a significant market downturn. This downturn has introduced increased liquidity risk due to impacts on cash flows from operations and the ability to access capital markets.

Management actively monitors the Company's liquidity position through continuous forecasting of cash flows, prioritizing the allocation of its constrained cash resources to meet critical obligations.

The table below presents the contractual maturity of the Company's financial liabilities, including both principal and interest payments as at 30 June 2025:

	Less than 1 year	1 to 3 years	Total <sup>1</sup>
Amounts payable and accrued liabilities	\$ 1,477,353	\$ -	\$ 1,477,353
Lease Liabilities	35,208	-	35,208
Term Loan	703,020	22,768	725,788
	<b>\$ 2,215,581</b>	<b>\$ 22,768</b>	<b>\$ 2,238,349</b>

<sup>1</sup> The Company has no contractual obligations greater than 3 years.

Further, it is management's opinion that the Company is exposed to credit, liquidity, and market risks in respect of these financial instruments. The Company is actively monitoring the risks associated with its financial instruments and continuously refining its processes to manage them effectively. This includes

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 30 June 2025, the Company held cash balances in ICBC of \$90,037 (31 March 2025 – \$64,005).



## **OTHER RISK FACTORS AND UNCERTAINTIES**

### **a) Geographic Risk**

Geographic risk refers to the potential for the Company and its financial results may be negatively impacted by concentrated operations in regions affected by geopolitical, trade, or diplomatic issues; the Company has a concentrated customer base in China which has increased this risk. The Company is managing this risk by diversifying its global market presence, and by maintaining a representative office and local staff in China, alongside its established operations 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