



Aurora
Solar Technologies

AURORA SOLAR TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED 31 DECEMBER 2025 AND 2024

Stated in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

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AURORA SOLAR TECHNOLOGIES INC.

Stated in Canadian Dollars (Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	31 December 2025	31 March 2025
Assets		
Current Assets		
Cash	\$ 322,183	\$ 1,257,957
Restricted investments	45,840	44,950
Amounts receivable	(7) 578,952	1,071,091
Prepaid expenses	175,590	89,545
Inventory	(8) 3,628,882	3,872,067
	<u>4,751,447</u>	<u>6,335,610</u>
Non-current Assets		
Right of use assets	(13) 429,512	102,682
Intangibles	(9) 332,813	378,868
Other assets	(11) 45,300	41,838
Equipment	(12) 292,193	238,303
	<u>1,099,818</u>	<u>761,691</u>
	<u>\$ 5,851,265</u>	<u>\$ 7,097,301</u>
Liabilities		
Current Liabilities		
Amounts payable and accrued liabilities	(16) \$ 2,336,116	\$ 1,449,909
Short-term borrowings	(19) 113,446	-
Lease liabilities	(14) 259,195	92,361
Short-term loan	(19) 7,887	686,147
Deferred revenue	(18) 1,902,598	1,733,724
Provisions	(20) 35,765	62,681
	<u>4,655,007</u>	<u>4,024,822</u>
Non-current Liabilities		
Lease liabilities	(14) 142,939	-
Long-term loan	(19) 18,741	24,718
Deferred tax	(22) 68,201	68,201
Provisions	(20) 32,405	28,554
	<u>4,917,293</u>	<u>4,146,295</u>
Equity		
Share capital	(15) 27,706,728	27,706,728
Contributed surplus – options	(15) 3,281,914	3,210,000
Contributed surplus – warrants	(15) 225,203	225,203
Accumulated other comprehensive income	775,102	442,079
Deficit	(31,054,975)	(28,633,004)
	<u>933,972</u>	<u>2,951,006</u>
	<u>\$ 5,851,265</u>	<u>\$ 7,097,301</u>

Nature of operations and going concern..... (1)

On behalf of the Board of Directors:

“Kevin Dodds”

Kevin Dodds, Director

“David Toyoda”

David Toyoda, Director

AURORA SOLAR TECHNOLOGIES INC.

Stated in Canadian Dollars (Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

	Note	Nine Months Ended 31 December 2025	Nine Months Ended 31 December 2024	Three Months Ended 31 December 2025	Three Months Ended 31 December 2024
Revenues					
Product sales	(18)	\$ 1,971,430	\$ 5,499,199	428,683	\$ 1,416,501
Cost of sales	(8)	(1,038,330)	(2,440,484)	(279,872)	(683,360)
Gross margin		933,100	3,058,715	148,811	733,141
Expenses					
Sales and marketing	(17)	603,423	966,432	236,551	308,040
Research and development	(17)	504,992	681,094	178,454	207,647
General and administrative	(17)	2,073,119	2,438,380	662,026	751,088
Net foreign exchange loss (gain)		44,689	(85,926)	68,389	(201,604)
Depreciation cost	(9)(12)(13)	411,772	522,247	167,856	202,218
Share-based payments	(15)	71,914	218,080	18,636	51,644
Impairment of goodwill	(10)	-	628,927	-	628,927
Reversal of impairment loss	(5)(d)	(192,191)	-	(1,472)	-
		3,517,718	5,369,234	1,330,440	1,947,960
Net loss from operations		\$ (2,584,618)	\$ (2,310,519)	(1,181,629)	\$ (1,214,819)
Other income					
Other income		\$ 483,222	\$ 7,374	231,608	\$ 180
Other expenses					
Finance cost	(14)	(39,128)	(11,683)	(7,225)	(3,020)
		444,094	(4,309)	224,383	(2,840)
Loss before income taxes		\$ (2,140,524)	\$ (2,314,828)	(957,246)	\$ (1,217,659)
Income tax	(22)	\$ (281,447)	\$ 326,030	(229,033)	\$ 91,344
Net loss after taxes		(2,421,971)	(1,988,798)	(1,186,279)	(1,126,315)
Other comprehensive Income					
Foreign currency translation of foreign operations		333,023	134,236	(5,871)	(199,819)
Total comprehensive loss for the period		\$ (2,088,948)	\$ (1,854,562)	(1,192,150)	\$ (1,326,134)
Net Loss per Common Share – Basic and Diluted		\$ (0.01)	\$ (0.01)	(0.01)	\$ (0.01)
Weighted Average Number of Shares Outstanding - Basic and Diluted		222,194,076	222,194,076	222,194,076	222,194,076

AURORA SOLAR TECHNOLOGIES INC.

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Amount	Options	Amount	Accumulated Other Comprehensive Income	Deficit	Equity
Balance 31 March 2024	222,194,076	\$ 27,706,728	-	\$ 225,203	41,566,664	\$ 2,980,090	\$ 317,190	\$ (25,412,785)	\$ 5,816,426
Options issued	-	-	-	-	1,250,000	-	-	-	-
Warrants expired	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	218,080	-	-	218,080
Net loss for the period	-	-	-	-	-	-	134,236	(1,988,798)	(1,854,562)
Balance 31 December 2024	222,194,076	\$ 27,706,728	-	\$ 225,203	42,816,664	\$ 3,198,170	\$ 451,426	\$ (27,401,583)	\$ 4,179,944
Balance 31 March 2025	222,194,076	\$ 27,706,728	-	\$ 225,203	39,700,000	\$ 3,210,000	\$ 442,079	\$ (28,633,004)	\$ 2,951,006
Options forfeited	-	-	-	-	(6,350,002)	-	-	-	-
Share-based compensation	-	-	-	-	-	71,914	-	-	71,914
Net loss for the period	-	-	-	-	-	-	333,023	(2,421,971)	(2,088,948)
Balance 31 December 2025	222,194,076	\$ 27,706,728	-	\$ 225,203	33,349,998	\$ 3,281,914	\$ 775,102	\$ (31,054,975)	\$ 933,972

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
Operating Activities				
Net loss for the period	\$ (2,421,971)	\$ (1,988,798)	(1,186,279)	\$ (1,126,315)
Items not affecting cash				
Depreciation	411,772	522,247	167,856	202,218
Share-based payments	71,914	218,080	18,636	51,644
Finance cost	9,409	11,683	7,179	20,346
Impairment of goodwill	-	628,927	-	-
Disposal of lease liability	-	13,923	-	13,923
Disposal of equipment	(406)	-	(406)	-
Reversal of impairment loss	(192,191)	-	(1,472)	-
Income tax	-	(326,030)	-	(91,345)
	(2,121,473)	(919,968)	(994,486)	(300,602)
Net Change in non-cash working capital				
Amounts receivable	684,330	551,012	(82,446)	(187,302)
Prepaid expenses	(86,046)	367,245	(8,415)	185,103
Inventory	243,185	(274,656)	99,273	298,436
Amounts payable and accrued liabilities	827,271	(435,115)	469,392	(192,184)
Provisions	(23,065)	(228,835)	(179,157)	(136,357)
Deferred revenue	168,874	(404,623)	416,414	345,524
	1,814,549	(424,972)	715,061	313,220
Net cash (used in) provided by operating activities	(306,924)	(1,344,940)	(279,425)	12,618
Investing Activities				
Purchase of equipment	(208,319)	(315,717)	(57,857)	(81,767)
Purchase of other assets	(3,462)	(8,256)	(1,125)	-
Purchase of patents	(26,679)	(1,445)	(22,043)	(27)
Net cash used in investing activities	(238,460)	(325,418)	(81,025)	(81,794)
Financing Activities				
Short-term loan payment	(696,695)	(5,046)	(1,869)	(1,718)
Short-term borrowings	113,446	-	113,446	-
Interest payment	(40,429)	(11,683)	(10,757)	(8,663)
Lease liability payment	(183,071)	(141,728)	(79,616)	(36,266)
Net cash provided (used) in financing activities	(806,749)	(158,457)	21,204	(46,647)
Net (decrease) increase in cash	(1,352,133)	(1,828,815)	(339,246)	(115,823)
Cash position – beginning of period	1,257,957	2,850,338	613,189	1,439,471
Net effect - foreign exchange	416,359	148,454	48,240	(153,671)
Cash position – end of period	\$ 322,183	\$ 1,169,977	\$ 322,183	\$ 1,169,977

AURORA SOLAR TECHNOLOGIES INC.

FOR THE THREE AND NINE MONTHS ENDED 31 DECEMBER 2025 AND 2024

Stated in Canadian Dollars (Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Aurora Solar Technologies Inc. (“Aurora” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on 26 October 2006. 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.

On 25 August 2022, the Company acquired all the outstanding shares of BT Imaging Pty Ltd. (“BTi”) through a share purchase agreement (Note 6). BTi is a private, Australian limited liability corporation who is a well-established leader in photoluminescence (PL) imaging tools for photovoltaic (PV) material inspection and quality control during production, and for laboratory use during product development.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue to operate for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations.

Since inception and prior to the BTi acquisition, the Company experienced recurring operating losses and relied heavily on external financing to meet its ongoing cash needs. The acquisition of BTi has enhanced the Company’s financial position, improving its capacity for self-financing and access to external capital, which is expected to support operations through market downturns. However, prevailing economic and market conditions present risks that could impact the Company’s ability to sustain operations and achieve its financial goals. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to raise adequate equity financing and the successful execution of the Company’s business strategy are important factors in mitigating business critical risks. The Company is of the view that these objectives can be met, and that the going concern assumption remains appropriate.

If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the condensed interim consolidated statement of financial position classifications used, and such adjustments could be material.

A material adverse effect on our employees, customers, suppliers and/or logistics providers could have a material adverse impact on us. Specifically, the potential for future tariffs and/or other trade barriers could significantly impact and put additional downward pressure on the Company’s ability to generate future revenues and profitability.

2) Basis of preparation – statement of compliance

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (collectively “IFRS Accounting Standards”) applicable to the preparation of interim consolidated financial statements, including International Accounting Standards 34 *Interim Financial Reporting* (“IAS 34”), on a basis consistent with those accounting policies followed by the Company in the most recent audited annual consolidated financial statements. Accordingly, certain information and note disclosures normally included in the audited annual consolidated financial statements prepared in accordance with IFRS Accounting Standards have been omitted or condensed. As a result, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 March 2025 (“Annual Financial Statements”).

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on 2 March 2026.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at their fair value.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3) Material accounting policies

a) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. These condensed interim consolidated financial statements include the accounts of the Company and its 100% wholly-owned subsidiaries, Aurora Solar Technologies (Canada) Inc. ("ASTC"), BTi, and BT (Jiaxing) Semiconductor Technology Co., Ltd ("BTJ").

Control exists when the Company is exposed to or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entities. Subsidiaries are all entities over which the Company has control. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

4) 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.

a) Critical judgements in applying accounting policies

Revenue recognition

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. Significant judgement and estimation are also exercised to the extent of determining the stand-alone price to be allocated to each of the promised goods and services.

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b) 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 the 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.

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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 condensed interim consolidated financial statements.

5) Financial instruments and risk management

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 Consolidated Statements of Financial Position are carried at amortized cost.

The Company's financial assets classified as amortized cost include cash, restricted investments 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 loans are also classified as other financial liabilities at amortized cost, applying a market rate of interest, 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

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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 2025 the Company has \$303,520 (31 March 2025 - \$158,966) in trade amounts receivable.

During the nine months ended, 31 December 25 the Company recognized a reversal of impairment loss on its financial assets totalling \$192,191 (31 March 2025-\$Nil). This reversal relates to amounts previously recognized as uncollectible in prior periods.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company maintains cash in accounts at Canadian, Australian, and China Chartered Banks that bear interest at nominal rates. The Company's lease liabilities and loans are based on fixed interest rates. The Company's exposure to interest rate risk is minimal (Note 19).

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 \$138,000 (31 March 2025 - \$26,000). As at 31 December 2025 the Company held currency totalling the following:

Rounded (000's)		Sensitivity (CAD\$)	31 December 2025	31 December 2024
Cash in United States dollars	5%	\$ (9,000)	\$ 125,000 USD	\$ (42,000) USD
Cash in Chinese RMB	5%	\$ -	\$ 7,000 RMB	\$ (4,000) RMB
Cash in Australian dollars	5%	\$ (9,000)	\$ 198,000 AUD	\$ (6,000) AUD
Cash in Euros	5%	\$ -	\$ 1,000 EURO	\$ - EURO
Amounts receivable in United States dollars	5%	\$ (9,000)	\$ 133,000 USD	\$ (19,000) USD
Amounts receivable in Australian dollars	5%	\$ (17,000)	\$ 383,000 AUD	\$ (2,000) AUD
Amounts payable in United States dollars	5%	\$ 17,000	\$ (249,000) USD	\$ 6,000 USD
Amounts payable in Chinese RMB	5%	\$ 1,000	\$ (100,000) RMB	\$ 4,000 RMB
Amounts payable in Australian dollars	5%	\$ 68,000	\$ (1,477,000) AUD	\$ 24,000 AUD
Amounts payable in Euros	5%	\$ 1,000	\$ (14,000) EURO	\$ - EURO
Deferred revenue in United States Dollars	5%	\$ 95,000	\$ (1,390,000) USD	\$ 116,000 USD

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

g) Liquidity

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 debt repayments and lease payments. The Company's long-term liquidity needs primarily relate to potential strategic plans.

The table below presents the contractual maturity of the Company's financial liabilities, including both principal and interest payments as at 31 December 2025:

	Less than 1 year	1 to 5 years	Total¹
Amounts payable and accrued liabilities	\$ 2,336,116	\$ -	\$ 2,336,116
Borrowings	113,416	-	113,416
Lease liabilities	259,195	142,939	402,134
Term loan	7,887	18,741	26,628
	\$ 2,716,644	\$ 161,680	\$ 2,878,324

¹ The Company has no contractual obligations greater than 5 years.

The Company monitors its level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables regularly.

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. The Company continues to evaluate financing alternatives, including structured capital and strategic investment options.

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

While the primary focus is on liquidity, the market downturn also presents elevated credit risk related to the collectability of trade receivables. Management monitors customer accounts closely and maintains an allowance for expected credit loss. For the nine months ended 31 December 2025, the Company recognized a recovery on amounts receivable of \$192,191 (31 March 2025 - (\$174,213)).

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 2025, the Company held cash balances in ICBC of \$1,406 (31 March 2025 - \$64,005).

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6) BTi acquisition

On 25 August 2022, the Company acquired 100% of the outstanding shares of BTi through a share purchase agreement. In consideration for the acquisition of BTi, the Company paid \$1,205,310 in cash and issued 62,969,351 common shares of the Company to BTi shareholders. During the fiscal year ended 31 March 2024, the final tranche of the 42,934,348 were released from escrow.

In accordance with IFRS Accounting Standards 3 – *Business Combinations*, the Company accounted for the acquisition as a business combination using the acquisition method whereby the net assets acquired, and the liabilities assumed were recorded at fair value.

The purchase price allocated to BTi’s identifiable assets and liabilities based on their estimated fair values on the acquisition date is summarized as follows:

Purchase consideration		
Cash consideration	\$	1,205,310
Fair value of common shares issued		5,544,772
Total purchase consideration	\$	6,750,082
Fair value of net assets acquired		
Goodwill		628,927
Total fair value of net assets acquired	\$	6,750,082

7) Amounts receivable

	31 December 2025	31 March 2025
Trade receivables	\$ 481,990	\$ 158,966
GST receivable and other taxes recoverable	96,962	912,125
Total amount receivable	\$ 578,952	\$ 1,071,091

For the nine months ended 31 December 2025, the Company recorded a recovery on amounts receivable of \$192,191 (31 March 2025-\$174,213).

During the fiscal year ended 31 March 2025, the Company recognized a receivable of \$853,162 related to refundable R&D tax credits. This amount represents a cash refund expected from the Australian Taxation Office under the R&D Tax Incentive program, for qualifying scientific research and experimental development expenditures incurred by the Company during the fiscal year ended 31 March 2025. During the nine months ended 31 December 2025, the Company received the refund of \$853,162 plus applicable interest from the Australian Tax Authority.

The R&D tax incentive is a government program designed to encourage innovation by providing financial support for eligible R&D activities in Australia. Receivables are recognized when the Company determines that it meets the eligibility criteria for the refundable tax offset, and management had a reasonable assurance that the full amount will be recovered.

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8) Inventory

	31 December 2025	31 March 2025
Raw materials	\$ 2,670,594	\$ 2,471,902
Work-in-process	766,138	936,176
Finished goods	192,150	347,304
Finished goods on consignment	-	116,685
Total inventory	\$ 3,628,882	\$ 3,872,067

Inventory expensed to cost of sales during the nine months ended 31 December 2025 was \$514,154 (31 March 2025 – \$1,642,585).

During the nine months ended 31 December 2025, the Company wrote off \$71,790 of inventory related to slow moving and/or obsolescent products (31 March 2025 – \$362,970).

9) Intangibles – intellectual property

	Total
Cost:	
Balance, 31 March 2024	\$ 1,029,642
Additions	1,435
Impairment (Note 10)	(244,521)
Impact of foreign exchange	11,318
Balance, 31 March 2025	\$ 797,874
Additions	26,679
Impact of foreign exchange	8,050
Balance, 31 December 2025	\$ 832,603

Accumulated Depreciation:	
Balance, 31 March 2024	(289,159)
Additions	(129,847)
Balance, 31 March 2025	(419,006)
Additions	(80,784)
Balance, 31 December 2025	\$ (499,790)

Carrying Amount	
Balance, 31 December 2025	\$ 332,813
Balance, 31 March 2025	\$ 378,868

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10) Goodwill

Changes in goodwill were as follows:

	Total
Balance as at 31 March 2024	\$ 628,927
Impairment	(628,927)
Balance as at 31 March 2025	\$ -

During the year ended 31 March 2025, due to operational changes and other commercial factors, the Company determined indicators of impairment existed and it carried out a review of the recoverable amount of its single CGU. In assessing for impairment, the Company compared the recoverable amount of the CGU to its carrying value. Under the value in use approach, the recoverable amount is calculated based on the discounted cash flow analysis for the CGU.

Impairment of the CGU

The Company has made certain assumptions in determining the cash flow projections based on five-year cash flow forecasts which include management's best estimate of expected market conditions including economic trends, industry trends and the CGU's past performance. The key assumptions in conducting the analysis require significant estimations of revenue growth rates (the Company's ability to generate future revenue, with potential fluctuations influenced by external and internal factors), operating margins (a percentage of revenue representing the profitability of the Company's core operations after account for operating expenses), and discount rates (such as the weighted average of the Company's cost of equity and cost of debt, representing the overall required rate of return on the Company's capital). These unobservable units, classified as Level 3 in the fair value hierarchy, are subject to inherent volatility and various uncontrollable factors that could substantially impact the present value of the discounted cash flows. These assumptions are highly sensitive to changes in the underlying economic and business environment, which could materially impact the fair value measure.

For the year ended 31 March 2025, the Company used the below assumptions as presented in the following table, to ascertain the estimated recoverable amount of the CGU.

	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Compound annual growth rate on revenues	17.0%	11.0%
Operating margin	10%	15%
Pre-tax adjusted discount rate	22.5%	21.4%
Terminal value multiple	3.5	3.5
Terminal revenue growth rate	2.0%	2.0%

For the year ended 31 March 2025, a total impairment expense of \$1,054,252 (2024-\$Nil) was recognized, recorded against the goodwill asset of \$628,927, patents of \$223,369, equipment of \$140,497, ROU assets of \$36,792 and other assets of \$24,667.

These assets and the corresponding impairment loss are allocated to the Company's operating segment (Note 23).

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Sensitivity Analysis

The following sensitivity has been performed for the CGU:

- estimated future profitability 5% lower than managements estimates;
- terminal value assuming zero growth; and
- pre-tax discount rate 5% higher than managements estimates.

Impact of a 5% change in each of the scenarios:

Asset / CGU	Actual Impairment Recognized 31 March 2025 (A)	Increase in Discount Rate (B)	Decrease in Estimated Future Profitability (C)	Decrease in Growth Rate (D)
Patents	\$ 244,521	\$ 141,580	\$ 178,867	\$ 10,684
Equipment	\$ 153,801	\$ 89,052	\$ 112,505	\$ 6,720
Other assets	\$ 27,003	\$ 15,635	\$ 19,752	\$ 1,180
Total Impact	\$ 425,325	\$ 246,267	\$ 311,124	\$ 18,584
Total impairment if scenario occurred (A+B, A+C, A+D)		\$ 671,592	\$ 736,449	\$ 443,909

At 31 March 2025, a 15% percent increase in the discount rate or a 10.5% percent decrease in the estimated future profitability would have resulted in patents, equipment and other assets being impaired to \$Nil.

11) Other assets

	Balance
Balance as at 31 March 2024	\$ 60,585
Additions	8,256
Impairment (Note 10)	(27,003)
Balance as at 31 March 2025	41,838
Additions	3,462
Balance as at 31 December 2025	\$ 45,300

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12) Equipment

	Leasehold Improvement	Furniture, Fixtures and Equipment	R&D Tools and Equipment	Warehouse, Lab and Prototype Equipment	Total
Cost:					
Balance, 31 March 2024	\$ 21,129	\$ 97,909	\$ 511,984	\$ 164,425	\$ 795,447
Additions	-	16,684	77,317	278,855	372,856
Impairment (Note 10)	(3,237)	(17,556)	(90,285)	(42,723)	(153,801)
Impact of foreign exchange	308	1,673	6,630	6,470	15,081
Balance, 31 March 2025	\$ 18,200	\$ 98,710	\$ 505,646	\$ 407,028	\$ 1,029,584
Additions	-	1,710	45,946	160,663	208,319
Disposals	-	(460)	-	-	(460)
Impact of foreign exchange	(50)	(777)	6,835	(3,205)	2,803
Balance, 31 December 2025	\$ 18,150	\$ 99,183	\$ 558,427	\$ 564,486	\$ 1,240,246
Accumulated Depreciation:					
Balance, 31 March 2024	\$ (10,519)	\$ (59,879)	\$ (306,882)	\$ (72,681)	\$ (449,961)
Additions	(6,132)	(21,582)	(162,302)	(151,304)	(341,321)
Balance, 31 March 2025	\$ (16,651)	\$ (81,461)	\$ (469,184)	\$ (223,985)	\$ (791,281)
Additions	(1,499)	(11,268)	(38,029)	(105,976)	(156,772)
Balance, 31 December 2025	\$ (18,149)	\$ (92,729)	\$ (507,213)	\$ (329,961)	\$ (948,052)
Carrying Amount					
Balance, 31 December 2025	\$ -	\$ 6,454	\$ 51,214	\$ 234,525	\$ 292,193
Balance, 31 March 2025	\$ 1,549	\$ 17,249	\$ 36,462	\$ 183,043	\$ 238,303

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13) Right of use assets

The right of use asset is amortized on a straight-line basis over the term of its leases related to its Sydney office.

	Balance
Balance as at 31 March 2024	\$ 299,070
Additions	3,662
Depreciation	(206,766)
Impact of foreign exchange	6,716
Balance as at 31 March 2025	102,682
Additions	490,175
Depreciation	(174,216)
Impact of foreign exchange	10,871
Balance as at 31 December 2025	\$ 429,512

14) Lease liability

During the year ended 31 March 2024, the Company successfully transferred out of its lease obligation relating to the head office space located in North Vancouver. Subsequently, the Company signed a new month-to-month operating lease for the new head office location in Burnaby.

The Company also holds lease liabilities for leases related to its Sydney office. During the nine months ended 31 December 2025, the leases were renewed for one-year term with an option to extend an additional year. The incremental borrowing rate for the nine months ended 31 December 2025 was 7% (31 March 2025 – ranged from 4% - 7%).

	Balance
Balance as at 31 March 2024	\$ 307,956
Lease accretion	14,537
Payments	(227,357)
Impact of foreign exchange	(2,775)
Balance as at 31 March 2025	\$ 92,361
Additions	490,175
Lease accretion	9,409
Payments	(192,480)
Impact of foreign exchange	2,669
Balance as at 31 December 2025	\$ 402,134
Lease liability – current portion	259,195
Lease liability – non-current portion	142,939
Total lease liability	\$ 402,134

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15) Share capital and reserves

a) Authorized

The authorized share capital is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting of only common shares are fully paid. There were 222,194,076 (31 March 2025 – 222,194,076) fully paid common shares issued and outstanding as at 31 December 2025.

b) Options and warrants

During the nine months ended 31 December 2025, the Company granted nil options (31 March 2025 – 1,250,000 options) to directors, officers, employees, and consultants of the Company. During the three and nine months ended 31 December 2025, the Company recognized \$71,914 and \$18,636 (2024 - \$51,644 and \$218,080 respectively) in share-based payments on granted options.

Stock option transactions and the number of stock options outstanding are summarized below:

	For the Nine Months Ended 31 December 2025	Weighted average exercise price	For the Year Ended 31 March 2025	Weighted average exercise price
Balance – beginning of period	39,700,000	\$ 0.13	41,566,664	\$ 0.16
Granted	-	-	1,250,000	0.05
Expired/Forfeited	(6,350,002)	0.05	(3,116,664)	0.22
Balance – end of period	34,349,998	\$ 0.08	39,700,000	\$ 0.13

Details of stock options outstanding are as follows:

Expiry Date	Exercise price	31 December 2025	31 December 2025	31 March 2025	31 March 2025
		Outstanding	Exercisable	Outstanding	Exercisable
24 February 2026	\$ 0.54	1,400,000	1,400,000	1,400,000	1,400,000
25 March 2027	\$ 0.10	3,250,000	3,250,000	3,450,000	3,450,000
25 August 2027	\$ 0.11	2,700,000	2,700,000	3,100,000	3,100,000
10 July 2028	\$ 0.05	14,250,000	10,933,319	15,350,000	9,774,988
15 August 2028	\$ 0.05	4,249,998	4,249,998	8,500,000	4,249,998
15 November 2028	\$ 0.05	1,000,000	666,664	1,000,000	333,332
17 March 2029	\$ 0.05	5,250,000	3,499,996	5,250,000	1,208,332
27 May 2029	\$ 0.05	1,250,000	624,999	1,250,000	208,333
		33,349,998	27,324,976	41,566,664	17,858,325

The outstanding options have a weighted average exercise price of \$0.08 (31 March 2025 – \$0.09) and the weighted average remaining life of the options is 2.39 years (31 March 2025 – 3.13 years).

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There were no options granted during the nine months ended 31 December 2025. The fair value of the options granted during the year ended 31 March 2025 were determined on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	For the Year Ended 31 March 2025
Risk free interest rate	3.55%-4.05%
Expected life of options (years)	5
Expected annualized volatility	73.85%-77.37%
Expected dividend yield	Nil
Weighted average Black-Scholes value of each option	\$0.01-\$0.03

16) Related party transactions and balances

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 statements of comprehensive loss, and include the following expenses recognized during the nine months ended 31 December 2025:

	For the Nine Months Ended 31 December 2025		For the Nine Months Ended 31 December 2024		For the Three Months Ended 31 December 2025		For the Three Months Ended 31 December 2024
Principal Position Rounded (000's)							
Wages and short-term benefits	\$ 627,200	\$	681,000	\$	246,000	\$	220,000
Share based payments (Note 15)	43,000		133,000		12,000		30,000
Total remuneration	\$ 670,200	\$	814,000	\$	258,000	\$	250,000

Included in amounts payable on the condensed interim consolidated statements of financial position is \$162,082 (31 March 2025 - \$33,906) due to related parties with respect to professional fees, wages, deferred wages and short-term benefits, and expense reimbursements, and are non-interest bearing and due on demand to certain directors and officers.

Breakdown of the deferred wages, salaries and directors' fees in relation to related parties as at 31 December 2025 are as follows:

	For the Nine Months Ended 31 December 2025		For the Nine Months Ended 31 December 2024		For the Three Months Ended 31 December 2025		For the Three Months Ended 31 December 2024
Principal Position Rounded (000's)							
Deferred wages and salaries	\$ 46,000	\$	-	\$	-	\$	-
Director's fees	113,000		-		38,000		-
Total deferred wages and salaries and directors' fees	\$ 159,000	\$	-	\$	38,000	\$	-

During the nine months ended 31 December 2025, certain directors and officers agreed to defer payment of director's fees and wages totalling \$159,000. These amounts are unsecured, non-interest bearing and are short-term in nature, and are represented in amounts payable and accrued liabilities.

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During the nine months ended 31 December 2025, the Company incurred \$5,500 (31 December 2024 - \$2,415) in legal fees from a company in which a director is a partner. The Company also incurred \$41,256 (31 December 2024 - \$41,063) 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.

17) Supplemental information for statements of net loss and comprehensive loss

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
The sales and marketing expense consisted of the following:				
Salaries and wages	\$ 333,122	\$ 486,278	\$ 127,375	\$ 155,494
Promotion, marketing and travel	19,334	34,387	8,301	10,983
Commission and other fees	250,967	445,767	100,875	141,563
Total	\$ 603,423	\$ 966,432	\$ 236,551	\$ 308,040

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
The research and development expense consisted of the following:				
Salaries and wages	\$ 464,300	\$ 657,828	\$ 178,454	\$ 203,230
Professional and consulting	31,941	16,451	-	1,886
Product research	8,751	6,815	-	2,531
Total	\$ 504,992	\$ 681,094	\$ 178,454	\$ 207,647

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
The general and administrative expense consisted of the following:				
Salaries and wages	\$ 1,417,587	\$ 1,601,352	\$ 440,054	\$ 518,679
Professional and consulting	207,293	249,012	53,159	74,128
Office expense	376,240	516,016	144,814	136,281
Directors fees	72,000	72,000	24,000	22,000
Total	\$ 2,073,119	\$ 2,438,380	\$ 662,026	\$ 751,088

18) Revenue

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
Contract revenue - Photoluminescence imaging tools and instruments	\$ 1,799,393	\$ 5,393,194	\$ 425,828	\$ 1,396,542
Tool maintenance and service revenue	172,037	106,005	2,855	19,959
Total Revenue	\$ 1,971,430	\$ 5,499,199	\$ 428,683	\$ 1,416,501

Revenue that will be recognized subsequent to the nine months ended 31 December 2025 relating to contracts partially completed is expected to be \$328,722 (31 March 2025 -\$493,988).

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	For the Nine Months Ended 31 December 2025	For the Year Ended 31 March 2025
Deferred revenue		
Deferred revenue, beginning	\$ (1,733,724)	\$ (2,318,057)
Additional deferred revenue in the period	(1,626,366)	(3,401,335)
Recognized as revenue during the period	1,394,565	4,026,871
Impact of foreign exchange	62,927	(41,203)
Deferred revenue, ending	\$ (1,902,598)	\$ (1,733,724)

The Company recognizes two different revenue streams, which includes, contract revenue relating to the imaging hardware, with the embedded software, and the related bundled service to install the tools and supplementary maintenance and customer service. Deposits received against a contract is recognized as deferred revenue liability until such time that the title has transferred to the customer or, the related services has been performed, at which point the related performance obligation has been met, and revenue is recognized. Revenue on supplementary services is recognized once the service has been completed and the obligation to the customer met.

19) Loans and borrowings

The Company's financial liabilities include a short-term and long-term loan. The details of the loans are as follows:

Short-term loan

During the fiscal year ended 31 March 2025, the Company entered into a short-term loan agreement with Paddington St. Finance No 1 Pty Ltd, having a place of business in Paddington, New South Wales, Australia. The total maximum loan amount equals AUD1,615,000, which consists of a Tranche A facility amount of AUD755,000 and a Tranche B facility amount of AUD860,000. The Tranche A loan of AUD755,000 was drawn on 31 March 2025. The loan bears interest at a fixed rate of 12.5% per annum with a payment date of the last day of each quarter from the first drawdown date, with the final interest payment being on the final repayment date. The final repayment date for Tranche A is 31 August 2025 and Tranche B is 31 August 2026. The loan is secured by the Company's estimated refundable research and development offset credits relevant to the fiscal 2025 tax year. The loan bears a 2.0% per month breach of interest rate and a default interest rate of 2.75% per month. During the nine months ended 31 December 2025 the Tranche A loan of AUD755,000 was repaid, including all interest and fees.

Short-term borrowings

The Company maintains a \$2,000,000 trade import advance facility (the "facility") to provide working capital for the purchase and import of inventory. The facility is subject to an annual review by the lender, who may cancel or reduce the limit upon 90 days written notice. Trade advances have fixed tenors between 30 and 150 days and bear interest at the bank's base rate for the relevant currency plus a margin of 3.1% p.a., fixed at the time of the drawdown and payable at maturity. A facility line of 1.00% p.a. is payable monthly in arrears on the total facility. The facility is security by a first-ranking charge over all present and after-acquired property of the Company. As at 31 December 2025, trade import advances totalled \$113,446 (31 March 2025, \$Nil).

Long-term loan

During the fiscal year ended 31 March 2024, the Company refinanced the \$40,000 CEBA loan with its banking institution through a variable rate term loan. The remaining loan shall bear interest of prime plus 1.29% per annum, with equal payments over 5 years.

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20) Provisions

	For the Nine Months Ended 31 December 2025	For the Year Ended 31 March 2025
Warranty provision	\$ 11,030	\$ 40,335
Employee service leave	57,140	50,900
Total provision	\$ 68,170	\$ 91,235

Warranty

The Company provides a basic one-year product warranty (“warranty period”) on its tool sales. Under the terms of this warranty the Company will replace or repair components in the hardware if it fails to perform in accordance with the published specifications, during the warranty period. These assurance-type warranties are not considered to be performance obligations, so revenue is not allocated to them. As at 31 December 2025, the Company estimates the costs relating to these warranties at \$11,030 (31 March 2025 – \$40,335).

Employee long-service leave

Employees reach an unconditional legal entitlement to long-service leave when they work for the same Company for a qualifying period of service (typically ten years). For shorter periods, long-service leave may be payable on exit in some (but not all) circumstances. As at 31 December 2025, the Company estimates the costs relating to employee long-service leave at \$32,405 (31 March 2025 – \$50,900).

The estimated costs of the warranties and employee service leave are recognised as provisions under IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’.

21) 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 believes that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements.

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22) Income taxes

A reconciliation of income taxes at statutory rates (combined Canadian federal and BC provincial rate of 27%) with reported taxes is as follows:

	31 December 2025	31 March 2025
Current tax expense (recovery)	\$ 281,447	\$ (208,000)
Deferred tax	-	163,000
Total income tax (recovery)	\$ 281,447	\$ (45,000)

	31 December 2025	31 March 2025
Beginning balance	\$ (68,201)	\$ 95,784
Resulting from BTi acquisition	-	-
Recovery through profit and loss	-	163,985
Net deferred tax liability	\$ (68,201)	\$ (68,201)

Tax attributes are subject to review, and potential adjustments by tax authorities.

23) Segmented disclosure

The Company operates in one reportable operating segment, being the development, manufacturing and marketing material inspection and inline quality control systems for the solar polysilicon, wafer, cell, and module manufacturing industries.

The geographic segmentation of the Company's non-current assets is as follows:

	As at 31 December 2025	As at 31 March 2025
Non-current assets*		
Canada	\$ 118,185	\$ 115,458
Australia	981,633	646,233
Total	\$ 1,099,818	\$ 761,691

*(excluding deferred tax assets)

The geographic segmentation of the Company's sales based on customer location is as follows:

	For the Nine Months Ended 31 December 2025	For the Nine Months Ended 31 December 2024	For the Three Months Ended 31 December 2025	For the Three Months Ended 31 December 2024
China	\$ 895,719	\$ 3,690,751	\$ 200,891	\$ 136,755
International (excluding China)	1,075,711	1,808,448	227,792	1,279,746
Total Contract Revenue	\$ 1,971,430	\$ 5,499,199	\$ 428,683	\$ 1,416,501

While the Company's sales for the nine months ended 31 December 2025 of \$1,971,430 (2024 – \$4,937,925) were not predominantly concentrated in Asia, the Company is exposed to significant concentration in that region. During the nine months ended 31 December 2025, the Company did not depend on any single customer for more than 10% of its revenues for the period.