novra
TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

Years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

The following Management's Discussion and Analysis ("MD&A") of Novra Technologies Inc. ("Novra") should be read in conjunction with the Consolidated Financial Statements for the years ended December 31, 2024 and 2023, and related notes included therein (the "Consolidated Financial Statements"). These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All information in this MD&A is presented in Canadian dollars, unless otherwise indicated. Tabular dollars are in thousands, except per share amounts. **Amounts in tables may not reconcile due to rounding differences.**

Throughout this MD&A, "we", "us", "our", "Novra", and "Company" refer to Novra Technologies Inc. and its subsidiaries.

This MD&A is dated as of April 27, 2025 and is current to this date. The MD&A and the Consolidated Financial Statements were approved and authorized for issuance by the Board of Directors on April 27, 2025.

Financial statements, MD&A and other information relating to Novra are available on SEDAR+ at www.sedarplus.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities laws, concerning but not limited to: our outlook, the expected cost savings from integrating Wegener operations with the Novra Group, proposed acquisition of remaining 48.4% of Wegener, anticipated developments in our operations in future periods, the adequacy of Novra's financial resources and other events and conditions that may occur in the future. Forward-looking statements are generally identifiable by words such as "expect", "anticipates", "believes", "intends", "estimates", "predicts", "potential", "promising", "targeted", "plans" "possible", "position for", "prepare for" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. As such, forward-looking statements are not historical facts but reflect our current assumptions and expectations regarding future events. These are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations and assumptions. Some of these risks and uncertainties are described herein under the "Risks and Uncertainties" section of this MD&A.

For the above reasons, readers are cautioned not to place undue reliance on forward-looking statements.

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BUSINESS OVERVIEW

Novra Technologies Inc. (headquartered in Winnipeg, Canada) is a public company on the TSX Venture Exchange ("TSX-V"), which trades under the stock symbol NVI. Novra is also listed in the United States on the OTCQB Venture Exchange, under the symbol NVRVF. Novra owns International Datacasting Corporation ("IDC") based in Ottawa, ON, Canada, as well as controlling interest in Wegener Corporation ("Wegener"), based in Atlanta, GA, USA. Both are long-time leaders in multimedia broadband distribution infrastructure. Together they make up the Novra group of companies ("Novra Group"). For more background see the website at www.novragroup.com.

Novra is a global business with customers on every continent. We provide technology for distribution of broadband data via satellite and IP networks with a specialization in broadcast media. The Novra Group companies offer a comprehensive portfolio of products, systems, and services. Products include hardware and software tailored for advanced applications in key vertical markets: video, radio, and data distribution, digital cinema and digital signage. Areas of expertise and added value include: encryption, next-generation hybrid networks (satellite/terrestrial/cloud), and efficient bandwidth utilization. Novra also has a long and successful history of providing highly-reliable customized hardware, software and service solutions to meet the specific requirements of businesses and governments across the globe.

About our business

Both market-leading standard offerings and customer-specific solutions

Novra companies are recognised for applying our extensive expertise, experience and intellectual properties to meet the specific needs of customers. This can be in the form of integrating our products into powerful systems, making incremental developments to tailor them for specific applications, or designing bespoke hardware, software or solutions. Our building block approach to development has resulted in a toolbox full of components that can form the foundation for quickly delivering new products and custom solutions, particularly in the areas of media distribution over a variety of distribution channels; highly-secure encrypted communications; satellite, ATSC or cable system receivers; or management and control of large fleets of devices (IoT);

Media distribution

The media distribution landscape is going through major upheaval driven by a combination of market and technology factors. Important changes include:

- **Content is changing.** With the explosion of streaming media—video and audio—long form content, limited series, live versus on-demand, the demand for media is growing and evolving.

- **Revenue models are changing.** Advertising can be much more precisely targeted. New subscription models are emerging. Licensing and underwriting practices are changing. Content is being accessed in more granular models (e.g., through specific apps vs. bouquets of live channels).

- **Expense model preferences are changing**. Some businesses are embracing the trend away from one-time infrastructure CAPEX and toward OPEX, paying over time for products and services as they use them. They are often looking to minimize the up-front expense of large infrastructure investments and instead move toward pay-as-you-go operating expenses. At the same time, others are taking a longer view and moving back toward a preference for one-time CAPEX investments in an effort to minimize total cost of ownership over the long term.

- **Distribution platforms and architectures are changing.** The legacy model of distribution of channel-based media as a broadcast via satellite- "point to multipoint"- is evolving into a bandwidth intensive hybrid satellite/internet model.

These changes are happening fast and networks are looking for infrastructure that can support these changes - solutions that are adaptable and upgradeable and that can be provided as products and/or services. In many cases this means a move away from purpose-built hardware to software- and service-centric solutions that are scalable, flexible, and cost-effective. We are focused on providing the technology and expertise to advance this paradigm shift.

Embracing and enabling change: designing for today and tomorrow

While addressing the current needs of our customers and key markets, our business strategy is always driving to meet emerging needs through innovation. We're:

- **Targeting the applications and geographical markets where satellite technology still thrives** including government applications (communications, weather, defense) in North America and around the world, international markets where geographical population distribution is wide and availability of terrestrial broadband is low (such as Latin America and Australia), as well as longtime customers with legacy networks that continue to evolve and grow.

- **Diversifying into hybrid and IP distribution where we have competitive advantages and see opportunity.** Our products support both satellite and IP distribution and are designed for maximum interoperability.

- **Broadening the available solution architectures**. Our software-based products are available on purpose-built appliances, can be run on off-the-shelf hardware or can be provided as cloud-based services. This provides our clients with the option to use the combination of architectures that best meets their needs.

- **Addressing our customers' need for migration strategies**—We have the expertise and solutions to be a valuable partner to networks as they plan their approach to evolving business needs, new technologies and changing market conditions. We partner with our customers to help them decide whether, when, and how to migrate their systems.

Smart products:

We are taking innovative initiatives to improve functionality, reduce costs, and open new markets for our products:

- We continue to be pioneers in cloud delivery for broadcasters. Our **MISTiQ** managed cloud solution for broadcasters is now in its third generation. It's a mature, proven platform that allows broadcasters (radio and/or video) to use the internet for backup/redundancy, to expand their reach beyond the satellite footprint, even to migrate completely to internet delivery.

  The internet is an inhospitable environment for broadcasting, which requires low-latency and reliable timing. MISTiQ uses aggressive strategies for mitigating the challenges of this environment and provides extremely low-latency and high availability. It features a containerized microservices architecture for extensive scalability and includes feature-rich monitoring tools to give customers more visibility and control over their data.

- We also continue to expand our **MAP** series of products. MAP stands for Modular Architecture Platform and it is designed as a set of building blocks that can be put together in various combinations to form a resilient, reliable hardware platform customized/adapted to particular vertical markets or specific customer requirements. For example, MAP Pro Audio has professional balance audio outputs, MAP Pro Cinema has expanded on-board storage for very large files, and MAP Pro Video has specialized video outputs. By using common elements, we reduce both the time to market and inventory requirements.

- We are expanding the list of our products that can be virtualized, offered as software on off-the-shelf servers or in the cloud. This offers our customers new flexibility and versatility to simplify their network design and minimize costs. For some time we have virtualized our head-end control systems, greatly decreasing the complexity of head ends and making them more cost-effective. Now we are introducing virtualization in our MISTiQ and audio product lines including Audiocaster Pro. The virtualized Audiocaster Pro (which we first demonstrated at the 2024 NAB Show) enables broadcasters to incorporate full network broadcast reception technology (Audiocaster Pro) into their modern virtualized infrastructure such as consoles. Additionally, by virtualizing our MISTiQ Gateway, for example, we can integrate our MISTiQ broadcast technology in third-party devices such as Encoders - again reducing cost and complexity.

- We continue to lead the market in IP Encapsulation and encryption solutions, as well as lifecycle support for mission-critical networks.

Our business focus:

We are leaders in an important market niche—**mission-critical professional networks that require rapid, ultra-reliable content delivery**, whether for sharing vital weather data critical to forecasting and aviation control, a live on-air broadcast, urgent secure defence data, the latest Hollywood blockbuster, or encrypted block chain data. Our core product lines are applicable across a range of vertical markets. This provides a diversified business base. Our target vertical markets are:

- *Data distribution:* Our broadband multimedia distribution technology is ideally suited for fast, ultra-reliable, secure delivery of data via satellite or private IP network. In addition to providing hardware infrastructure (transmit and receive), we offer an advanced content distribution network (CDN) software solution, Datacast XD, with sophisticated file broadcasting capabilities and Cyphercast, a specialized software solution to encrypt high-value data and streams where security is paramount.

- *Broadcast Radio:* We are a leading global provider of turnkey infrastructure solutions for broadcast radio networks small, medium, and large. We have a reputation for reliable, cost-effective delivery of high-quality audio via satellite, terrestrial, or hybrid networks. The radio product line includes uplink and receive-site equipment as well as network management, encryption, and targeted regionalization/ad insertion options. We have long-established and respected product lines as well as innovative new products recently released for this market and disruptive leading-edge new products in development.

- *Satellite and terrestrial broadband receivers:* We offer a line of highly reliable and cost-effective DVB and ATSC compliant receivers for the expanding broadband communications network market. These receivers provide standalone communication gateways to local networks or have been integrated into a wide range of purpose-built appliances.

- *Video distribution: Our* products and systems provide end-to-end solutions for traditional and non-traditional video networks. This is a key focus area for our innovation activities, including projects in augmented reality, remote collaboration, and emerging technologies. Our video products target the following key market niches:
  - Delivery of live and file-based video content distribution

- Digital signage
- IPTV
- Professional-quality streaming video
- Broadcast video networks of all sizes
- Digital program insertion (for targeted advertising, regionalization, and blackout management)

- *Digital Cinema:* We provide leading digital cinema networks with their core distribution infrastructure (uplink equipment, content management, and network management) and high-end appliances for cinemas as well as decoders for live events and alternative content (entertainment and sports) in 2D and 3D. Additionally, we offer a digital cinema distribution software solution for integration onto commercially available servers and third-party equipment. This product line enables our solutions to provide secure file delivery speeds that are unparalleled in the market and ultra-low latency internet distribution for live events.

In addition to addressing these broad market requirements, we are focused on being valued partners to our customers, addressing their particular challenges and opportunities. We are continuing to invest in understanding our customers' businesses and providing the products, services and expertise to support their success. At the same time, we are drawing on the specific domain knowledge and operational expertise of selected customer-partners in driving the direction of our future offerings, including virtualized products and SAAS services.

Our competitive advantage is our people and their 30 years of knowledge and experience in developing innovative products along with the deep relationships that we have established with our international network of reseller partners and, of course, our clients. These close customer relationships give us important market insights that, combined with our extensive engineering experience, form the foundation for our continuing development of advanced products and flexible solutions.

OVERALL PERFORMANCE

Overall, 2024 was a challenging year, as we expected and previously shared, but performance improved as the year progressed. Novra's bookings and revenue early in the year were substantially impacted by the effects of geopolitical instability in various regions, elevated interest rates, and the challenges customers in some of our key market segments were facing to find profitability, which delayed their purchases of new products and services. However, bookings and overall results improved in the fourth quarter compared to earlier quarters of the year. These increased bookings resulted in more than $1.7 million in backlog being brought forward into 2025, compared to just $75 thousand that was carried into 2024. This, combined with more than $1.1 million in deferred revenue, provides Novra with a significant pool of already-booked orders coming into 2025.

Since the start of 2025, escalating economic and geopolitical uncertainty has slowed many of our customers' businesses and increased their hesitancy to make investments needed to modernize and enhance their infrastructure. Increasing protectionism and tariff turmoil is creating an ever shifting and complex environment for businesses, including ours. However, Novra has taken targeted steps to mitigate these types of risks over the last several years by maintaining our manufacturing facilities in Canada and the US and shifting most of our subcontractors supply chain to North America. As a result, Novra is positioned better than many to weather this storm. Also, being a Canadian company, while Canada is maintaining international trade agreements and positive trade relationships in countries across the globe, provides us with additional flexibility and positions us to respond to changes in the global trade environment relatively quickly. However, the overall impact of current and any future protectionist efforts by US and other governments to curb free international trade cannot be predicted and may be substantial.

Lower than usual revenue in 2024 led to a net income loss of $1.7 million and Adjusted EBIDA loss of $891 thousand. However, performance began to improve in the final quarter of the year, with Adjusted EBIDA for the fourth quarter of positive $34 thousand and substantial new bookings resulting in more than $1.7 million in order backlog coming into 2025. Our operating costs continued to trend lower year over year despite inflationary pressures, and we will continue to take all necessary steps to adjust expenditures to address revenue uncertainty.

Our current healthy inventory level of over $992 thousand, is allowing us to ship many recent and incoming orders from stock and at costs that were not affected by increased tariffs on production inputs.

Although escalating economic and political uncertainties are delaying investments in infrastructure, equipment replacements and upgrades are becoming increasingly necessary over time, due to technology obsolescence, aging equipment, and new business requirements, including the need to harden networks against escalating cybersecurity threats. Over the past several months we have seen increased orders and opportunities from defence organizations, who are investing in high-reliability technology upgrades and network expansion for their secure communications networks. We are also seeing other customers begin to move forward with infrastructure upgrades that are specifically targeted to maximize their network security.

In adapting to these evolving market dynamics, management has, and will continue to, take targeted actions – both in the form of strategic investments and in cost controls. The changes we are seeing are bringing both opportunities and challenges. We continue to invest in innovation initiatives to help our customers succeed in their changing markets. We are also leveraging our deep customer relationships to identify and understand their current and future technical requirements and using this knowledge to adjust our research efforts and position Novra for future growth. Concrete examples of this include our recent delivery of next-generation data receivers for successful qualification under a government-wide program and initiation of new partnerships to expand our offerings for broadcast monitoring and control.
Novra's cash position at December 31, with approximately $1.1 million in bank deposits, and a bank credit facility of $1.2 million, provide a substantial $2.3 million pool of liquid funds.

The financial highlights shown below are derived from our Consolidated Financial Statements and include consolidation of Novra's subsidiaries; International Datacasting Corporation and Wegener Corporation (51.6% controlling interest).

Q4 2024 vs. Q4 2023:

- Revenue was $1.5 million in Q4 2024, compared to $2.9 million in Q4 2023, a decrease of $1.4 million. The year over year decrease is primarily the result of reduced bookings earlier in 2024 and lower backlog coming into the year compared to 2023. However, bookings and revenue in Q4 2024 increased significantly over previous quarters of 2024.
- In Q4 2024, gross profit was $625 thousand, representing 42.1% of total revenue, compared to $1.6 million, which was 54.2% of total revenue. The gross profit percentage in Q4 2024 was lower than the historic average, while it was higher than average in Q4 2023. The year to year variation is the result of the certain fixed costs being spread across lower total revenue in 2024 and the specific product service mixes in each quarter.
- Operating expenses were $730 thousand in Q4 2024, compared to $891 thousand in Q4 2023, a decrease of 18% despite inflationary pressures. This was significantly impacted by reduced general and administrative expenses.
- Net Loss was $107 thousand, compared to a gain of $509 thousand in Q4 2023. This net loss in 2024 was driven by lower revenue. Of note, net loss continued to improve from earlier quarters in 2024.

- Adjusted EBITDA* was a gain of $34 thousand, compared to Adjusted EBITDA* gain of $832 thousand in Q4 2023.The difference was primarily a result of a net income loss in Q4 2024 compared to positive net income in Q4 2023, along with the effects of a foreign currency gain in Q4 of 2024 compared to a loss in 2023.

2024 vs.2023:

- Revenue was $4.0 million in 2024, compared to $7.4 million in 2023, a decrease of $3.5 million. This is primarily the result of less order backlog being brought into 2024 and slower bookings early in the year.
- In 2024, gross profit was $1.9 million, representing 47.1% of total revenue, compared to $4.1 million in 2023, which was 54.8% of total revenue. 2023 gross profit was higher than average because of specific higher-margin service contracts delivered during the year and 2024 was lower than average because certain fixed costs were spread over lower revenue.
- Operating expenses were $3.4 million in 2024, compared to $3.7 million in 2023, a reduction of 8%. This was most affected by a 20% decrease in general and administrative costs, some of which resulted from Novra's CEO forgiving most of his compensation in 2024.
- Adjusted EBITDA* for 2024 was a loss of $891 thousand, compared to an Adjusted EBITDA* gain of $845 thousand in 2023. The decrease was mostly driven by the net income loss in 2024.

*Adjusted EBITDA is a non-IFRS financial measure. Adjusted EBITDA provides an important financial measure of Novra's operating performance, allowing comparison of core operating results from period to period. Refer to the "EBITDA and Adjusted EBITDA" section and the table under the "DISCUSSION OF OPERATIONS" section for details regarding calculation of this non-IFRS measure.

Our ongoing drive to realize synergies and efficiencies across the group continued to result in reductions in on-going consolidated operating expenses compared to previous years. We will continue to actively control and adjust operating expenses in response to company performance and current volatile market conditions.

Results and Outlook

Often-changing tariffs, increasing trade barriers and escalating uncertainty in the overall environment for international trade, along with ongoing armed conflicts, still-elevated interest rates, and the potential for local or global recession are causing many entities to delay large capital purchase commitments. All of these influences have, and are expected to continue to, put downward pressure on revenue and gross profit. Novra's adaptive strategy to deal with these challenges includes maintaining production capabilities in both Canada and the US, closely managing operating expenses, remaining flexible to respond to changing conditions, and investing strategically to ensure we are positioned well to respond to customer needs when they make the decision to purchase.

Our clients continue to navigate and adapt through these challenging circumstances to ensure operational reliability of their networks. We play a major part in helping them to achieve their goals by providing expert support services, powerful new products, and customized solutions, which enhance their networks and enable more reliable service to their customers. Their continued confidence in choosing our products and services is demonstrated in the many repeat orders and service renewals we receive. We continue to pride ourselves on being a partner to our customers, there to support through all business cycles.

Our targeted marketing efforts and our client-centric R&D activities have resulted in new products and service offerings, which generated enthusiastic responses from government and broadcast customers at recent tradeshows and in one-on-one sales visits and partner discussions. We also continue to invest in development of new technologies for use in future products. We are consistently flexible in our product development, with an eye on technological trends and new communications standards, to ensure our products remain relevant throughout their life cycle and provide a valued investment to our clients.

An important component of our R&D strategy is an emphasis on software and services. One example is the recent development of our Cortex network management and control platform for managing large and small networks of IoT devices. Another has been the on-going development and enhancement of the MISTiQ platform for cloud-based distribution of content. We are also virtualizing certain products – breaking their dependence on specific hardware, so they are available as software run on purpose-built appliances, on off-the-shelf hardware, or provided as cloud-based services. This approach is increasingly popular with customers who want the option to source their own hardware or move to a service-based solution. Transitioning to more recurring revenue from software licenses and services also supports our strategic goal to generate a more consistent and predictable recurring revenue base. The work we've done and our substantial R&D investment over the past several years is paying off as we book more service business, including the recent selection by two major Canadian broadcasters of MISTiQ for their cloud-based content distribution, and these service contracts continue to renew.

Highlights of 2024 and Early 2025

In 2024 we saw many ongoing customers taking small steps to refresh and/or expand their networks at a cautious pace influenced by their challenging market conditions and some positive indications that certain customers were beginning to move ahead with larger projects. Our on-going technology enhancements going forward are informed by our customers' requirements and targeted at providing the new features that can immediately benefit their businesses. This includes shifting to IP and hybrid satellite networks and offering software- and service-based solutions.

Some of our significant recent developments include:

- **Customer Specific Solutions:** In keeping with our long history of providing customers with specialized solutions, based on our suite of highly reliable off-the-shelf products and our engineering expertise to configure or modify them as needed, orders for non-recurring engineering and customization of products increased as customers looked for solutions that meet their specific business and technical requirements.

- **Major European Radio Network Order:** We received a large order to provide next-generation distribution infrastructure to reliably control and deliver audio content to hundreds of radio stations for a major European broadcast radio network. Deliveries began in early December and continue into the first half of 2025. While details cannot be shared at the current time due to confidentiality considerations, more information is expected to be released as the system is commissioned.

- **IP Infrastructure:** A new order from a US based weather data service for a number of our IPE-4000A IP Encapsulators reflects our continued longevity in key internet protocol infrastructure technology. We are also now taking orders for our next-generation IP Encapsulator that began shipping in early 2025.

- **Current and Next-Generation High-Reliability Products:** We continue to receive orders related to our high-reliability products used in US government projects. The strong interest in this area is on-going and we recently released an updated MAP PRO Data that adheres to the Department of Defence Security Technical Implementation Guide (STIG). This brings cybersecurity to the next level in our products—increasingly important in both the commercial and government markets of our industry. Government customers have recently completed evaluations of our next generation of satellite receivers, which include integrated advanced encryption functionality, with favourable results to qualify these for use in this market long into the future.

- **New Management & Control Platform:** In Q3 we announced that we had initiated development of an integrated next-generation control and management platform. The resulting Cortex platform was launched at NAB in April 2025. This system leverages modern IoT protocols and is architected to be capable of managing large and small networks of various types of IoT devices, including our own receivers, with the flexibility to tailor it for the specific requirements of different networks. The initial implementation is specifically targeted at meeting the needs of the broadcast radio industry.

- **Meeting with Customers and Showcasing our Offerings:** In 2024 we expanded marketing and sales activities to close pending opportunities and generate new ones. These activities included visiting several existing customers as well as attending key conferences and trade shows, including NABShow 2024, the Satellite 2024 show, the 2024 Public Radio Engineering Conference, and IBC 2024 in Amsterdam. These activities positively impacted bookings and have continued into 2025. Already this year we've participated in several industry events including Canada's Western Innovation Forum, the Satellite 2025 Conference and Exhibition in Washington DC as well as the new GovMilSpace show. We successfully exhibited at the NABShow 2025 in Las Vegas, meeting with customers and partners, as well as contacts old and new.

- **Sharing Our Expertise:** VP of Marketing and Sales, Diana Cantu, represented the company on a panel at the prestigious World Broadcasting Union's International Media Connectivity Group (WBU-IMCG) Forum in Boston, USA, hosted by Verizon and NABA. The panel brought together a group of international experts on the topic: "The Role of Satellites in a Changing Media Landscape".

- **SMPTE Technical Conference Participation:** Recently we actively engaged with industry leaders at the SMPTE Technical Conference, themed "When Media and AI Meet." Our participation included a booth where we showcased our latest innovations and facilitated lively discussions with customers and industry experts. The conference provided an invaluable platform to exchange ideas on how new technologies are shaping the future of media distribution.

- **MISTiQ's Growing Momentum:** Our cloud service for broadcast, MISTiQ, continues to see traction in the market and is currently delivering content for networks in various markets and locations from Canada to Australia. We are particularly pleased that our existing customers continue to renew their contracts with us for this business-critical service. As the broadcast industry increasingly moves to terrestrial delivery and software solutions in order to reduce costs and extend reach, we are there to help with proven products and service.

- **Legacy Product Inventory Management:** In line with our commitment to support long-time customer networks, we have maintained strategic inventory of specific legacy products. This initiative continues to support our long-standing customers in maintaining their operations without disruption while we at the same time progress innovative solutions for the future.

- **New Government Market Partners:** As part of the uptick in our government business, we are expanding the number of partners we work with to support various government and defence-related initiatives in the US and with our allies around the world.

- **Long Term Sustainable Networks:** Orders for support contract renewals and equipment to maintain and grow existing networks—across all vertical markets and sectors including government and commercial clients—are strong as we support our customers in maintaining long-term sustainable networks as they continue to operate existing infrastructure longer.

- **New and Expanding Video Networks:** We received an order from a new customer for a new video network in Morocco as well as follow on orders from video broadcasters in Europe, Asia, and Latin America.

- **Audio Network Upgrade:** We won a competitive tender to upgrade a long-time radio network customer in Europe to replace aging network infrastructure with new MAP Pro Audio receivers.

- **Expansion in Digital Signage/Enterprise Video:** We received additional follow-on orders from a digital signage/enterprise video network in the health care sector that is adding new channels based on our next-generation Signcaster Pro, an order to expand the digital signage network of an international bank and other orders from digital signage customers in the US and Mexico and digital signage advertisers in Canada. These orders further solidify our strong relationships with key long-term partners in this market.

- **Weather Data Distribution Focus:** Our weather data distribution business continues to be quite active, as government-operated weather data programs launch next-generation satellites with new requirements. Our specialization in this application puts us in an advantageous position to meet their new requirements.

We continue to integrate and improve our product lines—adding new features and new capabilities—to address increasing opportunities to grow market share in key vertical markets. We also continue to push forward on our corporate vision to bring together great companies with complementary technologies to capitalize on both existing and emerging market opportunities. Our new products have integrated features and a consistent "look and feel", communicating to the market (including long-time customers) that we are a strong, unified company. Our engineering team is integrated across companies and is focused on efforts to provide world-class leading-edge products, services and solutions to our clients.

Novra is a strong, scalable, global company oriented to the growing multimedia broadband content distribution business. We are focused on meeting the needs of our clients, who are looking for flexible, cost-effective solutions. Our product development is centred on listening and responding to identified client requirements as well as anticipating next-generation innovations. More and more, our hardware is becoming a platform for increasingly powerful and sophisticated software—bringing agility, forward compatibility, and longevity to the lifespan of our products.

Stock Halt and Resumption of Trading

On September 12, 2024 trading of the Company's shares on the TSX Venture exchange was halted by the exchange. The TSX-V informed the company that they had halted trading in the stock until such time that disclosure regarding a previously announced potential transaction met Exchange requirements for disclosure of such a transaction. On December 19, 2024 the necessary disclosures were completed and the stock resumed trading on the TSX Venture exchange December 24, 2024. Related disclosures are available on SEDAR+ at www.sedarplus.ca.

DISCUSSION OF OPERATIONS

The following table shows selected information from our Consolidated Financial Statements, including a reconciliation of IFRS to non-IFRS measures, for the period indicated:

(In thousands)	Three Months Ended December 31,			Year ended December 31,		
	2024	2023	% Chg	**2024**	2023	% Chg
Revenue by type:						
Products	**$ 961**	$ 2,129	-55%	**$ 1,920**	$ 4,269	-55%
Services	**523**	798	-34%	**2,052**	3,177	-35%
Total revenue	**1,484**	2,927	-49%	**3,972**	7,446	-47%
Gross profit	**625**	1,587	-61%	**1,869**	4,082	-54%
Gross margin	***42.1%***	*54.2%*		***47.1%***	*54.8%*	
Operating expenses	**730**	891	-18%	**3,433**	3,749	-8%
Operating income (loss)	**(105)**	696	NM	**(1,564)**	333	NM
Other income (expenses)	**(2)**	(187)	-99%	**(116)**	(197)	-41%
Net income (loss) as reported under IFRS	**$ (107)**	$ 509	NM	**$ (1,680)**	$ 136	NM
Adjustments:						
Finance costs	**41**	46	-11%	**174**	201	-13%
Depreciation and amortization	**139**	119	17%	**673**	455	48%
EBITDA - non-IFRS measure	**73**	674	-89%	**(833)**	792	NM
Loss (gain) on foreign exchange	**(39)**	158	NM	**(58)**	53	NM
Share-based compensation	**-**	-	NM	**-**	-	NM
Adjusted EBITDA - non-IFRS measure	**$ 34**	$ 832	-96%	**$ (891)**	$ 845	NM

NM – Not meaningful

*EBITDA and Adjusted EBITDA are non-IFRS financial measures. EBITDA and Adjusted EBITDA provide important financial measures of Novra's operating performance, allowing comparison of core operating results from period to period. Refer to the "EBITDA and Adjusted EBITDA" section for details regarding calculation of this non-IFRS measure.

Revenue and Gross Margin

Revenue for Q4 was $1.5 million (2023 - $2.9 million). The year over year decrease is primarily the result of reduced bookings and backlog coming into the quarter compared to the previous year. However, bookings and revenue in Q4 2024 increased significantly over previous quarters of 2024.

Gross margin for the quarter was 42.1%, 12.1% lower than in Q4 of 2023. The decrease in gross margin was the result of certain fixed costs being spread across lower revenue, as well as the specific product/service mix.

Full year 2024 revenue was also lower than 2023 ($4.0 million compared to $7.4 million), driven primarily by less order backlog being brought into 2024 and slower bookings early in the year. Gross margin was 47.1%, 7.7% lower than in 2023. Previous year gross profit was higher than average because of specific higher-margin service contracts delivered during the year and 2024 was lower than average because certain fixed costs were spread over lower revenue.

For the full year ended December 31, 2024, our top 10 customers accounted for 62.1% of total revenue with the largest accounting for 14% and 14%, respectively, or $1.1 million in aggregate. For the same period last year, Novra's top 10 customers accounted for 64.2% of revenue with the largest accounting for 23%, or $1.7 million. No other customers accounted for more than 10% of total revenue. The Company continually monitors its revenue concentration risk and seeks to diversify its customer base.

While our revenue may be concentrated with a few customers quarterly, with approximately 2,000 customers in over 100 countries, including over 200,000 installations since inception, we have a well-established customer base to provide diversification in our revenue base. Note too that our ability to manufacture and ship many of our products from either the US or Canada is particularly valuable in reaching customers in those countries and internationally, given the current trade climate. The following table summarizes the geographic distribution of our revenues for the period.

(In thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
Geographic Market	**2024**	2023	**2024**	2023
Americas ex-Canada	**$ 801**	$ 2,536	**$ 2,652**	$ 6,237
Canada	**107**	42	**348**	209
EMEA	**525**	240	**791**	508
APAC	**51**	109	**181**	492
	$ 1,484	$ 2,927	**$ 3,972**	$ 7,446

Operating Expenses

(In thousands)	Three Months Ended December 31,			Year Ended December 31,		
	2024	2023	% Chg	**2024**	2023	% Chg
General and administrative ("G&A")	**259**	395	-34%	**1,171**	1,460	-20%
Sales and marketing ("S&M")	**173**	173	0%	**840**	832	1%
Research and development ("R&D")	**297**	323	-8%	**1,422**	1,457	-2%
Total operating expenses	**730**	891	-18%	**3,433**	3,749	-8%

Total OPEX was lower both in the quarter (18% lower) and for the full year (8% lower) than the comparable periods in 2023. For financial reporting purposes, we allocate facility-related costs to OPEX (G&S, S&M, R&D) and cost of revenue.

General and administrative ("G&A") expenses consist primarily of compensation paid to the corporate, IT, and finance staff as well as professional fees and public company related costs, along with certain general facilities-related costs. These expense lines decreased substantially for the quarter and the full year, when compared to the same periods in 2023 and the total was impacted by reduced staffing and software tools licensing costs and net recovery in 2024 of some accounts receivables that were deemed doubtful in 2023.

Our Sales and Marketing ("S&M") costs consist of compensation paid to our sales team, as well as tradeshows, promotion, and travel & entertainment costs. Marketing expenses remained unchanged for the quarter and increased by 1% for the full year 2024 when compared to the same periods in 2023. In 2024 we attended and exhibited at more trade events and visited more customers, which offset year over year reductions in other expenses.

Research and Development ("R&D") costs will continue to be a significant component of our total operating expenses as we continue to develop innovative products and solutions to remain competitive in our industry. R&D costs include primarily compensation paid to engineering personnel and prototype costs. Of note, the R&D expenses reported are net of the investments capitalized to and amortized from Novra's intangible development asset as reported in Note 10 to Novra's Consolidated Financial Statements. In 2024 the net difference between additions and amortization was a $295 thousand increase in the development asset and reduction of R&D expense (2023: $385 thousand). Therefore, the decrease in R&D expenditures in 2024 compared to 2023 was more substantial than the decrease in expenses as reported in the Consolidated Statement of Operations and Comprehensive Income. This decrease in expenditures is primarily the result of a reduction in staffing costs. Novra will continue to invest strategically in product development to position the company for future success.

Foreign Exchange Gain (Loss)

Although we generate a significant portion of our revenue outside of Canada, denominated in USD, we have determined Novra's functional currency to be Canadian dollars. Additionally, many sales in Canada are also denominated in USD currency. Further, the procurement for most of our raw materials is denominated in USD currency and to a lesser extent in Euros. However, our domestic operating costs are denominated in CAD currency. Accordingly, Novra's financial position and operating results are significantly exposed to foreign currency movements. We actively manage our foreign currency risk and may also enter speculative currency positions based on management's best judgement.

Additional earnings volatility arises from the translation of monetary assets and liabilities denominated in foreign currencies at the rate of exchange on each date of the Consolidated Financial Position; the impact of which is reported as a foreign exchange gain or loss.

For the year of 2024, Novra had a foreign exchange gain of $58 thousand, compared to a loss of $53 thousand in the same period in 2023.

At December 31, 2024, the foreign currency denominated assets and liabilities, subject to remeasurement, are as follows:

(In thousands)	**USD**	**Euro**
Assets	800	64
Liabilities	(529)	(30)
Net assets before hedging	271	34
Currency derivative contracts	-	-
Net assets - unhedged	271	34
Impact on Novra's earnings if 5% change in foreign exchange rates	14	2

If on December 31, 2024, the Canadian dollar had weakened or strengthened by 5% against the U.S. dollar and Euro, with all other variables held constant, Novra's consolidated net income would have been impacted by $16 thousand. Please note that this calculation excludes Wegener's assets and liabilities, which are denominated in USD.

Other Income and Finance Costs

During the year of 2024, the Company recorded $1 thousand to finance income, compared to $56 thousand, which was primarily interest earned on GICs, in the comparable period in 2023. These GICs matured in late 2023 and were not renewed.

Finance costs were $174 thousand for the year 2024, a decrease from the same period last year (2023: $201 thousand). This was primarily the result of lower interest expense related to on-going leases for office and production spaces and, to a lesser extent, the declining outstanding balance on certain interest-bearing borrowings. There were no bank borrowings on our RBC credit facilities in 2024 or 2023.

Depreciation and Amortization

Depreciation and amortization costs increased to $673 thousand for the year ended December 31, 2024 (2023: $455 thousand). This includes intangible asset amortization of $335 thousand (2023: $230 thousand), $215 thousand in amortization of right-of-use assets (2023: $196 thousand), amortization related to test equipment of $83 thousand (2023; $Nil), and $36 thousand (2023: $6 thousand) in amortization related to Wegener's inventory purchase price adjustment, which has been expensed in the current year to reflect that the related items are no longer recorded in inventory, as well as capital asset amortization.

Tax Expense

Due to the net operating loss in the reporting period, there was no current tax provision to recognize.

Despite the significant non-capital loss carry forwards and available investment tax credits (see Note 14 of the audited Consolidated Financial Statements for the years ending December 31, 2024 and 2023) to shelter future taxable income from income taxes, we have not recognized deferred tax assets at either December 31, 2024 or 2023 because management concluded it was not probable to realize this benefit in the foreseeable future. In making this determination, management considered the uncertainties in projecting future taxable income, the uncertainties related to the technology industry and competitive environment in which we operate, and the lack of available income tax planning strategies.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-IFRS measures. EBITDA is defined as earnings before income tax expense, financing costs (interest), depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for foreign exchange gain or loss, any acquisition-related costs, share-based compensation, any restructuring charges, any material write-down of inventories, and any other material impairment charges.

Management believes that EBITDA and Adjusted EBITDA provide important financial measures of Novra's operating performance because they allow management, investors, and other stakeholders to evaluate and compare Novra's core operating results from period to period by removing the impact of its capital structure (interest expense), asset base (depreciation and amortization), and tax consequences. Because EBITDA and Adjusted EBITDA do not have any standardized meanings prescribed by IFRS, other companies may calculate these non-IFRS measures differently, and therefore our EBITDA and Adjusted EBITDA may not be comparable to similar titled measures of other companies. *Accordingly, readers are cautioned to not place undue reliance on these financial measures and encouraged to read all IFRS accounting disclosures presented in the Consolidated Financial Statements.*

Adjusted EBITDA was a loss of $891 thousand for the year ended December 31, 2024 compared to a gain of $845 thousand for the same period in 2023. However, adjusted EBITDA improved compared to the earlier quarters of 2024 and was a gain of $34 thousand for the fourth quarter.

SELECTED QUARTERLY FINANCIAL INFORMATION

(dollars in thousands, except per share data)

The following table sets out selected financial information for our current and eight most recently completed prior quarters.

(In thousands of dollars, except with respect to earnings (loss) per share)	**Dec 31,2024**	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	**Dec 31, 2023**	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	**Dec 31, 2022**
Revenue	**$ 1,484**	$ 703	$ 1,085	$ 700	**$ 2,927**	$ 1,241	$ 2,192	$ 1,087	**$ 2,195**
Gross profit	**625**	410	627	207	**1,587**	913	887	696	**1,618**
Operating expenses	**730**	722	954	1,027	**891**	802	1,005	1,051	**1,234**
Foreign exchange gain (loss)	**39**	(8)	10	17	**(158)**	34	(14)	85	**18**
Net income (loss) attributable to Novra	**(59)**	(263)	(257)	(728)	**(78)**	354	(333)	(333)	**200**
Adjusted EBITDA Income (loss)	**34**	(191)	(145)	(589)	**832**	253	85	(70)	**653**
Earnings (loss) per share - diluted	**$ (0.002)**	$ (0.008)	$ (0.008)	$ (0.022)	**$ (0.002)**	$ 0.011	$ (0.002)	$ (0.010)	**$ 0.006**
Weighted average shares outstanding	**33,420**	33,420	33,420	33,420	**33,420**	33,420	33,420	33,420	**33,420**

We occasionally receive large orders from customers and partners that can provide revenue visibility for future quarters. However, a large portion of Novra's quarterly revenues are generated from orders received during the quarter rather than from order backlog going into the quarter. As a result, Novra's revenue, profitability and cash flows are difficult to predict and may fluctuate significantly from quarter to quarter.

While, as previously announced, bookings accelerated in Q4 2024 and we are cautiously optimistic that this will continue into 2025, we continue to expect significant volatility in revenue from quarter to quarter due to particular timing of orders from existing customers, continued economic and supply chain instability and significant unpredictability in the length of sales cycles with new and existing customers in the sales pipeline. The result of limited order visibility is that revenue and, accordingly, profitability and cash flows, will be difficult to predict and will fluctuate. We also expect on-going global geopolitical disruptions, still-elevated interest rates and economic challenges to continue to impact markets and economies and therefore our customers and our business (refer to the Risks and Uncertainties section below).

LIQUIDITY

Quick Ratio

Our principal liquidity requirements are for working capital, capital expenditures and for pending acquisitions as previously announced. Management measures liquidity based on Novra's unrestricted cash, certain cashable guaranteed investment certificates (GICs), if any, and accounts receivable. The following table shows our total liquid assets at the following reporting dates.

(In thousands)	**December 31, 2024**	December 31, 2023
Cash	**$ 1,080**	$ 2,448
Accounts receivable	**414**	756
Total liquid assets	**$ 1,494**	$ 3,204
Quick ratio (1)	**0.64:1**	1.51:1

(1) total liquid assets over total current liabilities, excluding amounts due to related parties and deferred revenue

The quick ratio as defined above is a non-IFRS financial measure. We believe this is an important financial metric to investors and other stakeholders to assess Novra's ability to meet its third-party short-term obligations with its most liquid assets. The related parties have expressed no intent to call on their debt in the near term until such time that Novra is in a stronger capital position. We also excluded deferred revenue in the quick ratio calculation as it does not represent a contractual financial obligation (i.e. it is a liability that will reverse once revenue recognition has been met).

At December 31, 2024, Novra's quick ratio was 0.64:1 or $0.64 of its most liquid assets available to cover each $1.00 of third-party current liabilities, a decrease from 1.51:1 at December 31, 2023. This reduction resulted primarily from a decrease in cash. However, we continue to have access to the full RBC Credit Facilities to fund our working capital as needed. Accordingly, management believes Novra has adequate liquid assets and working capital to meet its financial liabilities for the next 12 months.

The following is a summary of cash flows by activities for the year of 2024 versus 2023. Overall, cash decreased by $1.4 million during the year ended December 31, 2024, to $1.1 million.

Operating activities

We had negative cash flows of $41 thousand from operating activities during the twelve months ended December 31, 2024, compared to positive cash flows from operating activities of $110 thousand for the same period in 2023.

Investing activities

Cash flows from investing activities resulted in $630 thousand decrease in cash (2023: $734 thousand increase). The primary uses of this cash were costs of development assets.

Financing activities

We had negative $471 thousand net cash flow from financing activities during the twelve months ended December 31, 2024, compared to negative net cash from financing activities of $498 thousand in the comparable prior period. In the current period we made repayments on our WEDC and disaster assistance loans and made lease payments of $366 thousand toward our lease liabilities (2023: $353 thousand).

As of the date of this MD&A we continue to have access to the $1.2 million RBC Credit Facilities. There are no amounts outstanding.

Working Capital Ratio

Novra's working capital ratio was as follows:

(In thousands)	**December 31, 2024**	December 31, 2023
Working Capital:		
Current assets	**$ 2,539**	$ 4,638
Current liabilities	**4,889**	4,741
Working Capital:	**$ (2,350)**	$ (103)
Working capital, excluding related party and deferred revenue balances	**$ 220**	$ 2,518
Working capital ratio[(1)]	**1.10:1**	2.19:1

(1) Total current assets over total current liabilities excluding amounts due to related parties and deferred revenue

"Working capital, excluding related party and deferred revenue balances" and "Working capital ratio" as defined above are both non-IFRS financial measures. Management believes these are useful, relevant financial measures to investors and other stakeholders in order to assess the available working capital to fund Novra's day-to-day operations.

Working capital decreased by $2.3 million compared to December 31, 2023. This was largely as the result of a reduction in cash on hand, along with smaller reductions in trade receivables and inventories. Novra's working capital excluding related party and deferred revenue balances, which we believe is an important financial metric to assess Novra's ability to meet its third-party short-term obligations, was $220 thousand, compared to $2.5 million at the previous year end. Our working capital ratio (as defined above) remained more than sufficient at 1.10:1 or $1.10 of current assets per $1.00 of current liabilities, excluding amounts due to related parties and deferred revenue on December 31, 2024, despite a decrease from December 31, 2023.

Contractual obligations and commitments

At December 31, 2024, Novra's contractual obligations and commitments were as follows:

(In thousands) Payment due:	Total 2024	Within 1 year	1 to 5 years	5 to 10 years	10+ years
Borrowings (Note 11)	**$ 2,548**	$ 264	$ 365	$ 1,751	168
Operating leases (Note 18)	**1,475**	313	1,162		-
Trade payables and other payables	**1,647**	1,647	-	-	-
Total third party contractual obligations	**5,670**	2,224	1,527	1,751	168
Promissory notes from related party (Note 16)	**1,343**	-	1,343	-	-
Advances from related parties (Note 16)	**1,682**	1,682	-	-	-
Total contractual obligations at Dec 31, 2024	**$ 8,695**	**$ 3,906**	**$ 2,870**	**$ 1,751**	**$ 168**

Refer to the notes to the Consolidated Financial Statements for further details.

Based on the December 31, 2024 liquid assets (as defined above) and working capital, we have sufficient liquid resources and available credit to fund all third-party contractual obligations coming due within one year.

CAPITAL RESOURCES

Our key objectives and policies for managing capital are to maintain a strong capital base in order to:

- maintain investor, creditor and market confidence;
- advance Novra's corporate strategies to generate attractive risk-adjusted return over the long-term for our shareholders;
- sustain Novra's operations and growth through all cycles; and
- ensure compliance with the covenants of any applicable credit facility and other financing facilities.

At December 31, 2024 the Company had cash and cash equivalents of $1.1 million and access to undrawn revolving facilities of $1.2 million (the RBC Credit Facilities as described in Note 11 of the Consolidated Financial Statements), subject to the terms and conditions of the credit facilities. At the date of this MD&A we continue to have access to these facilities and no amounts are outstanding.

At December 31, 2024, Novra's total outstanding voting common shares were unchanged from December 31, 2023 at 33,420,293, excluding the 2,000,000 common shares held by our subsidiary. Our debt and equity positions were as follows:

(In thousands)	**December 31, 2024**	December 31, 2023
Borrowings (drawn)	**$ 2,548**	$ 2,439
Promissory notes from related party	**1,343**	1,272
Shareholders' equity	**(4,331)**	(2,826)
Total capital resources	**$ (440)**	$ 885

The change in capital resources was primarily due to losses in the current period.

Management believes the Company's current cash, access to the undrawn portion of debt facilities and its access to additional financing in the form of debt or equity will be sufficient to meet its working capital and capital expenditure requirements for the foreseeable future, including its contractual obligations and the commitments noted above.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2024, we had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

In addition to key management personnel compensation, we have a material unsecured promissory note with IMT (IMT is a shareholder and our CEO has a controlling interest in IMT) as disclosed in the "Liquidity" and "Capital Resources" sections of this MD&A. Refer to Notes 5 and 16 of the Consolidated Financial Statements for a complete disclosure of all related party transactions, including amounts due on demand.

ACCOUNTING MATTERS

Critical Accounting Estimates

The Consolidated Financial Statements include certain amounts that are inherently uncertain and judgmental in nature. As a result, management is required to make assumptions and best estimates in order to determine the reported values. We consider an accounting estimate to be critical if: (1) it requires that significant assumptions be made in order to deal with uncertainties; and (2) changes in the estimate could have a material impact on our results of operations, financial condition or liquidity.

We believe that the material items requiring such subjective and complex estimates are as follows:

- Revenue recognition
- Inventory obsolescence
- Business combinations
- Impairment of non-financial assets

Refer to Note 3 of the audited Consolidated Financial Statements for the years ended December 31, 2024 and 2023 for further details.

We believe that the amounts included in these financial statements reflect management's best judgment. However, factors including, without limitation, those noted under "Risks and Uncertainties" below could cause actual events or results to differ materially from our underlying assumptions and estimates. Accordingly, this could lead to a material adverse impact on our results of operations, financial condition and/or liquidity.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

There were no significant changes to the types of financial instruments held during the year ended December 31, 2024. For further details refer to Note 8 of the audited Consolidated Financial Statements for the years ended December 31, 2024 and 2023, with additional information on Borrowings in Note 11.

RISKS AND UNCERTAINTIES

The risks and uncertainties below are not the only ones facing Novra. Additional risk and uncertainties not presently known to us or that we currently consider immaterial may also impair Novra's business operations and cause the price of Novra's common shares to decline. If any of the following risks occur, Novra's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of Novra's common shares could decline, and an investor may lose all or part of his, her or its investment. Accordingly, potential investors are strongly recommended to consult an independent financial advisor before deciding to invest in Novra.

- We rely on a small number of customers for a large percentage of our revenue. Accordingly, our quarterly revenue and operating results can be difficult to predict and can fluctuate materially, which may negatively impact Novra's results of operations.
- We may not identify emerging technology and market trends, enhance our existing technologies or develop new technologies in a timely enough manner to effectively compete in the multimedia broadband content distribution business.
- We face significant competition from several competitors and if we do not compete effectively with these competitors, our revenue may not grow and could decline.
- Our RBC credit facilities agreement is subject to annual review. There is no assurance RBC will renew the existing credit facilities in 2025.
- Historically, we have relied significantly on a related party (IMT) for new capital. There is no assurance that IMT will participate in future capital funding activities.
- We may engage in future acquisitions that could disrupt our business, cause dilution to our shareholders and/or negatively impact Novra's financial condition and operating results.

- Failure to manage Novra's growth successfully, including integration of acquired companies, may adversely impact Novra's operating results.
- The industry in which we operate is subject to rapid technological changes, and our continued success will depend upon our ability to react to such changes and having the financial resources to continue developing innovative products. Additionally, rapid technological changes may lead to material inventory obsolescence if we fail to manage effectively our inventory holdings.
- We have limited intellectual property protection for our product solutions.
- Discontinued third party components and defects in components or design of Novra's product solutions could result in significant costs to Novra and could impair our ability to sell existing product solutions.
- Escalating lead-time and availability issues across the globe for electronic and other components that that are used in Novra's products could significantly delay our ability to build products and/or increase costs.
- We rely on a limited number of contract manufacturers, including off-shore manufacturers, for our product solutions. This could result in increases to costs or lead-times outside of our control.
- Our ability to recruit and retain key personnel is crucial to our ability to develop, market, sell and support our products and services. Loss of the expertise, experience and corporate knowledge of current key personnel could negatively affect Novra's operations.
- A substantial portion of Novra's revenues and expenses is denominated in U.S. dollar and Euro currencies and therefore we are exposed to significant currency risk. Failing to actively manage currency risk may negatively impact Novra's operating results.
- We are exposed to significant customer credit risk, particularly as the majority of our business is with foreign customers, which could lead to significant impairment charges.
- We may have unintentionally infringed on the intellectual property rights of others without appropriate licensing arrangement in place, which could lead to litigation and significant costs to Novra.
- We rely on resellers and distributors to complement our small sales team to drive future sales growth.
- On-going or new public health crises may affect economies and cause economic downturns. They may also cause staff shortages, reduced customer demand, a rise in customer delinquency, delayed or inadequate performance by supply chains, and increased government regulations or interventions, all of which may negatively affect the business, financial condition or results of operations of the company.
- With international customers and suppliers, global economic and geopolitical uncertainty may negatively affect our ability to make sales and to build our products.
- Because our products and solutions are often purchased as part of large corporate infrastructure projects, the reduced availability and higher cost of credit to our customers could reduce their ability to purchase our products and services.
- Cybersecurity risks are increasing and evolving globally. Unauthorized parties continue to, with increasing sophistication, attempt to gain access to systems and information through unauthorized access, fraud or other means of deception. Novra's business operations depend on how well it (as well as its counterparties) protect against, or limit, damage to networks, equipment, information technology systems, software, and data from these threats. Risk and exposure to these matters cannot be fully mitigated due to, among other things, the inherent vulnerabilities of digital systems and the evolving nature of these threats.
- Depending on Wegener's financial performance, we may further delay or abandon the acquisition of the remaining 48.4% of Wegener. Also, there can be no guarantee that Wegener shareholders will approve eventual acquisition of the remaining 48.4%.
- In 2024, trading of Novra's shares was temporarily halted on the TSX Venture exchange pending release of additional information regarding a previously announced potential transaction. After the required disclosures were made trading resumed. If a similar halt were to occur in the future, this may negatively impact Novra's shareholders ability to trade their shares as well as Novra's ability to raise additional capital.
- The US government has and continues to make striking changes to US trade policy, including imposing significant tariffs and other trade barriers. These are having broad effect and increasing

uncertainty in the future environment for international trade. There is concern that these actions could lead to a boarder global trade war, which could have significant adverse impact on the global economy in general and on Novra specifically. The imposition and continuance of new tariffs and any retaliation by other countries remains uncertain. However, they have the potential to have significant negative impact both by increasing expenses and reducing revenues for the company.