MANAGEMENT'S DISCUSSION & ANALYSIS

Periods ended March 31, 2025 and 2024
(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 periods ended March 31, 2025 and 2024, 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 May 30, 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 May 30, 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

Despite last year's challenges and disappointing revenue, Novra showed improvement in Q1, continuing the positive trend from late 2024. Increased Q1 revenue and lower operating expenses led to positive net income. Revenue in the first three months of 2025 was $1.4 million, a 99% increase from $700 thousand in Q1 2024. Gross margin rose to 43.7% from 29.5%, resulting in a net income of $481 thousand and an Adjusted EBIDA gain of $726 thousand for the quarter.

Shifting trade policies, geopolitical instability and elevated interest rates are continuing to negatively impact some of our customers in some of our key market segments, resulting in hesitancy to make investments needed to modernize and enhance their infrastructure. However, bookings improved in the fourth quarter of 2024 and more than $1.7 million in backlog was brought forward into 2025, with approximately $475 thousand of this backlog shipped in Q1. The remaining $1.2 million in orders backlog from 2024 are expected to ship, in Q2 and early Q3. In addition, at the end of Q1, Novra had a balance of $1.1 million in deferred revenue, more than $850 thousand of which was current and expected to be recognized within the next 12 months. These combine to provide Novra with a significant pool of already-booked orders to be delivered in coming quarters.

We currently are seeing world markets under increased and fluid protectionism and tariff turmoil creating an ever shifting and complex environment for businesses, including ours. However, as the result of several strategic steps we have taken over the past several years, such as operating manufacturing facilities in both Canada and the US along with selecting many of our subcontractors to be North American based, Novra is better positioned than many others to weather this storm. Our current healthy inventory level of $1.2 million 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. 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.

Although escalating economic and political uncertainty are delaying infrastructure investments by many of our US and international customers, 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 cautiously begin to move forward with infrastructure upgrades that are specifically targeted to maximize their network security and lower operating costs.

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, and in building customer relationships to understand and address current customer needs 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 March 31, with $562 thousand in bank deposits and $1.2 million of undrawn balance remaining available on our bank credit facility, provide a substantial $1.7 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).

Q1 2025 vs. Q1 2024:

- Revenue was $1.4 million in Q1 2025, compared to $700 thousand in Q1 2024, an increase of $692 thousand. The increase is primarily the result of completing shipments against significant backlogged orders brought into 2025.
- In Q1 2025, gross profit was $609 thousand, representing 43.7% of total revenue, compared to $207 thousand, which was 29.5% of total revenue. Q1 2024 gross profit was unusually low, due to certain fixed costs being spread over lower revenue.
- Operating expenses were $768 thousand in Q1 2025, down from $1.0 million in Q1 2024, a decrease of 25.2%. The decline was primarily due to a targeted temporary and permanent cost reductions.
- Net income was $481 thousand in Q1 2025, compared to a net loss $849 thousand in Q1 2024. The improvement was primarily driven by increased revenues, higher gross profit, and lower operating expenses.
- Adjusted EBITDA was a gain of $726 thousand in Q1 2025, compared to a loss of $589 thousand in Q1 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 them 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, 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 late 2024 and early 2025 we saw many current customers taking small steps to refresh and/or expand their networks at a cautious pace due to challenging market conditions. There are also some positive indications as certain customers began to move ahead with larger projects. Our ongoing technology enhancements are informed by our customers' requirements and targeted at providing the new features that can immediately benefit their businesses. This includes shifting to hybrid IP and satellite networks as well as offering software-based and recurring service-based solutions.

Some significant recent developments include:

- **Customer Specific Solutions:** In keeping with our long history of providing customers with specialized solutions, where we combine our engineering expertise with our suite of highly reliable off-the-shelf products to configure or modify them as needed. Orders for non-recurring engineering and customization of products increased as customers looked for solutions for 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 late 2024 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 and rolled out.

- **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, which began shipping in early 2025.

- **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 Defense Security Technical Implementation Guide (STIG). This brings cybersecurity to the next level in our products—an increasingly important feature in both commercial and government markets. Government customers have recently completed evaluations and acceptance of our next generation of satellite receivers, which include integrated advanced encryption functionality. We have received initial orders for immediate delivery of these products.

- **New Management & Control Platform:** In Q3 2024 we announced that we had initiated development of an integrated next-generation control and management platform. The new Cortex platform was introduced at the NAB show in April 2025. This system leverages modern IoT protocols and is architected to be capable of managing both 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 targeted to meet 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 NAB Show 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. For 2025 we will continue our focused marketing activities and so far 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 NAB Show 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". Ms Cantu was also interviewed about developments in the company and industry by a Spanish-language Latin American broadcast industry publication, Tecnología Profesional.

- **SMPTE Technical Conference Participation:** In 2024 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 a 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. We are also seeing an uptick in interest from several Mexican broadcasters.

- **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.

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 March 31,		
	2025	2024	% Chg
Revenue by type:			
Products	**$ 978**	$ 140	599%
Services	**414**	560	-26%
Total revenue	**1,392**	700	99%
Gross profit	**609**	207	195%
Gross margin	***43.7%***	*29.5%*	
Operating expenses	**768**	1,027	-25%
Operating income (loss)	**(160)**	(821)	-81%
Other income (expenses)	**641**	(29)	NM
Net income (loss) as reported under IFRS	**$ 481**	$ (849)	NM
Adjustments:			
Finance costs	**40**	46	-13%
Depreciation and amortization	**210**	231	-9%
EBITDA - non-IFRS measure	**731**	(572)	NM
Loss (gain) on foreign exchange	**(5)**	(17)	-72%
Share-based compensation	**0**	0	0
Adjusted EBITDA - non-IFRS measure	**$ 726**	$ (589)	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 the first three months of 2025 was $1.4 million compared to $700 thousand in the same period of 2024 with gross margins for the quarter of 43.7% up from 29.5% on Q1 2024. The increase in gross margin was due to fixed costs being spread over higher revenue and the specific product/service mix.

For the three months ended March 31, 2025, our top 10 customers accounted for 64.3% of total revenue with the largest accounting for 29%, or $399 thousand. No other customer accounted for more than 10% of total revenue. For the same period last year Novra's Top 10 customers accounted for 49.9% of total revenue, with the largest accounting for 19% and 10%, or $202 thousand in aggregate. No other customer 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. The following table summarizes the geographic distribution of our revenues for the period.

	Three Months ended March 31,	
Geographic Market	**2025**	2024
Americas ex-Canada	**$ 848**	$ 577
Canada	**86**	67
EMEA	**416**	26
APAC	**42**	29
	$ 1,392	$ 700

Operating Expenses

(In thousands)	Three Months Ended March 31,		
	2025	2024	% Chg
General and administrative ("G&A")	**349**	336	4%
Sales and marketing ("S&M")	**183**	233	-22%
Research and development ("R&D")	**236**	458	-48%
Total operating expenses	**768**	1,027	-25%

Total operating expenses decreased by 25% in 2025 compared to 2024. Reductions were seen in S&M (-22%), and R&D (-48%) due to the success of ongoing efficiency and cost control initiatives. G&A costs increased slightly (4%) compared to 2024. Facility-related costs continue to be allocated across OPEX and cost of revenue for reporting purposes. 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.

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 increased by 4% for the quarter, when compared to the same periods in 2024, and were impacted by higher accounting and auditing fees.

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 decreased by 22% for the quarter compared to the same period in 2024. The reduction was primarily due to lower staffing and fewer event-related expenditures in Q1 2025.

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. In Q1 2025, the net difference between additions and amortization was a $28 thousand increase in the development asset and reduction of R&D expense (2024: $78 thousand).

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 quarter ended March 31, 2025, Novra recorded a foreign exchange gain of $5 thousand, compared to a gain of $17 thousand in the same period in 2024.

At March 31, 2025, the foreign currency denominated assets and liabilities, subject to remeasurement, are as follows:

(In thousands)	**USD**	**Euro**
Assets	685	12
Liabilities	(532)	-
Net assets before hedging	153	12
Currency derivative contracts	-	-
Net assets - unhedged	153	12
Impact on Novra's earnings if 5% change in foreign exchange rates	8	1

If on March 31, 2025 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 $9 thousand. Please note that this calculation excludes Wegener's assets and liabilities, which are denominated in USD.

Other Income and Finance Costs

In the first three months of 2025, the Company recorded $676 thousand to finance income due to the forgiveness of certain accounts payable, compared to $nil in 2024.

Finance costs were $40 thousand for Q1 of 2025, a decrease from last year (2024: $46 thousand). There were $25 thousand in borrowings drawn on our RBC credit facilities in 2025 (2024: $nil).

Depreciation and Amortization

Depreciation and amortization costs decreased to $210 thousand for the three months ended March 31, 2025 (2024: $231 thousand). This includes intangible asset amortization of $131 thousand (2024: $93 thousand), $61 thousand in amortization of right-of-use assets (2024: $54 thousand), and $18 thousand in capital asset amortization (2024: $84 thousand).

Tax Expense

No current tax provision has been recognized, despite positive net income in Q1 2025, due to the availability of significant non-capital loss carry forwards.

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 March 31, 2025 or 2024 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 gain of $726 thousand for the three months ended March 31, 2025, compared to a loss of $589 thousand for the same period in 2024. The turnaround reflects higher revenue and gross profit, along with reduced operating expenses in Q1 2025.

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	**Mar 31, 2025**	Dec 31,2024	Sep 30, 2024	Jun 30, 2024	**Mar 31, 2024**	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	**Mar 31, 2023**
Revenue	**$ 1,392**	$ 1,484	$ 703	$ 1,085	**$ 700**	$ 2,927	$ 1,241	$ 2,192	**$ 1,087**
Gross profit	**609**	625	410	627	**207**	1,587	913	887	**696**
Operating expenses	**768**	730	722	954	**1,027**	891	802	1,005	**1,051**
Foreign exchange gain (loss)	**5**	39	(8)	10	**17**	(158)	34	(14)	**85**
Net income (loss) attributable to Novra	**569**	(59)	(263)	(257)	**(728)**	(78)	354	(333)	**(333)**
Adjusted EBITDA Income (loss)	**726**	34	(191)	(145)	**(589)**	832	253	85	**(70)**
Earnings (loss) per share - diluted	**$ 0.017**	$ (0.002)	$ (0.008)	$ (0.008)	**$ (0.022)**	$ (0.002)	$ 0.011	$ (0.002)	**$ (0.010)**
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)	**March 31, 2025**	December 31, 2024
Cash	**$ 562**	$ 1,080
Accounts receivable	**683**	414
Total liquid assets	**$ 1,245**	$ 1,494
Quick ratio [(1)]	**0.66:1**	0.64:1

(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 March 31, 2025, Novra's quick ratio was 0.66:1 or $0.66 of its most liquid assets available to cover each $1.00 of third-party current liabilities, an increase from 0.64:1 at December 31, 2024. The improvement was primarily driven by a reduction in trade and other payables.

The following is a summary of cash flows by activities for the year of 2025 versus 2024. Overall, cash decreased by $518 thousand during the three months ended March 31, 2025, to $562 thousand.

Operating activities

We generated positive cash flows of $412 thousand from operating activities in Q1 2025, compared to negative cash flows of $109 thousand in Q1 2024. The improvement was driven by a return to profitability in the current quarter.

Investing activities

Cash used in investing activities totalled $145 thousand in Q1 2025 (2024: $171 thousand), primarily for the development of intangible assets.

Financing activities

Cash applied to financing activities was $772 thousand in Q1 2025, compared to $141 thousand in Q1 2024. The current quarter included a $677 thousand forgiveness of certain accounts payable, lease liability payments of $92 thousand, and repayment of disaster assistance funding of $3 thousand. There were no WEDC repayments in Q1 2025. Because the forgiveness of certain accounts payable positively affected Net Income but did not generate cash, it is reported in the Consolidated Statements of Cash Flows as cash applied to financing activities, despite not directly resulting in any specific outflow of cash.

As of the date of this MD&A we continue to have access to the $1.2 million RBC Credit Facilities. A balance of $25 thousand was outstanding at March 31, 2025 (2024: $nil).

Working Capital Ratio

Novra's working capital ratio was as follows:

(In thousands)	**March 31, 2025**	December 31, 2024
Working Capital:		
Current assets	**$ 2,542**	$ 2,539
Current liabilities	**4,461**	4,889
Working Capital:	**$ (1,919)**	$ (2,350)
Working capital, excluding related party and deferred revenue balances	**$ 665**	$ 220
Working capital ratio(1)	**1.35:1**	1.10:1

(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 increased by $431 thousand compared to December 31, 2024, primarily due to a reduction in trade and other payables. Excluding related party and deferred revenue balances, working capital was $665 thousand, up from $220 thousand at year-end. We consider this an important metric to assess Novra's ability to meet third-party short-term obligations. The working capital ratio (as defined above) was 1.35:1 at March 31, 2025, meaning Novra had $1.35 of current assets for every $1.00 of current liabilities (excluding related parties and deferred revenue), reflecting an increase from 1.10:1 at December 31, 2024.

Contractual obligations and commitments

At March 31, 2025, Novra's contractual obligations and commitments were as follows:

(In thousands) **Payment due:**	**Total**	**Within 1 year**	**1 to 5 years**	**5 to 10 years**	**10+ years**
Borrowings (Note 6)	**$ 2,569**	$ 288	$ 365	$ 1,750	166
Operating leases (Note 11)	**1,454**	344	1,110		-
Trade payables and other payables	**1,239**	1,239	-	-	-
Total third party contractual obligations	**5,262**	1,871	1,475	1,750	166
Promissory notes from related party (Note 5)	**1,360**	-	1,360	-	-
Advances from related parties (Note 5)	**1,734**	1,734	-	-	-
Total contractual obligations	**$ 8,356**	**$ 3,605**	**$ 2,835**	**$ 1,750**	**$ 166**

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

Based on the March 31, 2025 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 March 31, 2025, Novra had cash and cash equivalents of $562 thousand and access to undrawn revolving facilities of $1.2 million (the RBC Credit Facilities as described in Note 6 of the Consolidated Financial Statements), subject to the terms and conditions of the credit facilities.

At March 31, 2025, Novra's total outstanding voting common shares were unchanged from December 31, 2024 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)	**March 31, 2025**	December 31, 2024
Borrowings (drawn)	**$ 2,569**	$ 2,548
Promissory notes from related party	**1,360**	1,343
Shareholders' equity	**(3,758)**	(4,331)
Total capital resources	**$ 171**	$ (440)

The change in capital resources was primarily due to positive net income 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 March 31, 2025, 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 6 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 quarter ended March 31, 2025. 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

Refer to our December 31, 2024 MD&A for a list of risks and uncertainties facing Novra. We are currently not aware of any new material risks and uncertainties.