



**CONSOLIDATED FINANCIAL STATEMENTS**

**Years ended December 31, 2025 and 2024  
(Expressed in Canadian Dollars)**

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**Independent Auditor's Report**

To the Shareholders of Novra Technologies Inc

**OPINION**

We have audited the consolidated financial statements of Novra Technologies Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

**BASIS FOR OPINION**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements

**VALUATION OF INVENTORY****DESCRIPTION OF KEY AUDIT MATTER**

The Company records a provision for obsolete and slow-moving inventory, which requires significant judgment in identifying inventory items that may not be recoverable and in estimating net realizable value. These judgments are sensitive to assumptions regarding future demand and sales patterns and could materially impact inventory balances and cost of sales. As a result, this matter required significant auditor attention. The related judgments and estimates are described in Note 3, and the inventory disclosures are included in Note 7 of the consolidated financial statements.

**HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT**

To address this matter, we evaluated management's process for identifying slow-moving and obsolete inventory, analyzed inventory trends including turnover, and performed substantive testing of net realizable value on selected inventory items. We assessed the reasonableness of key assumptions by considering historical sales patterns and

subsequent sales information, and we performed procedures to identify unusual transactions or significant changes in inventory levels during the year.

## **RECLASSIFICATION OF INVENTORY ITEMS TO EQUIPMENT**

### **DESCRIPTION OF KEY AUDIT MATTER**

In the prior year, the Company reclassified inventory with a net realizable value at the date of transfer of \$139 thousand. In fiscal 2025, depreciation expense of approximately \$69 thousand was recognized on the reclassified assets. This matter required significant auditor attention due to the judgment involved in determining whether the assets met the definition of equipment, assessing the appropriateness of the reclassification across periods, and determining useful lives and depreciation following the transfer. The related disclosures are included in Note 9 of the consolidated financial statements.

### **HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT**

To address this key audit matter, we analyzed the assets transferred, inquired of management to know the reason for the transfer, assessed the net realizable value recorded by management for these assets and the remaining useful lives attached to the assets. We also ensured that the transfer has been appropriately approved by Senior Management. We also performed a recalculation of the depreciation charge for the current year based on the remaining useful lives attached to these assets.

## **VALUATION OF INTANGIBLES**

### **DESCRIPTION OF KEY AUDIT MATTER**

The Company's intangible assets are subject to judgment in assessing recoverability and identifying indicators of impairment. The assessment requires management to apply estimates and assumptions regarding future performance and market conditions, which are inherently uncertain and could materially impact the carrying value of intangible assets. Due to the level of judgment and estimation uncertainty involved, this matter required significant auditor attention. The related accounting policies and judgments are described in Notes 2 and 3, and the quantitative disclosures are included in Note 10 of the consolidated financial statements.

### **HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT**

To address this matter, we evaluated management's impairment assessment by reviewing the underlying analyses and assumptions used to support recoverability. We assessed the consistency of assumptions with historical performance and relevant external information and considered whether indicators of impairment existed. We also analyzed changes in the carrying value of intangible assets during the year and considered subsequent performance information, including subsequent sales and forecasts, in evaluating the adequacy of management's conclusions and related disclosures.

## **VALUATION AND PRESENTATION OF CONVERTIBLE LOAN**

### **DESCRIPTION OF KEY AUDIT MATTER**

On September 10, 2024, the Company entered into a convertible loan arrangement under which amounts advanced may be converted into common shares at a fixed conversion price of \$0.34 per share. As at December 31, 2025, the Company had received \$681 thousand, and the lender had elected to convert the outstanding amount; however, no shares had been issued as at year-end and the issuance remained pending. This matter required significant auditor attention due to the complexity of the contractual terms and the judgment involved in assessing the appropriate classification and presentation at the reporting date, including the timing of conversion and the completeness and clarity of related disclosures. The related disclosures are included in Note 22 of the consolidated financial statements.

## **HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT**

Our audit procedures included reviewing the convertible loan agreements and related amendments, confirming amounts advanced directly with the lender, and inspecting the status of regulatory approvals referenced in the disclosures. We evaluated management's presentation and disclosures at December 31, 2025 in light of the conversion election and the fact that shares had not been issued at year-end, and we assessed whether Note 22 appropriately described the status of the conversion and the nature of any uncertainties remaining at the reporting date.

## **OTHER INFORMATION**

Management is responsible for the other information. The other information comprises:

The information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report, and the information included in the Management Discussion and Financial Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report and the Management Discussion and Financial Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Gandhi.

*Baker Tilly HMA LLP*

**Chartered Professional Accountants**

Winnipeg, Manitoba

April 30, 2026

**NOVRA TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Canadian dollars)

	NOTES	December 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5(c)	\$ 1,467,032	\$ 1,079,684
Trade and other receivables	5(c)	947,725	414,348
Sub-lease receivable - current portion	2	-	47,627
Inventories	7	856,753	991,796
Prepayments and other	2	78,100	5,376
<b>Total Current Assets</b>		<b>3,349,610</b>	<b>2,538,831</b>
<b>Non-Current Assets</b>			
Equipment	9	70,431	142,590
Right-of-use assets	2, 20	595,778	1,124,108
Intangible assets	10	1,693,114	1,627,517
<b>Total Non-Current Assets</b>		<b>2,359,323</b>	<b>2,894,215</b>
<b>TOTAL ASSETS</b>		<b>\$ 5,708,933</b>	<b>\$ 5,433,046</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	5(b), 12	\$ 845,503	\$ 1,646,509
Borrowings	5(b), 6, 11	338,506	263,530
Lease liabilities	2, 5(b), 18(a)	250,664	313,090
Customer deposits		186,514	94,912
Deferred revenue - current portion	15	1,039,578	888,424
Advances from related parties	5(b), 16(c)	1,871,779	1,682,098
<b>Total Current Liabilities</b>		<b>4,532,544</b>	<b>4,888,563</b>
<b>Non-Current Liabilities</b>			
Borrowings	5(b), 6, 11	2,002,199	2,284,679
Lease liabilities	2, 5(b), 18(a)	525,296	1,162,049
Deferred revenue	15	214,554	249,230
Promissory notes from related party	5(b), 6, 16(d)	1,410,821	1,343,464
<b>Total Non-Current Liabilities</b>		<b>4,152,870</b>	<b>5,039,422</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 8,685,414</b>	<b>\$ 9,927,985</b>
<b>Equity</b>			
Share capital	13(a)	\$ 8,053,749	\$ 7,372,749
Contributed surplus		500,576	500,576
Accumulated other comprehensive gain (loss)		(50,910)	(169,768)
Accumulated deficit		(11,270,648)	(12,034,086)
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF NOVRA</b>		<b>(2,767,233)</b>	<b>(4,330,529)</b>
Non-Controlling Interests		(209,248)	(164,410)
<b>TOTAL EQUITY</b>		<b>(2,976,481)</b>	<b>(4,494,939)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 5,708,933</b>	<b>\$ 5,433,046</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**NOVRA TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE INCOME (LOSS)**  
(Canadian dollars, except share data)

	NOTES	Year Ended December 31,	
		2025	2024
<b>REVENUE</b>	15	\$ 5,443,532	\$ 3,972,359
<b>COST OF REVENUE</b>	7, 17	2,407,802	2,103,076
<b>GROSS PROFIT</b>		3,035,730	1,869,283
<b>OPERATING EXPENSES</b>			
General and administrative	17	1,023,307	1,170,780
Sales and marketing	17	673,003	840,253
Research and development	17	1,134,542	1,422,360
Total operating expenses		2,830,852	3,433,393
<b>OPERATING INCOME (LOSS)</b>		204,878	(1,564,110)
<b>Other Income (Expenses)</b>			
Foreign exchange gain (loss)		(14,671)	57,682
Finance income		1,700	517
Debt forgiveness	19(a)	658,501	-
Finance costs	19(b)	(131,808)	(173,828)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>		718,600	(1,679,739)
Income tax recovery (expense)	14	-	-
<b>NET INCOME (LOSS)</b>		\$ 718,600	\$ (1,679,739)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAXES</b>			
Foreign Currency Translation Adjustments on Wegener Consolidation		118,858	(198,204)
Total other comprehensive income (loss), net of taxes		118,858	(198,204)
<b>COMPREHENSIVE INCOME (LOSS)</b>		\$ 837,458	\$ (1,877,943)
<b>EARNINGS (LOSS) PER SHARE:</b>			
Basic		\$ 0.0228	\$ (0.0391)
Diluted		\$ 0.0228	\$ (0.0391)
Weighted average number of shares outstanding - basic		33,420,293	33,420,293
Weighted average number of shares outstanding - diluted		33,420,293	33,420,293
<b>NET INCOME (LOSS) ATTRIBUTABLE TO :</b>			
Shareholders of Novra		\$ 763,438	\$ (1,306,501)
Non-controlling interest		(44,838)	(373,238)
		\$ 718,600	\$ (1,679,739)
<b>COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>			
Shareholders of Novra		\$ 882,296	\$ (1,504,705)
Non-controlling interest		(44,838)	(373,238)
		\$ 837,458	\$ (1,877,943)

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**NOVRA TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Canadian dollars, except share data)

NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non- Controlling Interest	Total Shareholders' Equity
<b>At January 1, 2025</b>							
Total	35,420,293	\$ 7,632,749	\$ 500,576	\$ (169,768)	\$ (12,034,086)	\$ (164,410)	\$ (4,234,939)
Less: common shares held by subsidiary	(2,000,000)	(260,000)					(260,000)
	33,420,293	7,372,749	500,576	(169,768)	(12,034,086)	(164,410)	(4,494,939)
Net income (loss)	-	-	-	-	763,438	(44,838)	718,600
Change in foreign currency translation	-	-	-	118,858	-	-	118,858
Shares paid for in advance 13(b)	-	681,000	-	-	-	-	681,000
Share based compensation 13(b)	-	-	-	-	-	-	-
Options Exercised 13(b)	-	-	-	-	-	-	-
Cancellation of common shares 13(b)	-	-	-	-	-	-	-
<b>At December 31, 2025</b>	<b>33,420,293</b>	<b>\$ 8,053,749</b>	<b>\$ 500,576</b>	<b>\$ (50,910)</b>	<b>\$ (11,270,648)</b>	<b>\$ (209,248)</b>	<b>\$ (2,976,481)</b>

NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non- Controlling Interest	Total Shareholders' Equity
<b>At January 1, 2024</b>							
Total	35,420,293	\$ 7,632,749	\$ 500,576	\$ 28,436	\$ (10,727,585)	\$ 208,828	\$ (2,356,996)
Less: common shares held by subsidiary	(2,000,000)	(260,000)					(260,000)
	33,420,293	7,372,749	500,576	28,436	(10,727,585)	208,828	(2,616,996)
Net income (loss)	-	-	-	-	(1,306,501)	(373,238)	(1,679,739)
Change in foreign currency translation	-	-	-	(198,204)	-	-	(198,204)
Share based compensation 13(b)	-	-	-	-	-	-	-
Options Exercised 13(b)	-	-	-	-	-	-	-
Cancellation of common shares 13(b)	-	-	-	-	-	-	-
<b>At December 31, 2024</b>	<b>33,420,293</b>	<b>\$ 7,372,749</b>	<b>\$ 500,576</b>	<b>\$ (169,768)</b>	<b>\$ (12,034,086)</b>	<b>\$ (164,410)</b>	<b>\$ (4,494,939)</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**NOVRA TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Canadian dollars)**

	NOTES	Year Ended December 31,	
		2025	2024
<b>OPERATING ACTIVITIES</b>			
Net income (loss)		\$ 718,600	\$ (1,679,739)
<i>Add items not affecting cash:</i>			
Depreciation and amortization	17	731,062	673,124
Interest expense	19(b)	131,808	173,828
Changes in non-cash working capital items			
Trade and other receivables		(636,314)	229,544
Provision for trade and other receivables		102,937	112,090
Sub-lease receivable		47,627	59,013
Inventories		(173,674)	256,750
Provision for inventories		308,717	(29,818)
Other assets		(72,724)	31,232
Trade and other payables and accrued liabilities		(123,755)	28,277
Customer deposits		91,602	32,014
Deferred revenue	15	116,478	(7,968)
Advances from Related Party	16(c)	189,681	9,061
Changes in promissory notes	16(d)	67,357	71,267
<b>Net cash provided by (applied to) operating activities</b>		<b>1,499,402</b>	<b>(41,325)</b>
<b>INVESTING ACTIVITIES</b>			
Right-of-use asset remeasurement	20	372,352	-
Purchase of capital assets	9	(2,753)	-
Intangible assets	10	(548,083)	(630,171)
<b>Net cash provided by (applied to) investing activities</b>		<b>(178,484)</b>	<b>(630,171)</b>
<b>FINANCING ACTIVITIES</b>			
Repayments on bank borrowings	11(a)	(150,000)	-
Proceeds from bank borrowings	11(a)	150,000	-
Payments on lease liabilities	18(a)	(297,616)	(365,884)
Lease liability remeasurement	18(a)	(495,986)	-
Payments on WEDC repayable contribution	11(c)	-	(50,839)
Payments on disaster assistance funding	11(d)	(12,262)	(54,019)
Receipts from IMT promissory notes	16(d)	1,375,951	1,310,259
Payments on IMT promissory notes	16(d)	(1,375,951)	(1,310,259)
Payment on revolving line of credit with the Chymiak Trust	11(b)	(83,928)	-
Forgiveness of accounts payable	19(a)	(677,251)	-
Proceeds of SNAPS loan	22	681,000	-
<b>Net cash provided by (applied to) financing activities</b>		<b>(886,043)</b>	<b>(470,742)</b>
Effect of exchange rates on cash and cash equivalents		(47,527)	(226,514)
<b>Net increase/(decrease) in cash</b>		<b>387,348</b>	<b>(1,368,752)</b>
Cash, beginning of year		1,079,684	2,448,436
<b>CASH, end of year</b>		<b>\$ 1,467,032</b>	<b>\$ 1,079,684</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements*

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

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### 1. General Information

Novra Technologies Inc. ("Novra" or the "Company") is incorporated under the Canada Business Corporations Act and its corporate office and principal place of business is 210-100 Innovation Drive, Winnipeg, Manitoba, Canada R3T 6G2. Novra is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol NVI.

Novra has a diverse group composition resulting from strategic acquisitions. Notably, in 2016, Novra expanded its operations significantly through the acquisition of International Datacasting Corporation ("IDC") and its wholly-owned U.S. subsidiary, International Datacasting of America ("IDA"), consolidating their expertise in satellite data distribution. Furthermore, on December 29, 2017, Novra acquired a 51.6% controlling interest in Wegener Corporation ("Wegener"), enhancing its capabilities in digital media management and distribution technologies, including applications in digital signage, radio, and television (refer to Note 4 for further details).

The consolidated financial statements reflect Novra's comprehensive product portfolio, which encompasses hardware, software, and services, augmented by the combined strengths of its subsidiaries. Notably, Novra's areas of specialization extend beyond core video, radio, and data products to include encryption, next-generation hybrid networks (combining satellite, terrestrial, and cloud technologies), and efficient bandwidth utilization.

In accordance with IFRS 12, Novra provides disclosure aimed at enabling users of its consolidated financial statements to understand both the composition of the group and the interests held by non-controlling entities within the group. Throughout these Consolidated Financial Statements, terms such as "Novra," "Company," "we," "us," or "our" refer collectively to Novra Technologies Inc. and its subsidiaries.

The Consolidated Financial Statements were authorized for issue by the Board of Directors on April 30<sup>th</sup>, 2026.

### 2. Material Accounting Policies

The material accounting policies used in the preparation of these Consolidated Financial Statements are summarized below. These policies have been consistently applied to all years presented, unless otherwise noted.

#### ***Basis of Presentation***

The Consolidated Financial Statements of Novra are expressed in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS, as issued by the International Accounting Standards Board ("IASB"). We have prepared the Consolidated Financial Statements under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The tabular disclosures herein are presented in thousands, except for share data.

#### ***Use of Estimates***

In preparing these Consolidated Financial Statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. For areas involving a higher degree of management judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, refer to Note 3.

#### ***Consolidation***

These Consolidated Financial Statements consolidate the accounts of Novra Technologies Inc. and its subsidiaries. Subsidiaries are all entities over which we have control. We control an entity when we are exposed, or have rights, to variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. We have power over an entity when we have existing rights that give us the current ability to direct the activities that most significantly affect the entity's returns (relevant activities). Power may be determined on the basis of voting rights or, in the case of structured entities, other contractual arrangements. We consolidate all subsidiaries

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

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from the date we obtain control and cease consolidation when an entity is no longer controlled by us. All transactions and balances from subsidiaries have been eliminated upon consolidation.

### ***Business Combinations***

We apply the acquisition method in accounting for business combinations. We measure goodwill as the difference between the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, and the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair value of the assets transferred (including cash), liabilities incurred by the Company on behalf of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration.

Transaction costs that Novra incurs in connection with a business combination, such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed in the period as incurred.

### ***Segment Reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). This CODM is responsible for allocating resources and assessing performance of the operating segments. Novra's CODM is the Chief Executive Officer ("CEO").

### ***Foreign Currency Translation***

#### a) Functional and presentation currency

The Company operates with multiple functional currencies. The Company's consolidated financial statements are presented in Canadian dollars as this presentation is most meaningful to financial statement users. For those subsidiaries with different functional currencies, exchange rate differences arising from the translation of monetary items that form part of the net investment in the foreign operation are recorded in unrealized foreign exchange gains (losses) on translation of foreign operations in other comprehensive income.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Income and expense items are translated at the average exchange rates for the period, unless foreign exchange rates fluctuated significantly during the period, in which case, the exchange rates at the dates of the transactions are used. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as foreign exchange gains (losses) in the Consolidated Statements of Operations and Comprehensive Income (Loss).

### ***Financial Instruments***

#### a) *Financial assets*

We classify Novra's financial assets in the following categories depending on Novra's business model for managing the financial assets and their contractual cash flow characteristics.

##### i) At fair value through profit or loss

Assets in this category are derivatives as well as quoted equity instruments which we have not irrevocably elected, at initial recognition or transition, to classify at FVOCI. These assets are initially measured at fair value with changes therein being recognized in net income or loss.

##### ii) At fair value through other comprehensive income

# NOVRA TECHNOLOGIES INC.

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Assets in this category are those which are not held-for-trading and for which we have irrevocably elected, at initial recognition or transition, to classify at FVOCI. These assets are initially measured at fair value with changes therein being recognized in other comprehensive income.

iii) Amortized cost

Assets in this category are those for which our business model is to collect their contractual cash flows and the contractual cash flows represent solely payments of principal and interest. These assets are initially measured at cost and subsequently measured at amortized cost using the effective interest method.

b) *Impairment of financial assets*

We utilize an expected credit loss impairment model which is based on changes in credit quality at each reporting date since initial recognition. We apply an expected credit loss model using a forward-looking approach. Trade receivables are assessed using the simplified approach, recognizing lifetime expected credit losses. The estimation incorporates historical loss experience, current conditions, and forward-looking macroeconomic information. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty, default or delinquency in payment and when observable data indicates that there is a measurable decrease in the estimated future cash flows. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

c) *Financial liabilities*

Financial liabilities are recognized on the trade date in which we become a party to the contractual provisions of the instrument at fair value plus any directly attributable costs. We classify financial liabilities subsequently at amortized cost or fair value through profit or loss.

d) *Fair value measurement*

Fair value is defined as the price to sell an asset or transfer a liability (i.e. the "exit price") in an orderly transaction between market participants. Management uses a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is broken down into the following three levels:

*Level 1:* Fair value based on unadjusted quoted prices in active markets for identical assets or liabilities.

*Level 2:* Fair value based on quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in inactive markets, or for which significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.

*Level 3:* Fair value based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect significant management judgments about assumptions that market participants might use.

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The following table summarizes our classification and measurement of financial assets and liabilities:

	Classification	Measurement
Financial Assets:		
Cash	Fair value through profit and loss	Fair value through profit and loss
Trade and other receivables	Amortized cost	Amortized cost
Restricted non-redeemable GIC's	Amortized cost	Amortized cost
Sub-lease receivable	Amortized cost	Amortized cost
Financial liabilities:		
Trade and other payables	Amortized cost	Amortized cost
Customer deposits	Amortized cost	Amortized cost
Lease liabilities	Amortized cost	Amortized cost
Borrowings/loan payable	Amortized cost	Amortized cost
Advances from related parties	Amortized cost	Amortized cost
Promissory notes from related parties	Amortized cost	Amortized cost

### **Cash**

Cash includes petty cash and unrestricted cash balances held at two high credit-quality financial institutions, located in Canada and the US.

### **Trade and Other Receivables**

Trade receivables are stated at the amounts billed to customers under normal trade, less an allowance for doubtful accounts. At each reporting date, management adjusts the allowance for doubtful accounts based upon a review of: the aging of outstanding customer balances, historical default rates, customer credit worthiness and changes in customer payment to evaluate collectability of Novra's trade and other receivable balances.

Other receivables include harmonized goods and sales tax recoverable.

### **Inventories**

Novra's inventories consist of parts and supplies, work in progress ("WIP"), and finished goods. Inventories are measured at the lower of cost and net realizable value, with cost being determined using the weighted average cost method. The cost of WIP and finished goods include the cost of raw materials, direct labor, and manufacturing overhead. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

At each reporting period, management estimates the provision for obsolete and slow-moving inventory which may be reversed in subsequent periods, should the value subsequently be recovered.

### **Prepayments**

Prepayments include short-term prepaid expenses and prepayments related to materials, insurance premiums, third party software licenses, and other deposits required in the normal course of business which are less than one year.

### **Equipment**

Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Management has established the following estimated useful lives:

- Computers, peripherals and software: 3 years
- Demo and testing equipment: 3 – 5 years
- Furniture and fixtures: 5 – 10 years
- Leasehold improvements: remaining lease term

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Significant components of property, plant and equipment with different useful lives are depreciated separately.

The estimated useful lives, residual values, and depreciation methods are reviewed at least annually, with the effect of any changes in estimate accounted for prospectively.

We capitalize the cost associated with substantive betterments or improvements to equipment that significantly add to the productive capacity or extend the useful life of an asset. All other repair and maintenance costs are recognized as expenses.

### ***Intangible Assets***

Intangible assets with finite lives are measured at cost less accumulated amortization and any accumulated impairment losses. We amortized intangible assets on a straight-line basis over their estimated useful lives and are subject to impairment test as described in the Impairment of Non-Financial Assets policy.

In connection with the acquisition of IDC, management has established an estimated useful life of three years for the acquired technology assets from IDC (All intangible assets of IDC were fully amortized as of June 2019). In connection with the acquisition of Wegener, management has established useful lives of five years for the acquired technology and customer relationships assets from Wegener. All intangible assets of Wegener were fully amortized as of December 2022.

Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually. Indefinite life intangible assets are measured at cost less any accumulated impairment losses. These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired as described below. All acquired technology and customer relationships as described in Note 10 relate to these intangible assets. All of these assets have been fully amortized as of December 31, 2022.

### ***Impairment of Non-Financial Assets***

At each balance sheet date, management reviews the carrying amounts of Novra's non-financial assets, other than inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("CGU").

The recoverable amount of a CGU is determined based on value-in-use calculations using discounted cash flow models. Key assumptions include discount rates, growth rates, and forecast cash flows. Sensitivity analysis is performed on key assumptions.

We recognize an impairment charge to operating income if the carrying amount of a CGU or CGU grouping exceeds its recoverable amount. For asset impairments, the impairment charge reduces the carrying amounts of the non-financial assets in the CGU on a pro-rata basis. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

### ***Trade and Other Payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables include accrued liabilities, corporate credit cards, harmonized and goods and services tax payable, and warranty provision. We classify trade and other payables as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

# NOVRA TECHNOLOGIES INC.

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### ***Borrowings***

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in earnings over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If so, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

### ***Deferred Revenue***

Deferred revenue includes amounts related to installation, training, contract services, extended product warranty, post-contract customer support associated with the sale of Novra's products, and other professional and operations services. If the revenue recognition associated with these services is expected to take place within 12 months from the balance sheet date, we present the deferred revenue as current; otherwise the deferred revenue is presented as non-current.

### ***Provisions***

Novra provides a one-year manufacturer's warranty for its products at no additional cost to the customer. Estimates of future warranty costs are accrued at the time of product shipment and included in cost of revenue in the Consolidated Statements of Operations and Comprehensive Income (Loss). Management periodically reviews the provision for product warranty and records adjustments based on the terms of warranties provided to customers, historical and anticipated warranty claims experience, and estimates of the timing and cost of warranty claims. Factors that could impact the provision for product warranty include the success of our productivity and quality initiatives, as well as parts and labour costs. A higher degree of scrutiny is exercised in establishing product warranty provision related to sales of new products.

### ***Revenue Recognition***

Novra revenue consists of sales of satellite communications equipment and network products, product repair services, installation, training, extended warranty and post contract customer support.

Revenue is measured at fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, and sales / value added taxes. Revenue is recognized when control of goods or services transfers to the customer in an amount that reflects the consideration to which the Company expects to be entitled.

Revenue recognition for the following types of stand-alone sales is as follows:

a) Sales of Products

Hardware products are typically sold on a stand-alone basis. Embedded in our hardware products is internally developed software of varying applications that function together with the hardware to deliver the product's essential functionality. The embedded software is not sold separately when sold as part of a hardware product, and we do not provide post-contract customer support specific to embedded software. The functionality that the software provides is marketed as part of the overall product and accordingly we do not record separately the revenue associated with the embedded software.

Revenue from hardware products is recognized when risk of loss and title has transferred which is generally upon shipment. For virtually all international shipments, customer contracts are fulfilled under shipping terms known as "Ex-Works", in accordance with international commercial terms. In these instances, revenue is recognized upon delivery, which is the date that the goods are made available to the customer as requested by the customer and no further obligations of Novra's remain. Where final acceptance of the hardware is required by the customer,

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revenue is deferred until acceptance criterion has been met. For instance, most delivery of headend solution to customers require customer acceptance and consequently the revenue is delayed until then.

For standalone software products, we recognize revenue upon releasing the perpetual software license to the customer.

Shipping and handling costs charged to customers are recorded as revenue.

b) Sales of Services

We recognize revenue associated with product repairs, professional installation, training services, and other professional and operations services in the accounting period in which the services have been performed.

c) Sales of Extended Product Warranty

Revenue on extended product warranty for Novra's products is initially deferred and recognized in income on a straight-line basis over the contract period. Extended product warranty revenue is recognized only after Novra's one-year manufacturer's warranty expires.

d) Sales of Post-Contract Customer Support

Revenue on post-contract customer support is initially deferred and recognized in income on a straight-line basis over the contract period. Post-contract customer support includes support levels that provides customers with access to telephone support for trouble-shooting, diagnosis and extends to on-site repair of products. Novra also provides software upgrades on a when and if available basis and software support for a fixed annual fee.

Occasionally, we enter multiple-element sales arrangements in which the sales transaction may bundle the hardware, multi-year extended product warranty, new feature development and the associated post-contract customer support. When arrangements contain multiple elements, the deliverables are separated into more than one unit of accounting when the following are met:

- the delivered item(s) has value to the customer on a stand-alone basis; and
- if a general right of return exists relative to the delivered item(s), the delivery or performance of an undelivered item is probable and substantially in Novra's control.

Revenue is recognized in accordance with IFRS 15 using a five-step model:

- i) Identification of the contract with a customer,
- ii) Identification of performance obligations,
- iii) Determination of the transaction price,
- iv) Allocation of the transaction price to performance obligations based on their relative standalone selling prices, and
- v) Recognition of revenue when control of the promised goods or services transfers to the customer

The transaction price is allocated to each performance obligation based on relative standalone selling prices. Where standalone selling prices are not directly observable, they are estimated using appropriate valuation techniques, including adjusted market assessment and expected cost plus margin approaches.

### **Research and Development Costs**

Novra incurs research and development costs associated with the design of new technology. Expenditures during the research phase are expensed as incurred. Internally developed assets, are capitalized during the development phase if certain criteria, including technical feasibility and intent and ability for future sales in excess of the capitalized amount are met; otherwise, they are expensed as incurred. Such capitalized costs are amortized over 5 years. No amortization is recorded in the year of initial cost.

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Development costs consist entirely of wages based on hours worked on specific projects using employee costs as the baseline of these amounts.

### **Leases**

The Company records leases in accordance with IFRS 16. As a result, a right-of-use asset and lease liability are recorded at the lease commencement date. The right-of-use asset is initially measured at cost, and consequently at cost less any accumulated depreciation and impairment losses and adjusted for certain measurement of the lease liability.

### **Sub Lease Receivable**

IDC has entered into a sub lease. The sub lease receivable has been calculated as the amount receivable from the sublessee. This amount has been separated from the right of use asset to represent the portion of the asset that IDC no longer has the right to use. The term of the sub lease is thirty-seven months from December 1, 2022 to October 30, 2025. The sub lease receivable at December 31, 2025 was \$nil (2024: \$48 thousand).

### **Income Taxes**

Income taxes comprise current and deferred income taxes. Income taxes are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss), except to the extent that they relate to a business combination or items recognized in other comprehensive income (loss) or directly to equity.

#### a) Current income taxes

The taxes currently payable are based on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date in the countries where the Parent and its subsidiaries operate and generate taxable income. Additionally, it includes any adjustment to tax payable in respect of previous years. Taxable profit differs from IFRS profit because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

#### b) Deferred income taxes

Deferred income taxes are recognized using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax effects of temporary differences between financial reporting and taxable income (loss) and for tax credit and loss carry forwards. This is measured on a non-discounted basis using tax rates and laws that were enacted or substantively enacted at the dates of the Consolidated Statements of Financial Position and are expected to apply when the deferred income tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, management reassess unrecognized deferred tax assets. We recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future tax profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are presented as non-current.

### **Employee Benefits**

#### a) Pension obligations

Novra offers a Group Registered Savings Plan (Group RSP) to its employees in Canada. This is a contribution pension plan under which Novra may make fixed contributions to Group RSP, subject to a minimum contribution by the employee and the contribution matching policy in effect at the time. Wegener sponsors a 401k for its US employees but does not contribute to it. Novra has no legal or constructive obligations to pay further contributions

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if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. Pension contribution costs are recognized at the time employees make contributions to the Group RSP.

b) Termination benefits

We recognize termination benefits when Novra has demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing benefits as a result of an offer made to encourage voluntary termination. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### **Share-based Compensation**

Novra has a stock option plan for directors, executives, employees, and consultants. Grants are subject to a service condition by the option holder.

All option grants are initially measured at fair value using the Black-Scholes option pricing model. The fair value of the options is amortized over the vesting period and is included in operating expenses with a corresponding increase in contributed surplus, net of an estimated forfeiture credit. Management reassesses the estimated forfeiture credit at each reporting period. Where the terms and conditions of the initial option grant are modified before they vest, the options are remeasured at fair value at the modification date and any increase in fair value is charged to earnings.

When options are exercised, common shares are issued from treasury and the proceeds are credited to common shares in the Consolidated Statements of Financial Position.

### **Common Shares**

Common shares, options and warrants issued by Novra are classified as equity. Incremental costs directly attributable to the issue of these financial instruments are shown in equity as a deduction, net of tax, from the proceeds.

### **Earnings Per Share**

Basic EPS is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of common shares to assume conversion of all dilutive common shares.

### **Recently Adopted Accounting Standards and Amendments**

On January 1, 2025 the Company adopted the following standard amendments. Except for the adoption of these items, the accounting policies applied remain consistent with those from previous years.

a) IAS 21 The Effects of Changes in Foreign Exchange Rates

IAS 21 was revised to clarify the treatment of foreign currencies when the currency is not exchangeable or in the case that several exchange rates are available. A new disclosure requirement was introduced for cases where currencies are not exchangeable.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, and must be applied prospectively in accordance with IAS 21. The implementation of these amendments had no impact on the company or its consolidated financial statements.

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### Accounting Standards and Amendments Issued but not yet Adopted

#### Accounting Pronouncements

The following new standards and interpretations that have been issued but are not yet effective up to the date of issuance of these consolidated financial statements and accordingly have not been applied in preparing these consolidated financial statements, are listed below. The Company intends to adopt these standards and interpretations, if applicable, when they become effective.

a) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments was revised to address the accounting issues surrounding financial instruments, specifically the classification, measurement and derecognition of hybrid instruments that contain both debt and equity components.

The effective date for these amendments is January 1, 2026. The Company will need to reassess its classification and measurement of financial instruments, particularly hybrid financial instruments such as its convertible loan agreements to ensure compliance with the new requirements.

b) IFRS 7 Financial Instruments Disclosures

IFRS 7 Financial Instruments Disclosures was revised to enhance the disclosure requirements regarding the risks associated with financial instruments. The new disclosure requirements aim to provide users of the financial statements with more detailed information about an entity's exposure to risk.

The effective date for these amendments is January 1, 2026. The Company will need to evaluate whether additional disclosures regarding its financial instruments and risk exposures will be required in the financial statements for the year ending December 31, 2026.

c) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements was revised to set out requirements for the presentation and disclosure of information in *general purpose financial statements* (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

This Standard sets out general and specific requirements for the presentation of information in the statement(s) of financial performance, the statement of financial position and the statement of changes in equity. This Standard also sets out requirements for the disclosure of information in the notes.

The effective date for these amendments is January 1, 2027. The Company is currently assessing the impact of these amendments.

### 3. Critical Accounting Estimates and Judgments

The preparation of our Consolidated Financial Statements and related disclosures requires us to make estimates and assumptions about future events that can have a material impact on the amounts reported in our Consolidated Financial Statements and accompanying notes. Consequently, actual results could differ from those estimated. Our significant accounting policies are described in Note 2. The following critical accounting policies are those that we believe require a high level of subjectivity and judgment and have a material impact on Novra's financial condition and operating performance.

a) Revenue Recognition

Our sales arrangements occasionally involve multiple elements, including hardware, installation and professional services, extended product warranty, and post-contract customer support. We allocate revenue to all of these

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deliverables using the five-step model (see Note 2). Where standalone selling price is not directly observable for an element, it is estimated using appropriate valuation techniques.

### b) Inventory Obsolescence

We exercise significant judgment to estimate a provision for obsolete and slow-moving inventory (see Note 7). The inventory valuation process includes a review of future demand for Novra's products based on current sales pipeline; the stage of the product life cycle of Novra's product; customer acceptance; ability to repurpose slow-moving finished goods into other products showing greater market interest; and an assessment of the selling price in relation to the product cost. If our demand forecast for specific products is greater than actual demand and we fail to reduce manufacturing output accordingly, Novra could be required to write off inventory, which could negatively impact Novra's gross profit.

### c) Business Combination

The acquisition of the 51.6% majority interest in Wegener was accounted for by the acquisition method (see Note 4). Under this method, assets acquired and liabilities assumed as part of the business combination are recorded at their fair value at the date of acquisition.

The determination of fair value of identifiable assets and liabilities assumed required significant management judgement and estimate due to limited comparable observable market data, particularly for the following:

- Inventories – finished goods
- Equipment
- Deferred revenue

Additionally, the identification and fair value measurement of Wegener's intangible assets required significant management judgment.

### d) Impairment of Non-Financial Assets

At December 31, 2025, Novra's intangible assets were \$1.69 million (2024: \$1.63 million). Management has assessed the intangible assets and has determined that they have continuing value and do not require any impairment at the reporting date.

### e) Convertible Loan Classification

Management exercised significant judgment in determining the appropriate classification of the SNAPS convertible loan arrangement as at December 31, 2025, including assessing whether the contractual terms gave rise to a financial liability or equity instrument. This judgment considered the conversion election exercised by the lender, the fixed conversion price, regulatory approvals obtained, and the absence of a substantive obligation to settle the arrangement in cash at the reporting date.

## 4. Business Acquisitions

### ***51.6% Acquisition of Wegener Corporation ("Wegener")***

On December 29, 2017, we completed the purchase of 51.6% controlling interest of Wegener Corporation (herein referred as the "Wegener Acquisition"). Subject to Wegener shareholders' and regulatory approval, we may purchase the remaining 48.4% minority interest in the future.

Management believes this acquisition further diversifies Novra's revenue base with complimentary products and increases its market share in the United States, Mexico and Latin America regions as it grows to be a major world-class broadcast technology provider.

Intangible assets relate to acquired customer list and technology assets and were amortized on a straight-line basis over their estimated useful lives of five years (see Note 10). There was no assumed goodwill on this acquisition.

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### 5. Financial Risk Management

#### *Financial Risk Management Objectives and Policies*

In the normal course of business, we are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and credit risk of non-performance by counter parties. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring procedures. From time to time, we may use derivative financial instruments to hedge certain risk exposures.

#### Financial risk factors

##### a) *Market risk*

Market risk is the risk that changes in market prices will affect Novra's earnings or the value of its holdings of financial instruments.

##### i) Foreign exchange risk

Foreign exchange risk is the risk to Novra's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of those rates.

We operate internationally and therefore we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

We do not currently have a formal hedging program to mitigate Novra's exposure to foreign currency risk; however, management may speculate on the foreign currency trend and enter into derivative financial instruments. Unrealized gains or losses on outstanding foreign currency derivative contracts (e.g. futures, forwards, swaps) are reflected in the Consolidated Statements of Operations and Comprehensive Income (Loss) based on currency rates as at the date of the Consolidated Statements of Financial Position. At December 31, 2025 we did not have any foreign currency derivative contracts.

At December 31, 2025, if the Canadian dollar had weakened/strengthened by 5% against the U.S. dollar and Euro with all other variables held constant, the resulting change to Novra's consolidated net income would have been \$43 thousand. This excludes Wegener's assets and liabilities which are denominated in USD.

##### ii) Cash flow interest rate risk

Interest rate risk is the risk that the value of a financial instrument, and consequently net income (loss), might be adversely affected by a change in the interest rates.

Borrowings issued at variable interest rates expose Novra to cash flow interest rate risk. The revolving line of credit with the Chymiak Trust (See Note 11(b)) is subject to variable interest rates. In 2025 and 2024, we have not entered interest rate swaps to mitigate this cash flow interest rate risk.

An increase of 2% in the floating interest rate with all other variables held constant, would result in an insignificant increase to interest expense for the year.

##### b) *Liquidity risk*

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. Management monitors both actual and forecasted cash flows to ensure Novra has sufficient liquidity to meet operational needs while maintaining sufficient headroom on its undrawn RBC Credit Facilities (see Note 11(a)) so that Novra does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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The following table analyzes Novra's financial liabilities, including commitments, based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Payment due:	Total 2025	Within 1 year	1 to 5 years	5 to 10 years	10+ years
Borrowings (Note 11)	\$ 2,341	\$ 339	\$ 186	\$ 1,662	\$ 154
Operating leases (Note 18)	776	251	525	-	-
Trade payables and other payables	846	846	-	-	-
Total third party contractual obligations	3,963	1,436	711	1,662	154
Promissory notes from related party (Note 16)	1,411	-	1,411	-	-
Advances from related parties (Note 16)	1,872	1,872	-	-	-
Total contractual obligations at Dec 31, 2025	\$ 7,246	\$ 3,308	\$ 2,122	\$ 1,662	\$ 154

(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

At December 31, 2025, Novra's financial assets of \$2.4 million (2024: \$1.5 million) are adequate to meet all third-party contractual obligations due within the next 12 months. In addition, we continue to have access to the full RBC Credit Facilities to fund our working capital as needed. Accordingly, management believes Novra has adequate liquidity and working capital to meet its financial liabilities for the next 12 months.

### c) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations.

Novra's credit risk is primarily attributable to its cash holdings and accounts receivable. We do not use credit derivatives or similar financial instruments to mitigate Novra's credit risk. However, as part of our overall credit risk management, we may buy credit insurance from Export Development Canada (EDC) and seek customer deposits to mitigate credit risk in foreign markets. Novra's maximum credit risk exposure at December 31<sup>st</sup> was as follows:

	2025	2024
Cash	\$ 1,467	\$ 1,080
Trade and other receivables	948	414
	\$ 2,415	\$ 1,494

### Trade and other receivables

The trade and other receivables include the following at December 31<sup>st</sup>:

	2025	2024
Trade accounts receivable	\$ 885	\$ 487
Less: allowance for doubtful accounts	(1)	(104)
Net trade accounts receivable	884	383
VAT/HST and other receivables	64	31
Total trade and other receivables	\$ 948	\$ 414

The following table shows the aging of trade receivables that were not impaired at December 31<sup>st</sup>:

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

	2025	2024
Current	\$ 227	\$ 246
Past due:		
Less than 30 days	27	91
31-60 days	307	11
61-90 days	42	-
Greater than 90 days	345	66
	\$ 948	\$ 414

At December 31, 2025, two customers accounted for 58% of the total trade receivables (2024: four customers accounted for 65%).

The movements in allowance for doubtful accounts were as follows:

	2025	2024
Start of the year	\$ 104	\$ 216
Provision for impairment	(5)	43
Receivables written off during the year as uncollectable	(81)	(131)
Provision reversed due to subsequent collections	(17)	(24)
End of year	\$ 1	104

### d) Revenue concentration risk

For the year ended December 31, 2025, the Company's top 10 customers accounted for 66.5% of total revenue, with the two largest customers accounting for 24% and 10% respectively, or \$1.9 million in aggregate. For the same period last year, the Company's top 10 customers accounted for 62.1% of total revenue, with the largest two customers accounting for 14% and 14% respectively, or \$1.1 million 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.

## 6. Capital Management

Our key objectives when 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.

Management monitors Novra's capital and capital structure on an ongoing basis to ensure it is sufficient to achieve Novra's short-term and long-term objectives.

Our capital resources consisted of the following:

	December 31, 2025	December 31, 2024
Borrowings (drawn)	\$ 2,341	\$ 2,548
Promissory notes from related party	1,411	1,343
Shareholders' equity	(2,767)	(4,331)
Total capital resources	\$ 985	\$ (440)

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

### 7. Inventories

The breakdown of inventories was as follows at December 31<sup>st</sup>:

	2025	2024
Finished goods	\$ 39	\$ 71
Raw materials	1,360	1,785
Work-in-progress	28	14
Provision	(570)	(878)
	\$ 857	\$ 992

The cost of inventories charged to cost of revenue in 2025 was \$1.2 million (2024: \$849 thousand).

### 8. Financial Instruments

The following tables present the carrying values and fair values of recognized financial instruments using the valuation methods and assumptions described below.

	Carrying Amount				Fair Value			
	Cash and receivables	Other financial assets/liabilities at amortized cost	Assets / Liabilities at fair value through earnings	Total	Level 1	Level 2	Level 3	Total
<i>At December 31, 2025</i>								
<b>Financial assets measured at fair value:</b>								
Derivative financial instruments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Financial assets not measured at fair value:</b>								
<i>Current financial assets:</i>								
Cash	\$ 1,467	\$ -	\$ -	\$ 1,467	\$ 1,467	\$ -	\$ -	\$ 1,467
Trade and other receivables	948	-	-	948	948	-	-	948
<b>Total current financial assets</b>	<b>2,415</b>	<b>-</b>	<b>-</b>	<b>2,415</b>	<b>2,415</b>	<b>-</b>	<b>-</b>	<b>2,415</b>
<i>Non-current financial assets</i>	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>\$ 2,415</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,415</b>	<b>\$ 2,415</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,415</b>
<b>Financial liabilities not measured at fair value:</b>								
<i>Current financial liabilities:</i>								
Trade and other payables	\$ -	\$ 846	\$ -	\$ 846	\$ 846	\$ -	\$ -	\$ 846
Borrowings	-	339	-	339	339	-	-	339
Lease liabilities	-	251	-	251	-	251	-	251
Customer deposits	-	187	-	187	187	-	-	187
Advances from related parties	-	1,872	-	1,872	1,872	-	-	1,872
Promissory notes from related party	-	-	-	-	-	-	-	-
<b>Total current financial liabilities</b>	<b>-</b>	<b>3,495</b>	<b>-</b>	<b>3,495</b>	<b>3,244</b>	<b>251</b>	<b>-</b>	<b>3,495</b>
<i>Non-current financial liabilities:</i>								
Borrowings	-	2,002	-	2,002	2,002	-	-	2,002
Lease liabilities	-	525	-	525	-	525	-	525
Promissory notes from related party	-	1,411	-	1,411	1,411	-	-	1,411
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>3,938</b>	<b>-</b>	<b>3,938</b>	<b>3,413</b>	<b>525</b>	<b>-</b>	<b>3,938</b>
<b>Total financial liabilities</b>	<b>\$ -</b>	<b>\$ 7,433</b>	<b>\$ -</b>	<b>\$ 7,433</b>	<b>\$ 6,657</b>	<b>\$ 776</b>	<b>\$ -</b>	<b>\$ 7,433</b>

# NOVRA TECHNOLOGIES INC.

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Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

At December 31, 2024	Carrying Amount				Fair Value			
	Cash and receivables	Other financial assets/liabilities at amortized cost	Assets / Liabilities at fair value through earnings	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value:</b>								
Derivative financial instruments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Financial assets not measured at fair value:</b>								
<i>Current financial assets:</i>								
Cash	\$ 1,080	\$ -	\$ -	\$ 1,080	\$ 1,080	\$ -	\$ -	\$ 1,080
Restricted non-redeemable GIC	-	-	-	-	-	-	-	-
Trade and other receivables	414	-	-	414	414	-	-	414
Notes receivable	-	-	-	-	-	-	-	-
Sub-lease receivable	48	-	-	48	-	48	-	48
<b>Total current financial assets</b>	<b>1,542</b>	<b>-</b>	<b>-</b>	<b>1,542</b>	<b>1,494</b>	<b>48</b>	<b>-</b>	<b>1,542</b>
<i>Non-current financial assets</i>	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>\$ 1,542</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,542</b>	<b>\$ 1,494</b>	<b>\$ 48</b>	<b>\$ -</b>	<b>\$ 1,542</b>
<b>Financial liabilities not measured at fair value:</b>								
<i>Current financial liabilities:</i>								
Trade and other payables	\$ -	\$ 1,647	\$ -	\$ 1,647	\$ 1,647	\$ -	\$ -	\$ 1,647
Borrowings	-	264	-	264	264	-	-	264
Lease liabilities	-	313	-	313	-	313	-	313
Customer deposits	-	95	-	95	95	-	-	95
Advances from related parties	-	1,682	-	1,682	1,682	-	-	1,682
Promissory notes from related party	-	-	-	-	-	-	-	-
<b>Total current financial liabilities</b>	<b>-</b>	<b>4,001</b>	<b>-</b>	<b>4,001</b>	<b>3,688</b>	<b>313</b>	<b>-</b>	<b>4,001</b>
<i>Non-current financial liabilities:</i>								
Borrowings	-	2,285	-	2,285	2,285	-	-	2,285
Lease liabilities	-	1,162	-	1,162	-	1,162	-	1,162
Promissory notes from related party	-	1,343	-	1,343	1,343	-	-	1,343
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>4,790</b>	<b>-</b>	<b>4,790</b>	<b>3,628</b>	<b>1,162</b>	<b>-</b>	<b>4,790</b>
<b>Total financial liabilities</b>	<b>\$ -</b>	<b>\$ 8,791</b>	<b>\$ -</b>	<b>\$ 8,791</b>	<b>\$ 7,316</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ 8,791</b>

### Financial instruments measured at fair value

Novra did not have any financial assets to remeasure at fair value.

### Financial instruments not measured at fair value

The carrying amounts of trade and other receivables, trade and other payables, borrowings, and advances from related parties approximate fair values because of the short-term nature of these financial instruments.

The following are valuation techniques we used to estimate the fair value of financial instruments with maturities longer than 12 months:

- **Borrowings:** See Note 11 for a further breakdown of the total borrowings. We use the discounted cash flow model to estimate their respective fair values.
  - **Revolving line of credit with the Chymiak Trust:** As the variable interest rate was negotiated at arm's length (prime + 2%) and the line of credit is secured by a first line on Wegener's assets, we believe the financing cost reflects market rate and therefore the estimated fair value of this line of credit fairly approximates its carrying value.
- **Lease Liabilities:** See Note 2 for the treatment of lease liabilities. We believe the estimated fair value of the lease liabilities approximates carrying value.
- **Promissory Notes from Related Parties:** See Note 16 for a further breakdown of amounts owing to related parties. We believe the estimated fair value of the promissory notes approximates carrying value.

## NOVRA TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

#### 9. Equipment

The following is a breakdown of the total carrying value of equipment at December 31, 2025.

	Machinery and testing equipment		Computer equipment	Furniture and fixtures	Leasehold Improvements	Total
<b>Cost</b>						
January 1, 2025	\$	527	\$ 59	\$ 30	\$ 5	\$ 621
Additions		-	3	-	-	3
Disposals		-	-	-	-	-
December 31, 2025	\$	527	\$ 62	\$ 30	\$ 5	\$ 624
<b>Accumulated Amortization</b>						
January 1, 2025	\$	388	\$ 58	\$ 30	\$ 2	\$ 478
Amortization		73	2	-	1	76
Disposals		-	-	-	-	-
December 31, 2025	\$	461	\$ 60	\$ 30	\$ 3	\$ 554
<b>Net carrying values</b>	<b>\$</b>	<b>66</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 70</b>

No impairment indicators identified in 2025 following reclassification.

The following is a breakdown of the total carrying value of equipment at December 31, 2024.

	Machinery and testing equipment		Computer equipment	Furniture and fixtures	Leasehold Improvements	Total
<b>Cost</b>						
January 1, 2024	\$	388	\$ 59	\$ 30	\$ 5	\$ 482
Additions		139	-	-	-	139
Disposals		-	-	-	-	-
December 31, 2024	\$	527	\$ 59	\$ 30	\$ 5	\$ 621
<b>Accumulated Amortization</b>						
January 1, 2024	\$	388	\$ 54	\$ 30	\$ 1	\$ 473
Amortization		-	4	-	1	5
Disposals		-	-	-	-	-
December 31, 2024	\$	388	\$ 58	\$ 30	\$ 2	\$ 478
<b>Net carrying values</b>	<b>\$</b>	<b>139</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ 143</b>

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

### 10. Intangible Assets

The following is a breakdown of the carrying value of the total intangible assets at December 31, 2025.

	Acquired Technology	Customer Relationships	Development	Total
<b>Cost</b>				
January 1, 2025	\$ 1,811	\$ 2,000	\$ 2,397	\$ 6,208
Additions	-	-	548	548
Disposals	(940)	-	-	(940)
December 31, 2025	\$ 871	\$ 2,000	\$ 2,945	\$ 5,816
<b>Accumulated Amortization</b>				
<i>Amortization period</i>	5 years	5 years	5 years	
January 1, 2025	\$ 1,811	\$ 2,000	\$ 694	\$ 4,505
Amortization for the year	-	-	463	463
Disposals	(940)	-	-	(940)
December 31, 2025	\$ 871	\$ 2,000	\$ 1,157	\$ 4,028
Effect of movement in exchange rates	\$ -	\$ -	\$ (95)	\$ (95)
<b>Net carrying values</b>	\$ -	\$ -	\$ 1,693	\$ 1,693

The following is a breakdown of the carrying value of the total intangible assets at December 31, 2024.

	Acquired Technology	Customer Relationships	Development	Total
<b>Cost</b>				
January 1, 2024	\$ 1,811	\$ 2,000	\$ 1,767	\$ 5,578
Additions	-	-	630	630
December 31, 2024	\$ 1,811	\$ 2,000	\$ 2,397	\$ 6,208
<b>Accumulated Amortization</b>				
<i>Amortization period</i>	5 years	5 years	5 years	
January 1, 2024	\$ 1,811	\$ 2,000	\$ 359	\$ 4,170
Amortization for the year	-	-	335	335
December 31, 2024	\$ 1,811	\$ 2,000	\$ 694	\$ 4,505
Effect of movement in exchange rates	\$ -	\$ -	\$ (75)	\$ (75)
<b>Net carrying values</b>	\$ -	\$ -	\$ 1,628	\$ 1,628

Amortization is recorded as part of our research and development expenses in the Consolidated Statements of Operations and Comprehensive Income (Loss) for 2025 and 2024.

Wegener's intangible purchase price adjustment was fully amortized as of December 31, 2022.

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

### 11. Borrowings

The following is a breakdown of our total borrowings with third parties at:

	December 31, 2025	December 31, 2024
Revolving line of credit with the Chymiak Trust	\$ 2,134	\$ 2,327
Government disaster assistance funding	207	221
Total borrowings	2,341	2,548
Less: current portion	(339)	(264)
Total borrowings - non-current	\$ 2,002	\$ 2,284

#### a) Bank borrowings

On March 13, 2014, we entered credit facilities with the Royal Bank of Canada ("RBC Credit Facilities"), which were further amended in October 2019 and April 2026. The RBC Credit Facilities are repayable on demand and are secured by a General Security Agreement with RBC, providing a first ranking security in all personal property of Novra.

The RBC Credit Facilities include a revolving demand facility up to \$380 thousand and corporate Visa credit cards available for use up to a maximum limit of \$60 thousand in Canadian currency and US currency. Draws totaling \$150 thousand were made on the demand facility throughout the year. No amounts remain outstanding at December 31, 2025 (2024: \$nil).

#### b) Revolving line of credit with the Chymiak Trust

As part of the Wegener acquisition, we have included Wegener's liabilities in our Consolidated Statement of Financial Position at December 31, 2025, including its revolving line of credit. As amended and effective October 8, 2009, Wegener's subsidiary, Wegener Communications Inc. ("WCI"), has entered a revolving line of credit ("loan facility") with The David E. Chymiak Trust dated December 15, 1999 (the "Chymiak Trust"). Mr. David Chymiak controls the Chymiak Trust and owns approximately 8.5% of the remaining 48.4% minority interest of Wegener at December 31, 2025.

Immediately prior to entering into a term sheet with Wegener to acquire a 51.6% acquisition on November 27, 2017 (see Note 4), \$1.7 million USD remained outstanding under the loan facility and \$2.9 million USD in accrued and unpaid interest. The loan facility is secured by a first lien on substantially all of WCI's assets and is guaranteed by Wegener Corporation (parent company). Under the terms of the loan facility's debt covenants, we are precluded from paying dividends from Wegener.

As an inducement for Novra to proceed with the 51.6% acquisition of Wegener, the Chymiak Trust agreed to restructure the terms of its debt owed from Wegener. As a result, we entered a separate, simultaneous term sheet on November 27, 2017 with the Chymiak Trust. Under subsequent extensions to that term sheet, the debt is now structured as follows:

- i) Effective December 31, 2024, the date of the most recent extension, the Chymiak Trust agreed to amend the loan facility as follows:
  - The Chymiak Trust will not demand repayment at any time prior to Jul 31, 2027.
  - The interest rate continues to be the current U.S. Prime Rate + 2% and accrue quarterly.
  - Wegener was to make payments towards the loan principal totaling \$180,000 in 2025. In 2025, payments totaling \$60,000 were made. The remaining \$120,000 is to be paid in the subsequent year. There has been no amendment to the existing loan extension agreement.
  - Wegener will continue with yearly loan payments for the subsequent two years totaling at least \$120 thousand per year or 10% of Wegener's revenue from receiver sales to Westwood One (whichever is higher) toward the principal of the loan.

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

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- ii) Effective from the closing date of the tender offer for the 48.4% minority interest of Wegener, the Chymiak Trust will further amend the loan facility as follows:
- A portion of the debt will be forgiven by the Chymiak Trust as of the closing date, and therefore this amount is excluded in our Consolidated Statements of Financial Position at December 31, 2025.
  - The interest will remain at U.S. Prime Rate + 2% and accrued quarterly.
  - Interest shall first become due at the end of the first three-year period post-closing date of the 48.4% minority interest ("First Repayment Term").
  - Subsequent accrued interest will be paid at the end of each year.
  - The Trust can select to accept the annual accrued interest in Novra's common shares based on the fair market value as defined by TSX-V and subject to TSX-V approval. This selection can be done annually with a 30 day notice before the interest due date.
  - Principal repayment terms will be as follows:
    - i. By the end of the First Repayment Term, Wegener commits to reduce the balance to USD \$1 million.
    - ii. Thereafter, by the end of the subsequent five-year period, Wegener will commit to fully repay the remaining loan balance.
  - The Chymiak Trust shall continue to hold its current security interest in Wegener's assets until the operating loan, including any accrued and unpaid interest, is fully repaid.

Repayment of \$60 thousand USD (\$83 thousand CND) was made during the year ended December 31, 2025.

### c) WEDC repayable contribution

During the current year, we did not receive any additional funds from WEDC. Repayment was scheduled for 60 consecutive monthly installments which commenced on April 1, 2019. Repayment obligations were paused from April to December 2020 due to the COVID-19 pandemic. Repayments recommenced on January 1, 2021. The contributions were subject to interest at the average bank rate plus 3% if any payments are late.

At December 31, 2025, the remaining principal balance was \$nil (2024: \$nil thousand).

### d) Government assistance funding

Novra received funding from the Government of Canada through the Canada Emergency Business Account (CEBA) in the amount of \$40 thousand. The loan is interest free, administered through RBC and repayment on or before December 31, 2022 will result in forgiveness of 25% (up to \$10 thousand). In January 2022, the repayment date was extended to December 31, 2023. In September 2023, the repayment deadline was extended to January 18, 2024. This loan was repaid on January 8, 2024 and \$10 thousand subsequently forgiven.

In August 2020, Wegener received financing in the amount of \$191 thousand (USD\$150 thousand) through the U.S. Small Business Administration (SBA), Office of Disaster Assistance. Funds were advanced with the following terms: interest of 3.75%, installment payments of USD\$731/month begin after 12 months and the balance of principal and interest payable 30 years from the funding date. In 2021, SBA deferred repayments to begin 24 months from the funding date. In March 2022, SBA deferred repayments to begin 30 months from the funding date. Interest continues to accrue on the balance of the loan outstanding. Wegener began making repayments in November 2022. Included in borrowings is an accrued interest payable of \$1 thousand (2024: \$5 thousand).

### e) SNAPS convertible loan

The SNAPS convertible loan is excluded from borrowings as this amount was recorded directly to share capital. See Note 22 for details.

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

### 12. Warranty Provision

We provide a one-year manufacturer's warranty for Novra's products at no additional cost to the customer. The warranty provision is included in trade and other payables. The following table shows the movement in the warranty provision for 2025 and 2024.

	2025	2024
<b>At January 1st</b>	\$ 83	\$ 78
Additions during the year	101	83
Reversals during the year	(83)	(78)
<b>At December 31st</b>	\$ 101	\$ 83

### 13. Shareholders' Equity

#### a) Common Stock

The following table provides a summary of authorized as well as issued and outstanding capital for Novra at December 31<sup>st</sup>:

	2025	2024
<b>Authorized:</b>		
Unlimited Class "A" Common voting shares		
Unlimited Class "B" Common non-voting shares		
Unlimited Class "C" Preferred shares, redeemable and retractable at \$1,000		
<b>Issued:</b>		
33,420,293 (December 31, 2024: 33,420,293)		
Class "A" common voting shares	\$ 8,054	\$ 7,373

In 2025, we did not cancel any shares (2024: 0 shares cancelled). During the 2<sup>nd</sup> quarter, \$681,000 was received for shares paid for in advance relating to the agreement described in Note 22.

#### b) Stock Options

As of December 31, 2025, all stock options have expired.

### 14. Income Taxes

#### a) Reconciliation of effective income tax rate

Novra's effective income tax rate differs from the statutory rate that would be obtained by applying the combined Canadian basic federal and provincial income tax rate to income (loss) before income taxes. These differences result from the following items:

# NOVRA TECHNOLOGIES INC.

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Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

	2025	2024
Income (loss) before income taxes	\$ 837	\$ (1,878)
Statutory income tax rate	27.0%	27.0%
Tax provision based on combined Canadian federal and provincial rates	226	(507)
Increase (decrease) resulting from:		
Origination and reversal of temporary differences	173	(53)
Non-deductible amounts and other permanent differences	(58)	(54)
Current year losses (applied)	(341)	614
Income tax recovery (expense)	\$ -	\$ -
Effective income tax rate	0.0%	0.0%

### b) Investment Tax Credits

At December 31, 2025, Novra's federal and provincial investment tax credits ("ITCs") available to reduce future Canadian federal and provincial taxes payable were \$3.9 million and \$0.5 million respectively.

The ITCs will expire as follows:

	Federal ITCs	Provincial ITCs
2026	322	-
2027	315	-
2028	434	-
2029	633	-
2030 and after	2,175	455
<b>Total</b>	<b>\$ 3,879</b>	<b>\$ 455</b>

In addition to the ITCs, Novra has accumulated a Scientific Research and Experimental Development ("SR&ED") expenditures pool that is available for an indefinite carry forward period with discretionary deductions of \$26.2 million.

### c) Loss Carry Forwards

At December 31, 2025, Novra has incurred losses of \$12.8 million for tax purposes which can be carried forward over 20 years to reduce future taxable income.

These losses will expire as follows:

	Loss Carry Forward
2026	-
2027	-
2028	-
2029	25
2030 and after	12,786
<b>Total</b>	<b>12,812</b>

We have not recognized the tax benefits associated with the unused tax losses, tax credits, and deductible temporary differences in the Consolidated Financial Statements as their ultimate realization are contingent on the generation of future taxable profits. Management concluded that this did not meet the minimum recognition threshold of probable, based on the significant risks and uncertainties in projecting Novra's future taxable income and the lack of available income tax planning strategies.

# NOVRA TECHNOLOGIES INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

(Tabular amounts are in 000's, except share data)

### 15. Revenue

The following tables provide a breakdown of our revenues by category and geographic market at December 31:

Major Products/Service Lines	2025	2024
Hardware and Software	\$ 2,966	\$ 1,920
Services, Support and Extended Warranty	2,374	1,936
Other	104	116
	\$ 5,444	\$ 3,972

  

Geographic Market	2025	2024
Americas (excluding Canada) <sup>(1)</sup>	\$ 3,188	\$ 2,652
Canada	327	348
EMEA <sup>(2)</sup>	1,815	791
APAC <sup>(3)</sup>	114	181
	\$ 5,444	\$ 3,972

(1) The geographic region of the Americas includes North America, Central America and South America.

(2) EMEA consists of Europe, the Middle East and Africa.

(3) APAC consists of East Asia, South Asia, Southeast Asia and Oceania.

The timing of revenue recognition may differ from the timing of invoicing to customers. The following table provides a breakdown of revenue timing:

Timing of Revenue Recognition	2025	2024
Products transferred at a point in time	\$ 3,070	\$ 2,036
Products and services transferred over time	2,374	1,936
	\$ 5,444	\$ 3,972

The following table presents changes in the deferred revenue balances for the year ended December 31:

Deferred revenue	2025	2024
Balance, January 1	\$ 1,137	\$ 1,146
Amounts invoiced and revenue deferred	1,971	1,716
Recognition of deferred revenue	(1,827)	(1,786)
Foreign exchange movement	(26)	61
Balance, December 31	1,255	1,137
Less: current portion	(1,040)	(888)
Deferred revenue, non-current, December 31	\$ 215	\$ 249

### 16. Related Party Transactions

The following is a summary of Novra's related party transactions:

a) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of Novra. The key management personnel of Novra is the executive management team and the Board of Directors, who collectively control approximately 17% (CEO has direct and indirect ownership of 16%) of the total outstanding and issued common shares of Novra at December 31, 2025.

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The following table discloses the compensation for the key management personnel for the year ended December 31<sup>st</sup>:

	Twelve Months Ended December 31,	
	2025	2024
Salaries and employee benefits	\$ 476	\$ 476
Directors' fees	12	12
Total	\$ 488	\$ 488

Key management personnel compensation includes salaries, short-term benefits, and share-based payments, disclosed in aggregate.

b) Transactions with other related parties

	Twelve Months Ended December 31,	
	2025	2024
<b>Interest on unsecured promissory notes</b>		
InfoMagnetics Technologies Inc. ("IMT") <sup>(1)</sup>	\$ 68	\$ 71
	\$ 68	\$ 71

<sup>(1)</sup> Novra's CEO has a controlling interest in IMT.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

c) The breakdown of advances from related parties by party was as follows:

	December 31, 2025	December 31, 2024
Key management and directors (see part (a))	\$ 1,370	\$ 1,180
IMT	502	502
	\$ 1,872	\$ 1,682

At December 31, 2025, \$1.31 million (2024: \$1.12 million) was due to Novra's CEO in regards to unpaid salaries and expense reimbursements for current and prior years in which he voluntarily chose to not collect payment in the interest of preserving liquidity in the company. This amount is net of the receivable balance of \$7 thousand (2024: \$10 thousand). The receivable is made up of miscellaneous expense reimbursements. The payable amount bears no interest and has no repayment term. In the current year, the CEO decided to forgive \$nil of the amount owing (2024: \$185 thousand).

At December 31, 2025, \$502 thousand (2024: \$502 thousand) was due to IMT relating to amounts invoiced but not paid for current and prior years. This amount is net of the receivable balance of \$14 thousand (2024: \$14 thousand). The receivable is made up of miscellaneous expense reimbursements. The payable amount bears no interest and has no repayment term. This amount, less \$100 thousand, was repaid subsequent to year end. IMT has agreed to forgive the remaining amount as part of the repayment agreement. See Note 16(d) for additional information.

d) The movement of unsecured promissory notes due to IMT was as follows:

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	2025	2024
At January 1	\$ 1,343	\$ 1,272
Loans released	(1,376)	(1,310)
Loans received	1,376	1,310
Interest charged	68	71
At December 31	\$ 1,411	\$ 1,343

The following table shows the presentation of the above total IMT loans on Novra's Consolidated Statements of Financial Position at 2025 and 2024:

	2025	2024
Current portion	\$ -	\$ -
Non-current portion	1,411	1,343
Total	\$ 1,411	\$ 1,343

The following is a summary of loan transactions with IMT:

- On November 5, 2014, Novra entered a \$250 thousand unsecured promissory note bearing 4% annual interest and maturing on August 31, 2015. The maturity date of this note was extended in previous years and in December 2018 both parties agreed to change the extension terms to 'due on demand'. As of December 31, 2025, the remaining balance of the promissory note plus accrued interest was \$nil (2024: \$nil).
- On January 25, 2016, Novra entered a \$400 thousand USD unsecured promissory note bearing interest at the monthly USD floating base rate plus 2.5% per annum and maturing on November 1, 2022. The purpose of this note was to provide further liquidity to fund its working capital requirements. The USD floating base rate was 4.8% per annum at January 25, 2016, 5.80% at December 31, 2017, 6.75% at December 31, 2018, 6.50% at December 31, 2019, 4.55% at December 31, 2020, and 4.7% at December 31, 2021. The remaining balance of the promissory note plus accrued interest was \$nil CDN (2024: \$nil CDN).
- On June 30, 2017, we entered a new unsecured promissory note of \$381 thousand with IMT to replace the remaining unpaid \$381 thousand unsecured promissory note dated June 9, 2016. On December 31, 2018, we renewed the unsecured promissory note dated June 30, 2017, which bears interest at 4% per annum and is due on demand. At December 31, 2025, the remaining balance of the unsecured promissory note plus accrued interest was \$nil (2024: \$nil).
- On December 31, 2022, Novra entered a \$1.2 million unsecured promissory note bearing 6% annual interest and maturing on January 2, 2025. As of December 31, 2025, the remaining balance of the promissory note plus accrued interest was \$nil (2024: \$nil). This note was used to pay off all previous note balances.
- On June 30, 2024, Novra entered a \$1.3 million unsecured promissory note bearing 5% annual interest and maturing on April 1, 2026. As of December 31, 2025, the remaining balance of the promissory note plus accrued interest was \$nil (2024: \$1.3 million). This note was used to pay off all previous note balances.
- On June 30, 2025, Novra entered a \$1.3 million unsecured promissory note bearing 5% annual interest and maturing on April 1, 2027. As of December 31, 2025, the remaining balance of the promissory note plus accrued interest was \$1.4 million (2024: \$nil). This note was used to pay off all previous note balances.
- Subsequent to year end, repayment of the December 31, 2025 balance was made and IMT has signed a release of the promissory note dated June 30, 2025. As part of this agreement, Novra has also repaid the outstanding balance included in Note 16(c) advances from related parties, less \$100 thousand, which IMT has forgiven as part of the repayment agreement.

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### 17. Depreciation and Amortization

The following table presents the total depreciation and amortization expense by function.

	Year ended December 31	
	2025	2024
Cost of revenue	\$ 115	\$ 90
Selling and marketing	16	26
Research and development	524	495
General and administrative	76	62
	\$ 731	\$ 673

### 18. Commitments and Contingent Liabilities

#### a) Leases

The Company leases office and production space for the head office and subsidiaries. We had no significant operating leases for equipment. Changes in the right-of-use assets are summarized in Note 20 of these Consolidated Financial Statements. The following table is a summary of the changes in the lease liabilities during the year ended December 31:

	2025	2024
Balance, January 1	\$ 1,475	\$ 1,718
Interest	55	96
Effects on movement in exchange rates	(19)	27
Additions	59	-
Remeasurement	(496)	-
Lease payments	(298)	(366)
Balance December 31	776	1,475
Less: current portion	(251)	(313)
Lease liabilities non-current, December 31	\$ 525	\$ 1,162

During the year, the Company refined its assessment of lease payments under certain property leases to distinguish fixed or index-based payments from variable "additional rent" (such as property taxes, common area maintenance, and operating costs).

Variable lease payments that do not depend on an index or rate are excluded from lease liabilities and right-of-use assets and are expensed as incurred. And as a result, the carrying amount of right-of-use assets and related lease liabilities decreased during the year.

The following table presents the contractual undiscounted payments for lease obligations as at December 31:

	2025	2024
Less than one year	\$ (291)	\$ (392)
One to five years	(565)	(1,288)
More than five years	-	-
Total undiscounted lease obligations	\$ (856)	\$ (1,680)

#### b) Purchase Commitments

In the normal course of business, we may enter purchase commitments, including inventory and third-party software license embedded in our products, to achieve economy of scale. At December 31, 2025, and December 31, 2024, we had no purchase commitments due within one year.

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### 19. Debt forgiveness and Finance Costs

#### a) Debt forgiveness

The Company recorded debt forgiveness of \$676 thousand due to the forgiveness of accounts payable for the year ended December 31, 2025 (2024: \$nil). The difference between the amount shown on the income statement is related to foreign exchange translation on the amount above.

#### b) Finance costs

The following table provides a breakdown of total finance costs.

	2025	2024
Interest expense:		
- Unsecured promissory notes (see Note 16(d))	\$ 68	\$ 71
- Lease commitments (see Note 18(a))	55	96
- Other interest and finance costs	9	7
	\$ 132	\$ 174

### 20. Right-of-use Assets

The following table presents right-of-use assets for the Company:

	2025	2024
Balance, January 1	\$ 1,124	\$ 1,317
Additions	60	-
Depreciation	(197)	(215)
Remeasurement	(372)	-
Effects on movement in exchange rates	(19)	22
Balance, December 31	\$ 596	\$ 1,124

See Note 18a) for an explanation regarding the remeasurement of lease liabilities and the related right-of-use assets.

### 21. Employee Benefits

Employee benefits include health, life and disability. Other employee benefits include IT devices enablement. Employee benefits are expensed as incurred and there are no post-employment, other long-term, or termination benefit obligations that require recognition in Novra's statement of financial position.

### 22. SNAPS Convertible Loan Agreements

On September 10, 2024, Novra entered into a binding non-brokered convertible loan agreement (the "Agreement") with SNAPS Holding Company ("SNAPS" or "Lender"), a U.S.-based private investment group, for financing of up to \$12.3 million. The Agreement provides for interest at 1.0% per annum and permits the Lender, at its sole discretion, to convert amounts advanced into Novra common shares at a fixed conversion price of \$0.34 per share.

If the Lender does not convert within the term, Novra has the right to force conversion at the same fixed rate or repay the loan. The proposed private placement is subject to TSX Venture Exchange approval and may also require shareholder approval.

The agreement completes funding in tranches.

As at December 31, 2025, Novra has received \$681 thousand (2024: \$nil) under the Agreement. Prior to year-end, the Lender exercised its contractual right to convert this amount into a fixed number of common shares at the stated conversion price, and TSX Venture Exchange approval for the conversion had been obtained. The conversion terms

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provide for the issuance of 2,002,944 common shares. As at December 31, 2025, no shares had been issued and the issuance remained pending.

The amount received has been presented within shareholders' equity as shares paid in advance, reflecting consideration received for equity instruments subject only to administrative issuance at the reporting date.

Subsequent to year end, on January 29, 2026, a new agreement was entered into whereby the Lender agreed to loan Novra \$4.4 million, which, if fully converted, would result in the issuance of 12,894,118 common shares. This amount was received on January 29, 2026. The Lender has elected to convert this amount to shares, and TSX Venture Exchange review is in process and approval is pending.

On January 30, 2026, another agreement was entered into whereby the Lender agreed to loan Novra \$7.3 million, which, if fully converted, would result in the issuance of 21,353,000 common shares. The closing date of this agreement is on or before September 30, 2026. As no funds had been received under this agreement as at the date of issuance of these consolidated financial statements, readers should refrain from placing undue reliance on the anticipated closing of this potential transaction, either as described or at all.