



MANAGEMENT'S DISCUSSION & ANALYSIS

Periods ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

Novra Technologies Inc.

Management's Discussion & Analysis

Three Months Ended March 31, 2026

The following Management's Discussion and Analysis ("MD&A") of Novra Technologies Inc. ("Novra") should be read in conjunction with the Consolidated Financial Statements for the periods ended March 31, 2026 and 2025, and related notes included therein (the "Consolidated Financial Statements"). These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All information in this MD&A is presented in Canadian dollars, unless otherwise indicated. Tabular dollars are in thousands, except per share amounts. **Amounts in tables may not reconcile due to rounding differences.**

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

This MD&A is dated as of May 30, 2026 and is current to this date. The MD&A and the Consolidated Financial Statements were approved and authorized for issuance by the Board of Directors on June 1, 2026.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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BUSINESS OVERVIEW

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

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

About our business

Proven tradition of innovation and strategic expansion

Novra has a long history and on-going strategy of partnering and merging with great technology companies in adjacent or complimentary market verticals, including and building on our successful acquisitions of International Datacasting Corporation and Wegener Corporation. We've also developed and continue to grow a network of strategic partners to augment our internal teams and expertise, allowing us to respond quickly to new opportunities. Together our group of companies have delivered new technologies to our customers in award-winning products and services to improve their business outcomes. At the same time, Novra has grown its internal M&A experience and put in place systems to successfully integrate prior and future acquisitions.

Both market-leading standard offerings and customer-specific solutions

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

Field-proven product reliability

With hundreds of thousands of units shipped around the world, many in mission-critical 24/7 operation in challenging operating environments, Novra has earned a reputation for high-quality extremely reliable products. In addition to delivering products that work out of the box, Novra stands behind our products with support, service and extended warranty offerings to keep them operating long into the future.

Unmanned Aerial Vehicle (UAV) communications

As part of our strategic marketing and R&D initiative to expand into high-growth adjacent markets, we are advancing into the emerging UAV sector. In collaboration with a long-time customer and partner, we are defining a rugged, reliable and uniquely capable communications module tailored for the specific needs of UAV applications. This market is experiencing rapid growth, with requirements evolving quickly. Partnering with an organization well-established in the UAV space provides significant advantage. We are leveraging our expertise, existing IP, and latest innovations, as well as our proven strength in manufacturing, to address the complex and evolving communication requirements of unmanned aerial vehicles across a wide range of use cases.

Media distribution

The media distribution landscape, where Novra continues to build on a long history of success, is going through major upheaval driven by a combination of market and technology factors. Important changes include:

- **Content is changing.** With the explosion of streaming media—video and audio—long form content, limited series, live versus on-demand, the demand for media is growing and evolving.
- **Revenue models are changing.** Advertising can be much more precisely targeted. New subscription models are emerging. Licensing and underwriting practices are changing. Content is being accessed in more granular models (e.g., through specific apps vs. bouquets of live channels).
- **Expense model preferences are changing.** Some businesses are embracing the trend away from one-time infrastructure CAPEX and toward OPEX, paying over time for products and services as they use them. They are often looking to minimize the up-front expense of large infrastructure investments and instead moving toward pay-as-you-go operating expenses. At the same time, others are taking a longer view and moving back toward a preference for one-time CAPEX investments in an effort to minimize total cost of ownership over the long term.
- **Distribution platforms and architectures are changing.** The legacy model of distribution of channel-based media as a broadcast via satellite- "point to multipoint"- is evolving into a bandwidth intensive hybrid satellite/internet model.

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

Embracing and enabling change: designing for today and tomorrow

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

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

- **Diversifying into hybrid and IP distribution where we have competitive advantages and see opportunity.** Our products support both satellite and IP distribution and are designed for maximum interoperability.
- **Broadening the available solution architectures.** Our software-based products are available on purpose-built appliances, can be run on off-the-shelf hardware or can be provided as cloud-based services. This provides our clients with the option to use the combination of architectures that best meets their needs.
- **Addressing our customers' need for migration strategies**—We have the expertise and solutions to be a valuable partner to networks as they plan their approach to evolving business needs, new technologies and changing market conditions. We partner with our customers to help them decide whether, when, and how to migrate their systems.

Smart products

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

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

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

- We recently launched **Cortex**, a highly flexible and scalable platform for centralized management and control of remote devices, as well as integrated oversight of additional functions specific to the business environment in which it is deployed. For example, our Cortex implementation for the broadcast market brings together content management, playout scheduling, and hardware monitoring into a single, secure interface—making content management and control simple and efficient.

Cortex is built on the MQTT network protocol and uses TLS encryption and device authentication, making it ideal for applications in the rapidly expanding IoT market, including:

- Asset tracking & logistics – monitoring vehicles, containers, valuable equipment, and shipments (without GPS)
 - Agriculture – soil and weather sensors, irrigation control, livestock tracking, and precision farming
 - Industrial automation – facility management, supply chain tracking, predictive maintenance, and shipping
 - Emerging applications – including smart cities, autonomous vehicles, consumer devices, and more
- We also continue to expand our **MAP** series of products. MAP stands for Modular Architecture Platform and it is designed as a set of building blocks that can be put together in various combinations to form a resilient, reliable hardware platform customized/adapted to particular vertical markets or specific customer requirements. For example, MAP Pro Audio has

professional balance audio outputs, MAP Pro Cinema has expanded on-board storage for very large files, and MAP Pro Video has specialized video outputs. By using common elements, we reduce both the time to market and inventory requirements.

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

Our business focus going forward

We are leaders in providing products and services for **mission-critical professional networks that require rapid, ultra-reliable communication**, whether it's delivering vital weather data critical to forecasting and aviation control, a live on-air broadcast, urgent secure defence data, the latest Hollywood blockbuster, or encrypted block chain data. Our core product lines are applicable across a range of vertical markets. This provides a diversified business base. Our established and expanding vertical markets include:

- *Data distribution:* Our broadband multimedia distribution technology is ideally suited for fast, ultra-reliable, secure delivery of data via satellite or private IP network. In addition to providing hardware infrastructure (transmit and receive), we offer an advanced content distribution network (CDN) software solution, Datacast XD, with sophisticated file broadcasting capabilities and Cyphercast, a specialized software solution to encrypt high-value data and streams where security is paramount.
- *Broadcast Radio:* We are a leading global provider of turnkey infrastructure solutions for broadcast radio networks small, medium, and large. We have a reputation for reliable, cost-effective delivery of high-quality audio via satellite, terrestrial, or hybrid networks. The radio product line includes uplink and receive-site equipment as well as network management, encryption, and targeted regionalization/ad insertion options. We have long-established and respected product lines as well as innovative new products recently released for this market and disruptive leading-edge new products in development.
- *Satellite and terrestrial broadband receivers:* We offer a line of highly reliable and cost-effective DVB and ATSC compliant receivers for the expanding broadband communications network market. These receivers provide standalone communication gateways to local networks or have been integrated into a wide range of purpose-built appliances.
- *Video distribution:* Our products and systems provide end-to-end solutions for traditional and non-traditional video networks. Our video products target the following key market niches:
 - Delivery of live and file-based video content distribution
 - Digital signage
 - IPTV
 - Professional-quality streaming video

- Broadcast video networks of all sizes
- Digital program insertion (for targeted advertising, regionalization, and blackout management)
- *Government:* We recently announced the formation of a new dedicated Government & Defense division, reinforcing the group's commitment to serving this growing and strategically important segment of the global communications market. The new division aligns resources and expertise to support current customers, accelerate innovation, and expand Novra Group's presence in government and defense sectors. Our solutions for this market include IP encapsulators, encryption technologies, and a range of rugged, highly reliable satellite receivers designed for fixed and mobile deployments across land, sea, and air environments. The company also brings deep expertise in cybersecurity, regulatory compliance, and long-term product sustainment. In addition, Novra Group has a strong track record of custom engineering and R&D for government and defense customers.
- *Digital Cinema:* We provide leading digital cinema networks with core distribution infrastructure (uplink equipment, content management, and network management) and high-end appliances for cinemas as well as decoders for live events and alternative content (entertainment and sports) in 2D and 3D. Additionally, we offer a digital cinema distribution software solution for integration onto commercially available servers and third-party equipment. This product line enables our solutions to provide secure high-speed file delivery and ultra-low latency internet distribution for live events.
- *AIoT (Artificial Intelligence of Things):* Building on our extensive R&D investment and expertise in wireless communications, combined with wide-ranging experience in end-to-end management of edge devices, designing and manufacturing highly reliable products, and providing secure encrypted communications, Novra has sharpened our focus on solutions for the AIoT markets. In early 2026, following our recent capital raise with SNAPS Holding Company ("SNAPS"), Novra also announced a strategic initiative to extend that focus, with a key objective to find opportunities with strategic alignment, complimentary technologies and potential value creation for Novra's shareholders.

For 2026, our intent is to find strategic and complimentary partners that already have a major presence in the AIoT market that will allow Novra to expand our product suite with edge intelligence, SaaS offerings, and cloud-native services for high-value sectors to redefine intelligent connectivity and lead next-generation wireless innovation for the AIoT industry across markets and geographies, delivering global wireless AIoT autonomous solutions. Lilikoi Technologies Inc. ("Lilikoi"), which is controlled by SNAPS, has been identified as one potential partner who meets our target criteria. We are currently in discussions to explore a potential merger or a purchase of Lilikoi. This demonstrates Novra's focus and significant progress on this strategic initiative that would add an existing global entity into our portfolio as we expand into the very large global IoT market estimated at over \$800 billion in 2025.

In addition, we are continuing to develop and expand on our new Cortex management, monitoring and control system for large fleets of IoT devices, from very simple to incredibly complex, and develop new IoT devices with the same quality, reliability and durability Novra Group's products are known for.

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

expertise of selected customer-partners in driving the direction of our future offerings, including virtualized products and SAAS services.

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

Significant new investment

In 2024 Novra announced we had entered into a convertible loan agreement with SNAPS Holding Company ("SNAPS"). This was the first step in SNAPS' strategic investment in Novra. They identified Novra's global market reach, engineering excellence, SaaS/cloud proficiency, and wireless technology expertise as key assets and aimed to leverage the relationship to strengthen their position as a driver of innovation in the communications market.

In 2025 and early 2026 SNAPS made a significant strategic commitment to Novra by providing US \$3.7 million, under the terms of the 2024 agreement, as subsequently extended and updated. This increased Novra's working capital, supporting payments toward existing liabilities, on-going corporate operations, and extensive research and development activities.

Also in early 2026, Novra entered into a new loan agreement with SNAPS, in which they committed to provide an additional US \$5.3 million on or before September 30, 2026, convertible to Novra shares at not less than CAD \$0.34 per share. The proposed private placements are subject to TSX Venture Exchange (TSX-V) approval and may also require shareholder approval.

SNAPS has requested that the US \$3.7 million Novra has received to date be converted to Novra common shares at \$0.34 per share, as offered under the terms of the related convertible loan agreements. Conversion of US \$3.7 million, using the applicable exchange rates, would result in SNAPS receiving approximately 14.8 million Novra shares. This would be more than 20% of Novra's outstanding shares, which would make SNAPS a new Novra Insider and Control Entity. TSX-V has provided final approval for the initial US \$500 thousand tranche, which do not require shareholder approval. These shares have not yet been issued. They have also provided final approval for the US \$3.2M tranche, subject to Novra shareholder approval. Approval by Novra's shareholders will be sought at a shareholder meeting to be held on June 26, 2026.

Management exercised significant judgment in determining the appropriate classification of the US \$3.7 million aggregate SNAPS convertible loan arrangements as equity rather than a financial liability, consistent with IAS 32, as disclosed in Note 3 to our audited Consolidated Financial Statements for the years ending December 31, 2025 and 2024.

OVERALL PERFORMANCE

While overall profitability improved significantly in 2025, the variability in Novra's revenue was felt in Q1 of 2025. Novra's revenue has historically fluctuated significantly from quarter to quarter. With less backlog brought into the year, Q1 revenue was \$499 thousand lower compared to the same period in 2025. This resulted in a net loss of \$74 thousand, compared to a net income of \$481 thousand in 2025, a decrease of \$555 thousand. At the same time, our gross margins improved 13.5% to 57.2% in Q1 of 2026, with a positive shift to higher margin products and services.

Looking ahead, on March 31, 2026, Novra had a deferred revenue balance of \$911 thousand, of which \$722 thousand was current and expected to be recognized within the next 12 months, and \$298 thousand

in customer deposits. These combine to provide Novra with a significant pool of already-booked orders to be delivered in coming quarters.

We are continuing to see world markets negatively impacted by armed conflicts and under increased and fluid protectionism and tariff turmoil, creating an ever shifting and complex environment for businesses, including ours. However, as the result of several strategic steps we have taken over the past several years, such as operating manufacturing facilities in both Canada and the US along with selecting many of our subcontractors to be North American based, Novra is better positioned than many others to weather this storm. Our healthy quarter-end inventory level of \$793 thousand continue to allow us to ship many recent and incoming orders using inventory purchased at costs that were not significantly impacted by the most recent cost increases on production inputs. However, the overall impact of on-going armed conflicts and current and any future protectionist efforts by US and other governments to curb free international trade cannot be predicted and may be substantial.

While geopolitical instability, shifting trade policies, and economic uncertainty continue to affect some customers and cause order delays, equipment replacements and upgrades are becoming essential due to obsolescence, aging hardware, and evolving business needs, such as enhanced cybersecurity. Recently, we've seen more orders from defence organizations investing in secure network upgrades and expansion. Other customers are also beginning infrastructure improvements focused on enhanced security and reduced operating costs.

In adapting to these evolving market dynamics, management has, and will continue to, take targeted actions – both in the form of strategic investments and in cost controls. The changes we are seeing are bringing both opportunities and challenges. We continue to invest in innovation initiatives to help our customers succeed in their changing markets, and in building customer relationships to understand and address current customer needs and position Novra for future growth. Concrete examples of this include our continuing deliveries of next-generation data receivers after their recent successful qualification under a government-wide program and our introduction of Cortex, a unified software platform and service for centralized management of media distribution as well as remote device control - expanding our offerings for broadcast monitoring and control to also include many types of IoT networks.

On March 31, 2026, Novra had \$4.1 million in cash, a more than \$2.6 million increase from \$1.5 million on December 31, 2025. This cash position plus \$217 thousand in trade receivables along with \$380 thousand available on its undrawn credit facility, is providing total liquidity of approximately \$4.7 million. This substantial pool of available cash positions us well to continue making strategic investments to reach customers and develop innovative solutions to meet their requirements.

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

Q1 2026 vs. Q1 2025:

- Revenue was \$893 thousand in Q1 2026, compared to \$1.39 million in Q1 2025, a reduction of \$499 thousand. The difference was primarily the result of significant shipments being made in Q1 2025 against backlog brought into that period from 2024. Service revenue in 2026 was 12% higher than the same period in 2025.
- Gross profit was \$511 thousand, representing 57.2% of total revenue, compared to \$609 thousand, which was 43.7% of total revenue. The change in gross margin percentage in Q1 2026 was primarily the result of changes in the specific product/service mix, with higher service revenue in the current quarter.

- Operating expenses were \$786 thousand in Q1 2026, up slightly from \$768 thousand in Q1 2025. The increase was solely driven by increased R&D expenses, while both general & administrative expenses and sales & marketing expenses were lower.
- Net loss was \$74 thousand in Q1 2026, compared to net income of \$481 thousand in Q1 2025, a decline of \$555 thousand, primarily driven by lower revenue in the current period.
- Adjusted EBITDA* was a gain of \$45 thousand in Q1 2026, compared to a gain of \$726 thousand in Q1 2025. This difference is primarily the result of the change in net income.

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

Our ongoing drive to realize synergies and efficiencies across the group continued to result in reductions in on-going consolidated operating expenses in our general & administration and marketing & sales functions compared to previous years. Our investments in research and development remain stable as we continue to develop and enhance our various product lines. We will continue to actively control and adjust operating expenses in response to company performance and current volatile market conditions.

Results and Outlook

We are still dealing with difficult market conditions with often-changing tariffs, increasing trade barriers and escalating uncertainty in the overall environment for international trade, along with ongoing armed conflicts, including the Iran conflict that started in February 2026, and the potential for local or global recession. These are causing many clients to delay large capital purchase commitments. All of these influences have, and are expected to continue to, put downward pressure on revenue and gross profit. Novra's adaptive strategy to deal with these challenges includes maintaining production capabilities in both Canada and the US, closely managing operating expenses, remaining flexible to respond to changing conditions, and investing strategically to ensure we are positioned well to respond to customer needs when they make the decision to purchase.

Our markets are in a continuing state of transition. Broadcast sectors continue to contract and evolve, while new opportunities are emerging in IP-based and data-driven distribution models. Legacy broadcast workflows are steadily converging with IP and cloud environments as streaming fully establishes itself as the preferred delivery platform.

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

Broader trends—such as migration to software over dedicated hardware, and services over capital investments—continue to reshape the competitive landscape. At the same time, the rise of new LEO and MEO satellite constellations is creating additional opportunities and challenging early market leaders.

The growing demand for timely, data-rich communication is driving interest in applications across weather, IoT, and AI-enabled analytics. Meanwhile, geopolitical developments have accelerated activity in defence and government markets, expanding both current project scope and future opportunity in that sector.

Amid these changes, our customers continue to turn to us for technical expertise, reliability, and cost-effective solutions that help them modernize their networks.

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

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

Recent Highlights - 2025 and 2026

In 2025 we saw many current customers taking small steps to refresh and/or expand their networks at a cautious pace due to challenging market conditions. We saw significant growth in product and service sales in the government data broadcasting market and steady orders for our radio program broadcasting offerings. There were also positive indications as some customers are beginning to slowly start moving ahead with larger projects. Our ongoing technology enhancements are targeted at providing the new features that can immediately benefit their businesses. This includes shifting to hybrid IP and satellite networks as well as offering software-based and recurring service-based solutions.

Throughout the first part of 2026, we have increased our business development outreach across our various markets. We've participated in several industry events in our core satellite and broadcast markets, as well as the government, space, and defence sectors. At these events and through direct interactions with current and potential customers we've seen continued deferrals of spending and infrastructure investments by traditional broadcasters. In contrast, demand is increasing in government and defense sectors, driven by evolving geopolitical conditions and the need for resilient, secure communications capabilities. As a result of our outreach, we have increased customer awareness of our wide range of offerings, gained new market insights, and identified high-potential opportunities that match well with our expertise and experience.

Some significant recent developments include:

- ❖ **New Government & Defense division:** We formed of a new Government & Defense division dedicated to serving this growing and strategically important segment of the global communications market, which we announced at the CANSEC 2026 exhibition in Ottawa. The new division aligns resources and expertise to support current customers, accelerate innovation, and expand Novra Group's presence in government and defense sectors, including developing new partnerships to support various government and defence-related initiatives with our allies around the world.

- ❖ **Additional Business Focus:** We are also channelling R&D and business development efforts into next-generation platforms and emerging markets aligned with our skillsets and products for the Unmanned Aerial Vehicle (UAV) communications and AIoT markets.
- ❖ **Potential AIoT Partner Identified:** As part of our focus on this market, we initiated efforts to find strategic and complimentary partners with a major presence in the AIoT market and identified Liliikoi Technologies Inc. as a potential partner. Liliikoi is focused on delivering actionable intelligence across different industries using unique private wireless infrastructure engineered exclusively for the IoT world. We are currently in discussions to explore a potential merger or purchase of Liliikoi.
- ❖ **Customer Specific Solutions:** In keeping with our long history of providing customers with specialized solutions, where we combine our engineering expertise with our suite of highly reliable off-the-shelf products to configure or modify them as needed. Orders for non-recurring engineering and customization of products continued to grow as customers looked for solutions for their specific business and technical requirements.
- ❖ **Growing Recurring Revenue:** We've put a focus on building recurring revenue through new service offerings, SaaS subscriptions, and support contracts. One area of significant growth has been in providing on-going security update services to customers with high security requirements.
- ❖ **Government SATCOM Software Modernization:** We completed and delivered a significant software development project for a leading SATCOM prime contractor, supporting the upgrade and modernization of management and control software for a longstanding U.S. government communications platform featuring our Novra data receivers. This work strengthens our role as a trusted technology partner in critical government programs.
- ❖ **Expanded U.S. Government Activity:** We've recently been responding to expanding demand within long-term U.S. defence programs and among contractors. We are seeing increasing interest and increased activity for our government-focused products and services. This includes growing adoption of our MAP Pro Data GBS receiver.
- ❖ **Adjacent Market Expansion Initiative:** We have launched a new marketing and R&D initiative to evaluate expansion into promising adjacent markets, in cooperation with strategic partners. This work supports our long-term growth strategy and leverages our core strengths in distribution technologies along with our well-established network of expert partner organizations.
- ❖ **Major European Radio Network Order:** We completed a significant network refresh project for a leading European broadcaster, integrating our technology with third-party systems to deliver a comprehensive solution to reliably control and deliver audio content to hundreds of radio stations for a major European broadcast radio network.
- ❖ **IP Infrastructure:** On-going orders for our IPE-4000B IP Encapsulators reflect our continued longevity in key internet protocol infrastructure technology. The IPE-4000B is our latest-generation IP Encapsulator, which began shipping in early 2025.
- ❖ **Next-Generation High-Reliability Products:** We continue to receive orders related to our high-reliability products used in US government projects. The strong interest in this area is on-going and we recently released an updated MAP PRO Data that adheres to the Department of Defence Security Technical Implementation Guide (STIG). This brings cybersecurity to the next level in our products—an increasingly important feature in both commercial and government markets. Government customers recently completed evaluations and acceptance of our next generation of satellite receivers, which include integrated advanced encryption functionality. We have delivered multiple orders for this product 2025 and early 2026, including to the U.S. Space Force.

- ❖ **New Management & Control Platform:** The new Cortex platform for management and control was introduced in 2025. This system leverages modern IoT protocols and is architected to be capable of managing both large and small networks of various types of IoT devices—including our own receivers—with the flexibility to tailor it for the specific requirements of different networks. The initial implementation is targeted to meet the needs of the broadcast radio industry. We continue to roll out this new product line and expand it to other applications, collaborating closely with customers to refine features and enhance the offering.
- ❖ **MISTiQ's Growing Momentum:** Our hosted cloud-based service for broadcast, MISTiQ, continues to see traction and is currently delivering content for networks in various markets. We are particularly pleased that our existing customers continue to renew their contracts with us for this business-critical service. As the broadcast industry increasingly moves to terrestrial delivery and software solutions in order to reduce costs and extend reach, we are there to help with proven products and service.
- ❖ **Legacy Product Inventory Management:** In line with our commitment to support long-time customer networks, we have maintained a strategic inventory of specific legacy products. This initiative continues to support our long-standing customers in maintaining their operations without disruption while we at the same time progress innovative solutions for the future.
- ❖ **Long Term Sustainable Networks:** Orders for support contract renewals and equipment to maintain and grow existing networks—across all vertical markets and sectors including government and commercial clients—are strong as we support our customers in maintaining long-term sustainable networks as they continue to operate existing infrastructure longer. We continue to be awarded significant U.S. government support contracts for long-running essential programs, reinforcing our trusted position in supporting critical networks.
- ❖ **Audio Network Orders:** We continue to receive orders from new and recurring audio network customers around the world. Recently this included a follow-on order for our MAP-Pro Audio units from Taiwan's Voice of Han. Follow-on orders like this reflect strong customer satisfaction and confidence.
- ❖ **Weather Data Distribution Focus:** Our weather data distribution business continues to be quite active, as government-operated weather data programs launch next-generation satellites with new requirements. Our specialization in this application puts us in an advantageous position to meet their new requirements.

Overall, these accomplishments highlight our ability to deliver innovative solutions, strengthen long-standing customer relationships, and build momentum for future growth.

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

Novra is a strong, scalable, global company. We are focused on meeting the needs of our clients, who are looking for flexible, cost-effective solutions. Our product development is centred on listening and responding to identified client requirements as well as anticipating next-generation innovations. More and more, our

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hardware is becoming a platform for increasingly powerful and sophisticated software—bringing agility, forward compatibility, and longevity to the lifespan of our products.

DISCUSSION OF OPERATIONS

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

<i>(In thousands)</i>	Three Months Ended March 31,		
	2026	2025	% Chg
Revenue by type:			
Products	\$ 430	\$ 978	-56%
Services	463	414	12%
Total revenue	893	1,392	-36%
Gross profit	511	609	-16%
<i>Gross margin</i>	57.2%	43.7%	
Operating expenses	786	768	2%
Operating income (loss)	(275)	(160)	72%
Other income (expenses)	201	641	-69%
Net income (loss) as reported under IFRS	\$ (74)	\$ 481	NM
Adjustments:			
Finance costs	13	40	-68%
Depreciation and amortization	214	210	2%
EBITDA - non-IFRS measure	153	731	-79%
Loss (gain) on foreign exchange	(108)	(5)	2190%
Share-based compensation	0	0	NM
Adjusted EBITDA - non-IFRS measure	\$ 45	\$ 726	-94%

NM – Not meaningful

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

Revenue and Gross Margin

Revenue for the first three months of 2026 was \$893 thousand compared to \$1.39 million in the same period of 2025 with gross margins for the quarter of 57.2% up from 43.7% in Q1 2025. The increase in gross margin was due to a higher proportion of service revenue and the specific product/service mix.

For the three months ended March 31, 2026, our top 10 customers accounted for 47.0% of total revenue with the largest accounting for 14%, or \$124 thousand. No other customer accounted for more than 10% of total revenue. For the same period last year Novra's Top 10 customers accounted for 64.3% of total revenue, with the largest accounting for 29%, or \$399 thousand. No other customer accounted for more than 10% of total revenue. The Company continually monitors its revenue concentration risk and seeks to diversify its customer base.

While our revenue may be concentrated with a few customers quarterly, with approximately 2,000 customers in over 100 countries, including over 200,000 installations since inception, we have a well-established customer base to provide diversification in our revenue base. The following table summarizes the geographic distribution of our revenues for the period.

<i>(In thousands)</i>	Three Months ended March 31,	
	2026	2025
Geographic Market		
Americas ex-Canada	\$ 637	\$ 848
Canada	100	86
EMEA	101	416
APAC	55	42
	\$ 893	\$ 1,392

Operating Expenses

<i>(In thousands)</i>	Three Months Ended March 31,		
	2026	2025	% Chg
General and administrative ("G&A")	317	349	-9%
Sales and marketing ("S&M")	157	183	-14%
Research and development ("R&D")	311	236	32%
Total operating expenses	785	768	2%

Total operating expenses increased by 2% in 2026 compared to 2025. The increase for the quarter was the result higher research and development expenses. Significant reductions in G&A and S&M expenses were the positive result of success in ongoing efficiency and cost control initiatives. We will continue to take all necessary steps to adjust expenditures to address revenue uncertainty. Facility-related costs continue to be allocated across OPEX and cost of revenue for reporting purposes.

G&A expenses consist primarily of compensation paid to the corporate, IT, and finance staff as well as professional fees and public company related costs, along with certain general facilities-related costs. These decreased by 9% for the quarter, primarily due to reduced staffing costs.

S&M costs consist of compensation paid to our sales team, as well as tradeshow, promotion, and travel & entertainment costs. These costs decreased 14% for the quarter and the year, mainly due to lower compensation costs and event spending.

R&D costs 32% higher in Q1 2026 than the same period in 2025 because more R&D efforts were applied to development projects that were not capitalized as intangible development assets in the current quarter. R&D will remain a significant component of our total operating expenses as we continue to develop innovative products and solutions to maintain our competitive position in our industry. R&D costs include primarily compensation paid to engineering personnel, contractors, and prototype costs. Of note, the R&D expenses reported are net of the investments capitalized to and amortized from Novra's intangible development asset.

Foreign Exchange Gain (Loss)

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

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

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For the quarter ended March 31, 2026, Novra recorded a foreign exchange gain of \$108 thousand, compared to a gain of \$5 thousand in the same period in 2025.

At March 31, 2026, the foreign currency denominated assets and liabilities, subject to remeasurement, are as follows:

<i>(In thousands)</i>	USD	Euro
Assets	2,729	1
Liabilities	(375)	-
Net assets before hedging	2,354	1
Currency derivative contracts	-	-
Net assets - unhedged	2,354	1
Impact on Novra's earnings if 5% change in foreign exchange rates	118	-

If on March 31, 2026, the Canadian dollar had weakened or strengthened by 5.0% against the U.S. dollar and Euro, with all other variables held constant, Novra's consolidated net income would have been impacted by \$118 thousand. Please note that this calculation excludes Wegener's assets and liabilities, which are denominated in USD.

Other Income and Finance Costs

In 2026, the Company recorded \$100 thousand in debt forgiveness income, relating to the forgiveness of certain accounts payable, compared to \$660 thousand in 2025.

Finance costs were \$13 thousand for the first three months of 2026 compared to \$40 thousand in 2025, a decrease of \$27 thousand. This was primarily the result of lower interest expense related to ongoing leases for office and production spaces.

Depreciation and Amortization

Depreciation and amortization costs increased to \$214 thousand for the three months ended March 31, 2026 (2025: \$210 thousand). This includes intangible asset amortization of \$142 thousand (2025: \$131 thousand), \$54 thousand in amortization of right-of-use assets (2025: \$61 thousand), as well as \$18 thousand in capital asset amortization (2025: \$18 thousand).

Tax Expense

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

Despite the significant non-capital loss carry forwards and available investment tax credits (see Note 14 of the audited Consolidated Financial Statements for the years ending December 31, 2025 and 2024) to shelter future taxable income from income taxes, we have not recognized deferred tax assets at either March 31, 2026 or 2025 because management concluded it was not probable to realize this benefit in the foreseeable future. In making this determination, management considered the uncertainties in projecting future taxable income, the uncertainties related to the technology industry and competitive environment in which we operate, and the lack of available income tax planning strategies.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-IFRS measures. EBITDA is defined as earnings before income tax expense, financing costs (interest), depreciation and amortization. Adjusted EBITDA is defined as

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EBITDA adjusted for foreign exchange gain or loss, any acquisition-related costs, share-based compensation, any restructuring charges, any material write-down of inventories, and any other material impairment charges.

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

Adjusted EBITDA was a gain of \$45 thousand for the three months ended March 31, 2026, compared to a gain of \$726 thousand for the same period in 2025. While Adjusted EBITDA remained positive, the significant reduction is due primarily to lower net income in the current period.

SELECTED QUARTERLY FINANCIAL INFORMATION

(dollars in thousands, except per share data)

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

(In thousands of dollars, except with respect to earnings (loss) per share)	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Revenue	\$ 893	\$ 1,475	\$ 1,212	\$ 1,366	\$ 1,392	\$ 1,484	\$ 703	\$ 1,085	\$ 700
Gross profit	511	959	772	696	609	625	410	627	207
Operating expenses	786	711	900	452	768	730	722	954	1,027
Foreign exchange gain (loss)	108	(27)	27	(20)	5	39	(8)	10	17
Net income (loss) attributable to Novra	69	198	(83)	79	569	(59)	(263)	(257)	(728)
Adjusted EBITDA Income (loss)	45	397	62	413	726	34	(191)	(145)	(589)
Earnings (loss) per share - diluted	\$ 0.002	\$ 0.006	\$ (0.003)	\$ 0.002	\$ 0.017	\$ (0.002)	\$ (0.008)	\$ (0.008)	\$ (0.022)
Weighted average shares outstanding	33,420	33,420	33,420	33,420	33,420	33,420	33,420	33,420	33,420

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

We continue to expect significant volatility in revenue from quarter to quarter due to particular timing of orders from existing customers, continued economic and supply chain instability and significant unpredictability in the length of sales cycles with new and existing customers in the sales pipeline. The result of limited order visibility is that revenue and, accordingly, profitability and cash flows, will be difficult to predict and will fluctuate. We also expect on-going global geopolitical disruptions and economic challenges to continue to impact markets and economies and therefore our customers and our business (refer to the Risks and Uncertainties section below).

LIQUIDITY

Quick Ratio

Our principal liquidity requirements are for working capital, capital expenditures and for pending acquisitions as previously announced. Management measures liquidity based on Novra's unrestricted

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cash, certain cashable guaranteed investment certificates (GICs), if any, and accounts receivable. The following table shows our total liquid assets at the following reporting dates.

<i>(In thousands)</i>	March 31, 2026	December 31, 2025
Cash	\$ 4,110	\$ 1,467
Accounts receivable	217	948
Total liquid assets	\$ 4,327	\$ 2,415
Quick ratio ⁽¹⁾	2.94:1	1.49:1

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

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

As of March 31, 2026, Novra had a quick ratio of 2.94:1, indicating that the company had \$2.94 in liquid assets for every \$1.00 of current liabilities (excluding amounts due to related parties and deferred revenue). This represents an increase from 1.49:1 on December 31, 2025. The improvement reflects a stronger liquidity position, and a significant reduction in trade and other payables. Our total liabilities were also reduced by paying a related party in full which in turn forgave \$100 thousand.

The following summarizes cash flows by activity for Q1 2026 compared to Q1 2025. Overall, cash increased by \$2.6 million during the three months ended March 31, 2026, rising to \$4.1. In the same period in 2025, \$518 thousand in cash was used and cash at the end of the period was \$562 thousand.

Operating activities

Cash inflows from operating activities totaled \$55 thousand for the three months ended March 31, 2026, compared with \$412 thousand in the same period of 2025. This reflects significant payments received during this reporting period against our accounts receivable, an increase in customer deposits and reductions in inventories, which were partially offset by a small net loss in the period, along with significant reductions in deferred revenue, and trade and other payables, all of which reduced cash.

Investing activities

Cash outflows from investing activities totaled \$143 thousand for the three months ended March 31, 2026, compared with cash outflows of \$145 thousand in the same period of 2025. The change is mainly due to the remeasurement of the right-of-use asset (see Note 20 in the Consolidated Financial Statements). The change also reflects slightly lower capitalized development costs during the period.

Financing activities

Cash inflows from financing activities totaled \$2.8 million for the three months ended March 31, 2026, compared to outflows \$758 thousand for the same period in 2025. The cash inflows during the current period included proceeds of \$4.35 million from the SNAPS for shares paid in advance. The cash inflows were significantly offset by use of \$1.4 million to pay in full the promissory notes to a related parties.

As of the date of this MD&A we continue to have access to a \$380 thousand RBC Credit Facility. The credit limit of our facilities was previously reduced from \$1.2 million in response to escalating costs to maintain a higher credit limit that was not being utilized.

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Working Capital Ratio

Novra's working capital ratio was as follows:

<i>(In thousands)</i>	March 31, 2026	December 31, 2025
Working Capital:		
Current assets	\$ 5,199	\$ 3,350
Current liabilities	3,559	4,533
Working Capital:	\$ 1,640	\$ (1,183)
Working capital, excluding related party and deferred revenue balances	\$ 3,726	\$ 1,729
Working capital ratio⁽¹⁾	3.53:1	2.07:1

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

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

Working capital increased by \$2.8 million compared to December 31, 2025, primarily due to increases in cash and decreases in trade and other receivables and deferred revenue. Excluding related party and deferred revenue balances, working capital was \$3.7 million, up from \$1.7 million at December 31, 2025. We consider this an important metric to assess Novra's ability to meet third-party short-term obligations. The working capital ratio (as defined above) was 3.53:1 at March 31, 2026, meaning Novra had \$3.53 of current assets for every \$1.00 of current liabilities excluding related parties and deferred revenue, reflecting a substantial increase from 2.07:1 at December 31, 2025.

Contractual obligations and commitments

At March 31, 2026, Novra's contractual obligations and commitments were as follows:

<i>(In thousands)</i>	Total	Within 1 year	1 to 5 years	5 to 10 years	10+ years
Payment due:					
Borrowings (Note 6)	\$ 2,379	\$ 339	\$ 187	\$ 1,698	155
Operating leases (Note 11)	711	243	468	-	-
Trade payables and other payables	594	594	-	-	-
Total third party contractual obligations	3,684	1,176	655	1,698	155
Advances from related parties (Note 5)	1,364	1,364	-	-	-
Total contractual obligations	\$ 5,048	\$ 2,540	\$ 655	\$ 1,698	\$ 155

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

Based on the March 31, 2026 liquid assets (as defined above) and working capital, we have sufficient liquid resources and available credit to fund all third-party contractual obligations coming due within one year.

CAPITAL RESOURCES

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

- maintain investor, creditor and market confidence;
- advance Novra's corporate strategies to generate attractive risk-adjusted return over the long-term for our shareholders;
- sustain Novra's operations and growth through all cycles; and

- ensure compliance with the covenants of any applicable credit facility and other financing facilities.

At March 31, 2026, Novra had cash and cash equivalents of \$4.1 million and access to undrawn revolving facilities of \$380 thousand (the RBC Credit Facilities as described in Note 6 of the Consolidated Financial Statements), subject to the terms and conditions of the credit facilities.

At March 31, 2026, Novra's total outstanding voting common shares were unchanged from December 31, 2025 at 33,420,293, excluding the 2,000,000 common shares held by our subsidiary. Our debt and equity positions were as follows:

<i>(In thousands)</i>	March 31, 2026	December 31, 2025
Borrowings (drawn)	\$ 2,379	\$ 2,341
Promissory notes from related party	-	1,411
Shareholders' equity	1,616	(2,767)
Total capital resources	\$ 3,995	\$ 985

The change in capital resources was primarily due to an increase in shareholders' equity because of the receipt of \$4.35 million for shares paid in advance during the year. See Note 12 of the Consolidated Financial Statements for more information on the shares paid in advance and the related convertible loan agreements.

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

OFF BALANCE SHEET ARRANGEMENTS

At March 31, 2026, we had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

In addition to key management personnel's compensation, Novra had a material unsecured promissory note with IMT (IMT is a shareholder and our CEO has a controlling interest in IMT). This note was paid in full in Q1 2026 and no amount remains outstanding as of the date of this MD&A. Refer to Note 5 of the Consolidated Financial Statements for a complete disclosure of all related party transactions, including amounts due on demand.

ACCOUNTING MATTERS

Critical Accounting Estimates

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

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

- Revenue recognition

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

Refer to Note 3 of the audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 for further details.

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

There were no significant changes to the types of financial instruments held during the three months ended March 31, 2026. For further details refer to Note 8 of the audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024, with additional information on Borrowings in Note 11.

RISKS AND UNCERTAINTIES

Refer to our December 31, 2025 MD&A for a list of risks and uncertainties facing Novra. We are currently not aware of any new material risks and uncertainties.