



## **CONSOLIDATED FINANCIAL STATEMENTS**

**Nine Months ended September 30, 2021 and 2020  
(Expressed in Canadian Dollars)**

*[Notice: These interim condensed consolidated financial statements have not been audited or reviewed by Novra's independent auditor.]*

## Table of Contents

Condensed Consolidated Statements of Financial Position .....	3
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) .....	4
Condensed Consolidated Statements of Changes in Shareholders' Equity.....	5
Condensed Consolidated Statements of Cash Flows .....	6
<i>Notes to Consolidated Financial Statements:</i>	
Note 1 - General Information .....	7
Note 2 - Basis of Preparation and Presentation .....	7
Note 3 - Current Assets.....	8
Note 4 - Right-of-use Assets.....	8
Note 5 - Related Party Transactions.....	8
Note 6 - Borrowings .....	10
Note 7 - Shareholders' Equity .....	11
Note 8 - Depreciation and Amortization .....	12
Note 9 - Finance Income and Finance Costs .....	12
Note 10 - Revenues .....	13
Note 11 - Commitments and Contingent Liabilities.....	14

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

	NOTES	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	3	\$ 3,564,745	\$ 3,858,812
Trade and other receivables		940,862	883,319
Inventories		1,604,700	2,242,072
Prepayments and other		854,866	123,988
<b>Total Current Assets</b>		<b>6,965,173</b>	<b>7,108,191</b>
<b>Non-Current Assets</b>			
Equipment		30,727	47,972
Right-of-use assets	4	1,858,176	1,926,966
Intangible assets		729,783	1,165,510
<b>Total Non-Current Assets</b>		<b>2,618,686</b>	<b>3,140,448</b>
<b>TOTAL ASSETS</b>		<b>\$ 9,583,859</b>	<b>\$ 10,248,639</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 1,731,632	\$ 1,674,392
Borrowings	6	52,636	103,487
Lease liabilities	11	546,912	481,968
Customer deposits		2,278,795	2,527,835
Deferred revenue - current portion		885,339	1,042,249
Advances from related parties	5(c)	1,268,484	1,054,908
Promissory notes from related party - current portion	5(d)	885,278	802,288
<b>Total Current Liabilities</b>		<b>7,649,076</b>	<b>7,687,127</b>
<b>Non-Current Liabilities</b>			
Borrowings	6	2,491,976	2,852,493
Lease liabilities	11	1,564,783	1,679,975
Deferred revenue		252,072	306,933
Promissory notes from related party	5(d)	50,805	103,049
<b>Total Non-Current Liabilities</b>		<b>4,359,636</b>	<b>4,942,450</b>
<b>TOTAL LIABILITIES</b>		<b>12,008,712</b>	<b>12,629,577</b>
<b>Equity</b>			
Share capital	7	7,369,869	7,369,869
Contributed surplus		500,576	500,576
Accumulated other comprehensive loss		98,827	222,073
Accumulated deficit		(9,970,205)	(9,714,195)
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF NOVRA</b>		<b>(2,000,933)</b>	<b>(1,621,677)</b>
Non-Controlling Interests		(423,920)	(759,261)
<b>TOTAL EQUITY</b>		<b>(2,424,853)</b>	<b>(2,380,938)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 9,583,859</b>	<b>\$ 10,248,639</b>

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

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

	NOTES	Quarter ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
<b>REVENUE</b>	10	\$ 890,838	\$ 1,092,396	\$ 5,696,819	\$ 3,305,193
<b>COST OF REVENUE</b>		698,230	574,905	2,936,400	1,538,005
<b>GROSS PROFIT</b>		192,608	517,491	2,760,419	1,767,188
<b>OPERATING EXPENSES</b>					
General and administrative		256,817	321,619	981,543	921,280
Sales and marketing		258,203	196,076	707,387	698,874
Research and development		669,675	711,537	2,031,047	2,325,912
Total operating expenses		1,184,695	1,229,232	3,719,977	3,946,066
<b>OPERATING INCOME (LOSS)</b>		(992,087)	(711,741)	(959,558)	(2,178,878)
<b>Other Income (Expenses)</b>					
Foreign exchange gain (loss)		16,522	(36,181)	46,573	209,375
Finance income	9 (a)	331,336	79,137	1,010,302	438,365
Finance costs	9 (b)	(49,746)	(46,507)	(144,668)	(145,901)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>		(693,975)	(715,292)	(47,351)	(1,677,039)
Income tax recovery (expense)		-	-	-	-
<b>NET INCOME (LOSS)</b>		\$ (693,975)	\$ (715,292)	\$ (47,351)	\$ (1,677,039)
<b>OTHER COMPREHENSIVE LOSS, NET OF TAXES</b>					
Foreign Currency Translation Adjustments on Wegener Consolidation		(44,627)	59,339	3,436	(12,368)
Total other comprehensive loss, net of taxes		(44,627)	59,339	3,436	(12,368)
<b>COMPREHENSIVE INCOME (LOSS)</b>		\$ (738,602)	\$ (655,953)	\$ (43,915)	\$ (1,689,407)
<b>EARNINGS (LOSS) PER SHARE:</b>					
Basic	8	\$ (0.021)	\$ (0.021)	\$ (0.011)	\$ (0.050)
Diluted		\$ (0.021)	\$ (0.021)	\$ (0.011)	\$ (0.050)
Weighted average number of shares outstanding - basic		33,396,293	33,396,293	33,396,293	33,396,293
Weighted average number of shares outstanding - diluted		33,396,293	33,396,293	33,396,293	33,396,293
<b>NET INCOME (LOSS) ATTRIBUTABLE TO :</b>					
Shareholders of Novra		\$ (709,942)	\$ (549,666)	\$ (382,692)	\$ (1,078,267)
Attributable to non-controlling interest		\$ 15,967	\$ (165,626)	\$ 335,341	\$ (598,772)
		(693,975)	(715,292)	(47,351)	(1,677,039)
<b>COMPREHENSIVE INCOME( LOSS) ATTRIBUTABLE TO:</b>					
Shareholders of Novra		\$ (754,569)	\$ (490,327)	\$ (379,256)	\$ (1,090,635)
Attributable to non-controlling interest		\$ 15,967	\$ (165,626)	\$ 335,341	\$ (598,772)
		(738,602)	(655,953)	(43,915)	(1,689,407)

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

**NOVRA TECHNOLOGIES INC.**  
**CONDENSED 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, 2021</b>							-
Total	35,396,293	\$7,629,869	\$ 500,576	\$ 95,391	\$(9,587,513)	\$(759,261)	(2,120,938)
Less: common shares held by subsidiary	(2,000,000)	\$ (260,000)					(260,000)
	<b>33,396,293</b>	<b>7,369,869</b>	<b>500,576</b>	<b>95,391</b>	<b>(9,587,513)</b>	<b>(759,261)</b>	<b>(2,380,938)</b>
Net income (loss)	-	-	-	-	(382,692)	335,341	(47,351)
Change in foreign currency translation	-	-	-	3,436	-	-	3,436
Share based compensation 7 (b)	-	-	-	-	-	-	-
Options Exercised 7 (b)	-	-	-	-	-	-	-
Cancellation of common share: 7 (b)	-	-	-	-	-	-	-
<b>At September 30, 2021</b>	<b>33,396,293</b>	<b>\$7,369,869</b>	<b>\$ 500,576</b>	<b>\$ 98,827</b>	<b>\$(9,970,205)</b>	<b>\$(423,920)</b>	<b>\$(2,424,853)</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, 2020</b>							-
Total	35,372,307	\$7,626,989	\$ 494,844	\$ (31,181)	\$(7,760,409)	\$(160,489)	169,754
Less: common shares held by subsidiary	(2,000,000)	\$ (260,000)					(260,000)
	<b>33,372,307</b>	<b>7,366,989</b>	<b>494,844</b>	<b>(31,181)</b>	<b>(7,760,409)</b>	<b>(160,489)</b>	<b>(90,246)</b>
Net income (loss)	-	-	-	-	(1,078,267)	(598,772)	(1,677,039)
Change in foreign currency translation	-	-	-	(12,368)	-	-	(12,368)
Share based compensation 7 (b)	-	-	4,299	-	-	-	4,299
Options exercised 7 (b)	24,000	2,880	-	-	-	-	2,880
Cancellation of common share: 7 (b)	(14)						
<b>At September 30, 2020</b>	<b>33,396,293</b>	<b>\$7,369,869</b>	<b>\$ 499,143</b>	<b>\$ (43,549)</b>	<b>\$(8,838,676)</b>	<b>\$(759,261)</b>	<b>\$(1,772,474)</b>

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

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

	NOTES	Quarter Ended September 30,		Nine Months Ended September 30,	
		2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>					
Net income (loss)		\$ (842,462)	\$ (715,292)	\$ (47,351)	\$ (1,677,039)
<i>Add items not affecting cash:</i>					
Depreciation and amortization	8	280,410	305,677	849,233	931,298
Share based compensation	7(b)	-	1,433	-	4,299
Interest expense	9(b)	49,746	46,507	144,668	145,901
Changes in non-cash working capital items	12				
Trade and other receivables		347,220	699,589	(57,543)	332,941
Inventories		(17,159)	108,799	637,372	196,085
Other assets		(69,109)	(309,921)	(730,878)	(455,947)
Trade and other payables and accrued liabilities		(236,399)	(37,804)	57,240	15,746
Customer deposits		37,664	710,672	(249,040)	642,434
Deferred revenue		280,871	(381,078)	(211,771)	(392,129)
Advances Related Party		71,512	(1,245)	213,576	(532)
Changes in promissory notes		-	69,905	-	211,830
Interest paid		-	(3,850)	-	(13,145)
<b>Net cash provided by (applied to) operating activities</b>		<b>(97,706)</b>	493,392	<b>605,506</b>	(58,258)
<b>FINANCING ACTIVITIES</b>					
Payments on lease liabilities	11(a)	(155,310)	(153,544)	(462,852)	(411,219)
Payments on WEDC repayable contribution	6(d)	(12,870)	-	(38,610)	(12,870)
Proceeds from promissory notes	5(d)	-	240,085	-	601,439
Repayments on IMT promissory notes	5(d)	-	-	-	(27,640)
Repayments on Crocus loan	6(c)	-	-	(52,007)	-
Exercise of stock options	7(b)	-	-	-	2,880
Proceeds from disaster assistance funding	6	-	-	340,599	-
Forgiveness of disaster assistance funding	6	(336,644)	-	(681,554)	-
Proceeds from revolving line of credit with the Chymiak Trust	5(b)	-	-	-	-
Unrealized foreign exchange gain/(loss) on financing activities		3,827	(20,616)	(2,034)	(8,149)
<b>Net cash provided by (applied to) financing activities</b>		<b>(500,997)</b>	65,926	<b>(896,458)</b>	144,441
Effect of exchange rates on cash and cash equivalents		90,630	28,434	(3,115)	(36,390)
<b>Net increase in cash</b>		<b>(508,073)</b>	587,752	<b>(294,067)</b>	49,793
Cash, beginning of period		4,072,818	2,638,367	3,858,812	3,176,327
<b>CASH, end of period</b>		<b>\$ 3,564,745</b>	\$ 3,226,120	<b>\$ 3,564,745</b>	\$ 3,226,120

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

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

---

### 1. General Information

Novra Technologies Inc. ("Novra") is incorporated under the Canada Business Corporations Act and its corporate office and principal place of business is 900-330 St. Mary Avenue, Winnipeg, Manitoba, Canada R3C 3Z5. Novra is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol NVI.

Novra has been in the satellite data distribution business since 2000. During 2016, Novra significantly expanded its product portfolio and global footprint with the acquisition of International Datacasting Corporation and its wholly-owned U.S. subsidiary (collectively referred as "IDC"), a long-time leader in the same sector. On December 29, 2017, Novra acquired a 51.6% controlling interest of Wegener Corporation ("Wegener") to further expand its footprint in digital media management and distribution technologies for applications including digital signage, radio and television.

Through its subsidiaries, Novra offers a comprehensive product portfolio including hardware, software, and services. In addition to its core video, radio, and data products, areas of expertise and added value include: encryption and cybersecurity, next-generation hybrid networks (satellite/terrestrial/cloud), and efficient bandwidth utilization.

In these Consolidated Financial Statements, "Novra", "Company", "we", "us", or "our" refers to Novra Technologies Inc. and its subsidiaries.

The Board of Directors authorized the Condensed Consolidated Financial Statements for issue on November 29, 2021. These unaudited interim financial statements should be read in conjunction with Novra's annual audited Consolidated Financial Statements for the year ended December 31, 2020.

### 2. Basis of Preparation and Presentation

We have prepared these unaudited interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, they do not include all of the information and footnotes normally required in annual financial statements prepared under IFRS. In the opinion of management, these unaudited interim Condensed Consolidated Financial Statements reflect all adjustments considered necessary for a fair presentation of Novra's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of the results for a full year. For areas involving a higher degree of management judgment or complexity, refer to Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2020.

The Condensed Consolidated Statement of Financial Position at September 30, 2021 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Equity and of Cash flows for the periods ended September 30, 2021 and 2020 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2020 is derived from Novra's audited Consolidated Financial statements.

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

#### ***Functional and Presentation Currency***

These consolidated statements are presented in Canadian dollars, which is the Company's functional currency.

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

### 3. Current Assets

Details of selected asset balances are as follows:

#### a) Cash and cash equivalents

The Company's cash and cash equivalents are comprised of bank balances at financial institutions.

#### b) Accounts receivable

The Company's accounts receivable is comprised of the following:

	September 30, 2021	September 30, 2020
Trade accounts receivable	\$ 894	\$ 462
Less: allowance for doubtful accounts	4	66
Net trade accounts receivable	890	396
Canadian Emergency Wage Subsidy	51	79
Total trade and other receivables	\$ 941	\$ 475

As at September 30, 2021, three customers individually accounted for 59% of total receivables from contracts with customers.

### 4. Right-of-use Assets

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

	2021	2020
Balance, January 1	\$ 1,927	\$ 2,466
Additions	\$ 327	-
Depreciation	(393)	(406)
Effects on movement in exchange rate	(3)	15
Balance, September 30	\$ 1,858	\$ 2,075

### 5. 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 18% (President & CEO has direct and indirect ownership of 16%) of the total outstanding and issued common shares of Novra at September 30, 2021.

The following table discloses the compensation for the key management personnel for the third quarter.

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Salaries and employee benefits	\$ 83	\$ 87	\$ 250	\$ 256
Share-based compensation	-	3	-	4
Directors' fees	3	3	9	9
Total	\$ 86	\$ 93	\$ 259	\$ 269

b) Transactions with other related parties

	Three Months Ended September		Nine Months Ended September	
	2021	2020	2021	2020
<b>Purchase of goods and services</b>				
InfoMagnetics Technologies Inc. ("IMT") <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
<b>Interest on unsecured promissory notes</b>				
IMT	10	11	30	35
	\$ 10	\$ 11	\$ 30	\$ 35

<sup>(1)</sup> Novra's President & 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:

	September 30, 2021	December 31, 2020
Key management and directors (see part (a))	856	708
IMT	412	346
	\$ 1,268	\$ 1,054

At September 30, 2021, \$815 thousand (2020: \$631 thousand) was due to Novra's President & 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. The payable amount bears no interest and has no repayment term.

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

	Base Rate +			2021	2020
	4% Fixed \$250k	2.5% Floating \$563k	4% Fixed \$381k		
At January 1	\$ 292	\$ 176	\$ 438	\$ 906	\$ 920
Loan repayments	-	-	-	-	(28)
Foreign exchange movement	-	1	-	1	8
Interest charged	8	8	13	29	35
Interest paid	-	-	-	-	(13)
At September 30	\$ 300	\$ 185	\$ 451	\$ 936	\$ 922
Maturity Dates:	Due on demand	Nov 1, 2022	Due on demand		

The following table shows the presentation of the above total IMT loans on Novra's Consolidated Statements of Financial Position at September 30:

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

	2021	2020
Current portion	\$ 885	\$ 799
Non-current portion	51	123
Total	\$ 936	\$ 922

### 6. Borrowings

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

	September 30, 2020	December 31, 2020
Revolving line of credit with the Chymiak Trust	2,137	2,136
Crocus loan	-	51
WEDC repayable contribution	167	205
Government disaster assistance funding	241	563
Total borrowings	2,545	2,955
Less: current portion	(53)	(103)
Total borrowings - non-current	\$ 2,492	\$ 2,852

#### a) Bank borrowings

The Royal Bank of Canada Credit Facility ("RBC Credit Facilities") includes a revolving demand facility up to \$845,000 and corporate Visa credit cards available for use up to a maximum limit of \$60,000. There was no movement in the credit facilities during the third quarter.

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

There was no movement in the revolving line of credit with the Chymiak Trust during the current quarter. The increase results from foreign exchange translation.

#### c) Crocus loan

The Crocus loan was paid off in the first quarter of 2021. There were no changes during the current quarter.

#### d) WEDC repayable contribution

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

#### e) Disaster assistance funding

Novra received funding from the Government of Canada through the Canada Emergency Business Account (CEBA) in the amount of \$40,000. The loan is interest free, administered through RBC and repayment on or before December 31, 2022 will result in forgiveness of 25% (up to \$10,000).

Wegener applied for and received funding from Truist Bank through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). During Q2 2020, \$361,353 (USD\$260,900) was received. During Q1 2021, \$340,599 (USD\$269,035) was received. Management expected all or a substantial portion of the loan balances to be

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

forgiven. However, the interpretation of legislated forgiveness rules continued to evolve and the amounts were only recognized as revenue when Management was able to confidently predict the amount of forgiveness that would be granted. In Q2 2021, forgiveness in the amount of \$325,342 (USD\$260,900) met this condition and was recognized as revenue in the period. In Q3 2021, forgiveness in the amount of \$336,644 (USD\$269,035) met this condition and was recognized as revenue in the period. All amounts received under this program have now been fully forgiven.

In August 2020, Wegener received additional financing in the amount of \$190,980 (USD\$150,000) 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 US\$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. Interest continues to accrue on the balance of the loan outstanding.

### 7. Shareholders' Equity

#### a) Common Stock

The following table provides a summary of authorized as well as issued and outstanding capital for Novra at:

	September 30, 2020	December 31, 2020
<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>		
33,396,293 (December 31, 2020: 33,396,293)		
Class "A" common voting shares	\$ 7,370	\$ 7,370

During the first nine months of 2021, there were no changes to common stock.

#### b) Stock Options

The following table provides a summary of stock option activity for the first nine months of 2021:

	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,124,000	\$ 0.12
Granted	-	\$ 0.12
Exercised	-	\$ 0.12
Forfeited	-	\$ 0.12
Expired		\$ 0.12
Outstanding, end of period	1,124,000	\$ 0.12

At September 30, 2021, the remaining stock option pool for future grants was 1,776,000.

The following table summarizes information about the stock options outstanding at September 30, 2021:

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

# of Options Outstanding	Grant Date	Expiry Date	Fair Value at Grant Date	# of Options Exercisable	Exercise Price
1,124,000	11-May-17	10-May-24	\$ 0.07	1,124,000	\$ 0.12
-	-	-	\$ -	-	\$ -
1,124,000				1,124,000	

### 8. Depreciation and Amortization

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cost of revenue	\$ 35	\$ 51	\$ 113	\$ 151
Selling and marketing	11	11	32	32
Research and development	188	197	562	600
General and administrative	47	48	141	148
	\$ 280	\$ 306	\$ 849	\$ 931

### 9. Finance Income and Finance Costs

#### (a) Finance Income

The Company qualified for the Canadian Emergency Wage Subsidy (CEWS) for the nine months ended September 2021 and recorded \$347 thousand from the Canadian Government. Of the \$50,528 that relates to Q3, the entire amount is accrued as a receivable from the Canadian Government. The CEWS is a federal government program created to provide financial support to businesses affected by COVID-19.

During Q2, The Company recognized \$325,342 (USD \$260,900) as revenue relating to funding received from Truist Bank through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In the current quarter, The Company recognized \$336,644 (USD\$269,035) received through the CARES Act. These amounts were originally received in Q2 2020 and Q1 2021, respectively, and were recorded as long-term borrowings until Management could confidently predict the amount of forgiveness that would be granted.

#### (b) Finance Costs

The following table provides a breakdown of total finance costs during the quarter ended September 20, 2021.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Interest expense:				
- Unsecured promissory notes (see Note 5(d))	\$ 8	\$ 11	\$ 29	\$ 34
- Crocus loan (see Note 6)	-	1	-	2
- Lease Commitments (see Note 11)	28	34	88	110
- Other interest and finance costs	4	-	18	-
	\$ 40	\$ 46	\$ 135	\$ 146

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

### 10. Revenues

The following table provides a breakdown of our revenues by category and geographic market at September 30:

Major Products/Service Lines	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Hardware	\$ 521	\$ 547	\$ 4,567	\$ 1,591
Software	14	-	14	-
Services, Support and Extended Warranty	345	545	1,087	1,710
Other	11	1	29	5
	\$ 891	\$ 1,092	\$ 5,697	\$ 3,305

Geographic Market	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Americas ex-Canada <sup>(1)</sup>	\$ 504	\$ 773	\$ 4,149	\$ 2,178
Canada	37	148	352	331
EMEA <sup>(2)</sup>	191	88	366	376
APAC <sup>(3)</sup>	159	83	830	420
	\$ 891	\$ 1,092	\$ 5,697	\$ 3,305

(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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Products transferred at a point in time	\$ 532	\$ 547	\$ 4,596	\$ 1,595
Products and services transferred over time	359	545	1,101	1,710
	\$ 891	\$ 1,092	\$ 5,697	\$ 3,305

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nine Months ended September 30, 2021 and 2020

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

### 11. 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 asset are summarized in Note 4 of these Interim Consolidated Financial Statements. The following table is a summary of the changes in the lease liability during the period:

	<b>2021</b>
Balance, January 1, 2021	\$ 2,162
Interest	88
Effects on movement in exchange rates	(2)
Additions	327
Lease payments	(463)
Balance September 30, 2021	2,112
Less: current portion	(547)
Lease liabilities non-current, September 30, 2021	\$ 1,565

The following table presents the contractual undiscounted cash flows for lease obligations as at September 30, 2021:

Less than one year	\$ (652)
One to five years	(1,085)
More than five years	(822)
Total undiscounted lease obligations	\$ (2,559)

#### 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 September 30, 2021, we had no purchase commitments which are due within one year. At September 30, 2020, we had \$75 thousand of purchase commitments which were due within one year.