



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)**

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

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

	NOTES	March 31, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS			
Current Assets			
Cash		\$ 1,519,155	\$ 1,264,594
Restricted non-redeemable GIC's		200,000	200,000
Trade and other receivables		1,337,226	2,803,960
Inventories		1,922,476	2,158,549
Notes receivable		133,100	134,270
Prepayments		364,767	498,695
Current tax assets		1,847	3,835
Derivative financial instrument	4	137,759	32,225
Total Current Assets		5,616,330	7,096,128
Non-Current Assets			
Equipment		185,222	202,531
Intangible assets		691,986	770,324
Total Non-Current Assets		877,208	972,855
TOTAL ASSETS		\$ 6,493,538	\$ 8,068,983
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables		\$ 497,600	\$ 634,037
Accrued liabilities		490,511	752,577
Borrowings	6	-	2,129,892
Loan payable - current portion	7	105,292	104,123
Customer deposits		38,730	118,519
Deferred revenue - current portion		2,011,700	1,193,623
Provisions		72,974	56,035
Advances from related parties	5	347,118	371,110
Promissory notes from related party - current portion	5	743,835	531,499
Convertible note from related party	5	291,576	-
Total Current Liabilities		4,599,336	5,891,415
Non-Current Liabilities			
Deferred revenue		149,824	108,933
Loan payable	7	276,088	273,023
Promissory notes from related party	5	354,866	640,569
Convertible note from related party	5	-	284,617
Repayable government contribution	8	64,296	64,296
Total Non-Current Liabilities		845,074	1,371,438
TOTAL LIABILITIES		5,444,410	7,262,853
Shareholders' Equity			
Share capital	9	6,779,624	6,778,066
Contributed surplus		472,306	472,654
Accumulated deficit		(6,202,802)	(6,444,590)
TOTAL SHAREHOLDERS' EQUITY		1,049,128	806,130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 6,493,538	\$ 8,068,983

See Note 15 "Commitments and Contingent Liabilities" and Note 16 "Subsequent Events"

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	Three Months Ended March 31,	
		2017	2016
REVENUE	13	\$ 2,422,490	\$ 315,701
COST OF REVENUE		1,292,192	225,838
GROSS PROFIT		1,130,298	89,863
OPERATING EXPENSES	11		
General and administrative		163,500	62,379
Sales and marketing		331,027	35,432
Research and development, net		458,325	134,075
Total operating expenses		952,852	231,886
OPERATING INCOME (LOSS)		177,446	(142,023)
Other Income (Expenses)			
Foreign exchange gain (loss)		5,287	(63,717)
Loss on disposal of equipment		-	(11,760)
Finance income		1,331	1,297
Finance costs	12	(47,810)	(35,093)
Unrealized gain (loss) on options	4	105,534	(55,218)
INCOME (LOSS) BEFORE INCOME TAXES		241,788	(306,514)
Income tax recovery (expense)		-	-
NET AND COMPREHENSIVE INCOME (LOSS)		\$ 241,788	\$ (306,514)
EARNINGS (LOSS) PER SHARE:	10		
Basic		\$ 0.01	\$ (0.01)
Diluted		\$ 0.01	\$ (0.01)
Weighted average number of shares outstanding - basic		29,079,481	22,387,993
Weighted average number of shares outstanding - diluted		29,079,481	22,387,993

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

NOVRA TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (Canadian dollars, except share data)

	NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Deficit	Total Shareholders' Equity
At January 1, 2017		29,077,435	\$ 6,778,066	\$ 472,654	\$ (6,444,590)	\$ 806,130
Net income (loss)		-	-	-	241,788	241,788
Warrants exercised	9	10,080	1,558	(348)	-	1,210
At March 31, 2017		29,087,515	\$ 6,779,624	\$ 472,306	\$ (6,202,802)	\$ 1,049,128

	NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Deficit	Total Shareholders' Equity
At January 1, 2016		22,387,993	\$ 6,056,729	-	\$ (5,648,920)	\$ 407,809
Net income (loss)		-	-	-	(306,514)	(306,514)
At March 31, 2016		22,387,993	\$ 6,056,729	\$ -	\$ (5,955,434)	\$ 101,295

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	Three Months Ended March 31,	
		2017	2016
OPERATING ACTIVITIES			
Net income (loss)		\$ 241,788	\$ (306,514)
<i>Add items not requiring an outlay of cash:</i>			
Amortization of equipment and intangible assets		95,647	862
Loss on disposal of equipment		-	11,760
Inventory impairment charge		21,665	9,759
Unrealized loss(gain) on options	4	(105,534)	55,219
Finance costs	12	47,810	35,093
Changes in non-cash working capital items	14	2,192,076	270,563
Finance costs paid		(48,939)	(24,197)
Net cash provided by operating activities		2,444,513	52,545
INVESTING ACTIVITIES			
Net cash provided by (applied to) investing activities		-	-
FINANCING ACTIVITIES			
Repayments on borrowings	6	(2,189,672)	(60,000)
Proceeds from borrowings	6	80,000	-
Proceeds from promissory notes	5 (d)	-	562,888
Repayments on promissory notes	5 (d)	(57,675)	(26,644)
Exercise of warrants	9	1,210	-
Proceeds from repayable government contribution		-	37,382
Foreign exchange loss on financing activities		(23,815)	(42,356)
Net cash provided by (applied to) financing activities		(2,189,952)	471,270
Net increase in cash		254,561	523,815
Cash, beginning of period		1,264,594	577,132
CASH, end of period		\$ 1,519,155	\$ 1,100,947

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

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

(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. 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 interim financial statements, "Novra", "Company", "we", "us", or "our" refers to Novra Technologies Inc. and its wholly-owned subsidiaries.

The Board of Directors authorized the Condensed Consolidated Financial Statements for issue on May 30, 2017. These unaudited interim financial statements should be read in conjunction with the Novra's annual audited Consolidated Financial Statements for the year ended December 31, 2016.

2. Significant Accounting Policies

Our significant accounting policies are consistent with those disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2016 except for the following:

Basis of 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 required under IFRS for complete financial statements. 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, 2016.

The Condensed Consolidated Statement of Financial Position at March 31, 2017 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Shareholders' Equity and of Cash flows for the periods ended March 31, 2017 and 2016 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2016 is derived from Novra's audited Consolidated Financial statements.

The tabular disclosures herein are presented in thousands, except for share data. Further these interim financial statements are expressed in Canadian dollars.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

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

3. Recently Issued Accounting Standards Not Yet Adopted

The IASB has issued new accounting standards and amendments to existing standards. These are not yet effective at March 31, 2017, and could have a significant impact on Novra's future reporting periods.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

In April 2014, the IASB released IFRS 15, which replaces IAS 11, *Construction Contracts* and IAS 18, *Revenue*. This new standard specifies how and when companies will recognize revenue as well as requiring such entities to provide users of financial information with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 applies to annual reporting periods beginning on or after January 1, 2018. We have not yet assessed the impact of the adoption of this standard on Novra's Condensed Consolidated Financial Statements.

IFRS 9 Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. The classification under IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. Furthermore, this new standard includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fundamentally change the types of hedging relationships or the requirement to measure or recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduces more judgment to assess the effectiveness of a hedging relationship. IFRS 9 is to be applied retrospectively for annual reporting periods beginning on or after January 1, 2018. Early application is permitted. We have not yet assessed the impact of the adoption of this standard on Novra's Condensed Consolidated Financial Statements.

IFRS 16 Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, which replaces IAS 17, *Leases*. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 has also been applied. We have not yet assessed the impact of the adoption of this standard on Novra's Condensed Consolidated Financial Statements.

IFRS 2 Share Based Payment ("IFRS 2")

In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions. These amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively, retrospectively, or early application is permitted if information is available without the use of hindsight.

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

The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations; and
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

We will adopt the amendments to IFRS 2 starting with the second quarter of 2017. As we have no outstanding stock options at March 31, 2017, the adoption will have no impact to Novra's Condensed Consolidated Financial Statements.

4. Derivative Financial Instrument

At March 31, 2017, the estimated fair value of the 15 million stock options to purchase Wegener Corporation's ("Wegener") common shares at \$0.03 USD each was \$138 thousand or \$0.0092 per option (December 31, 2016: \$32 thousand or \$0.0002 per option). This estimated fair value was based on the following key inputs used in the Black Scholes option pricing model:

	March 31, 2017	December 31, 2016
Expected life, in years	1.00	1.25
Volatility	169%	122%
Risk free interest rate	1.03%	0.85%
Dividend yield	0%	0%
Closing stock price - Wegener	0.015	0.008

At March 31, 2017, Wegener had 13,147,051 shares outstanding. The exercise of the above noted options would give us controlling interest in Wegener.

5. Related Party Transactions

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

- a) Key management personnel compensation

The following table discloses the compensation of independent directors as well as key management personnel (President & CEO, COO, and CFO) in the ordinary course of their employment recognized as an expense during the first quarter.

	Three Months Ended March 31,	
	2017	2016
Salaries and employee benefits	\$ 80	\$ 24
Directors' fees	2	2
Total	\$ 82	\$ 26

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

b) Transactions with other related parties

	Three Months Ended March 31,	
	2017	2016
Purchase of goods and services		
InfoMagnetics Technologies Inc. ("IMT") ⁽¹⁾	\$ -	\$ 14
The Exchange Global Server Centre Inc. ⁽²⁾	2	2
Interest on unsecured promissory notes		
IMT	15	9
Interest on convertible note		
IMT	7	-
	\$ 24	\$ 25

⁽¹⁾ Novra's President & CEO has a controlling interest in IMT.

⁽²⁾ The Exchange Global Server Centre Inc. is 50% owned by 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:

	March 31, 2017	December 31, 2016
Key management and directors (see part (a))	346	351
IMT	-	20
The Exchange Global Server Centre Inc.	1	-
	\$ 347	\$ 371

At March 31, 2017, \$318 thousand (December 31, 2016: \$325 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.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

d) The following table shows the movement of unsecured promissory notes due to IMT during the first quarter of 2017 and 2016.

	2017	2016
At January 1	\$ 1,172	\$ 253
Loans received	-	563
Loan repayments	(58)	(27)
Foreign exchange movement	(4)	(42)
Interest charged	15	9
Interest paid	(27)	(4)
At March 31	\$ 1,098	\$ 752
<i>Presentation:</i>		
Current portion	\$ 743	\$ 332
Non-current portion	355	420
Total	\$ 1,098	\$ 752

e) The following table shows the carrying value of the Convertible Note due to IMT:

	March 31, 2017	December 31, 2016
Issuance of convertible note to IMT	\$ 300	\$ 300
Amount reclassified as equity	(18)	(18)
Accrued interest	10	3
Carrying value of convertible note	\$ 292	\$ 285

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

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

6. Borrowings

The following table shows the movement in the total borrowings from the RBC Credit Facilities during the first quarter of 2017:

	Balance at January 1 2017	Additional Borrowings	Interest	Repayments	Balance at March 31 2017	Interest Rate	Maturity
Revolving Demand Facility (for general use)	\$ 300	\$ 80	\$ 1	(381)	\$ -	Royal Bank Prime + 0.50%	None; Due on demand
Revolving Demand Facility (for pre-shipment financing)	368	-	2	(370)	-	Royal Bank Prime + 0.75%	None; Due on demand
Non-Revolving Demand Facility (for pre-shipment financing of a large contract)	1,462	-	9	(1,471)	-	Royal Bank US Base Rate + 1.05%	Terminated during Q1 2017
	\$ 2,130	\$ 80	\$ 12	\$ (2,222)	\$ -		

7. Loan Payable

The following table provides a breakdown of the loan payable to Crocus Investment Fund.

	March 31, 2017	December 31, 2016
Crocus loan	\$ 381	\$ 377
less: Current portion	(105)	(104)
Non-current portion	\$ 276	\$ 273

Principal repayment terms are as follows:

rest of 2017	\$ 108
2018	109
2019	114
2020	50
	<u>\$ 381</u>

Crocus Investment Fund also holds 3,660,660 common shares of Novra or 12.6% of total issued and outstanding common shares at March 31, 2017 and December 31, 2016.

8. Repayable Government Contribution

On June 5, 2015, Novra entered a contribution agreement with Western Economic Diversification ("WEDC"). Under this agreement, Novra is eligible to receive a repayable contribution not exceeding \$447.5 thousand towards the commercialization of two new innovative technology-based products.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

On February 23, 2017, the WEDC contribution agreement was amended to delay the repayment of the WEDC contributions by one year such that the 59 consecutive monthly installments of \$7.4 thousand and one final instalment of \$10.9 thousand shall commence on April 1, 2019 and end on March 1, 2024. Further the amount of funding by WEDC may not exceed the following amounts in WEDC's fiscal year ending March 31st:

Year	Amount
2016	\$64
2017	\$150
2018	\$233

The contributions are subject to interest at the average bank rate plus 3% if any payments are late.

At March 31, 2017, the WEDC contribution payable was \$64 thousand (see Note 16(a)).

9. Shareholders' Equity

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

	March 31, 2017	December 31, 2016
Authorized:		
Unlimited Class "A" Common voting shares		
Unlimited Class "B" Common non-voting shares		
Unlimited Class "C" Preferred shares, redeemable and retractable at \$1,000		
Issued:		
29,087,515 (December 31, 2016: 29,077,435)		
Class "A" common voting shares	\$ 6,780	\$ 6,778

Warrants

During the first quarter of 2017, 10,080 warrants were exercised. Subsequent to March 31, 2017, and up to May 26, 2017, an additional 794,160 warrants have been exercised at \$0.12 each.

Stock Options

We did not grant stock options during the first quarter of 2017 and there were no outstanding stock options at March 31, 2017 (see Note 16(b)).

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

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

10. Earnings (Loss) Per Share ("EPS")

a) Basic EPS

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

	Three Months Ended March 31,	
	2017	2016
Net income (loss)	\$ 242	\$ (307)
Weighted average number of common shares	29,079	22,388
Basic EPS	\$ 0.01	\$ (0.01)

b) Diluted EPS

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

We have two types of dilutive potential common shares at March 31, 2017: convertible note and warrants. The convertible note is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For warrants, a calculation is done to determine the number of common shares that could have been acquired at fair value (the average market price of Novra's common stock) based on the proceeds from exercise of warrants. The result of this calculation is then compared to the number of shares that would have been issued assuming the exercise of warrants. Convertible note and warrants would be both anti-dilutive when Novra incurs a net loss.

	Three Months Ended March 31,	
	2017	2016
Earnings (Loss):		
Net income (loss)	\$ 242	\$ (307)
Interest expense on convertible note (net of tax) ⁽¹⁾	-	-
Net income (loss) used to determine EPS	\$ 242	\$ (307)
Weighted average number of common shares:		
Weighted average number of common shares	29,079	22,388
<i>Adjustment for:</i>		
- Assumed conversion of convertible note ⁽¹⁾	-	-
- Warrants ⁽¹⁾	-	-
Weighted average number of common shares for diluted EPS	29,079	22,388
Diluted EPS	\$ 0.01	\$ (0.01)

(1) Convertible note and warrants were anti-dilutive as the average Novra share price was \$0.106 for the quarter.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

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

11. Operating Expenditures

We present our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) on a functional basis in which expenditures are aggregated to the function to which they relate. We have identified the major functions as general and administrative, sales and marketing, and research and development activities.

Three Months Ended March 31, 2017	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	\$ 106	\$ 221	\$ 309	\$ 636
Other operating expenditures	57	109	66	232
Depreciation and amortization	1	1	83	85
	\$ 164	\$ 331	\$ 458	\$ 953

Three Months Ended March 31, 2016	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	\$ 28	\$ 8	\$ 118	\$ 154
Other operating expenditures	34	28	15	77
Depreciation and amortization	-	-	1	1
	\$ 62	\$ 36	\$ 134	\$ 232

12. Finance Costs

The following table provides a breakdown of total finance costs during the first quarter.

	Three Months Ended March 31,	
	2017	2016
Interest expense:		
- Bank borrowings and long-term debt	\$ 16	\$ 10
- Unsecured promissory notes (see Note 5 (d))	15	9
- Convertible note (see Note 5 (e))	7	-
Fees on bank borrowings and promissory notes	10	16
	\$ 48	\$ 35

13. Segmented Information

For the first quarter of 2017, three customers accounted for more than 10% of Novra's total revenues each, at a combined total of 62% (March 31, 2016— one customer accounted for 45%).

NOVRA TECHNOLOGIES INC.

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Three months ended March 31, 2017 and 2016

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

Revenues by geographic market are as follows:

	Three Months Ended March 31,	
	2017	2016
Americas ex-Canada	\$ 929	\$ 223
Canada	868	41
EMEA	421	6
APAC	204	46
	\$ 2,422	\$ 316

14. Net Change in Non-Cash Working Capital

The components of the net change in non-cash working capital are as follows:

	Three Months Ended March 31,	
	2017	2016
Trade and other receivables	\$ 1,467	\$ 193
Inventories	214	(75)
Notes receivable	1	9
Current tax assets	2	-
Prepayments	134	(103)
Amounts payable including advances	(422)	268
Customer deposits	(80)	-
Deferred revenue	859	(21)
Provisions	17	-
Total	\$ 2,192	\$ 271

15. Commitments and Contingent Liabilities

a) Lease commitments

At March 31, 2017, Novra's future minimum payments under non-cancellable operating leases for offices were as follows:

rest of 2017	\$	221
2018		233
2019		113
Total	\$	567

b) Purchase Commitments

In the normal course of business, we may enter purchase commitments, including inventory and third

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

party software license embedded in our products, to achieve economy of scale. At March 31, 2017, we had \$274 thousand of purchase commitments of which \$105 thousand is due within one year.

16. Subsequent Events

a) Repayable Government Contributions

On May 2, 2017, we received \$120 thousand from WEDC in regards to our contribution request filed in March 2017.

b) New Incentive Stock Option Plan

On April 28, 2017, the Board of Directors approved the 2017 Stock Option Plan ("2017 Plan") to retain and attract executives, directors and key employees. This replaces and terminates the current option plan. The 2017 Plan provides for the grant of stock options of up to an aggregate of 2,900,000 with a five-year vesting period and seven-year term. Subject to the applicable discount provided by the TSX-V rules, the exercise price will be at least equal to the fair market value of Novra's common shares at the grant date as defined as the greater of:

- The volume weighted average trading price for Novra's common stock for the five market trading days immediately prior to the grant date; and
- The closing trading price of Novra's common stock on the day immediately prior to the grant date.

The Board has the discretion to amend general vesting provisions and the term of any award under the 2017 Plan, subject to the restrictions defined in the 2017 Plan.

On April 28, 2017, the Board of Directors approved the grant of 1,500,000 stock options to independent directors, employees, and a sales consultant under the terms of the 2017 Plan, subject to final approval by the TSX-V of the 2017 Plan. The TSX-V approved the 2017 Plan on May 9, 2017.

On May 11, 2017, we granted the above 1,500,000 stock options at an exercise price of \$0.12 per share with a seven-year term. The vesting provision for this grant will be as follows:

- 20% on June 30, 2017;
- 20% on December 31, 2017;
- 20% on December 31, 2018;
- 20% on December 31, 2019; and
- 20% on December 31, 2020.