



## **CONSOLIDATED FINANCIAL STATEMENTS**

**Three Months ended March 31, 2020 and 2019**  
**(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, 2020 (Unaudited)	December 31, 2019 (Audited)
<b>ASSETS</b>			
<b>Current Assets</b>	3		
Cash		\$ 2,867,600	\$ 3,176,327
Restricted non-redeemable GIC's		-	-
Trade and other receivables		878,913	808,034
Inventories		1,735,658	1,834,036
Prepayments and other		222,056	131,885
<b>Total Current Assets</b>		<b>5,704,227</b>	<b>5,950,282</b>
<b>Non-Current Assets</b>			
Equipment		57,824	64,456
Right-of-use assets	4	2,377,490	2,466,270
Intangible assets		1,785,717	1,783,417
<b>Total Non-Current Assets</b>		<b>4,221,031</b>	<b>4,314,143</b>
<b>TOTAL ASSETS</b>		<b>\$ 9,925,258</b>	<b>\$ 10,264,425</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables		\$ 716,219	\$ 482,703
Accrued liabilities		1,168,834	843,147
Borrowings	6	102,338	101,774
Lease liabilities	13	484,878	559,806
Customer deposits		322,382	303,858
Deferred revenue - current portion		875,576	1,088,491
Warranty provision		62,274	59,845
Advances from related parties	5(c)	855,795	785,783
Promissory notes from related party - current portion	5(d)	789,321	775,182
<b>Total Current Liabilities</b>		<b>5,377,617</b>	<b>5,000,589</b>
<b>Non-Current Liabilities</b>			
Borrowings	6	2,533,623	2,341,349
Lease liabilities	13	2,060,637	2,025,612
Deferred revenue		915,752	842,577
Promissory notes from related party	5(d)	137,624	144,544
<b>Total Non-Current Liabilities</b>		<b>5,647,636</b>	<b>5,354,082</b>
<b>TOTAL LIABILITIES</b>		<b>11,025,253</b>	<b>10,354,671</b>
<b>Equity</b>			
Share capital	7	7,369,869	7,366,989
Contributed surplus		496,277	494,844
Accumulated other comprehensive loss		(530,082)	(31,181)
Accumulated deficit		(8,022,810)	(7,760,409)
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF NOVRA</b>		<b>(686,746)</b>	<b>70,243</b>
Non-Controlling Interests		(413,249)	(160,489)
<b>TOTAL EQUITY</b>		<b>(1,099,995)</b>	<b>(90,246)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 9,925,258</b>	<b>\$ 10,264,425</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	Three Months Ended March 31,	
		2020	2019
<b>REVENUE</b>	11	\$ 1,026,476	\$ 2,500,234
<b>COST OF REVENUE</b>		538,269	1,591,341
<b>GROSS PROFIT</b>		488,207	908,893
<b>OPERATING EXPENSES</b>			
General and administrative		314,666	362,663
Sales and marketing		280,788	339,812
Research and development		850,820	901,040
Total operating expenses		1,446,274	1,603,515
<b>OPERATING INCOME (LOSS)</b>		(958,067)	(694,622)
<b>Other Income (Expenses)</b>			
Foreign exchange gain (loss)		432,618	(85,817)
Loss on disposal of equipment		-	-
Finance income	10 (a)	61,158	172
Finance costs	10 (b)	(50,870)	(63,504)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>		(515,161)	(843,771)
Income tax recovery (expense)		-	-
<b>NET INCOME (LOSS)</b>		\$ (515,161)	\$ (843,771)
<b>OTHER COMPREHENSIVE LOSS, NET OF TAXES</b>			
Foreign Currency Translation Adjustments on Wegener Consolidation		(498,902)	(125,932)
Total other comprehensive loss, net of taxes		(498,902)	(125,932)
<b>COMPREHENSIVE INCOME (LOSS)</b>		\$ (1,014,063)	\$ (969,703)
<b>EARNINGS (LOSS) PER SHARE:</b>			
Basic	8	\$ (0.023)	\$ (0.025)
Diluted		\$ (0.023)	\$ (0.025)
Weighted average number of shares outstanding - basic		33,392,707	33,360,279
Weighted average number of shares outstanding - diluted		33,392,707	33,360,279
<b>NET INCOME (LOSS) ATTRIBUTABLE TO :</b>			
Shareholders of Novra		\$ (262,401)	\$ (701,891)
Attributable to non-controlling interest		\$ (252,760)	\$ (141,880)
		(515,161)	(843,771)
<b>COMPREHENSIVE INCOME( LOSS) ATTRIBUTABLE TO:</b>			
Shareholders of Novra		\$ (761,303)	\$ (827,823)
Attributable to non-controlling interest		\$ (252,760)	\$ (141,880)
		(1,014,063)	(969,703)

*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, 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)
	33,372,307	7,366,989	494,844	(31,181)	(7,760,409)	(160,489)	(90,246)
Net income (loss)	-	-	-	-	(262,401)	(252,760)	(515,161)
Change in foreign currency translation	-	-	-	(498,902)	-	-	(498,902)
Share based compensation	7 (b)	-	1,433	-	-	-	1,433
Options Exercised	7 (b)	24,000	2,880	-	-	-	2,880
<b>At March 31, 2020</b>	<b>33,396,307</b>	<b>\$ 7,369,869</b>	<b>\$ 496,277</b>	<b>\$ (530,083)</b>	<b>\$ (8,022,810)</b>	<b>\$ (413,249)</b>	<b>\$ (1,099,995)</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, 2019</b>							-
Total	35,372,312	\$ 7,626,989	\$ 482,536	\$ (110,865)	\$ (6,041,434)	\$ (177,197)	1,780,029
Less: common shares held by subsidiary	(2,000,000)	\$ (260,000)					(260,000)
	33,372,312	7,366,989	482,536	(110,865)	(6,041,434)	(177,197)	1,520,029
Net income (loss)	-	-	-	-	(701,891)	(141,880)	(843,771)
Change in foreign currency translation	-	-	-	(125,932)	-	-	(125,932)
Share based compensation	7 (b)	-	3,077	-	-	-	3,077
Options Exercised	7 (b)	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>33,372,312</b>	<b>\$ 7,366,989</b>	<b>\$ 485,613</b>	<b>\$ (236,797)</b>	<b>\$ (6,743,325)</b>	<b>\$ (319,077)</b>	<b>\$ 553,404</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	Three Months Ended March 31,	
		2020	2019
<b>OPERATING ACTIVITIES</b>			
Net income (loss)		\$ (515,161)	\$ (843,771)
<i>Add items not affecting cash:</i>			
Depreciation and amortization		314,363	392,831
Share based compensation	7(b)	1,433	3,077
Interest expense	10	50,870	63,504
Changes in non-cash working capital items	12	447,756	(462,153)
Interest paid		(5,145)	(6,933)
<b>Net cash provided by (applied to) operating activities</b>		<b>294,117</b>	<b>(853,445)</b>
<b>FINANCING ACTIVITIES</b>			
Payments on lease liabilities		(130,264)	(159,000)
Payments on WEDC repayable contribution	6(d)	(12,870)	-
Repayments on IMT promissory notes	5(d)	(20,730)	(19,000)
Exercise of stock options	7(b)	2,880	-
Unrealized foreign exchange gain/(loss) on financing activities		20,661	(6,217)
<b>Net cash provided by (applied to) financing activities</b>		<b>(140,323)</b>	<b>(184,217)</b>
Effect of exchange rates on cash and cash equivalents		(462,521)	(135,450)
<b>Net increase in cash</b>		<b>(308,727)</b>	<b>(1,173,112)</b>
Cash, beginning of period		3,176,327	4,138,014
<b>CASH, end of period</b>		<b>\$ 2,867,600</b>	<b>\$ 2,964,902</b>

*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, 2020 and 2019

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

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### 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 July 14, 2020. These unaudited interim financial statements should be read in conjunction with Novra's annual audited Consolidated Financial Statements for the year ended December 31, 2019.

### 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, 2019.

The Condensed Consolidated Statement of Financial Position at March 31, 2020 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Equity and of Cash flows for the periods ended March 31, 2020 and 2019 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2019 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

Three Months ended March 31, 2020 and 2019

(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 The Royal Bank of Canada.

#### b) Accounts receivable

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

	March 31, 2020	March 31, 2019
Trade accounts receivable	\$ 884	\$ 828
Less: allowance for doubtful accounts	66	20
Net trade accounts receivable	818	808
Canadian Emergency Wage Subsidy	61	-
Total trade and other receivables	\$ 879	\$ 808

During the three months ended March 31, 2020, the Company wrote off \$39 in uncollectable receivables.

### 4. Right-of-use Assets

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

	2020
Balance, January 1, 2020	2,466
Depreciation	(140)
Effects on movement in exchange rates	51
Balance, March 31, 2020	2,377

### 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 March 31, 2020.

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

	Three Months Ended March 31,	
	2020	2019
Salaries and employee benefits	\$ 85	\$ 86
Share-based compensation	3	3
Directors' fees	3	3
Total	\$ 91	\$ 92

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

b) Transactions with other related parties

	Three Months Ended March 31,	
	2020	2019
<b>Purchase of goods and services</b>		
InfoMagnetics Technologies Inc. ("IMT") <sup>(1)</sup>	\$ -	\$ -
The Exchange Global Server Centre Inc. <sup>(2)</sup>	2	2
<b>Interest on unsecured promissory notes</b>		
IMT	12	12
	<b>\$ 14</b>	<b>\$ 14</b>

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

<sup>(2)</sup> 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, 2020	December 31, 2019
Key management and directors (see part (a))	575	526
IMT	280	259
The Exchange Global Server Centre Inc.	1	-
	<b>\$ 856</b>	<b>\$ 785</b>

At March 31, 2020, \$540 thousand (2019: \$543 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 +			2020	2019
	4% Fixed \$250k	2.5% Floating \$563k	4% Fixed \$381k		
At January 1	\$ 280	\$ 219	\$ 421	\$ 920	\$ 977
Loan repayments	-	(21)	-	(21)	(19)
Foreign exchange movement	-	21	-	21	(6)
Interest charged	3	5	4	12	12
Interest paid	-	(5)	-	(5)	(7)
At March 31	\$ 283	\$ 219	\$ 425	\$ 927	\$ 957
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 March 31:

	2020	2019
Current portion	\$ 789	\$ 753
Non-current portion	138	204
Total	<b>\$ 927</b>	<b>\$ 957</b>

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

### 6. Borrowings

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

	March 31, 2020	December 31, 2019
Bank borrowings	\$ -	\$ -
Revolving line of credit with the Chymiak Trust	2,380	2,175
Crocus loan	51	50
WEDC repayable contribution	205	218
Total borrowings	2,636	2,443
Less: current portion	(102)	(102)
Total borrowings - non-current	\$ 2,534	\$ 2,341

#### 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 first 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

There was no change to the Crocus loan during the current quarter, except for the accrued interest expense.

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

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

### 7. Shareholders' Equity

#### a) Common Stock

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

	March 31, 2019	December 31, 2019
<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>		
33,396,307 (December 31, 2019: 33,372,307)		
Class "A" common voting shares	\$ 7,370	\$ 7,367

During the first quarter of 2020, 24,000 options were exercised at \$0.12 each.

#### b) Stock Options

The following table provides a summary of stock option activity for the first quarter of 2020:

	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,132,000	\$ 0.12
Granted	-	\$ 0.12
Exercised	(24,000)	\$ 0.12
Forfeited	-	\$ 0.12
Expired		\$ 0.12
Outstanding, end of period	1,108,000	\$ 0.12

At March 31, 2020, the remaining stock option pool for future grants was 1,788,000.

The following table summarizes information about the stock options outstanding at March 31, 2020:

# of Options Outstanding	Grant Date	Expiry Date	Fair Value at Grant Date	# of Options Exercisable	Exercise Price
1,112,000	11-May-17	10-May-24	\$ 0.07	888,000	\$ 0.12
-	-		\$ -	-	\$ -
1,112,000				888,000	

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

### 8. Earnings (Loss) Per Share ("EPS")

#### a) Basic EPS

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

	Three Months Ended March 31,	
	2020	2019
Comprehensive income (loss)	\$ (761)	\$ (828)
Weighted average number of common shares	33,393	33,360
<b>Basic EPS</b>	<b>\$ (0.023)</b>	<b>\$ (0.025)</b>

#### b) Diluted EPS

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

	Three Months Ended March 31,	
	2020	2019
<b>Comprehensive income (loss)</b>	<b>\$ (761)</b>	<b>\$ (828)</b>
<b>Weighted average number of common shares:</b>		
Weighted average number of common shares	33,393	33,360
<i>Adjustment for:</i>		
- Stock options	-	-
<b>Weighted average number of common shares for diluted EPS</b>	<b>33,393</b>	<b>33,360</b>
<b>Diluted EPS</b>	<b>\$ (0.023)</b>	<b>\$ (0.025)</b>

For the three months ended March 31, 2020, stock options were antidilutive.

### 9. Depreciation and Amortization

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

	Three months ended March 31,	
	2020	2019
Cost of revenue	\$ 52	\$ 29
Selling and marketing	11	17
Research and development	200	258
General and administrative	51	90
	<b>\$ 314</b>	<b>\$ 393</b>

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

### 10. Finance Income and Finance Costs

#### (a) Finance Income

The Company qualified for the Canadian Emergency Wage Subsidy (CEWS) for the month of March 2020 and accrued a receivable of \$61 thousand from the Canadian Government. The CEWS is a federal government program created to provide financial support to businesses affected by COVID-19.

#### (b) Finance Costs

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

	Three Months Ended March 31,	
	2020	2019
Interest expense:		
- Unsecured promissory notes (see Note 5(d))	\$ 12	\$ 12
- Crocus loan (see Note 6)	1	2
- Lease Commitments (see Note 13)	38	49
	\$ 51	\$ 63

### 11. Revenues

The following table provides a breakdown of our revenues by category and geographic market at March 31:

Major Products/Service Lines	Three Months Ended March 31,	
	2020	2019
Hardware	\$ 536	\$ 1,918
Software	-	15
Services, Support and Extended Warranty	488	559
Other	2	8
	\$ 1,026	\$ 2,500

Geographic Market	Three Months Ended March 31,	
	2020	2019
Americas ex-Canada <sup>(1)</sup>	\$ 585	\$ 1,453
Canada	95	164
EMEA <sup>(2)</sup>	90	787
APAC <sup>(3)</sup>	256	96
	\$ 1,026	\$ 2,500

(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:

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

Timing of Revenue Recognition	Three Months Ended March 31,	
	2020	2019
Products transferred at a point in time	\$ 538	\$ 1,941
Products and services transferred over time	488	559
	\$ 1,026	\$ 2,500

The trade and other receivables include the following at March 31, 2020

	March 31, 2020	December 31, 2019
Trade accounts receivable	\$ 802	\$ 788
Other	77	20
Total trade and other receivables	\$ 879	\$ 808

As at March 31, 2020, one customer individually accounted for 16% of total receivables from contracts with customers. As at December 31, 2019, one customer accounted for 22% of total trade receivables.

The following table presents changes in the deferred revenue balances for the period ended March 31, 2020.

	Deferred revenue
Balance, December 31, 2019	\$ 1,931
Amounts invoiced and revenue deferred	\$ 264
Recognition of deferred revenue included in the balance at the beginning of the period	\$ (403)
Ending balance - March 31, 2020	\$ 1,791

## 12. Supplemental Cash Flow and Other Disclosures

The components of the net change in non-cash working capital at March 31<sup>st</sup> are as follows:

	Three Months Ended March 31,	
	2020	2019
Trade and other receivables	\$ (71)	\$ (197)
Inventories	98	157
Other assets	(90)	(26)
Amounts payable including	560	(200)
Customer deposits	19	(39)
Deferred revenue	(140)	(226)
Provisions	2	(3)
Advances Related Party	70	72
Total	\$ 448	\$ (462)

# NOVRA TECHNOLOGIES INC.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2020 and 2019

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

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### 13. 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:

	<u>2020</u>
Balance, January 1, 2020	\$ 2,585
Interest	38
Effects on movement in exchange rates	52
Lease payments	<u>(130)</u>
Balance, March 31, 2020	2,546
Less: current portion	<u>(485)</u>
Lease liabilities non-current, March 31, 2020	<u>\$ 2,061</u>

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2020:

Less than one year	\$ (622)
One to five years	(1,348)
More than five years	<u>(1,208)</u>
Total undiscounted lease obligation	<u>\$ (3,178)</u>

#### 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 March 31, 2020, we had \$78 thousand of purchase commitments which are due within one year. At March 31, 2019, we had \$143 thousand of purchase commitments of which \$68 thousand is due within one year.