INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 2018 and 2017

(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		June 30, 2018		December 31, 2017
ASSETS			**(Unaudited)**		(Audited)
Current Assets					
Cash		$	**1,835,217**	$	1,804,786
Restricted non-redeemable GIC's		$	**200,000**		200,000
Trade and other receivables		$	**2,280,453**		1,538,589
Inventories		$	**2,235,354**		1,809,988
Prepayments and other		$	**385,963**		189,898
Current tax assets		$	**-**		1,832
Total Current Assets			**6,936,987**		5,545,093
Non-Current Assets					
Equipment		$	**151,433**		186,481
Intangible assets		$	**3,012,497**		3,327,952
Total Non-Current Assets			**3,163,930**		3,514,433
TOTAL ASSETS		$	**10,100,917**	$	9,059,526
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade and other payables		$	**463,009**	$	545,386
Accrued liabilities		$	**690,210**		710,886
Borrowings	5	$	**111,337**		108,878
Customer deposits		$	**1,455,964**		258,554
Deferred revenue - current portion		$	**1,707,781**		1,057,214
Warranty provision		$	**64,188**		78,417
Advances from related parties	4(c)	$	**562,149**		418,305
Promissory notes from related party - current portion	4(d)		**719,270**		736,359
Total Current Liabilities			**5,773,908**		3,913,999
Non-Current Liabilities					
Borrowings	5	$	**2,649,008**		2,402,664
Deferred revenue		$	**816,586**		311,734
Promissory notes from related party	4(d)		**270,000**		280,716
Total Non-Current Liabilities			**3,735,594**		2,995,114
TOTAL LIABILITIES			**9,509,502**		6,909,113
Equity					
Share capital	6	$	**7,362,333**		7,354,573
Contributed surplus		$	**466,816**		461,937
Accumulated other comprehensive loss		$	**(8,926)**		
Accumulated deficit			**(6,532,181)**		(5,666,097)
Total Equity Attributable to Shareholders of Novra			**1,288,042**		2,150,413
Non-Controlling Interests			**(696,627)**		-
TOTAL EQUITY			**591,415**		2,150,413
TOTAL LIABILITIES AND EQUITY		$	**10,100,917**	$	9,059,526

See Note 13 "Commitments and Contingent Liabilities"

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)

		Quarter ended June 30,		Six Months Ended June 30,	
	NOTES	2018	2017	2018	2017
REVENUE	10,11	$ 1,593,958	$ 3,261,073	$ 3,665,818	$ 5,683,563
COST OF REVENUE		835,520	1,451,317	2,027,709	2,743,509
GROSS PROFIT		758,438	1,809,756	1,638,109	2,940,054
OPERATING EXPENSES	8				
General and administrative		424,801	166,619	905,474	330,119
Sales and marketing		272,998	450,770	585,890	781,797
Research and development, net		884,098	456,471	1,789,599	914,796
Total operating expenses		1,581,897	1,073,860	3,280,963	2,026,712
OPERATING INCOME (LOSS)		(823,459)	735,896	(1,642,854)	913,342
Other Income (Expenses)					
Foreign exchange gain (loss)		89,762	(32,394)	198,588	(27,107)
Loss on disposal of equipment		-	-	-	-
Finance income		1,532	1,313	2,169	2,644
Finance costs	9	(58,932)	(26,234)	(112,244)	(74,044)
Unrealized losses on foreign exchange swaps		-	-	-	-
Unrealized gain (loss) on options	4	-	(38,484)	-	67,050
INCOME (LOSS) BEFORE INCOME TAXES		(791,097)	640,097	(1,554,341)	881,885
Income tax recovery (expense)		-	(1,064)	-	(1,064)
NET INCOME (LOSS)		$ (791,097)	$ 639,033	$ (1,554,341)	$ 880,821
OTHER COMPREHENSIVE LOSS, NET OF TAXES					
Foreign Currency Translation Adjustments		26,983		(17,298)	-
Total other comprehensive loss, net of taxes		26,983	-	(17,298)	-
COMPREHENSIVE LOSS		$ (764,114)	$ 639,033	$ (1,571,639)	$ 880,821
EARNINGS (LOSS) PER SHARE:	7				
Basic		$ (0.02)	$ 0.02	$ (0.05)	$ 0.03
Diluted		$ (0.02)	$ 0.02	$ (0.05)	$ 0.03
Weighted average number of shares outstanding - basic		33,348,312	30,223,874	33,342,257	29,654,839
Weighted average number of shares outstanding - diluted		33,348,312	30,369,406	33,342,257	29,654,839
Net loss attributable to:					
Shareholders of Novra		$ (476,816)		$ (866,086)	
Attributable to non-controlling interest		$ (314,281)		$ (688,255)	
		(791,097)		(1,554,341)	
Comprehensive loss attributable to:					
Shareholders of Novra		$ (462,893)		$ (875,012)	
Attributable to non-controlling interest		$ (301,221)		$ (696,627)	
		(764,114)		(1,571,639)	

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 Other Comprehensive Loss	Accumulated Deficit	Non-Controlling Interest	Total Shareholders' Equity
At January 1, 2018								-
Total		35,308,312	$ 7,614,573	$ 461,937		$ (5,666,097)	$ -	2,410,413
Less: common shares held by subsidiary		(2,000,000)	$ (260,000)					(260,000)
		33,308,312	7,354,573	461,937	-	(5,666,097)	-	2,150,413
Net income (loss)						(866,086)	(688,255)	(1,554,341)
Change in foreign currency translation					(8,926)		(8,372)	(17,295)
Share based compensation	6(c)			7,838				7,838
Options Exercised	6(c)	40,000	7,760	(2,960)				4,800
At June 30, 2018		33,348,312	$ 7,362,333	$ 466,815	$ (8,926)	$ (6,532,183)	$ (696,627)	$ 591,415

	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)		-	-	-	880,821	880,821
Share based compensation		-	-	30,405	-	30,405
Warrants exercised	6(b)	1,706,877	263,051	(58,222)	-	204,829
Coversion of Convertible Note	4(e)	2,500,000	308,800	(17,781)	-	291,019
At June 30, 2017		33,284,312	$ 7,349,917	$ 427,056	$ (5,563,769)	$ 2,213,204

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)

		Quarter Ended June 30,		Six Months Ended June 30,	
	NOTES	**2018**	2017	**2018**	2017
OPERATING ACTIVITIES					
Net income (loss)		**(791,097)**	$ 639,033	**$ (1,554,341)**	$ 880,821
Add items not requiring an outlay of cash:					
Amortization of equipment and intangible assets		**223,555**	94,925	**465,576**	190,572
Inventory impairment charge (recovery)		**-**	(9,748)	**14,732**	11,917
Unrealized loss (gain) on options		**-**	38,484	**-**	(67,050)
Share based compensation	**6(c)**	**-**	30,405	**7,838**	30,405
Finance costs	**9**	**58,932**	26,234	**112,244**	74,044
Changes in non-cash working capital items	**12**	**340,452**	(794,899)	**1,050,425**	1,397,177
Finance costs paid		**(52,873)**	(16,154)	**(76,657)**	(65,093)
Net cash provided by (applied to) operating activities		**(221,031)**	8,280	**19,817**	2,452,793
INVESTING ACTIVITIES					
Purchase of equipment		**-**	(1,052)	**-**	(1,052)
Net cash provided by (applied to) investing activities		**-**	(1,052)	**-**	(1,052)
FINANCING ACTIVITIES					
Repayments on borrowings	**5(a)**	**-**	-	**(30,000)**	(2,189,672)
Proceeds from borrowings	**5(a)**	**-**	-	**30,000**	80,000
Proceeds from WEDC repayable contribution	**5(d)**	**-**	120,233	**57,834**	**120,233**
Repayments on IMT promissory notes	**4(d)**	**-**	(18,535)	**-**	(76,210)
Exercise of warrants	**6(b)**	**-**	203,618	**-**	204,828
Exercise of stock options	**6(c)**	**-**	-	**4,800**	-
Proceeds from Revolving line of credit with the Chymiak Trust	**5(b)**	**-**	-	**51,576**	
Foreign exchange loss on financing activities		**-**	(10,781)	**9,874**	(34,596)
Net cash provided by (applied to) financing activities		**-**	294,535	**124,084**	(1,895,417)
Effect of movement of exchange rates on cash held		**(42,210)**	-	**(113,470)**	-
Net increase in cash		**(263,241)**	301,763	**30,431**	556,324
Cash, beginning of period		**2,098,458**	1,519,155	**1,804,786**	1,264,594
CASH, end of period		**$ 1,835,217**	$ 1,820,918	**$ 1,835,217**	$ 1,820,918

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 August 29, 2018. 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, 2017.

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, 2017 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, 2017.

The Condensed Consolidated Statement of Financial Position at June 30, 2018 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Equity and of Cash flows for the periods ended June 30, 2018 and 2017 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2017 is derived from Novra's audited Consolidated Financial statements.

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

Foreign currency translation

a) Functional and presentation currency

Except as noted below with respect to the functional currency of Wegener, the functional and presentation currency of the parent and each of its subsidiaries is the Canadian dollar. This remains unchanged from the disclosure made in our consolidated financial statements for the year ended December 31, 2017.

Acquisition of Wegener Corporation ("Wegener")

As a result of acquiring Wegener on December 29, 2017, Wegener's financial results are now included in Novra's Condensed Consolidated Financial Statements. We have determined that the functional currency of Wegener is the US dollar, the currency of the primary economic environment in which Wegener operates. As Wegener's financial statements are measured in US. dollars, we have translated these to Canadian dollars at the end of the period for consolidation purposes, Novra's presentation currency. Accordingly, Wegener's assets and liabilities have been translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Wegener's income and expense items were translated at the average exchange rates for the period, as exchange rates did not fluctuate significantly during that period; otherwise the exchange rates at the dates of the transactions would be used. Exchange differences, if any, are recognized in other comprehensive income (loss) as functional currency translation adjustments in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) as well as in the Statements of Changes in Shareholders' Equity.

New Accounting Standards

We adopted the following new accounting standards effective January 1, 2018.

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

On January 1, 2018, we have adopted the new accounting standard IFRS 15 to all revenue contracts using the modified retrospective approach, and this adoption did not have a material impact on our timing of revenue recognition policies previously disclosed in the December 31, 2017 audited Consolidated Financial Statements.

IFRS 15 supersedes previous accounting standards for revenue, including IAS 11, Construction Contracts, and IAS 18, Revenue, and all existing IFRS revenue interpretations. IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;

3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

The following table summarizes the impact of adopting IFRS 15 on our Condensed Consolidated Statement of Financial Position as at June 30, 2018. Under IFRS 15, contract assets are presented separately from contract liabilities.

(Not reported in thousands of dollars)		As reported		FRS 15 Adjustmen		Amount without IFRS 15
ASSETS						
Current Assets						
Cash	$	1,835,217	$	-	$	1,835,217
Restricted non-redeemable GIC's		200,000		-	$	200,000
Trade and other receivables		2,280,453		(1,062,714)	$	1,217,739
Inventories		2,235,354		-	$	2,235,354
Note receivable		-		-	$	-
Prepayments and other		385,963		-	$	385,963
Current tax assets		-		-	$	-
Total Current Assets		6,936,987		(1,062,714)		5,874,273
Non-Current Assets						
Equipment		151,433		-	$	151,433
Intangible assets		3,012,497		-		3,012,497
Total Non-Current Assets		3,163,930		-		3,163,930
TOTAL ASSETS	$	10,100,917	$	(1,062,714)	$	9,038,203
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Trade and other payables		463,009	$	-	$	463,009
Accrued liabilities		690,210		-	$	690,210
Borrowings		111,337		-	$	111,337
Customer deposits		1,455,964		-	$	1,455,964
Deferred revenue - current portion		1,707,781		(484,742)	$	1,223,039
Warranty provision		64,188		-	$	64,188
Advances from related parties		562,149		-	$	562,149
Promissory notes from related party - current portion		719,270		-	$	719,270
Total Current Liabilities		5,773,908		(484,742)		5,289,166
Non-Current Liabilities						
Borrowings		2,649,008		-	$	2,649,008
Deferred revenue		816,586		(577,972)	$	238,614
Promissory notes from related party		270,000		-	$	270,000
Total Non-Current Liabilities		3,735,594		(577,972)		3,157,622
TOTAL LIABILITIES		9,509,502		(1,062,714)		8,446,788
Shareholders' Equity						
Share capital		7,362,333		-	$	7,362,333
Contributed surplus		466,816		-	$	466,816
Accumulated other comprehensive loss		(8,926)		-	$	(8,926)
Accumulated deficit		(6,532,181)		-	$	(6,532,181)
Total Equity Attributable to Shareholders of the Company		1,288,042		-		1,288,042
Non-Controlling Interests		(696,627)		-	$	(696,627)
TOTAL SHAREHOLDERS' EQUITY		591,415		-		591,415
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	10,100,917	$	(1,062,714)	$	9,038,203

There was no material impact on our Condensed Statements of Comprehensive Income or Cash Flows for the six months ended June 30, 2018.

IFRS 9 Financial Instruments ("IFRS 9")

On January 1, 2018, we also adopted IFRS 9 on January 1, 2018, and this adoption resulted in no material impact to Novra's Condensed Consolidated Financial Statements.

IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. The 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 IFRS 39. The approach in 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. The standard also adds guidance on the classification and measurement of financial liabilities.

Trade and other receivables that were classified as loans and receivables under IAS 39 are classified as financial assets measured at amortized cost. There was no change to the initial measurement of Novra's financial assets.

IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. ECL's are a probability-weighted estimate of credit losses. We have calculated ELC's based on consideration of customer-specific factors and factual credit loss experience over the past five years. As a percentage of revenue, Novra's historical credit loss experience has not been material.

The adoption of IFRS 9 has not had an effect on Novra's accounting policies related to financial liabilities.

3. Recently Issued Accounting Standards Not Yet Adopted

The IASB has issued new accounting standards and amendments to existing standards. The following new standard relevant to Novra was not yet effective at June 30, 2018.

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.

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

4. 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 June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Salaries and employee benefits	**$ 86**	$ 87	**$ 211**	$ 168
Share-based compensation	**-**	12	**4**	12
Directors' fees	**2**	2	**4**	4
Total	**$ 88**	$ 101	**$ 219**	$ 184

b) Transactions with other related parties

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Sale of goods and services				
InfoMagnetics Technologies Inc.("IMT") (1)	**$ -**	$ (4)	**$ -**	$ (4)
Purchase of goods and services				
InfoMagnetics Technologies Inc.("IMT") (1)	**$ -**	$ -	**$ -**	$ -
The Exchange Global Server Centre Inc.(2)	**2**	2	**4**	4
Interest on unsecured promissory notes				
IMT	**15**	14	**30**	29
Interest on convertible note				
IMT	**-**	6	**-**	13
	$ 17	$ 18	**$ 34**	$ 42

(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:

	June 30, 2018	December 31, 2017
Key management and directors (see part (a))	**445**	351
IMT	**118**	66
The Exchange Global Server Centre Inc.	**-**	1
	$ 563	$ 418

At June 30, 2018, $406 thousand (December 31, 2017: $316 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.

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

d) The movement of unsecured promissory notes due to IMT during the reporting periods ended June 30, 2018 and 2017 was as follows:

	Prime Rate + 4% Floating $250K	Base rate + 2.5% Floating $563K [1]	4% Fixed $381K	2018	2017
At January 1	$ 273	$ 355	$ 389	**$ 1,017**	$ 1,172
Loans received		-		**-**	-
Loan repayments		(53)		**(53)**	(76)
Foreign exchange movement		18		**18**	(14)
Interest charged	8	15	7	**30**	29
Interest paid	(23)	-		**(23)**	(35)
At June 30	$ 258	$ 335	$ 396	**$ 989**	$ 1,076
Maturity Dates:	Due on Demand	Nov 1, 2022	Dec 31, 2018		

(1) The note is US$400 thousand, converted to Canadian currency at the transaction date.

The following table shows the presentation of the above total IMT loans on Novra's Consolidated Statements of Financial Position at June 30, 2018 and 2017.

	2018	2017
Current portion	**$ 719**	$ 345
Non current portion	**270**	731
Total	**$ 989**	$ 1,076

e) Convertible Note due to IMT:

On November 28, 2016, Novra's Board of Directors approved to enter a $300 thousand unsecured convertible promissory note ("Convertible Note") with IMT effective December 1, 2016, as partial settlement of the $681 thousand unsecured promissory note. Under this Convertible Note, IMT, at its sole discretion, could elect to partially or fully convert the debt to Novra's equity at a conversion rate of $0.12 per Novra's common share. Such conversion could take place anytime after June 15, 2017 and if fully converted would result in the issuance of 2,500,000 common shares or 8.6% of total outstanding common shares at December 31, 2016. The Convertible Note bore a fixed interest rate of 4% per annum.

On June 16, 2017, IMT elected to fully convert its convertible note to 2,500,000 common shares of Novra.

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

5. Borrowings

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

	June 30, 2018	December 31, 2017
Bank borrowings	$ -	$ -
Revolving line of credit with the Chymiak Trust	2,239	2,054
Crocus loan	279	273
WEDC repayable contribution	242	185
Total borrowings	2,760	2,512
Less: current portion	(111)	(109)
Total borrowings - noncurrent	2,649	2,403

a) Bank borrowings

The following table shows the movement in the total borrowings from the RBC Credit Facilities during the first half of 2018:

	Balance at January 1 2018	Additional Borrowings	Interest	Foreign Exchange	Repayments	Balance at June 30 2018	Interest Rate	Maturity
Revolving Demand Facility (for general use)	$ -	$ 30			$ (30)	$ -	Royal Bank Prime + 0.50%	None; Due on demand
Revolving Demand Facility (for pre-shipment financing)	-					-	Royal Bank Prime + 0.75%	None; Due on demand
	$ -	$ 30	$ -	$ -	$ (30)	$ -		

The above RBC Credit Facilities remained in place at June 30, 2018.

b) Revolving line of credit with the Chymiak Trust

During the six months ended June 30, we borrowed an additional $52 thousand to fund our working capital requirements.

c) Crocus loan

There was no change to the Crocus loan during the six month period ended June 30, except for the accrued interest expense.

d) WEDC repayable contribution

During the six months ended June 30, we received $57 thousand from WEDC (2017 - $120).

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

6. Shareholders' Equity

a) Common Stock

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

		June 30, 2018	December 31, 2017
Authorized:			
Unlimited	Class "A" Common voting shares		
Unlimited	Class "B" Common non-voting shares		
Unlimited	Class "C" Preferred shares, redeemable and retractable at $1,000		
Issued:			
33,348,312 (December 31, 2017: 33,308,312) Class "A" common voting shares		**$ 7,362**	$ 7,355

During the first half of 2018, 40,000 options were exercised at $0.12 each.

b) Warrants

During the first half of 2017, there were 1,706,877 warrants exercised. These warrants were issued as part of the merger with IDC and are reported under contributed surplus in the Consolidated Statements of Changes in Shareholders' Equity. All remaining warrants expired June 15, 2017.

c) Stock Options

The following table provides a summary of stock option activity for the six months ended June 30, 2018:

	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	**1,740,000**	**$ 0.12**
Granted	**-**	**$ 0.12**
Exercised	**(40,000)**	**$ 0.12**
Forfeited	**(4,000)**	**$ 0.12**
Expired	**-**	**$ 0.12**
Outstanding, end of period	**1,696,000**	**$ 0.12**

At June 30, 2018, the remaining stock option pool for future grants was 1,204,000.

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

The following table summarizes information about the stock options outstanding at June 30, 2018:

# of Options Outstanding	Grant Date	Expiry Date	Fair Value at Grant Date	# of Options Exercisable	Exercise Price
1,396,000	**11-May-17**	**10-May-24**	**$ 0.07**	**564,000**	**$ 0.12**
300,000	**28-Jun-17**	**28-Jun-24**	**$ 0.06**	**60,000**	**$ 0.12**
1,696,000				**624,000**	

7. 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 June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Net income (loss)	**$ (791)**	$ 639	**$ (1,554)**	$ 881
Weighted average number of common shares	**33,348**	30,224	**33,342**	29,655
Basec EPS	**$ (0.02)**	$ 0.02	**$ (0.05)**	$ 0.03

b) Diluted EPS

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

For the six month period ended June 30, 2018, we had one type of dilutive potential to common shares: stock options. However, these were not considered anti-dilutive because Novra incurred a net loss.

In the same period in 2017, we had three types of dilutive potential common shares: stock options, a convertible note and warrants. Both the convertible note and the warrant were either exercised or expired before June 30, 2017, and were therefore not outstanding at the end of the period. The stock options were anti-dilutive for the period as the average Novra share price was $0.118 and the exercise price of the options was $0.12.

Therefore, diluted EPS equaled EPS for both periods.

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

The following table provides the detailed calculation for diluted EPS.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Net income (loss)	**$ (791)**	$ 639	**$ (1,554)**	$ 881
Weighted average number of common shares:				
Weighted average number of common shares	**33,348**	30,224	**33,342**	29,655
Adjustment for:				
- Assumed conversion of convertible note (1)				
- Warrants (1)				
- Stock Options (2)		146		
Weigted average number of common shares for diluted EPS	**$ 33,348**	$ 30,370	**$ 33,342**	$ 29,655
Diluted EPS	**$ (0.02)**	$ 0.02	**$ (0.05)**	$ 0.03

(1) Convertible note and warrants were anti-dilutive as the average Novra share price was $0.106 for the quarter ended March 31, 2017.

(2) Stock options were anti-dilutive for the quarter ended June 30, 2018.

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

8. 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 June 30, 2018	**General and administrative**	**Sales and marketing**	**Research and development**	**Total**
Personnel expenditures	$ 280	$ 189	$ 544	$ 1,013
Other operating expenditures	$ 143	$ 83	$ 110	335
Depreciation and amortization	$ 1	$ 1	$ 231	233
	$ 424	**$ 273**	**$ 885**	**$ 1,581**

Three Months Ended June 30, 2017	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	$ 127	$ 344	$ 297	$ 768
Other operating expenditures	39	106	76	221
Depreciation and amortization	1	1	83	85
	$ 167	$ 451	$ 456	$ 1,074

Six Months Ended June 30, 2018	**General and administrative**	**Sales and marketing**	**Research and development**	**Total**
Personnel expenditures	$ 602	$ 385	$ 1,078	$ 2,065
Other operating expenditures	301	199	251	750
Depreciation and amortization	2	2	461	465
	$ 905	**$ 586**	**$ 1,790**	**$ 3,280**

Six Months Ended June 30, 2017	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	$ 234	$ 566	$ 606	$ 1,406
Other operating expenditures	95	215	141	451
Depreciation and amortization	1	1	168	170
	$ 330	$ 782	$ 915	$ 2,027

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

9. Finance Costs

The following table provides a breakdown of total finance costs during the following reporting periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Interest expense:				
- Bank borrowings and Crocus loan	**$ 1**	$ 5	**$ 5**	$ 21
- Unsecured promissory notes (see Note 5(d))	**15**	14	**30**	29
- Convertible note (see Note 5(e))	**-**	6		13
Fees on bank borrowings and promissory notes	**43**	1	**77**	11
	$ 59	$ 26	**$ 112**	$ 74

10. Revenues

The following table provides a breakdown of our revenues as well as the timing of revenue recognition:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Major Products/Service Lines				
Hardware	**$ 1,081**	$ 2,959	**$ 2,586**	$ 5,132
Software	**1**		**7**	
Support and Extended Warranty	**513**	302	**1,010**	552
Other	**(1)**		**63**	
	$ 1,594	$ 3,261	**$ 3,666**	$ 5,684
Timing of Revenue Recognition				
Products transferred at a point in time	**$ 1,081**	$ 2,959	**$ 2,656**	$ 5,132
Products and services transferred over time	**513**	302	**1,010**	552
	$ 1,594	$ 3,261	**$ 3,666**	$ 5,684

Contract balances

The timing of revenue recognition may differ from the timing of invoicing to customers. We record unbilled revenue where professional services are performed or products are delivered prior to Novra's ability to invoice in accordance with the contract terms, or deferred revenue when revenue is recognized prior to invoicing.

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

The following table provides information about our accounts receivable at June 30, 2018, which includes trade and unbilled revenue from contracts with customers.

	June 30, 2018		December 31, 2017	
Trade accounts receivable	**$**	**1,484**	$	1,459
Unbilled revenue		**685**		20
Total receivables from contracts with customers		**2,169**		1,479
Other		**111**		60
Total trade and other receivables	**$**	**2,280**	$	1,539

As at June 30, 2018, two customers individually accounted for 30% and 11% of total receivables from contracts with customers. As at December 31, 2017, four customers individually accounted for 19%, 18%, 17% and 13% respectively of total receivables from contracts with customers.

The following tables detail the changes in unbilled revenue during the period.

		Unbilled revenue
Opening balance- December 31, 2017	$	20
Impact of foreign exchange		32
Increase in unbilled from revenue recognized		-
Increase in unbilled from IFRS 15		640
Decrease in unbilled from transfer to trade receivables and other adjustments		(7)
Ending balance - June 30, 2018	$	685

Assets recognized from costs to obtain a contract with a customer

We recognize an asset for the incremental costs of obtaining a contract with a customer if the expected benefit of those costs is longer than one year. We have determined that no commissions paid to sales employees meet the requirement to be capitalized for June 30, 2018 and December 31, 2017.

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

11. Segmented Information

Novra and its group of companies operate as one operating segment. While IDC and Wegener will continue to operate independently, our Chief Operating Decision Maker (Novra's President and CEO) evaluates the company's operating performance and allocates resources based on information provided at a consolidated level.

Based on the location of our customers, Novra's consolidated revenues by geographic market are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Canada	**$ 107**	$ 1,578	**$ 358**	$ 2,446
Americas ex-Canada	**836**	1,433	**2,250**	2,362
APAC	**365**	131	**598**	540
EMEA	**286**	119	**460**	336
	$ 1,594	$ 3,261	**$ 3,666**	$ 5,684

1) APAC: Asia Pacific
2) EMEA: Europe, Middle East and Africa

Novra's equipment by geographic location at the reporting dates were:

	June 30, 2018	December 31, 2017
Canada	**$ 104**	$ 136
United States	**47**	50
	$ 151	$ 186

12. Net Change in Non-Cash Working Capital

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	**2018**	2017
Trade and other receivables	**$ (411)**	$ 93	**$ (742)**	$ 1,560
Inventories	**(512)**	741	**(440)**	955
Notes receivable	**-**	3	**-**	4
Current tax assets	**2**	-	**2**	2
Prepayments	**(211)**	(140)	**(196)**	(6)
Amounts payable including advances	**(61)**	(156)	**88**	(578)
Customer deposits	**1,247**	2	**1,197**	(78)
Deferred revenue	**292**	(1,378)	**1,155**	(519)
Warranty provision	**(6)**	41	**(14)**	58
Total	**$ 340**	$ (794)	**$ 1,050**	$ 1,398

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

13. Commitments and Contingent Liabilities

a) Lease commitments

We lease office space for our head office and subsidiaries. We had no significant operating leases for equipment. At June 30, 2018, Novra's future minimum payments under non-cancellable operating leases were as follows:

rest of 2018		316
2019		495
2020		122
2021		129
2022 and thereafter		140
Total	**$**	**1,202**

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 June 30, 2018, we had $184 thousand of purchase commitments of which $46 thousand is due within one year.