INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2016 and 2015
(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

Notes to Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2016 and December 31, 2015

(Canadian dollars)

	NOTES	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS			
Current Assets			
Cash		**$ 1,268,927**	$ 577,132
Trade and other receivables	5	**744,820**	845,338
Inventories	7	**1,412,930**	531,255
Notes receivable	8	**247,315**	138,475
Current tax assets		**3,690**	-
Prepaid expenses		**272,243**	7,062
Derivative financial instrument	9	**52,500**	55,281
Total Current Assets		**4,002,425**	2,154,543
Non-Current Assets			
Equipment	10	**152,593**	25,937
Restricted non-redeemable GIC's	12	**200,000**	200,000
Intangible assets	4	**897,961**	-
Total Non-Current Assets		**1,250,554**	225,937
TOTAL ASSETS		**$ 5,252,979**	$ 2,380,480
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Amounts payable and accrued liabiltiies		**$ 685,378**	$ 259,363
Line of credit	12	**395,000**	555,000
Loan payable - current portion	14	**101,823**	99,575
Customer deposits		**108,147**	-
Deferred revenue - current portion		**522,986**	24,950
Provisions	13	**54,869**	-
Advances from related parties	6	**266,062**	406,636
Promissory notes from related party - current portion	6	**1,017,689**	250,000
Total Current Liabilities		**3,151,954**	1,595,524
Non-Current Liabilities			
Deferred revenue		**185,328**	-
Loan payable	14	**385,662**	377,147
Promissory notes from related party	6	**399,736**	-
Repayable government contribution	15	**37,382**	-
Total Non-Current Liabilities		**1,008,108**	377,147
TOTAL LIABILITIES		**4,160,062**	1,972,671
Shareholders' Equity			
Share capital	16	**6,770,555**	6,056,729
Contributed surplus	16	**454,873**	-
Accumulated deficit		**(6,132,511)**	(5,648,920)
TOTAL SHAREHOLDERS' EQUITY		**1,092,917**	407,809
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 5,252,979**	$ 2,380,480

See Note 20: 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 LOSS (UNAUDITED)
For the three and six month periods ended June 30, 2016 and 2015
(Canadian dollars, except share data)

	NOTES	Three months ended 2016	Three months ended 2015	Six months ended 2016	Six months ended 2015
REVENUE	17	**$ 500,654**	$ 257,983	**$ 816,355**	$ 1,370,450
COST OF REVENUE		**232,503**	203,845	**459,687**	769,289
GROSS PROFIT		**268,151**	54,138	**356,668**	601,161
OPERATING EXPENSES	2				
General and administrative		**235,107**	57,849	**317,544**	115,933
Sales and marketing		**70,099**	10,367	**104,743**	58,869
Research and development, net		**170,026**	119,859	**309,191**	252,436
Foreign exchange loss (gain)		**(3,690)**	19,717	**60,027**	(156,236)
Total operating expenses		**471,542**	207,792	**791,505**	271,002
OPERATING INCOME (LOSS)		**(203,391)**	(153,654)	**(434,837)**	330,159
Other Income (Expenses)	2				
Loss on disposal of equipment		-		**(11,760)**	
Interest Income		**2,737**	1,248	-	1,248
Interest expense		**(28,861)**	(6,494)	**(34,213)**	(12,915)
Unrealized gain (loss) on options		**52,437**	1,154	**(2,781)**	143,660
INCOME (LOSS) BEFORE INCOME TAXES		**(177,078)**	(157,746)	**(483,591)**	462,152
Income tax recovery (expense)		-	-	-	-
NET AND COMPREHENSIVE INCOME (LOSS)		**$ (177,078)**	$ (157,746)	**$ (483,591)**	$ 462,152
NET INCOME (LOSS) PER SHARE					
Basic		**$ (0.01)**	$ (0.01)	$ (0.02)	$ 0.02
Diluted	18	**$ (0.01)**	$ (0.01)	$ (0.02)	$ 0.02
Weighted average number of shares outstanding - basic		**23,564,141**	22,387,993	**22,976,067**	22,387,993
Weighted average number of shares outstanding - diluted		**23,564,141**	22,387,993	**22,976,067**	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 EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Canadian dollars, except share data)

	NOTES	Number of Common Shares		Common Shares		Contributed Surplus		Accumulated Deficit		Total Shareholders' Equity
Balance at January 1, 2015		22,387,993	$	6,056,729	$	-	$	(6,010,350)	$	46,379
Net income		-		-		-		462,152		462,152
Balance at June 30, 2015		22,387,993	$	6,056,729	$	-	$	(5,548,198)	$	508,531
Balance at January 1, 2016		22,387,993	$	6,056,729	$	-	$	(5,648,920)	$	407,809
Net loss		-		-		-		**(483,591)**		**(483,591)**
Issuance of warrants	**16**	-		-		**454,873**		-		**454,873**
Issuance of common shares, net	**4,16**	**6,689,342**		**713,826**		-		-		**713,826**
Balance at June 30, 2016		**29,077,335**	**$**	**6,770,555**	**$**	**454,873**	**$**	**(6,132,511)**	**$**	**1,092,917**

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

NOVRA TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the three and six months ended June 30, 2016 and 2015

(Canadian dollars)

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
OPERATING ACTIVITIES				
Net income (loss)	**$ (177,078)**	$ (157,746)	**$ (483,591)**	$ 462,152
Add items not requiring an outlay of cash:				
Amortization of equipment	**3,361**	1,547	**4,223**	2,811
Loss on disposal of equipment	**-**	-	**11,760**	-
Inventory impairment charge	**3,596**	-	**13,355**	-
Unrealized (gain) loss on derivative financial instruments	**(52,438)**	(1,155)	**2,781**	(143,661)
Unrealized (gain) loss on forward currency contracts	**-**	(4,857)	**-**	33,702
Interest expense	**28,861**	6,494	**34,213**	12,915
Changes in non-cash working capital items (Note 19)	**44,390**	44,116	**286,400**	(178,224)
Interest paid	**(13,428)**	(6,494)	**(21,688)**	(12,915)
Net cash provided by (applied to) operating activities	**(162,736)**	(118,095)	**(152,547)**	176,780
INVESTING ACTIVITIES				
Purchase of IDC, net of assumed cash (Note 4)	**(50,893)**	-	**(50,893)**	-
Purchase of equipment	**-**	(5,678)	**-**	(5,678)
Proceeds from repayable government contribution	**-**	-	**37,382**	-
Net cash applied to investing activities	**(50,893)**	(5,678)	**(13,511)**	(5,678)
FINANCING ACTIVITIES				
Repayments on line of credit	**(270,000)**	(135,000)	**(405,000)**	(485,000)
Proceeds from line of credit	**170,000**	270,000	**245,000**	415,000
Proceeds from promissory notes (Note 6)	**500,000**	-	**1,062,888**	-
Repayments on promissory notes (Note 6)	**(18,391)**	-	**(45,035)**	-
Net cash provided by (applied to) financing activities	**381,609**	135,000	**857,853**	(70,000)
Net increase in cash during the period	**167,980**	11,227	**691,795**	101,102
CASH - Beginning of period	**1,100,947**	678,392	**577,132**	588,516
CASH - End of period	**$ 1,268,927**	$ 689,619	**$ 1,268,927**	$ 689,618

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

1. Description of Operations

Novra Technologies Inc. ("Novra") is incorporated under the Canada Business Corporations Act and its business is the development of multi-media network applications with its broadband products, applications and services. The company designs, develops and markets network internet applications and products for wireless, digital television (DTV) and satellite networks. The address of the company's corporate office and principal place of business is 900-330 St. Mary Avenue, Winnipeg, Manitoba, Canada R3C 3Z5. Novra is publicly traded on the TSX Venture Exchange ("TSX-V") under the symbol NVI.

On April 19, 2016, the Board of Directors agreed to enter into a merger agreement ("Merger") with International Datacasting Corporation ("IDC"), and the transaction closed on June 15, 2016 (see Note 4 for further details). Following this Merger, IDC and its wholly-owned U.S. subsidiary became wholly-owned subsidiaries of Novra. IDC is a global technology provider specializing in the distribution of multimedia broadband content including video, radio, data, and digital cinema. IDC is headquartered in Ottawa, Canada.

In these interim financial statements, "Novra" or the "Company" refers to Novra Technologies Inc. and its wholly-owned subsidiaries.

2. Basis of Presentation and Significant Accounting Policies

(a) Basis of presentation

These interim condensed consolidated financial statements are expressed in Canadian dollars and have been prepared 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 the Company'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.

The condensed consolidated statement of financial position at June 30, 2016 and the condensed consolidated statements of operations and comprehensive loss, of changes in equity and of cash flows for the periods ended June 30, 2016 and 2015 have not been audited or reviewed by Novra's auditors. The consolidated statement of financial position at December 31, 2015 is derived from the Company's audited consolidated financial statements. For areas involving a higher degree of management judgment or complexity, refer to Note 3 for a summary of critical accounting estimates and judgments.

As a result of the merger with IDC, the Company has made certain reclassifications to prior period amounts to conform to the current period presentation for expenses. Amortization and facility costs, which were once part of general and administrative expenses, have been allocated across all expense functions, including cost of revenue. Expenses which were separately presented including corporate and investor relations, director fees, and bad debts are now included as part of general and administrative expenses. Interest expense on long-term debt has been segregated from general and administrative expenses, and is now presented separately in the Condensed Consolidated Statements of Operations and Comprehensive Loss. The Company has also changed the presentation of its Condensed Consolidated Statements of Cash Flows by using the indirect method rather than the direct method.

These unaudited interim Condensed Consolidated Financial Statements were authorized for issuance by the Board of Directors on August 29, 2016. The following should be read in conjunction with the Novra's annual audited financial statements for the year ended December 31, 2015. The tabular disclosures herein are presented in thousands, except for share data.

(b) Significant Accounting Policies

As a result of the Merger, Novra has implemented the following new significant accounting policies in addition to those as disclosed in Novra's annual Consolidated Financial Statements for the year ended December 31, 2015.

Consolidation

These Condensed Consolidated Financial Statements consolidate the accounts of Novra Technologies Inc. and its wholly-owned subsidiaries, International Datacasting Corporation and International Datacasting of America, Inc.. All transactions and balances from these companies have been eliminated upon consolidation.

Business Combinations

Novra uses the acquisition method in accounting for business combinations. The Company measures goodwill as the difference between the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, and the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair value of the assets transferred (including cash), liabilities incurred by the Company on behalf of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration.

Transaction costs that the Company incurs in connection with a business combination, such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed in the period as incurred.

Intangible Assets

Intangible assets with finite lives are measured at cost less accumulated amortization and any accumulated impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives of three years and are tested for impairment as described in the Impairment of Non-Financial Assets policy. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually. Indefinite life intangible assets are measured at cost less any accumulated impairment losses. These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired as described in the Impairment of Non-Financial Assets policy.

Impairment of Non-Financial Assets

At each balance sheet date, management reviews the carrying amounts of Novra's non-financial assets, other than inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("CGU").

The recoverable amount of a CGU or CGU grouping is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows from the CGU or CGU grouping, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or CGU grouping. The fair value less costs to sell is based on the best information available to reflect the amount that could be obtained from the disposal of the CGU or CGU grouping in an arm's length transaction between knowledgeable and willing parties, net of estimates of the costs of disposal.

An impairment loss is recognized if the carrying amount of a CGU or CGU grouping exceeds its recoverable amount. For asset impairments the impairment loss reduces the carrying amounts of the non-financial assets in the CGU on a pro-rata basis. Impairment losses are recognized in operating income

For assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). This CODM is responsible for allocating resources and assessing performance of the operating segments. Novra's CODM is the President and Chief Executive Officer ("CEO").

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each consolidated entity in the Novra group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Management has determined the Canadian dollar to be the functional currency of the Parent company as well as its subsidiaries.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Income and expense items are translated at the average exchange rates for the period, unless foreign exchange rates fluctuated significantly during the period, in which case, the exchange rates at the dates of the transactions are used. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as foreign exchange gains (losses) in the Consolidated Statements of Operations and Comprehensive Loss.

Equipment

Prior to June 16, 2016, amortization on equipment was calculated as follows:

- Machinery, equipment, furniture and fixtures: 20% declining balance method
- Computer equipment: 30% declining balance

Effective June 16, 2016, as a result of the Merger (see Note 4), Novra modified its depreciation methodology from declining balance to straight-line depreciation to be in line with IDC's depreciation policy, which in management's opinion better reflects the estimated pattern of consumption of the future economic benefits of the equipment. This change did not have a significant impact on Novra's Condensed Consolidated Financial Statements.

Management has established the following estimated useful lives:

- Computers, peripherals and software: 3 years
- Demo and testing equipment: 3 – 5 years
- Furniture and fixtures: 5 – 10 years

The estimated useful lives, residual values, and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for prospectively.

Investment tax credits

Investment tax credits (ITCs), which are earned as a result of qualifying research and development expenditures, are recognized when the expenditures are made and their realization is reasonably assured. The ITCs are presented net of the research and development expenses in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

Recently Issued Accounting Standards Not Yet Adopted

IFRS 15 Revenue from Contracts with Customers

In April 2014, the IASB released IFRS 15, *Revenue from Contracts with Customers*, ("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. IFRS 15 applies to annual reporting periods beginning on or after January 1, 2018. Novra has not yet assessed the impact of the adoption of this standard on its consolidated financial statements.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, 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. IFRS 9 is to be applied retrospectively for annual reporting periods beginning on or after January 1, 2018. Early application is permitted. Novra has not yet assessed the impact of the adoption of this standard on its consolidated financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, Leases, 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. Novra has not yet assessed the impact of the adoption of this standard on its consolidated financial statements.

3. Critical Accounting Estimates and Judgments

The preparation of Consolidated Financial Statements requires management to make judgments, estimates and assumptions. Due to the acquisition of IDC (note 4), management has assessed the following additional critical accounting estimates and estimates beyond those disclosed in the audited financial statements at December 31, 2015. Actual results could differ materially from those estimates

1) Warranty provision

At June 30, 2016 the Company's product warranty provision was $55 thousand. The Company generally provides a one-year warranty for its products at no additional cost to the customer. Estimates of future warranty costs are accrued at the time of product shipment and included in cost of revenues in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

Management periodically reviews the provision for product warranty and records adjustments based on the terms of warranties provided to customers, historical and anticipated warranty claims experience, and estimates of the timing and cost of warranty claims. Factors that could impact the provision for product warranty include the success of the Company's productivity and quality initiatives, as well as parts and labour costs. A higher degree of scrutiny is exercised in establishing product warranty provision related to sales of new products.

2) Business Combination

The acquisition of IDC was accounted for by the acquisition method. Under this method, assets acquired and liabilities assumed as part of the business combination are recorded at their fair value at the date of acquisition. The excess of purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill.

The determination of fair value of identifiable assets and liabilities assumed required significant management judgement and estimate due to limited comparable observable market data, particularly for the following:

a) Inventories – finished goods
   - Fair value was based on estimated selling price less the sum of a) cost of disposal and b) a reasonable profit allowance for Novra's selling effort.

b) Equipment
   - Fair value was based on estimated resell value observed in the secondary market for comparable used equipment, where available. Where limited or no information was available, management reviewed the remaining net book value on a pooled asset basis and concluded it approximated fair value.

c) Deferred revenue
   - Fair value was based on the carrying value less a reasonable profit margin that a third party would require to service the support contracts and the extended product warranty program.

d) Provision
   - Fair value was based on the carrying value less a reasonable profit margin that a third party would require to service the product warranty program.

Additionally, the identification and fair value measurement of IDC's intangible assets required significant management judgment.

4. Acquisition of International Datacasting Corporation

On June 15, 2016, Novra completed the merger (acquisition) transaction with IDC. Management believes this Merger will enable Novra to further diversify its revenue base with complimentary products, become a dominant global media broadcast technology provider, and position itself well for the pending infrastructure renewal within the industry with new and cost effective solutions.

a) Consideration Transferred

Under the terms of the Merger, Novra acquired 100% of the issued and outstanding common shares of IDC for total purchase consideration of $1.9 million.

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

The following table summarizes the acquisition-date fair value of each major class of consideration transferred.

Cash	$	669
6,689,342 of Novra common shares		736
13,378,631 of Novra warrants		455
Total consideration transferred	$	1,860

The fair value of the Novra common shares was based on Novra's closing stock price on June 15, 2016. For estimating the fair value of Novra's warrants, management used the Black-Scholes valuation model (see Note 16).

The net cash outflow as at the closing of the merger was as follows:

Consideration paid in cash	$	669
Less: cash balances acquired		(618)
Net cash outflow on acquisition	$	51

The cash consideration was financed through an unsecured promissory note received from a related party on June 9, 2016 (see Note 6).

b) Identifiable Assets Acquired and Liabilities Assumed

The Merger was accounted for as an acquisition of a business, in which IDC's results of operations are included in the interim Condensed Consolidated Financial Statements from the acquisition date and IDC's identifiable assets acquired and liabilities assumed are recorded at their fair value on the date of the acquisition. The following identifiable assets and liabilities were subject to management's best estimates and assumptions after taking into consideration all relevant information available. The purchase price allocation to the net assets acquired was as follows:

Net assets acquired:		
Cash	$	618
Trade and other receivables		260
Inventories		932
Notes receivable		118
Current taxes recoverable		4
Prepaid expenses		116
Equipment		143
Intangible assets		898
Amounts payable and accrued liabilities		(284)
Customer deposits		(126)
Deferred revenue		(766)
Provisions		(53)
Total net assets acquired	$	1,860

c) Intangible Assets

Intangible assets of $898 thousand relate to assumed technology. Technology is amortized on a straight line basis over a three-year period,

There is no assumed goodwill on this acquisition as the entire purchase consideration has been allocated to identifiable and intangible net assets.

d) Acquisition-related Costs

Novra has incurred costs totaling $139 thousand related to the acquisition of IDC. These costs were recorded in general and administrative expenses during the second quarter of 2016, with the exception of $22 thousand associated with the issuance of common stock and warrants which were reflected net of the equity proceeds.

e) Impact of IDC's Results to Novra

For the second quarter of 2016 and from the acquisition date, IDC contributed revenue of $299 thousand and $107 thousand in net earnings to Novra's consolidated results, excluding the impact of fair value adjustments.

If the acquisition had occurred on January 1, 2016, management estimates that Novra's consolidated revenue would have been $2.7 million and the net loss would have been $1.4 million for the six months ended June 30, 2016. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2016.

5. Financial Risk Management and Financial Instruments

<u>Risk Management Objectives and Policies</u>

In the normal course of business, Novra is exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and credit risk of non-performance by counter parties. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring procedures. From time to time, management may use derivative financial instruments to hedge certain risk exposures.

a) Market risk

Market risk is the risk that changes in market prices will affect Novra's earnings or the value of its holdings of financial instruments.

i) Foreign exchange risk

Foreign exchange risk is the risk to Novra's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of those rates.

Novra operates internationally and therefore it is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and Euros. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Novra does not currently have a hedging program to mitigate its exposure to foreign currency risk; however, it may speculate on the foreign currency trend and enter into derivative financial instruments. Unrealized gains or losses on outstanding foreign currency derivative contracts (e.g. futures, forwards, swaps) are reflected in the Condensed Consolidated Statements of Operations and Comprehensive Loss based on currency rates as at the date of the Condensed Consolidated Financial Position. For the first half of 2016 and 2015, the Company did not enter into foreign currency derivative contracts.

At June 30, 2016, if the Canadian dollar had weakened/strengthened by 5% against the US dollar and Euros with all other variables held constant, the resulting change to Novra's consolidated net loss would have been $38 thousand lower/higher.

ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument, and consequently net income, might be adversely affected by a change in the interest rates.

Cash flow interest rate risk

Borrowings issued at variable interest rates expose Novra to cash flow interest rate risk. Novra's line of credit (see Note 12) and the $400 thousand USD unsecured promissory note due to IMT (see Note 6) are both subject to variable interest rates. At this time, Novra has not entered into interest rate swaps to mitigate this cash flow interest rate risk.

An increase of 1% in the floating interest rate with all other variables held constant, would result in an increase of $2 thousand in interest expense in the current quarter.

Fair value interest rate risk

Borrowings issued at fixed rates expose Novra to fair value interest rate risk. Novra's note receivable (see Note 8), unsecured promissory note due to IMT (see Note 6), and loan payable to Crocus Investment Fund (see Note 14) are all loans with fixed rates. At this time, Novra does not have a hedging program to mitigate fair value interest rate risk.

At June 30, 2016, an increase of 1% in the fixed interest rate with all other variables held constant, the resulting change would have been a decrease in the carrying value of $4 thousand for the above borrowings with fixed rates and an equal increase to Novra's quarterly operating results.

iii) Price risk

The Company has market risk attributable to its holdings in Wegener options as detailed in Note 9.

At June 30, 2016, if the underlying Wegener common stock (traded over the counter in the United States) had increased/decreased by 5% with all other variables held constant, the resulting change to Novra's consolidated net loss would have been $6 thousand higher/lower.

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

b) Liquidity risk

Liquidity risk is the risk that Novra will not be able to meet its financial obligations as they come due. Management monitors continuously both actual and forecasted cash flows to ensure it has sufficient liquidity to meet operational needs while maintaining sufficient headroom on its undrawn credit facilities (see Note 12) at all times so that Novra does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

At June 30, 2016, Novra's financial assets of $2.5 million, excluding derivative financial instrument, were adequate for the settlement of current liabilities of $1.9 million, excluding amounts owed to related parties.

c) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations.

The Company's credit risk is primarily attributable to its cash holdings, accounts receivable and notes receivable. The amounts reported in the Condensed Statements of Financial Position are net of allowances for bad debts, estimated by management based on prior experience, and their assessment of the current economic environment. In order to reduce its credit risk, Novra reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customer's credit performance. Management also minimizes risks involved with the sale of goods to buyers in foreign markets by occasionally purchasing credit insurance with Export Development Canada (EDC).

Trade receivables

The aging for overdue trade receivables, net of the allowance for doubtful accounts, was as follows:

		June 30, 2016		December 31, 2015
Current		$ 307		$ 428
Past due:	Less than 30 days	42		74
	31-60	18		8
	61-90	17		5
	Greater than 90 days	260		301
		$ 644		$ 816

At June 30, 2016 two customers accounted for 64% of the total trade receivables, the largest being 37% (December 30, 2015 – one customer accounted for 86%). Since June 30, 2016 and through August 23, 2015, the Company has collected approximately $194 thousand from the above outstanding receivable balance, including $28 thousand of the balances that were greater than 90 days.

At June 30, 2016 the Company's allowance for doubtful accounts was $15 thousand. The large balance due over 90 days relates to supplies sold to Wegener Communications (see Note 9). The Wegener options may be settled as an offset to the amount owed to Novra and therefore management has concluded no impairment is deemed warranted on the owed amount. Management believes that the other amounts receivable not provided for are fully collectible at June 30, 2016.

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

Notes receivable

Refer to Note 8 for further details. Management believes that the outstanding notes receivable are fully collectible at June 30, 2016.

Fair value of recognized financial instruments

The following table sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below. Unless otherwise noted, carrying values approximate fair values for each financial instrument:

	At June 30, 2016			
	Loans and receivables	Other financial liabilities at amortized cost	Assets / Liabilities at fair value through the profit and loss	Total
Financial assets measured at fair value:				
Derivative financial instrument	$ -	$ -	$ 53	$ 53
Financial assets not measured at fair value: [(a), (b)]				
Cash	1,269	-	-	1,269
Trade and other receivables	745	-	-	745
Notes receivable	247	-	-	247
Current tax receivable	4	-	-	4
Restricted non-redeemable GIC	200	-	-	200
Total financial assets	$ 2,465	$ -	$ 53	$ 2,518
Financial liabilities not measured at fair value: [(a), (c)]				
Amounts payable	$ -	$ 253	$ -	$ 253
Line of credit	-	395	-	395
Customer deposits	-	108	-	108
Advances from related parties	-	266	-	266
Promissory notes from related party	-	1,417	-	1,417
Loan payable	-	487	-	487
Repayable government contribution	-	37	-	37
Total financial liabilities	$ -	$ 2,963	$ -	$ 2,963

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

	At December 31, 2015			
	Loans and receivables	Other financial liabilities at amortized cost	Assets / Liabilities at fair value through the profit and loss	Total
Financial assets measured at fair value:				
Derivative financial instrument	$ -	$ -	$ 55	$ 55
Financial assets not measured at fair value: [(a), (b)]				
Cash	577	-	-	577
Trade and other receivables	845	-	-	845
Note receivable	138	-	-	138
Restricted non-redeemable GIC	200	-	-	200
Total financial assets	$ 1,760	$ -	$ 55	$ 1,815
Financial liabilities not measured at fair value: [(a), (c)]				
Amounts payable	$ -	$ 27	$ -	$ 27
Line of credit	-	555	-	555
Advances from related parties	-	407	-	407
Promissory notes from related party	-	250	-	250
Loan payable	-	477	-	477
Total financial liabilities	$ -	$ 1,716	$ -	$ 1,716

(a) Novra has not disclosed the fair values for these financial instruments due to their respective short maturities, which are a reasonable approximation of fair values.
(b) Inventories and prepaid expenses are not included as these are not financial assets.
(c) Accrued liabilities are not included as these are not financial liabilities.

Determination of fair value

The derivative financial instrument relates to the Wegener options. The fair value of these options was determined using the Black-Scholes Option Pricing Model with the key assumptions described in Note 9.

Three-level hierarchy

IFRS 7 "Financial instruments: disclosures" requires the disclosure of a three-level hierarchy for the fair value measurements based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair value.

Due the use of the Black-Scholes valuation model, the fair value of the Wegner options is classified as Level 2.

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

6. Related Party Transactions

The following is a summary of the 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 in the ordinary course of their employment recognized as an expense during the reporting periods ended June 30, 2016.

	Three months		Six months	
	2016	2015	**2016**	2015
Directors' fees	**$ 2**	$ 2	**$ 4**	$ 4
Short-term employee benefits	**35**	24	**59**	92
Total	**$ 37**	$ 26	**$ 63**	$ 96

Key management personnel include Novra's President & CEO and the CFO. Additionally, as a result of the merger with IDC, it also includes the IDC's President & CFO from June 16, 2016 (see Note 20).

At June 30, 2016, $273 thousand (December 31, 2015: $270 thousand) was due to Novra's President & CEO in regards to unpaid salaries and expense reimbursements. This amount bears no interest and has no repayment term.

b) Transactions with other related parties

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	**2016**	2015
Sale of goods and services				
InfoMagnetics Technologies Inc.("IMT") (1)	**$ (3)**	$ -	**$ (3)**	$ -
Purchase of goods and services				
IMT	**-**	-	**14**	-
The Exchange Global Server Centre Inc. (2)	**2**	2	**4**	4
EXG Group Inc. (3)	**-**	3	**-**	5
Interest on unsecured promissary notes				
IMT	**13**	3	**22**	5
Total	**$ 12**	$ 8	**$ 37**	$ 14

(1) Novra's President & CEO has a controlling interest in InfoMagnetics Technologies Inc.
(2) The Exchange Global Server Centre Inc. is 50% owned by IMT.
(3) Novra's Chairman of the Board was the Chairman of the EXG Group Inc. in 2015. He has since retired and as a result EXG Group Inc. is no longer a related party.

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.

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

(c) Period-end balances from sales/purchases of goods/services

		June 30, 2016		December 31, 2015
Receivables from Related Parties				
IMT	**$**	**(32)**	$	(28)
Payables to Related Parties				
Key management and directors		**296**		306
IMT		**-**		125
The Exchange Global Server Centre Inc.		**2**		3
EXG Group Inc.		**-**		1
Total due to related parties	**$**	**266**	$	407

(d) Unsecured promissory notes from IMT

		2016		2015
At January 1	**$**	**250**	$	252
Loans received		**1,063**		-
Transfer from advances		**181**		-
Loan repayments		**(45)**		-
Foreign exchange movement		**(44)**		-
Interest charged		**25**		5
Interest paid		**(13)**		-
At June 30	**$**	**1,417**	$	257
Current portion	**$**	**1,017**	$	257
Non-current portion		**400**		-
Total	**$**	**1,417**	$	257

On November 5, 2014, Novra entered into an unsecured promissory note of $250 thousand with IMT. The note was due on August 31, 2015. On this day, a new promissory note was signed to extend the original promissory note until August 31, 2016. The promissory note is unsecured and bears interest at 4% per annum.

On January 25, 2016, Novra entered into an unsecured promissory note of $400 thousand USD with IMT to provide further liquidity to fund its working capital requirements. The unsecured promissory note bears interest at the monthly USD floating base rate plus 2.5% per annum and is due on November 1, 2022. As of June 30, 2016, the remaining balance of the promissory note plus accrued interest was $369 thousand USD. The USD floating base rate was 4.8% per annum at January 25, 2016 and June 30, 2016.

On June 9, 2016, Novra entered into an unsecured promissory note of $681 thousand with IMT, in exchange for receiving cash of $500 thousand and a credit note of $181 thousand against the amount payable to IMT. The cash proceeds were used to fund the acquisition of IDC (see Note 4). This unsecured promissory note bears interest at 4% per annum and is due on October 1, 2016. As of June 30, 2016, the remaining balance of the promissory note plus accrued interest was $683 thousand.

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

7. Inventories

The breakdown of inventories was as follows:

	June 30, 2016	December 31, 2015
Finished goods	**$ 468**	$ 2
Raw materials	**900**	471
Work-in-progress	**45**	58
	$ 1,413	$ 531

For the three months ended June 30, 2016, the cost of inventories charged to cost of sales was $134 thousand (June 30, 2015- $147 thousand), including an impairment charge of $4 thousand (June 30, 2015- nil).

For the six months ended June 30, 2016, the cost of inventories charged to cost of sales was $315 thousand (June 30, 2015- $625 thousand), including an impairment charge of $13 thousand (June 30, 2015- nil).

8. Notes Receivable

During the year ended December 31, 2014, in return for providing a loan of $100,000 USD, Novra received an unsecured promissory note from Wegener Communications Inc. for this amount. This note was originally due on September 23, 2015 and was subsequently replaced and extended to February 26, 2016, June 30, 2016, and December 31, 2016. The promissory note is unsecured and bears interest at 4% per annum.

As a result of the IDC merger, Novra also had an outstanding note receivable of $91 thousand USD due from a third party at June 30, 2016, in connection the sale of a product line by IDC in the prior year. The note receivable is interest-free and becomes due on or before October 28, 2016. This note is secured by the assets sold to the third party. Since June 30, 2016 and through August 22, 2015, Novra has further collected $4 thousand USD.

9. Derivative Financial Instrument

On September 16, 2013, Novra entered into a strategic agreement with Wegener Corporation ("Wegener"), a publicly traded US based communications technology company, in which Novra agreed to acquire Wegener subject to due diligence and restructuring.

As part this strategic agreement, Novra also agreed to become a low margin supplier to Wegener's subsidiary, Wegener Communications Inc., in return for a one-year stock option to purchase up to 15,000,000 of Wegener common shares at $0.03 USD each ("Wegener options"), for a total consideration of $450 thousand USD. This stock option agreement was set to expire on September 30, 2014 but was subsequently extended to December 31, 2015, June 30, 2016 and December 31, 2016. The Wegener options were initially valued at $257 thousand, using the Black-Scholes option pricing model. These options are revalued at each reporting date, with the change reported as unrealized gain (loss) on options through Novra's earnings in Novra's Condensed Consolidated Statements of Operations and Comprehensive Loss.

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

The following assumptions were used in calculation of the value of the options:

	June 30, 2016	December 31, 2015
Expected life, in years	**0.5**	0.5
Volatility	**145%**	200%
Risk free interest rate	**0.45%**	0.48%
Dividend yield	**0%**	0%
Closing stock price at grant date	**0.016**	0.010

The fair value of the options on June 30, 2016 was $0.0035 (December 31, 2015: $0.0037).

As of June 30, 2016, Wegener had 13,147,051 shares outstanding. The exercise of the above noted options would give controlling interest to Novra Technologies Inc.

10. Equipment

	Machinery and testing equipment	Computer equipment	Furniture and fixtures	Total
Cost				
Opening balance at January 1, 2016	$ 248	$ 102	$ 35	$ 385
Additions	-	-	-	-
Acquired from IDC (note 4)	116	17	10	143
Disposals	(94)	(88)	(15)	(197)
Closing Balance at June 30, 2016	$ 270	$ 31	$ 30	$ 331
Accumulated Amortization				
Opening balance at January 1, 2016	$ 231	$ 95	$ 33	$ 359
Amoritzation year to date	3	1	-	4
Disposals	(84)	(87)	(14)	(185)
Closing balance at June 30, 2016	$ 150	$ 9	$ 19	$ 178
Net Book Value at June 30, 2016	**$ 120**	**$ 22**	**$ 11**	**$ 153**

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

11. Capital Resources

Novra's objectives when managing capital are to maintain a strong capital base in order to:

- maintain investor, creditor and market confidence;
- advance Novra's corporate strategies to generate attractive risk-adjusted return over the long-term for our shareholders;
- sustain Novra's operations and growth through all cycles; and
- ensure compliance with the covenants of any applicable credit facility and other financing facilities.

Management monitors Novra's capital and capital structure on an ongoing basis to ensure it is sufficient to achieve the Company's short-term and long-term objectives.

Management considers Novra's capital to be the following:

	June 30, 2016		December 31, 2015	
Line of credit (drawn)	$	395	$	555
Promissory notes from related party		1,417		250
Loan payable - Crocus		487		477
Repayable government contribution		37		-
Shareholder's equity		1,093		408
Total capital resources	$	3,429	$	1,690

Management believes that the current capital resources will be sufficient to continue operations into the foreseeable future. The Company is currently in compliance with all covenants of its debt facilities.

12. Credit Facilities

On March 13, 2014, Novra entered into credit facilities with the Royal Bank of Canada ("RBC"), which included the following:

a) Line of Credit

A line of credit up to $350 thousand, which is margined on the basis of 75% of unencumbered accounts receivable that are less than 90 days outstanding, excluding inter-company receivables, plus 50% of unencumbered inventories up to a maximum of $150 thousand. The interest rate on this facility is prime plus 0.5% per annum. At June 30, 2016, Novra drawn nil (December 31, 2015: $60 thousand) from this credit facility, inclusive of accrued interest. This line of credit is secured by non-redeemable GIC of $200 thousand.

b) Pre-Shipment Financing

A credit facility up to $495 thousand USD to finance eligible pre-shipment costs in relation to multiple export contracts as insured by EDC. The interest rate on this facility is prime plus 0.75% per annum.

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

At June 30, 2016, Novra drawn $395 thousand (December 31, 2015: $495 thousand) from this credit facility, inclusive of accrued interest.

c) Credit Card

Novra also has a corporate Visa card available for use up to a maximum limit of $10 thousand US dollars. At June 30, 2016, Novra's Visa card liability was nil.

d) Foreign Exchange Forward Contracts

Novra may also enter into foreign exchange forward contracts with RBC, up to a predetermined notional amount which varies based on the use of the above credit facilities.

The above credit facilities are repayable on demand and are secured by a General Security Agreement with RBC, providing a first ranking security in all personal property of Novra; however, it is subordinated to the security provided under the loan payable (see Note 14).

13. Provisions

The Company generally provides a one-year warranty for its products at no additional cost to the customer. Refer to Note 3 – "Critical Accounting Estimates and Judgments" for further details.

The following table shows the movement in the warranty provision for the six months ended June 30, 2016.

At January 1, 2016	**$**	**-**
Additional provision		-
Payments during the period		-
At March 31, 2016		**-**
Acqusition of IDC's warranty provision (Note 4)		53
Additional provision		2
Payments during the period		-
At June 30, 2016	**$**	**55**

Product warranty costs were negligible during the first six months of 2015.

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

14. Loan Payable

The following table provides a breakdown of the loan payable.

	June 30, 2016	December 31, 2015
Crocus Investment Fund loan	**$ 487**	$ 477
Amounts payable within one year	**(102)**	(100)
	$ 385	$ 377

Principal repayment terms are approximately:

Remainder of 2016	$ 110
2017	104
2018	109
2019	114
2020	50
	$ 487

On January 15, 2004, Novra entered into a $750 thousand loan agreement with Crocus Investment Fund. On September 1, 2011, the terms of the loan agreement were renegotiated and all accrued interest to the date of the amended agreement was forgiven. The new terms of the loan call for interest at 7.50% per annum and blended repayments of $120 thousand annually, maturing September 1, 2020.

Factoring in all interest free periods and expected repayment amounts, the effective interest rate on the amended loan agreement will be 4.47%. The carrying value of the loan is calculated based on this effective rate. This loan agreement is secured by all the personal property of Novra.

15. Repayable Government Contribution

On June 5, 2015, Novra entered into a contribution agreement with Western Economic Diversification. 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.

Under the agreement, Novra shall repay the contributions by 59 consecutive monthly installments of $7.4 thousand and one final installment of $10.9 thousand commencing April 1, 2018 and ending March 1, 2023, when any principal and interest then outstanding shall be repaid. The contributions are subject to interest at the average bank rate plus 3% if any payments are late.

As of June 30, 2016, the Company has received $37 thousand relating to the contribution agreement.

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

16. Shareholders' Equity

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

		June 30, 2016	December 31, 2015
Authorized:			
Unlimited	Class "A" Common voting shares		
Unlimited	Class "B" Common non-voting shares		
Unlimited	Class "C" Preferred shares, redeemable and retractable at $1,000		
Issued:			
29,077,335 (December 31, 2015: 22,387,993)			
Class "A" common voting shares		**$ 6,771**	$ 6,057

On June 15, 2016, 6,689,342 voting common shares with a value of $714 thousand were issued as part of the merger with IDC, net of $22 thousand of related issuance costs (see Note 4). During the year ended December 31, 2015 there were no changes to the Company's issued share capital.

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 3,600,000. Options granted under the Plan will have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the average closing market price of the Company's common shares for the ten (10) trading days immediately preceding the day on which the TSX Venture Exchange receives notice regarding the granting of such options), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

As at June 30, 2016 (December 31, 2015), the Company did not have any outstanding stock options.

Warrants

On June 15, 2016, 13,378,631 warrants with a value of $455 thousand were issued as part of the merger with IDC (see Note 4). The warrants provide the right to purchase one common share at $0.12 each and expire in one year from issuance on June 15, 2017. The warrants were valued on the issuance date using the Black-Scholes pricing model.

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

The following assumptions were used in calculation of the value of the warrants:

	June 30, 2016
Expected life, in years	**1**
Volatility	**86%**
Risk free interest rate	**0.59%**
Dividend yield	**0%**
Closing stock price at grant date	**0.11**

17. Segmented Information

Following the merger with IDC, Novra and its group of companies operates as one operating segment - a product focused global media broadcast technology provider. While IDC will continue to operate independently in Ottawa, Canada, the Chief Operating Decision Maker (which is the President and CEO of Novra) evaluates the operating performance of Novra and allocates resources based on information at a consolidated level.

For the three months ended June 30, 2016, three customers accounted for more than 10% of Novra's total revenues each, at a combined total of 60% (June 30, 2015– three customers accounted for 80%). For the six months ended June 30, 2016, four customers accounted for more than 10% of the Company's total revenue each, at a combined total of 62% (June 30, 2015– three customers accounted for 82%).

Revenues by geographic market are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	**2016**	2015
Americas (1)	**$ 363**	$ 145	**$ 626**	$ 986
EMEA (2)	**66**	78	**68**	287
APAC (3)	**72**	35	**122**	97
	$ 501	$ 258	**$ 816**	$ 1,370

(1) The geographic region of the Americas includes North America, Central America and South America. For the three and six months ended June 30, 2016, revenues from Canada were $71 and $112 respectively (2015 - $29 and $46). Within the region, the following country had 10% or more of total revenues for the three and six months ended June 30, 2016: United States $284 and $489 (2015 -$116 and $940).

(2) EMEA consists of Europe, the Middle East and Africa. Within the region, the following country had 10% or more of total revenues for for the three months ended June 30, 2015: France $33.

(3) The APAC region consists of East Asia, South Asia, Southeast Asia and Oceania. Within the region, the following country had 10% or more of total revenues for the three and six months ended June 30, 2016: Japan $71 and $96 (2015 -$72 and $212).

18. Loss Per Share

Basic loss per share amounts are calculated by dividing net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

The diluted weighted average number of shares is calculated assuming the proceeds that arise from the exercise of outstanding and in-the-money warrants that are used to purchase common shares of Novra at their average market price for the year. For the three and six months ended June 30, 2016, potential shares from all outstanding warrants have been excluded from the calculation of diluted loss per share as their inclusion is considered anti-dilutive in periods when a loss is incurred.

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

19. 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 30th		Six Months Ended June 30th	
	2016	2015	**2016**	2015
Trade and other receivables	**$ 167**	$ 399	**$ 360**	$ 12
Inventories	**112**	(77)	**37**	(346)
Notes receivable	**-**	2	**9**	(9)
Prepaid expenses	**(59)**	12	**(162)**	71
Amounts payable including advances	**(99)**	(304)	**140**	84
Customer deposits	**(17)**	-	**(17)**	-
Deferred revenue	**(62)**	12	**(83)**	10
Provisions	**2**	-	**2**	-
Total	**$ 44**	**$ 44**	**$ 286**	**$ (178)**

20. Subsequent Events

Office Lease Agreement

Effective July 1, 2016, Novra entered into a new three-year lease agreement for its Ottawa office location. As a result, Novra will have the following additional future annual minimum payments.

2016	$ 95
2017	226
2018	228
2019	116
Total	$ 665

Changes to Management Team

On July 25, 2016, the Board of Directors has appointed Patricia Gair to the newly defined role of Chief Operating Officer (COO), in which she will oversee the internal operations of the company and lead special strategic initiatives. Prior to this appointment, Ms. Gair was the Director of Operations & Chief Financial Officer (CFO) of Novra.

Additionally, the Board of Directors appointed Steven Archambault as Novra's CFO and he will also serve as the President and CFO of Novra's wholly-owned subsidiary, IDC. Mr. Archambault was previously the CFO and interim CEO of IDC.

Material Radio Network Contract

On August 4, 2016, Novra announced that its wholly-owned subsidiary, IDC, has entered into a material contract with a major North American radio broadcast network for its next generation audio system. The contract includes products and services for two geographically diverse uplinks / headends supporting secure distribution of 188 audio channels and 1,000 receivers. The audio system incorporates audio encoders, network management, encryption, and IDC's targeted content distribution platform. The contract has a maximum value of $4 million and it expires on July 24, 2017. Shipments are expected to commence late in the third quarter of 2016 and to be completed before the end of 2016.