



## **NURAN ANNOUNCES ANNUAL FINANCIAL RESULTS**

**Quebec, QC, Canada, March 1, 2021** – NuRAN Wireless Inc. (“**NuRAN**” or the “**Company**”) (CSE:NUR) (OTC: NRRWF) (FSE:1RN) is pleased to announce the Company’s operational and consolidated financial results for the fourth quarter and fiscal year-ended October 31, 2020. Although fiscal 2020 was a very challenging year for NuRAN due to the economic upheaval brought on by the COVID-19 global pandemic and general market conditions that lead the Company to significantly restructure and streamline its operations over the year, it also proved to be transformational as the company successfully improved its working capital position and signed a number of key strategic contracts significantly improving its potential for sustained growth. The efforts of management to restructure the company in fiscal 2020 have put NuRAN in a much stronger financial position and management anticipates continued improved financial performance through Fiscal 2021.

“We are very pleased to have turned this important corner and look forward to the future. We appreciate the patience of our stakeholders and shareholders in supporting us through this process. Management is focused on the success ahead as demonstrated by our recent major contract announcements. We expect to continue to drive forward aggressively and achieve both our financial goals but as importantly meet our goal to bring connectivity to areas around the globe which continue to lag far behind by not having the most basic tool of mobile and internet connectivity; as essential as clean water in this increasingly digitized world” states Francis Letourneau, CEO of NuRAN.

### **Key Financial and Operational Highlights for fiscal 2020:**

- NuRAN had a \$1,807,911 increase in revenue for the year ended October 31, 2020 compared to the year ended October 31, 2019 resulting primarily from significant WIS-related contracts the Company secured in late 2019.
- Gross margin for the year ended October 31, 2020, decreased to 28% from 34% for the year ended October 31, 2019. The decrease resulted from the execution of recent contracts which involves the delivery of complete infrastructure systems including third-party products sold at lower margins. This is expected to continue as a result of implementation of the NAAS model.
- Gross profit for the year ended October 2020 increased by \$353,312 compared to year ended October 31, 2019. The increase in gross profit is in direct relation to the increase in revenue.
- Net Loss of \$1,894,253 compared to a net loss of \$3,548,993 for the twelve months ended October 31, 2020. The Net Loss includes a future tax liability of approximately \$ 1.5 million. This liability relates to the acquisition of the Nutaq assets at a price significantly below their book value. Based on the structure of the Nutaq bankruptcy, it is not currently possible for NuRAN to recover Nutaq's past tax attributions. However, management has been advised that this structure may be changed to recover almost all of these, of significantly greater value than the future tax liabilities, and will be pursuing a restructuring of the bankruptcy including obtaining all necessary approvals.
- Total expenses decreased by \$739,164 from the year ended October 31, 2019. Selling, Administrative and R&D expenses fell during the year as a result of cost containment measures put in place by the Company. The decrease in administrative expenses is due to a reduction in salaries and lower consulting fees, partly due to COVID-19.

- During fiscal 2020, Company undertook a complete restructuring of its operations to reduce its operating expenses, to efficiently delivery its current backlog of NuRAN's radio access network solution which sits at approximately \$2 Million CAD with Intelsat and others and to focus on growing its Mobile Network Enabler business, now rebranded as Network as a Service (NAAS). As a result of the restructuring the Company purchased all the assets of its wholly owned subsidiary Nutaq Innovation Inc. ("Nutaq") which was assigned into bankruptcy. Management also renegotiated its secured debt and obtained the support of its creditors for its new plan.
- The Company promoted Francis Letourneau as President and CEO of NuRAN and appointed Jim Bailey as its Chief Financial Officer, both of which were instrumental in successfully restructuring the Company's operations. The Company also added additional independent directors to the board, appointed Denis Lambert as its VP Sales and Business Development and Gael Campan as its Chief Operating Officer. The restructured NuRAN now consists of 16 employees and consultants with a clear focus on building the operations and capabilities of the NAAS opportunity.
- The Company continued to improve on product development for its next generation 2G/3G/4G strategy and in September 2020 it executed a 10 year Network as a Service Contract (NAAS) with Orange Cameroon SA to build and manage 122 sites in rural locations in Cameroon that, once fully operational, is expected to generate revenue of over \$2 million annually. The agreement also includes an option for another 150 sites in Years 2 and 3 of the contract.
- The Company negotiated a Memorandum of Understanding with Orange DRC SA during fiscal 2020, which ultimately resulted in a second major agreement with Orange in February, 2021 to build over the next 40 months and manage over the next 10 years, 2,000 sites throughout the Democratic Republic of the Congo. Once all sites are fully operational annual gross revenues are expected to exceed \$40 million.
- The Company entered into a \$4.75 million contract with Intelsat for delivery and installation of NuRAN's Wireless Infrastructure Solutions to expand and enhance mobile connectivity services to the Marshall Islands. The work started in 2020 and, in spite of the pandemic delays, to date approximately 35% of the contracted services have been delivered.
- NuRAN identified and entered into contracts with experienced and reliable local partners in Africa, hired local expertise to manage the process to build the sites and commenced negotiation of project financing of their ongoing projects with a number of Canadian and international financial institutions.
- In the fourth quarter, NuRAN received purchase orders for its existing product line valued at approximately \$630,000 intended to be deployed in rural and northern Canada. These projects helped fund operating expenses and allowed the Company to achieve cash flow and fund near term obligations.
- The Company took steps to improve its share structure to attract further financing by completing a consolidation of its issued and outstanding common shares on the basis of twenty-five (25) previously outstanding common shares to one (1) new common share in October 2020. Prior to the Consolidation, the Company had 178,077,913 pre-consolidation common shares issued and outstanding. As of October 31, 2020, the Company had 7,123,118 post-consolidated common shares issued and outstanding.

- The United States Patent Office granted the Company a patent related to 5G Massive MIMO technology.
- NuRAN completed an interoperability testing process in Nigeria for Global Communication Extension Services (GCES). The completion of the commercial assessment is expected to potentially lead to construction of additional sites in Nigeria in the next 3 to 5 years.

## **2021 Outlook and Significant Corporate Milestones**

- Since the start of Fiscal 2021, the Company has worked to significantly improve its working capital position through various debt settlements with its senior creditors. The Company reached a forbearance agreement with holders of its 12% Senior Secured Debentures in January 2021 pursuant to which a total of 5,721,212 common shares have been issued to settle \$1,888,000 of outstanding principal owing to holders of its 12% senior secured convertible debentures (the "Debentures") and a further 1,988,917 common shares was issued to settle \$850,000 of other long-term secured debt. The debt settlements have considerably reduced the Company's long-term debt to a total of \$947,000 principal outstanding on the Debentures and \$437,637 principal outstanding on all other long-term secured debt as of the date of this press release.
- NuRAN formed its wholly owned subsidiary in Cameroon, NuRAN Wireless Cameroon Ltd. in connection with its previously announced Network as a Service (NAAS) contract with Orange Cameroon SA.
- NuRAN has completed the site build of its previously announced project with GSMA Innovation Fund ("GSMA") in Ghana for Vodafone. Effective immediately, NuRAN will manage daily operations, monitoring and maintenance of seven sites in Ghana. Over the next 12 months, GSMA and NuRAN will report on the outcome of the performance on the project. The project is also intended to expand the GSMA network and relationship with Vodafone. NuRAN is pleased to report that the sites have reached a rate of penetration of over 50% in the first month since launch.
- NuRAN's development is underway on LiteRAN xG, a mobile wireless infrastructure solution that is intended to provide operators with 2G, 3G, & 4G capability from a single piece of equipment allowing them to run multiple technologies simultaneously and evolve their services over time. Deployment is expected to commence in 2021 starting with Intelsat and the GSMA program in Ghana. The addition of LiteRAN xG to the portfolio significantly widens the Company's addressable market.
- NuRAN has appointed Mr. Badi Abdallah as its Director of Operations for Africa. With over 25 years of experience working in the Telecom space, Mr. Abdallah brings vast experience and African contacts to the table. Mr. Abdallah held various positions from Deployment Manager to COO for different African based organizations. His experience includes holding the position of CTO for Millicom in DRC (Tigo), Managed Services COO with Ericsson for Airtel Congo B, Managed Service Project Director with Huawei for Airtel Cong B and Deployment Director for Watanya Telecom in Algeria. Mr. Abdallah holds a Master Degree in Engineering from Northeastern University, Boston, Massachusetts, USA and an MBA from Haute Etude Commerciale (HEC) , Paris, France.
- NuRAN has appointed Mr. Charles Kouadio as its Director of Finance for Africa. Mr. Kouadio has managed relationships for Orange and MTN in 8 countries. Mr. Kouadio held high-level positions at MILICOM (NASDAQ:TIGO) and their Telecoms Group present in 10 countries and as CFO of the DRC subsidiary (TIGO) for 3 years. Mr. Kouadio also served as CEO of CONNECTEO Cameroon (a subsidiary of Monaco Télécoms) for 6 years as well as holding the position of VP - CFO of AFRIPA Télécoms in 15

countries. Mr. Kouadio also has previously held the positions of CFO and CEO respectively with two companies, eMoney-Solutions and Mac Technologies.

- NuRAN technology has been selected by MTN, the largest African mobile operator, for its rural expansion plan, consisting of more than 5,000 potential sites. Contracting and negotiations with deployment partners are ongoing.

"It has been a pleasure to take part in the dramatic turnaround of the Company's fortunes over the last several months. As we continue to execute our strategic plan over the next few years, our focus remains on technological development, execution efforts on our major NaaS contracts and increased expansion to adjacent markets. We are confident that continued focus on these markets will provide sustainable and profitable growth opportunities for NuRAN. I firmly believe that as we improve our core wireless infrastructure solutions, the advancements we are implementing will provide significant expansion opportunities in the future," stated Jim Bailey, CFO of NuRAN.

### **Marketing Service Agreement**

The Company also entered into a general marketing services agreement with Loud Market Media Inc. for the purpose of providing certain digital marketing services for a term of four months in consideration of a payment of \$83,000 during the term of the agreement.

### **Covid-19 Outlook and Assessment**

In March 2020, the World Health Organization declared COVID-19 a global pandemic. To date, the contagious disease outbreak has spread to every part of the world, has forced the authorities of virtually every country to impose severe containment measure effectively creating a widespread shutdown, and adversely affected the global economy.

On April 7, 2020, NuRAN announced that, as a provider of telecommunications infrastructure, the Company operates commercial activities considered essential to the population and the economy, and therefore has been able to maintain most of its operations throughout the period. In order to protect its employees from the risk of being exposed to the virus and to slow its propagation, following the guidelines of public health, all except a few employees have been working from home since March 16, and will continue to do so for as long as social distancing measures imposed by the government remain in place. During this time, the Company continues to support the operation of mobile operators and to develop its set of infrastructure solutions. Since a large portion of the development is based on software, no major disruption has occurred. NuRAN has experienced supply chain challenges due to exceptional merchandise import and export measures taken by governments in reaction to the pandemic. Those measures have since been lifted or relaxed, allowing the Company to resume business which had been temporarily hindered. This situation has affected the delivery of certain milestones associated to the Marshall Islands contract, which created execution delays of approximately three months. The global situation may cause other disruptions which could affect the Company's ability to deliver its backlog. NuRAN has taken measures to mitigate the risk of such occurrences and minimize the impacts. The Company also announced that some of its plans to connect its mobile infrastructure solutions to the core network of African mobile operators had incurred delays due to COVID-19. Of the two projects impacted, one has resumed at the beginning of June, while the other is yet to resume.

In March 2020, the government of Canada has announced an emergency wage subsidy as a relief measure to all Canadian companies being affected by the pandemic. The subsidy has contributed, and will continue to contribute, to lower the Company's salary expenses throughout the period. While it is impossible at this stage

to accurately predict the impact that COVID-19 may have on NuRAN's business in the future, based on its own assessment and its customer's assessments, none of the expected business and plans are currently foreseen to be adversely affected. The pandemic and its consequential shutdown have highlighted the importance of connectivity throughout society, but especially for the underserved. The increased awareness may play favorably for the Company given it may stimulate connectivity projects, through government actions as an example.

## **About NuRAN Wireless**

NuRAN Wireless is a leading supplier of mobile and broadband wireless infrastructure solutions. Its innovative radio access network (RAN), core network, and backhaul products dramatically drop the total cost of ownership, thereby creating new opportunities for established, as well as emerging mobile network operators. Indoor coverage, isolated rural communities, offshore platforms and ships, NuRAN Wireless helps its customers reach everyone, everywhere.

### Additional Information

For further information about NuRAN Wireless: [www.nuranwireless.com](http://www.nuranwireless.com)

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### **Forward Looking Statements:**

*This news release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as, "expects", "is expected", "anticipates", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Forward-looking statements include those relating to the Company's NAAS agreements and the Company's proposed build out of network sites and ability to obtain project financing in relation to same. Forward-looking statements are not a guarantee of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, such as the uncertainties regarding include risks such as the uncertainties regarding the impact of the COVID-19 outbreak, and measures to prevent its spread, risks relating to NuRAN's business and the economy generally; NuRAN's ability to refinance its long term debt that is currently in default; NuRAN's ability to adequately restructure its operations with respect to its new model of NAAS service contracts; the capacity of the Company to deliver in a technical capacity and to import inventory to Africa at a reasonable cost; NuRAN's ability to obtain project financing for the proposed site build out under its NAAS agreements with*

*Orange and other telecommunication providers, the loss of one or more significant suppliers or a reduction in significant volume from such suppliers; NuRAN's ability to meet or exceed customers' demand and expectations; significant current competition and the introduction of new competitors or other disruptive entrants in the Company's industry; NuRAN's ability to retain key employees and protect its intellectual property; compliance with local laws and regulations and ability to obtain all required permits for our operations, access to the credit and capital markets, changes in applicable telecommunications laws or regulations or changes in license and regulatory fees, downturns in customers' business cycles; and insurance prices and insurance coverage availability, the Company's ability to effectively maintain or update information and technology systems; our ability to implement and maintain measures to protect against cyberattacks and comply with applicable privacy and data security requirements; the Company's ability to successfully implement its business strategies or realize expected cost savings and revenue enhancements; business development activities, including acquisitions and integration of acquired businesses; the Company's expansion into markets outside of Canada and the operational, competitive and regulatory risks facing the Company's non-Canadian based operations. Accordingly, readers should not place undue reliance on forward looking information. Other factors which could materially affect such forward-looking information are described in the risk factors in the Company's most recent annual management's discussion and analysis that is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*The estimates included in this news release relating to the calculation of the gross revenue of the agreements with Orange are based on multiplying an average population per site by the expected penetration rate which yields the number of mobile customers. This is then multiplied by the average revenue per customer per month (ARPU) to derive total revenue. Orange's direct costs associated with this revenue are deducted and the resulting amount is shared by both parties. The revenue share only applies to revenue in excess of a guaranteed amount which is the minimum paid to NuRAN. A penetration rate reduction factor has been used to mitigate risk. The base data used to calculate the total potential revenue of this agreement was provided by Orange based on average population, penetration rate and ARPU. Management of the Company believes that the estimates have been prepared on a reasonable basis, reflecting best estimates and judgments, and based on a number of assumptions management believes are reasonable as well as information provided to the Company by Orange. However, because this information is highly subjective and subject to numerous risks, including the risks discussed above, it should not be relied on as necessarily indicative of future results. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the estimates prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.*