

**Nuran Wireless Inc.**  
**Condensed Interim Consolidated**  
**Financial Statements**  
**January 31, 2021 and**  
**January 31, 2020**

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The condensed interim consolidated financial statements of Nuran Wireless inc. for the first quarter ended January 31, 2021 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

## Nuran Wireless Inc.

### Condensed Interim Consolidated Statements of Comprehensive Income

Periods ended January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

	<i>Three months ended</i>	
	<b>2021-01-31</b>	2020-01-31
	\$	\$
<b>Revenue</b>	<b>470 407</b>	2 045 212
Cost of sales	<b>379 469</b>	1 283 635
<b>Gross profit (loss)</b>	<b>90 939</b>	761 577
Selling expenses	<b>192 448</b>	292 910
Administrative expenses	<b>378 029</b>	300 552
Financial expenses	<b>88 414</b>	157 911
Research and development costs, net of \$49,653 in tax credits for the three-month period ended January 31, 2021, (\$45,383 for the three-month period ended January 31, 2020)	<b>94 715</b>	203 566
	<b>753 607</b>	954 939
Loss before other elements	<b>(662 668)</b>	(193 361)
Other elements:		
Loss on debt settlement in shares	<b>(285 269)</b>	
Loss on debt settlement	<b>(140 695)</b>	
Loss on disposal of assets	<b>(275 559)</b>	
	<b>(701 522)</b>	
Loss before income taxes	<b>(1 364 190)</b>	(193 361)
<b>Net loss and total comprehensive income</b>	<b>(1 364 190)</b>	(193 361)
<b>Loss per share (Note 12)</b>		
Basic and diluted loss per share	<b>(0,09)</b>	<b>(0,00)</b>
Weighted average number of outstanding common shares	<b>14 464 583</b>	172 977 913

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

**Nuran Wireless Inc.****Condensed Interim Consolidated Statements of Changes in Deficiency**

Periods ended January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

	Share capital		Contributed Surplus	Fair Value of the conversion option	Deficit	Total Equity
	Number	\$	\$		\$	\$
<b>Balance as at November 1, 2020</b>	7 123 117	25 362 587	1 568 472		(28 895 688)	(1 964 629)
Issue of shares (Note 9)	8 268 542	400 000				400 000
Net loss and total comprehensive income					(1 364 190)	(1 364 190)
Amendment to the convertible option of the convertible debenture		(1 169 615)		1 469 766		300 151
Debenture conversion in share capital (Note 7)		3 211 346		(359 276)		2 852 070
Warrants (Note 10)			4 387			4 387
<b>Balance as at January 31, 2021</b>	<b>15 391 659</b>	<b>27 804 318</b>	<b>1 572 859</b>	<b>1 110 490</b>	<b>(30 259 878)</b>	<b>227 789</b>
						2019-01-31
	Share capital		Contributed Surplus	Fair Value of the conversion option	Contributed Surplus	Total Equity
	Number	\$	\$		\$	\$
<b>Balance as at November 1, 2019</b>	6 919 117	25 064 583	1 505 585	1 218	(27 001 435)	(430 049)
Net loss and total comprehensive income					(193 361)	(193 361)
Employee shared-based compensation (Note 13)			7 000			7 000
Non-employee shared-based compensation (Note 13)			7 000			7 000
<b>Balance as at January 31, 2020</b>	<b>6 919 117</b>	<b>25 064 583</b>	<b>1 519 585</b>	<b>1 218</b>	<b>(27 194 796)</b>	<b>(609 410)</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

**Nuran Wireless Inc.****Condensed Interim Consolidated Statements of Cash Flows**

Periods ended January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

	<b>2021-01-31</b>	2020-01-31
	<b>(3 months)</b>	(3 months)
	<u>\$</u>	<u>\$</u>
<b>OPERATING ACTIVITIES</b>		
Net loss	<b>(1 364 190)</b>	(193 362)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	<b>11 484</b>	22 140
Depreciation of intangible assets	<b>12 620</b>	18 934
Depreciation of Right-of-use assets		35 778
Debenture modification cost		
Gain (loss) on disposal of assets	<b>385 556</b>	
Gain (loss) on debt settlement	<b>425 964</b>	
Employee share-based compensation		7 000
Non-Employee share-based compensation		7 000
Accretion of convertible debentures	<b>(203 237)</b>	25 800
Change in fair value of derivative liability		
Net change in working capital items		
Trade and other receivables	<b>13 186</b>	(1 290 640)
Scientific research and experimental development tax credits receivable	<b>(165 005)</b>	396 843
Work in progress		
Inventories	<b>48 715</b>	734 177
Prepaid expenses	<b>(1 223)</b>	27 566
Security deposits and deposits on purchase of goods	<b>83 355</b>	76 947
Trade and other payables	<b>(618 695)</b>	24 457
Deferred revenue	<b>(200 657)</b>	441 974
Net cash from operating activities	<u><b>(1 572 127)</b></u>	<u>334 614</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment		(24 680)
Purchase of intangible assets	<b>(5 838)</b>	(282 030)
Purchase of Right-of-use assets		(429 341)
Net cash used in investing activities	<u><b>(5 838)</b></u>	<u>(736 051)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in loan payable to companies under common control		
Long-term debt		348 183
Repayment of long-term debt	<b>(850 000)</b>	(333 212)
Lease liabilities		429 341
Repayment of lease liabilities		(44 127)
Interest paid on lease liabilities		10 615
Convertible débenture and derivative liabilities	<b>990 695</b>	
Convertible débenture conversion	<b>359 276</b>	
Forbearance of convertible debenture	<b>(59 124)</b>	
Issue of class "A" shares	<b>1 146 801</b>	
Share cost Issue		
Net cash used in financing activities	<u><b>1 587 647</b></u>	<u>410 800</u>
<b>Net decrease in cash</b>	<b>9 683</b>	9 363
Cash, beginning of period	<b>64 254</b>	510 832
Cash, end of period	<u><b>73 937</b></u>	<u>520 195</u>
<b>Supplementary information</b>		
Interest paid included in operating activities	<b>255 027</b>	35 135

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

**Nuran Wireless Inc.****Condensed Interim Consolidated Statements of Financial Position**

Periods ended January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

	<u>2021-01-31</u>	<u>2020-10-31</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	73 937	64 254
Trade and other receivables	292 991	306 177
Scientific research and experimental development tax credits receivable	165 005	
Inventories (Note 4)	1 255 997	1 625 483
Prepaid expenses	3 809	2 586
Security deposits and deposits on purchase of goods	98 213	181 568
Current assets	<u>1 889 952</u>	<u>2 180 068</u>
Non-current		
Property, plant and equipment (Note 5)	256 524	314 414
Intangible assets (Note 6)	5 420 286	5 445 448
Non-current assets	<u>5 676 810</u>	<u>5 759 861</u>
Total assets	<u><u>7 566 762</u></u>	<u><u>7 939 930</u></u>
<b>LIABILITIES</b>		
Current		
Trade and other payables	1 497 151	2 112 507
Deferred revenue	1 977 887	2 178 544
Deferred tax liabilities	361 342	361 342
Convertible debentures and derivative liability (Note 9)	1 938 763	2 835 000
Current portion of long-term debt	183 444	183 444
Current liabilities	<u>5 958 587</u>	<u>7 670 837</u>
Non-current		
Long-term debt (Note 10)	250 641	1 103 977
Deferred Tax Liabilities	1 129 745	1 129 745
Total liabilities	<u>7 338 973</u>	<u>9 904 559</u>
<b>EQUITY (DEFICIENCY)</b>		
Share capital (Note 11)	27 804 318	25 362 587
Contributed surplus (Notes 12 and 13)	1 572 859	1 568 472
Fair value of conversion option	1 110 490	
Deficit	<u>(30 259 878)</u>	<u>(28 895 688)</u>
Total equity (deficiency)	<u>227 789</u>	<u>(1 964 629)</u>
Total deficiency and liabilities	<u><u>7 566 762</u></u>	<u><u>7 939 930</u></u>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

# **Nuran Wireless Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### **1 - GOVERNING STATUTES AND NATURE OF OPERATIONS**

Nuran Wireless Inc. is incorporated under the Business Corporations Act (British Columbia). Nuran Wireless Inc. and its subsidiary (together, the "Company") operate in the research, development, manufacturing and marketing of digital electronic circuits and wireless telecommunication products.

### **2 - GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRSs AND GOING CONCERN ASSUMPTION**

The Company's registered office is at 1190B, de Courchevel, suite 400, Lévis (Québec) G6W 0M6.

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. Accordingly, they do not include all the disclosures required under IFRS for annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the 2020 audited annual financial statements. They are based on the assumption that the Company is a going concern, meaning it will be able to realize its assets and discharge its liabilities in the normal course of its operations.

During the three-month period ended January 31, 2021, the Company incurred a net loss of \$1,406,416 and has a deficit of \$30,302,104 as at January 31, 2021. Consequently, there is material uncertainty that may cast significant doubts as to whether the Company will have the ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its capacity to adequately restructure its operations, to continue the refinancing of its Convertible Debentures for which a forbearance agreement has been reached and to obtain additional financing to deliver on the recently signed NaaS contracts (note 14). As at the date of these financial statements, 72% of the principal amount of the Convertible Debentures and 100% of other secured debt have been converted to common shares. In addition, the Company has made expenditures towards the rollout of the NaaS contract in Cameroon and planning is in place for the contract in DRC (note 14). Together these contracts will generate significant projected gross revenues and operating profit which will be transformative for the Company (note 14). However, there are operational risks resulting in uncertainties that this plan will not be implemented successfully. If the Company is unable to continue to successfully implement the above, there is a possibility that the Company may be unable to continue to realize on its assets and to discharge its liabilities in the normal course of operations.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

The carrying amounts of assets, liabilities, revenues and expenses presented in the condensed interim consolidated financial statements and the condensed interim consolidated statements of financial position's classification have not been adjusted as would be required if the going concern assumption were not appropriate.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 1st, 2021

### 3 - SUMMARY OF ACCOUNTING POLICIES

#### Overall considerations

The accounting policies are in accordance with those used in the preparation of the 2020 annual financial statements.

#### Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed interim financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended October 31, 2020.

### 4 - INVENTORIES

	<u>2021-01-31</u>	<u>2020-10-31</u>
	\$	\$
Raw materials	<b>935 765</b>	986 941
Finished goods	<b>320 231</b>	638 542
	<u><b>1 225 997</b></u>	<u>1 625 483</u>

For the three-month period ended January 31, 2021, \$0 (\$11,207 for the three-month period ended January 31, 2020) of inventories was included in profit or loss as an expense resulting from the write-down of inventories.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 5 - PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment and their carrying amounts are detailed as follows:

	<b>2021-01-31</b>		
	<b>Equipment and furniture, tele- communication system, furniture and fixtures</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount</b>			
Balance as at November 1, 2020	787,808	355,664	1,143,472
Disposal	(191,346)	(9,789)	(201,135)
Balance as at January 31, 2021	<u>596,462</u>	<u>345,875</u>	<u>942,337</u>
<b>Depreciation</b>			
Balance as at November 1, 2020	533,818	295,240	829,058
Disposal	(148,371)	(6,359)	(154,730)
Depreciation	7,790	3,695	11,485
Balance as at January 31, 2021	<u>393,237</u>	<u>292,576</u>	<u>685,813</u>
<b>Carrying amount as at January 31, 2021</b>	<u><u>203,225</u></u>	<u><u>53,299</u></u>	<u><u>256,524</u></u>



# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 6 – INTANGIBLE ASSETS

The Company's intangible assets and their carrying amounts are detailed as follows:

	<b>2021-01-31</b>		
	<b>Acquisition software</b>	<b>Trademarks</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount</b>			
Balance as at November 1, 2020	<b>5,925,085</b>	<b>60,452</b>	<b>5,985,537</b>
Disposal		<b>(18,380)</b>	<b>(18,380)</b>
Additions	<b>5,838</b>		<b>5,838</b>
Balance as at January 31, 2021	<b>5,930,923</b>	<b>42,072</b>	<b>5,972,995</b>
<b>Amortization</b>			
Balance as at November 1, 2020	<b>540,089</b>		<b>540,089</b>
Amortization	<b>12,620</b>		<b>12,620</b>
Balance as at January 31, 2021	<b>552,709</b>		<b>552,709</b>
<b>Carrying amount as at January 31, 2021</b>	<b>5,378,214</b>	<b>42,072</b>	<b>5,420,286</b>

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 7 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

As at January 31, 2021, the convertible debentures and derivative liability consists of:

	<b>Convertible debentures</b>
	\$
<b>Opening Balance as at November 1, 2020</b>	<b>2,835,000</b>
<b>Issuance of Convertible débenture</b>	<b>990,695</b>
<b>Conversion of convertible débenture</b>	<b>(1,683,695)</b>
<b>Accretion of convertible debenture</b>	<b>96,914</b>
<b>Forbearance of the debenture default</b>	<b>(300,151)</b>
<b>Change in fair value of the derivative liability</b>	
<b>Closing balance, as at January 31, 2021</b>	<b>1,938,763</b>

The extinguishment and recognition of the debentures, including the fair value of the warrants issued as consideration (Note 10) and the fair value of the conversion option, resulted in an equity adjustment of \$1,110,490 that has been recognized in the consolidated statement of changes in equity. This transaction had no impact on the consolidated statement of comprehensive income.

As at November 16, 2020, a debt holder of the Company agreed to convert \$100,000 of debt into a secured convertible debenture (the "Debenture") of the Company. The principal amount of the Debenture is \$115,000 (the "Purchase Price"), representing the original \$100,000 of debt (the "Debt"), inclusive of an original issue discount equal to 15% of the Purchase Price. The Debt is currently in default, and the issuance of the Debenture will result in an extension of the maturity of the Debt until May 31, 2021. The Debenture was to bear interest at a rate of 10% per annum however was converted into common shares of the Company at a conversion price of \$0.71 on the same date.

As at November 20, 2020, a debt holder of the Company agreed to convert an additional \$250,000 of debt into a secured convertible debenture of the Company. The principal amount of the Debenture is \$287,500 for the original \$250,000 of debt (representing an original issue discount equal to 15% of the purchase price). The Debenture was to bear interest at a rate of 10% per annum however was converted into common shares of the Company at a conversion price of \$0.60 on the same date.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

As at November 30, 2020, a debt holder of the Company agreed to convert an additional \$300,000 of debt into a secured convertible debenture of the Company. The principal amount of the Debenture is \$352,900 for the original \$300,000 of debt (representing an original issue discount equal to 15% of the purchase price). The Debenture was to bear interest at a rate of 10% per annum however was converted into common shares of the Company at a conversion price of \$0.49 on the same date.

As at December 29, 2020, a debt holder of the Company agreed to convert an additional \$200,000 of debt into a secured convertible debenture of the Company. The principal amount of the Debenture is \$235,294 representing an original issue discount equal to 15% of the purchase price of the original \$200,000 owed to the debt holder. The convertible debenture bears interest at a rate of 10% per annum and was converted into common shares of the Company at a conversion price of \$0.37.

As at January 12, 2021, all of the holders of the 12% senior secured convertible debentures of the Company issued on February 23, 2017 have executed the Forbearance Agreement dated as of November 30, 2020 to forbear from enforcing their rights under the security agreements relating to the Debentures until December 31, 2021. Following the execution of the Forbearance Agreement by all Secured Creditors on January 12, 2021, effective as of such date the Debentures have been amended as follows:

- (i) The maturity date of the Debentures is amended to December 31, 2021;
- (ii) Subject to compliance with applicable securities laws, all accrued but unpaid interest and penalties on the Debentures in common shares of the Company up to and as at January 12, 2021 will be settled at a deemed price per common share equal to \$0.28 (being last closing market price of the common shares on the CSE), discounted by the maximum discount permitted by Section 2.1 of Policy 6 of the CSE. As at January 12, 2021, the total amount of interest and penalties owed under the Debentures totaled approximately \$875,000;
- (iii) Interest on the Debentures following January 12, 2021 will be payable on June 30, 2021 and December 31, 2021, payable at the option of the Company in cash or common shares, at a deemed price per common share equal to the volume weighted average trading price of the common shares on the CSE for the 10 day period prior to the interest payment date; and
- (iv) In the event that the Company elects to pay accrued interest in common shares, the effective interest rate is increased to 15% (from 12%).

During the three-month period ended January 31, 2021, the debenture holders requested the conversion of debentures totalling a par value of \$1,683,695 in common shares of the Company. Taking into account the book value of the debentures converted, as well as the value of the conversion option, the carrying value recorded for these shares was \$2,034,147.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 8 - LONG-TERM DEBT

Using discount rates of 20%, based on the Company's estimated incremental borrowing rates for secured loans at the reporting date, respectively, and therefore reflecting the Company's credit position, the fair value of the long-term debt is estimated by discounting the estimated future cash outflows and totals \$829,640 (\$1,611,239 as at October 31, 2020).

### 9 - SHARE CAPITAL

	<u>2021-01-31</u>	<u>2020-10-31</u>
	\$	\$
Class "A" shares (a)	<b>27,804,318</b>	25,362,587

- a) The number of issued common shares totals 15,391,659 as at January 31, 2021 (7,123,117 as at October 31, 2020)

As at December 3, 2020, a majority of the holders of the senior secured convertible debentures of the Company issued on February 23, 2017 have executed the Forbearance Agreement effective December 3, 2020 to forbear from enforcing their rights under the security agreements relating to the Debentures until December 31, 2021. Prior to the forbearance the Company was in material default under the terms of the Debentures. In consideration of the foregoing forbearance, the Company has agreed to adjust the conversion price of the Debentures to \$0.33 per common share.

As at December 15, 2020, the Company completed a non-brokered private placement of units of the Company at a price of \$0.40 per unit for total gross proceeds of \$400,000. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant, with each Warrant entitling the holder to acquire one Common Share at a price of \$0.50 per Common Share for a period of 18 months from the date of issuance. The Company issued an aggregate of 1,000,000 units pursuant to the offering.

During the three-month period ended January 31, 2021, the Company converted unpaid interest and penalties on the debenture totalling a par value of \$887,495 in common shares of the Company. Taking into account the book value of the debt converted, the carrying value recorded for these shares was \$1,172,762.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

As stated in Note 7, the debenture holders requested the conversion of debentures totalling a par value of \$1,683,695 in common shares of the Company. Taking into account the book value of the debentures converted, as well as the value of the conversion option, the carrying value recorded for these shares was \$2,042,971.

### 10 – WARRANTS

The following is a summary of the activity of warrants:

	<u>Three months ended January 31, 2021</u>	
	Number of warrants	Weighted average exercise price
Opening balance, as at November 1, 2020	1,341,109	\$ 4.22
Granted during the period	1,000,000	\$ 0.50
Closing balance, as at January 31, 2021	2,341,109	\$ 2.63

## Nuran Wireless Inc.

### Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

The following is a summary of warrants outstanding, all of which are exercisable, as at January 31, 2021

January 31, 2021	Warrants outstanding		Warrants exercisable	
	Number	Weighted average contractual life (years)	Number	Weighted average contractual life (years)
Exercise price				
\$0.05	1,000,000	1.37		
\$1.25	247,200	2.07	247,200	2.07
\$1.50	12,000	0.55	12,000	0.55
\$1.75	425,469	1.55	425,469	1.55
\$2.50	129,840	0.54	129,840	0.54
\$3.75	221,400	0.12	221,400	0.12
\$11.25	305,200	0.06	305,200	0.06
	2,341,109		1,341,109	

As stated in Note 9, on December 15, 2020, the Company completed a non-brokered private placement of units of the Company at a price of \$0.40 per unit for total gross proceeds of \$400,000. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant, with each Warrant entitling the holder to acquire one Common Share at a price of \$0.50 per Common Share for a period of 18 months from the date of issuance. The Company issued an aggregate of 1,000,000 units pursuant to the offering.

The warrants were assigned a value of \$4,387 using the BlackScholes option pricing model using the following assumptions: risk free interest rate of; expected volatility of 64%; expected dividend yield of 0%; expected life of one year and a half and exercise price of \$0.50. Expected volatility was based on the historical volatility of other comparable listed companies. The share price upon issuance was \$0.350.

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 11 - OPTIONS

The following is a summary of the activity of stock options:

	<u>Three months ended January 31, 2021</u>	
	Number of options	Weighted average exercise price
Opening balance, as at November 1, 2020	320,200	\$ 2.96
Forfeited	(56,000)	\$ 2.86
Closing balance, as at January 31, 2021	264,200	\$ 2.98

The following is a summary of stock options outstanding and exercisable as at:

	Options outstanding		Options exercisable	
	Number	Weighted average contractual life (years)	Number	Weighted average contractual life (years)
January 31, 2021				
Exercise price				
\$1.50	100,000	2.88	100,000	2.88
\$2.50	74,000	1.04	74,000	1.04
\$5.00	89,200	0.45	89,200	0.45
\$7.5	1,000	1.20	1,000	1.20
	<u>264,200</u>		<u>264,200</u>	

In total, a \$0 (\$7,000 as at January 31, 2020) amount of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to contributed surplus

# Nuran Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### 12 - LOSS PER SHARE

Basic and diluted losses per share have been calculated based on the net loss available for common shareholders by the weighted average number of common shares outstanding during the period. There were no adjustments to the numerator and denominator of basic earnings used in calculating diluted earnings.

Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 10 and 11.

### 13 - RELATED PARTY TRANSACTIONS

The Company's related parties include companies under common control as well as key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

#### Other related party transactions

During the period, the Company entered into the following transactions with related parties:

	<b>2021-01-31</b> <b>(3 months)</b>	2020-01-31 (3 months)
	<u>\$</u>	<u>\$</u>
Shareholders		
Interest expenses		3,352



# **Nuran Wireless Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

As at January 31, 2021 and January 31, 2020

(In Canadian dollars)

(Unaudited)

### **14 – POST-REPORTING DATE EVENTS**

As at February 5, 2021, the Company has entered into a Network as a Service ("NaaS") contract with Orange DRC SA ("Orange DRC"), a subsidiary of Orange S.A (NYSE:ORAN) in the Democratic Republic of the Congo ("DRC"), for its NaaS model which is estimated to generate gross revenue for the Company of up to CAD\$500 Million during the term of the agreement commencing February 5, 2021.

As at February 8, 2021, the Company has granted stock options pursuant to the Company's incentive stock option plan to certain employees, consultants, directors and officers of the Company, to purchase an aggregate of 1,225,000 common shares of the Company at an exercise price of \$0.395 per share.

As at February 10, 2021, the Company obtained the approval of the Canadian Securities Exchange to increase the exercise price of the afore-mentioned stock options from \$0.395 to \$2.35 per common share.

The Company completed the site build of its previously announced project with GSMA in Ghana for Vodafone. Effective immediately, NuRAN will manage daily operations, monitoring and maintenance of seven sites in Ghana. The project is intended to expand the GSMA network and relationship with Vodafone.

As at March 11, 2021, the Company announced that the number of sites to be built and managed under the previously announced Network as a Service ("NaaS") contract with Orange Cameroon SA was increased by 120 raising the total number of sites in this 10 year contract to 242.

As at March 11, 2021, the Company entered into debt settlement agreements with certain creditors to convert \$1,000,000 of outstanding debt into secured convertible debentures of the Company (the "Debentures") and extended the maturity date to December 31, 2021. Following the debt settlement, the Company no longer had any debt that was in default. The aggregate principal amount of the new Debentures is \$1,000,000. The Debenture was to bear interest at a rate of 10% per annum however as at the date of these financial statements was converted into common shares of the Company at a conversion price of \$1.00.