

**Nuran Wireless Inc.**  
**Condensed Interim Consolidated**  
**Financial Statements**  
**June 30, 2024 and**  
**June 30, 2023**

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The condensed interim consolidated financial statements of Nuran Wireless inc. for the second quarter ended June 30, 2024 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 June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

	<i>3 months ended</i>		<i>6 months ended</i>	
	<b>2024-06-30</b>	2023-06-30	<b>2024-06-30</b>	2023-06-30
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Revenue</b>	<b>1,512,457</b>	602,255	<b>2,085,634</b>	1,270,161
Cost of sales	<b>324,277</b>	819,786	<b>852,657</b>	1,239,363
<b>Gross profit</b>	<b>1,188,180</b>	(217,531)	<b>1,232,978</b>	30,798
Selling expenses	<b>198,054</b>	205,477	<b>388,173</b>	429,740
Administrative expenses	<b>1,878,343</b>	1,395,162	<b>2,959,948</b>	3,377,922
Employee shared-based compensation				6,264
Financial expenses	<b>1,774,679</b>	781,416	<b>3,296,540</b>	1,713,053
Research and development costs, net of \$31,524 in tax credits for the three-month period ended June 30, 2024, \$61,263 for the six-month period ended June 30, 2024 (\$31,421 for the three-month period ended June 30, 2023, \$56,132 for the six-month period ended June 30, 2023)	<b>154,458</b>	147,968	<b>248,124</b>	256,644
	<b>4,005,534</b>	2,530,023	<b>6,892,784</b>	5,783,623
Loss before other gain	<b>(2,817,354)</b>	(2,747,554)	<b>(5,659,807)</b>	(5,752,826)
Other elements:				
Loss on debt settlement	<b>391,385</b>	(2,777)	<b>801,670</b>	(349,420)
Gain/Loss on disposal of assets	-	5,679	<b>(343)</b>	5,679
Gain/Loss on loan	-	(78,947)	-	(78,947)
	<b>391,385</b>	(76,046)	<b>801,327</b>	(422,689)
Loss before income taxes	<b>(2,425,969)</b>	(2,823,600)	<b>(4,858,480)</b>	(6,175,514)
Income tax expense				
Income Tax	-		<b>(24,330)</b>	
<b>Net loss for the period</b>	<b>(2,425,969)</b>	(2,823,600)	<b>(4,882,809)</b>	(6,175,514)
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>				
Foreign exchange difference on translation of foreign operations	<b>(302,608)</b>	135,573	<b>(302,608)</b>	135,573
<b>Total comprehensive income for the period</b>	<b>(2,728,577)</b>	(2,688,027)	<b>(5,185,417)</b>	(6,039,942)
<b>Loss per share (Note 14)</b>				
Basic and diluted loss per share	<b>(0.05)</b>	(0.07)	<b>(0.10)</b>	(0.17)
Weighted average number of outstanding common shares	<b>53,541,344</b>	37,811,675	<b>50,565,332</b>	36,848,087

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

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

Periods ended June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

	Share capital		Contributed surplus	Fair value of the conversion option	Translation reserve	Deficit	Total Surplus (Deficiency)
	Number	\$					
							<b>2024-06-30</b>
<b>Balance as at January 1, 2024</b>	<b>43,043,579</b>	<b>51,413,683</b>	<b>7,415,829</b>	<b>21,990</b>	<b>22,567</b>	<b>(64,041,753)</b>	<b>(5,167,684)</b>
Issue of share capital (Note 11)	11,432,076	1,282,149					1,282,149
Net loss for the period						(4,882,809)	(4,882,809)
Foreign exchange in translation of foreign operations					(302,608)		(302,608)
Convertible Debenture (Note 10)				(2,000)			(2,000)
Debenture conversion in share capital (Notes 10 and 11)	1,000,000	227,000					227,000
Issue of Warrants		(75,547)	75,547				
<b>Balance as at June 30, 2024</b>	<b>55,475,655</b>	<b>52,847,286</b>	<b>7,491,376</b>	<b>19,990</b>	<b>(280,041)</b>	<b>(68,924,562)</b>	<b>(8,845,951)</b>
							<b>2023-06-30</b>
<b>Balance as at January 1, 2023</b>	<b>35,008,197</b>	<b>46,948,232</b>	<b>9,106,691</b>	<b>20,564</b>	<b>(168,788)</b>	<b>(51,719,508)</b>	<b>4,187,191</b>
Issue of share capital (Note 10)	750,000	311,250					311,250
Share Issue cost							
Net loss for the period						(6,175,514)	(6,175,514)
Foreign exchange in translation of foreign operations					135,573		135,573
Amendment to the conversion option of the convertible debenture (Note 9)							
Convertible Debenture (Note 9)		(108,682)		(17,272)			(125,954)
Debenture conversion in share capital (Notes 9 and 10)	1,750,000	735,000					735,000
Issue of Warrants		(24,000)					(24,000)
Exercise of Warrants (Note 11)	250,000	470,000	(470,000)				
Employee shared-based compensation - RSU (Note 10)	70,000		6,264				6,264
Non-employee shared-based compensation - Warrants (Note 11)			24,000				24,000
Employee shared-based compensation - Stock options (Note 12)							
Non-employee shared-based compensation - Stock options (Note 12)			130,000				130,000
<b>Balance as at June 30, 2023</b>	<b>37,828,197</b>	<b>48,331,800</b>	<b>8,796,955</b>	<b>3,292</b>	<b>(33,215)</b>	<b>(57,895,022)</b>	<b>(796,190)</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 June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

	<b>2024-06-30</b>	2023-06-30
	<b>(6 months)</b>	(6 months)
	<b>\$</b>	\$
<b>OPERATING ACTIVITIES</b>		
Net loss	<b>(4,882,809)</b>	(6,175,514)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	<b>41,667</b>	39,429
Depreciation of intangible assets	<b>18,360</b>	70,312
Depreciation of Right-of-use assets	<b>117,719</b>	111,046
Amortization of OID	<b>362,811</b>	
Interest on lease liabilities	<b>20,895</b>	23,238
Gain (loss) on disposal of assets	<b>343</b>	(5,679)
Gain (loss) on debt settlement	<b>(801,670)</b>	428,367
Non-employee share-based transaction	-	130,000
Employee share-based transaction	-	6,264
Accretion of convertible debentures	<b>487,685</b>	316,495
Accretion of unsecured debentures	-	1,868
Foreign exchange in translation of foreign operations	<b>(302,608)</b>	135,573
Net change in working capital items		
Trade and other receivables	<b>(1,035,452)</b>	295,285
Accrued revenues	<b>(198,027)</b>	238
Scientific research and experimental development tax credits receivable	<b>(61,263)</b>	(56,132)
Work in progress	<b>(231,964)</b>	(308,033)
Inventories	<b>222,239</b>	57,102
Prepaid expenses	<b>(46,651)</b>	(57,963)
Security deposits and deposits on purchase of goods	<b>(296,799)</b>	(367,402)
Trade and other payables	<b>1,555,085</b>	880,739
Deferred revenue	<b>605,084</b>	8,120
Net cash used in operating activities	<b>(4,425,354)</b>	(4,466,647)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(4,589)</b>	4,384
Purchase of intangible assets	<b>(140,883)</b>	(226,245)
Right-of-use assets	<b>(17,240)</b>	(11,618)
Net cash generated in investing activities	<b>(162,712)</b>	(233,479)
<b>FINANCING ACTIVITIES</b>		
Net change in loan payable	<b>2,684,405</b>	4,249,077
Lease liabilities	<b>14,678</b>	16,136
Repayment of Lease liabilities	<b>(138,738)</b>	(132,124)
Repayment of convertible debenture	-	(2,505,492)
Convertible debentures and derivative liability	-	2,715,522
Unsecured Debenture	-	72,223
Issue of common shares	<b>2,083,819</b>	225,000
Net cash generated in financing activities	<b>4,644,164</b>	4,640,341
<b>Net decrease in cash</b>	<b>56,098</b>	(59,784)
Cash, beginning of period	<b>172,880</b>	183,397
Cash, end of period	<b>228,979</b>	123,614

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 on June 30, 2024 and December 31, 2023

(In Canadian dollars)

(Unaudited)

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	228,979	172,880
Trade and other receivables	3,137,742	2,102,290
Scientific research and experimental development tax credits receivable	209,244	147,981
Work in progress	583,288	351,324
Accrued Revenues	4,214,503	4,016,476
Inventories (Note 4)	4,566,569	4,788,808
Prepaid expenses	90,011	43,360
Security deposits and deposits on purchase of goods	1,122,601	825,802
Current assets	<u>14,152,936</u>	<u>12,448,920</u>
Non-current		
Property, plant and equipment (Note 5)	237,441	274,863
Intangible assets (Note 6)	7,122,069	6,999,547
Right-of-use assets (Note 7)	386,799	487,278
Non-current assets	<u>7,746,309</u>	<u>7,761,688</u>
Total assets	<u><u>21,899,246</u></u>	<u><u>20,210,608</u></u>
<b>LIABILITIES</b>		
Current		
Trade and other payables	11,379,657	9,824,571
Deferred revenue	2,091,538	1,486,454
Loans payable (Note 8)	12,078,164	9,393,761
Convertible debentures and derivative liability (Note 10)	4,771,414	4,145,918
Current portion of lease liabilities (Note 9)	251,380	233,820
Current liabilities	<u>30,572,153</u>	<u>25,084,523</u>
Non-current		
Lease Liabilities (Note 9)	173,043	293,768
Total liabilities	<u><u>30,745,196</u></u>	<u><u>25,378,292</u></u>
<b>EQUITY (DEFICIENCY)</b>		
Share capital (Note 11)	52,847,286	51,413,683
Contributed surplus (Notes 12 and 13)	7,491,376	7,415,829
Fair value of conversion option	19,990	21,990
Foreign exchange in translation of foreign operations	(280,041)	22,567
Deficit	<u>(68,924,562)</u>	<u>(64,041,753)</u>
Total Surplus	<u>(8,845,951)</u>	<u>(5,167,684)</u>
Total Surplus and liabilities	<u><u>21,899,246</u></u>	<u><u>20,210,608</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 June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

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

Nuran Wireless Inc. is incorporated under the Business Corporations Act (B.C.) and with its subsidiaries (together, the “Company”) operates in the research, development, manufacturing, marketing and operation of digital electronic circuits and wireless telecommunication products and services to the mobile telephony industry.

Along with its subsidiaries, Nuran Wireless Cameroon Ltd., Nuran Wireless DRC S.A.R.L.U., Nuran Wireless Madagascar S.A.R.L.U., Nuran Wireless Côte d’Ivoire S.A.R.L.U., NuRAN Wireless (Africa) Holding and Innovation Nutaq Inc., the Company provides products and services that help Mobile Network Operators (MNOs) profitably serve off-grid markets that are currently not served. The main strategy is to finance, build and manage rural cellular infrastructure, monetizing the assets through a Network as a Service (NaaS) business model that has been developed by the Company and is seeing growing interest in a number of markets globally. It also sells products and services direct to MNOs and others which they build into their own networks.

In 2021, Nuran Wireless Inc. (“NuRAN”) modified its by laws to change its financial year-end from October 31 to December 31.

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

NuRAN’s registered office is at 1000 – 595 Burrard Street, Vancouver BC V7X 1S8 and its place of business is at 2150, Cyrille-Duquet, suite 100, Québec (Québec) G1N 2G3.

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 2023 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.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

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

During the six-month period ended June 30, 2024, the Company incurred a net loss of \$4,882,809 and has a deficit of \$68,924,562 as at June 30, 2024. This reflects the significant and upfront nature of capital and operating expenditures in network infrastructure required of the NaaS model and operating losses for the business prior to the repositioning into NaaS. In parallel to adopting the NaaS model the Company has taken significant steps forward in restructuring and repositioning its operations however there is uncertainty that may cast 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 obtain additional financing, continue to reposition its operations in line with the NaaS model and execute the NaaS contracts for the deployment of over 5,000 rural mobile sites signed from September 2020 to July 2024.

As at the date of these financial statements, the Company closed a bridge financing contract valued at US\$ 5M as well as a private placement valued at US\$ 1.6M, both which have provided much needed capital to restart construction of NaaS sites and fund operations while other financing initiatives are progressing. The most advanced of these initiatives is a US\$ 15M long term senior credit facility with a leading global lender as well as a mandate letter with the same group to act as "Lead Arranger" potentially increasing the facility to up to US\$ 70M through a syndication of other lenders. This along with discussions already underway for both debt and equity show the scale of the Company in terms of NaaS contracts signed, interest from the market and the ability of the Company to attract providers of finance critical to its business model and the progress that has been made with existing operations, especially Cameroon. While these discussions show tremendous promise, these are complex negotiations involving multiple parties and there are operational risks resulting in uncertainties that this plan will 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.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 29, 2024.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 3 - SUMMARY OF ACCOUNTING POLICIES

#### Overall considerations

The accounting policies are in accordance with those used in the preparation of the 2023 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 December 31, 2023.

### 4 - INVENTORIES

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
Raw materials	999,523	988,766
Finished goods	3,567,046	3,800,042
	<u>4,566,569</u>	<u>4,788,808</u>

For the six-month period ended June 30, 2024, \$Nil (\$Nil for the six-month period ended June 30, 2023) 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 June 30, 2024 and June 30, 2023

(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>2024-06-30</b>			
	<b>Leasehold improvements</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>\$</b>
<b>Gross carrying amount</b>				
Balance as at January 1, 2024	7,727	763,929	354,258	1,125,914
Additions	-	4,246	-	4,246
<b>Balance as at June 30, 2024</b>	<b>7,727</b>	<b>768,175</b>	<b>354,258</b>	<b>1,130,160</b>
<b>Depreciation</b>				
Balance as at January 1, 2024	3,773	549,011	298,267	851,051
Depreciation	781	31,100	9,787	41,668
Balance as at June 30, 2024	4,554	580,111	308,054	892,719
<b>Carrying amount as at June 30, 2024</b>	<b>3,173</b>	<b>188,064</b>	<b>46,204</b>	<b>237,441</b>

**NuRAN Wireless Inc.**  
**Notes to Condensed Interim Consolidated Financial**  
**Statements**

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

**5 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	2023-12-31			
	Leasehold improvements	Equipment and furniture, tele- communication system, furniture and fixtures	Computer equipment	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance as at December 31, 2022	7,727	717,625	344,445	1,069,797
Additions	-	56,037	9,813	65,850
Disposal	-	(9,733)	-	(9,733)
Balance as at December 31, 2023	7,727	763,929	354,258	1,125,914
Depreciation and impairment				
Balance as at December 31, 2022	2,229	488,970	275,412	766,611
Depreciation	1,544	61,005	22,855	85,404
Disposal	-	(964)	-	(964)
Balance as at December 31, 2023	3,773	549,011	298,267	851,051
Carrying amount as at December 31, 2023	3,954	214,918	55,991	274,863

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 6 – INTANGIBLE ASSETS

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

	2024-06-30		
	Software	Trademarks	Total
	\$	\$	\$
<b>Gross carrying amount</b>			
Balance as at January 1, 2024	7,803,221	44,244	7,847,465
Additions			
Under development	155,934	-	155,934
Acquired	(15,053)	-	(15,053)
<b>Balance as at June 30, 2024</b>	<b>7,944,102</b>	<b>44,244</b>	<b>7,988,346</b>
<b>Depreciation and impairment</b>			
Balance as at January 1, 2024	847,917	-	847,917
Amortization	18,360	-	18,360
Balance as at June 30, 2024	866,277	-	866,277
<b>Carrying amount as at June 30, 2024</b>	<b>7,077,825</b>	<b>44,244</b>	<b>7,122,069</b>
			2023-12-31
	Software	Trademarks	Total
	\$	\$	\$
<b>Gross carrying amount</b>			
Balance as at December 31, 2022	7,317,016	44,244	7,361,260
Additions			
Under development	431,400	-	431,400
Acquired	54,805	-	54,805
Balance as at December 31, 2023	7,803,221	44,244	7,847,465
<b>Depreciation and impairment</b>			
Balance as at December 31, 2022	812,079	-	812,079
Amortization	35,838	-	35,838
Balance as at December 31, 2023	847,917	-	847,917
<b>Carrying amount as at December 31, 2023</b>	<b>6,955,303</b>	<b>44,244</b>	<b>6,999,547</b>

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 7 – RIGHT-OF-USE ASSETS

The Company's right-of-use assets and their carrying amounts are detailed as follows:

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
<b>Gross carrying amount</b>		
Balance as at January 1, 2024	1,038,642	887,776
Addition	17,240	150,866
<b>Balance as at June 30, 2024</b>	<u>1,055,882</u>	<u>1,038,642</u>
<b>Depreciation and impairment</b>		
Balance as at January 1, 2024	551,364	325,503
Amortization	117,719	225,861
Balance as at June 30, 2024	<u>669,083</u>	<u>551,364</u>
<b>Carrying amount as at June 30, 2024</b>	<u>386,799</u>	<u>487,278</u>

### 8 – LOANS PAYABLE

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
Loan from non-related companies (a)	186,393	173,686
Loan from non-related companies (b)	3,381,740	2,644,915
Loan from non-related companies (c)	7,620,108	6,047,716
Loan from non-related companies (d)	509,924	527,444
Loan from non-related company (e)	380,000	-
	<u>12,078,164</u>	<u>9,393,761</u>

Given their short-term maturity, the carrying amount of loans receivable is considered a reasonable approximation of their fair value.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 8- LOANS PAYABLE (CONTINUED)

a) The loan from a non-related company is secured by a chattel mortgage on the universality of the Company's assets.

The loan relates to a factoring agreement for a maximum of \$2,500,000. As at June 30, 2024, the Company has \$Nil (\$Nil as at December 31, 2023) in accounts receivable that have been transferred in factoring to the non-related company, for which an amount of \$Nil (\$Nil as at December 31, 2023) has been retained as a factoring reserve.

These factoring agreements stipulate that the Company shall repay the loans received related to invoices that are past due over 90 days. As at June 30, 2024 these terms are respected.

- (i) The loan relates to a factoring agreement dated October 4th, 2023, for the sale of \$287,306 of receivables owed to the Company by its operating subsidiaries in Africa. Pursuant to the factoring facility, the Company has sold receivables valued at \$287,306 for gross proceeds of \$173,686 consisting of the settlement of indebtedness owing to the factor relating to accounts receivable and an unsecured debenture.

Under the terms of the factoring agreement, the non-related company will have recourse against NuRAN for any sold receivables, in certain circumstances. If the non-related company delivers a recourse notice, the Company will have the option of satisfying any repurchase request of the Recourse Account in cash at 107% the price originally paid by the factoring company for the Recourse Account or by issuing units of the Company (each a "Unit") at \$0.225 per Unit for the amount of the Recourse Account. Each Unit will be comprised of (i) one share in the capital of the Company; and (ii) three quarters (3/4) of one warrant exercisable into one additional share of the Company at \$0.25 for a period of 3 years from entering into of the factoring facility.

The Sold Receivables will bear interest until the non-related company has received payment, at a rate of 15% per annum.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 8 – LOANS PAYABLE (CONTINUED)

b) The loan from a non-related company is a secured promissory note of USD \$1,653,947, dated April 24, 2023 from a US-based institution. This note bears interest at 10% per annum and the maturity date is the day which is six months from the issue date which was subsequently extended.

On December 4th, 2023, the Company extended the bridge loan until October 21, 2024. As consideration, the Company has agreed to increase the principal amount on the loan by 10% as an extension fee and issue the lender 5,000,000 share purchase warrants to replace the existing warrants held by the lender, with each warrant exercisable to acquire a share of the Company at an exercise price of \$0.25 for a period of two years. In addition, the Company has agreed to add a conversion feature to the loan, at \$0.225 per common shares of the Company. Any securities issuable upon exercise of these warrants or conversion of the loan will be subject to a statutory hold period of four months and one day. The Company also agreed to amend the interest rate to 15% per annum starting December 1, 2023, payable on the Maturity Date.

On June 24, 2024 the Company further extended the bridge loan until December 31, 2025. As consideration, the Company agreed to increase the principal amount of the loan by 10% as an extension fee and agreed to a repayment schedule to commence following the first drawdown under the US\$ 5M bridge facility and monthly thereafter starting October 31, 2024. The lender also agreed to subordinate the loan to the lender of the US\$ 5M bridge facility.

c) The loan from a non-related company relates to a factoring agreement with a factoring company dated August 28, 2023, for the sale of up to \$15 million of receivables owed to the Company by its operating subsidiaries in Africa (the Receivables)

. Pursuant to the Factoring Agreement, the Company sold Receivables valued at \$8.65 million for gross proceeds of \$5,438,340 consisting of:

- (ii) a cash payment of \$4,638,340 used to settle outstanding loans advanced by short term lenders, who are affiliates of the Factor (d);
- (iii) a cash payment of \$800,000 on or before September 30, 2023 for the purpose of funding working capital requirements.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

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### 8 – LOANS PAYABLE (CONTINUED)

Under the terms of the Factoring Agreement, the Factor will have recourse against NuRAN for any sold receivables, in certain circumstances. If the Factor delivers a recourse notice, the Company will have the option of satisfying any repurchase request of the Recourse Account in cash at 107% the price originally paid by the Factor for the Recourse Account or by issuing units of the Company (each a “Unit”) at \$0.35 per Unit for the amount of the Recourse Account. Each Unit will be comprised of (i) one share in the capital of the Company; and (ii) three quarters (3/4) of one warrant exercisable into one additional share of the Company at \$0.40 for a period of 3 years from entering into of the factoring facility. The sold receivables will bear interest until the Factor has received payment, at a rate of 15% per annum. If the Company does complete a subsequent sale of receivables, the pricing on the Units will be set in compliance with applicable policies of the Canadian Securities Exchange.

In connection with the Factoring Agreement, the Company agreed to pay an arrangement fee to the Factor consisting of 3,800,000 common shares have a deemed value of \$0.23 based on closing price of the common shares of NuRAN on the closing representing approximately 5% of the total factoring facility. 2,500,000 of these Fee Shares were issued at the initial closing and the remainder were to be issued on January 2, 2024. The Fee Shares will be subject to a statutory hold period in Canada of four months and a day.

On October 17, 2023, the Company amended the terms of the Factoring Agreement which called for additional cash payments, completion of other financing and securing the indebtedness by way of a Hypothec in favour of the Factor or its duly authorised agent on or before September 30, 2023, this date was extended to October 31, 2023.

On December 4th, 2024, the Company further amended the terms of the Factoring Agreement by selling receivables valued at \$1.425 million for proceeds of \$865,000 consisting of:

- (i) a cash payment of \$215,000 that have been received by the Company; and
- (ii) a cash payment \$650,000 on or before December 31, 2023 for the purpose of funding working capital requirements leading up to the finalisation of other loans.

Included in the amendment, the Factor agreed to extend various deadlines until January 31, 2024.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 8- LOANS PAYABLE (CONTINUED)

Furthermore, pursuant to the amendment, if the Company chooses to satisfy the Recourse Account by issuing Units, which is entirely at the discretion of the Company, the deemed price per Unit will be \$0.225 per Unit and the warrant exercise price will be \$0.25. Finally, the amendment adjusted the timing and quantum of the Fee Shares so that the remaining balance of 1,300,000 Fee Shares has increased to 1,900,000, 1,000,000 of which will be issued on or before January 31, 2024, and the remainder to be issued on or before March 15, 2024.

On April 2nd, 2024, the Company further amended the terms of the Factoring Agreement by selling receivables valued at \$1.911 million for proceeds of \$1,000,000 consisting of a cash payment that has been received by the Company.

On June 25, 2024, the Company further amended the terms of the Factoring Agreement to allow for the drawdown of an additional US\$ 2,000,000 by selling additional receivables as required by the Company.

d) The loan from a non-related party relates to a debt settlement of USD \$394,781, including interest, dated December 5, 2023. The loan bears interest at a rate of 11% and is payable over 24 months.

On June 30, 2024, the Company has reimbursed \$17,520, including interest.

e) From May 14, 2024, the loan is secured by promissory notes of \$380,000, bears interest equal to the Bank of Canada overnight rate plus 11,75% and is payable on demand.



# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 9 – LEASE LIABILITIES

The Company's lease liabilities and their carrying amounts are detailed as follows:

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
<b>Gross carrying amount</b>		
Balance as at January 1, 2024	<b>527,588</b>	602,585
Additions	<b>14,678</b>	155,587
Lease payments	<b>(138,738)</b>	(276,644)
Lease interest	<b>20,895</b>	46,060
<b>Balance as at June 30, 2024</b>	<b>424,423</b>	527,588
	<hr/>	<hr/>
<b>Current</b>	<b>251,380</b>	233,820
<b>Non-current</b>	<b>173,043</b>	293,768
	<hr/>	<hr/>
	<b>424,423</b>	527,588
	<hr/>	<hr/>

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

As at June 30, 2024, the convertible debentures and derivative liability consists of:

	<b>Convertible debentures</b>
	<u>\$</u>
Balance at January 1, 2023	4,189,988
Issuance of convertible debenture	5,768,724
Amortization of OID on convertible debenture	60,469
Restructuring of the debentures	(4,746,407)
Fair Value of the debenture	(609,136)
Conversion of convertible debentures	(1,053,888)
Accretion of convertible debentures	536,168
	<hr/>
Balance at December 31, 2023	4,145,918
	<hr/>
Amortization of OID on convertible debenture	<b>362,811</b>
Conversion of convertible debentures	<b>(225,000)</b>
Accretion of convertible debentures	<b>487,685</b>
	<hr/>
<b>Closing balance, as at June 30, 2024</b>	<b>4,711,414</b>
	<hr/> <hr/>

As at March 17, 2022, the Company issued secured convertible debentures in the principal amount of \$2,235,465 with an original issue discount equal to 10% of the Purchase Price. Each debenture was to mature on March 17, 2023 with interest accrued until the Maturity date, early repayment by the Company or any event of default. After either event if any amount remained unpaid, the remaining balance would accrue interest at a rate of 22% per annum. The debenture value determined using the current value method was \$1,951,481. These debentures were subsequently settled on August 19, 2022.

The principal amount was convertible, at the option of the debenture holder, into common shares of NuRAN at any time before the maturity date at a price of \$1.35 per common share.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

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(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The debenture holders also received 1,490,309 share purchase warrants at a price of \$2,00 for a term of two years. The fair value of \$284,649 assigned to the warrants issued was established using a Black-Scholes pricing model.

The Black-Scholes pricing model used for the warrants and the conversion options used the following assumptions:

Share price	\$1,04
Exercise price	\$2,00
Time to maturity	2 years
Risk-free rate	1,89%
Expected volatility	94.99%
Dividend yield	Nil
Dilution factor	30.25%

The debentures could be prepaid by the Company at any time prior to the Maturity Date, upon ten business days' notice to the debenture holder, subject to the Company paying a price equal to 103% of the principal amount of the Debentures then outstanding plus accrued and unpaid interest thereon;

The debentures were to rank pari passu in right of payment of principal and interest, the holders would all enter into an inter-lender agreement appointing a collateral agent;

The debentures were subject to accelerated repayment (subject to a prepayment penalty amount) at the option of the Company or the debenture holder if the Company completed an equity or debt financing for gross proceeds of \$3,000,000 or more.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The fair value of the conversion option on March 31, 2022, was estimated at \$43,053, which was derived using a Black-Scholes option pricing model:

Share price	\$1,04
Exercise price	\$1,35
Time to maturity	1 year
Risk-free rate	1,89%
Expected volatility	49.80%
Dividend yield	Nil
Dilution factor	30.25%

As at July 12, 2022, the Company issued secured convertible debentures in the principal amount of \$2,222,222 with an original issue discount equal to 10% of the Purchase Price.

The debenture matures on July 12, 2023. Interest is accrued until the Maturity date, early repayment by the Company or any event of default, after either event if any amount remains unpaid, the remaining balance shall accrue interest at a rate of 22% per annum.

The debenture value determined using the current value method was \$1,927,728.

The principal amount is convertible, at the option of the debenture holder, into common shares of NuRAN at any time before the maturity date at a price of \$1.35 per common share.

The debenture holder also received 1,481,481 share purchase warrants at a price of \$2,00 for a term of two years. The fair value of \$108,148 assigned to the warrants issued was established using a Black-Scholes pricing model.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Black-Scholes pricing model used for the warrants and the conversion options used the following assumptions:

Share price	\$0.73
Exercise price	\$2.00
Time to maturity	2 years
Risk-free rate	3.19%
Expected volatility	89.22%
Dividend yield	Nil
Dilution factor	35.11%

The debentures may be prepaid by the Company at any time prior to the Maturity Date, upon ten business days' notice to the debenture holder, subject to the Company paying a price equal to 103% of the principal amount of the Debentures then outstanding plus accrued and unpaid interest thereon.

The fair value of the conversion option on September, 2022, was estimated at \$3,292, which was derived using a Black-Scholes option pricing model:

Share price	\$0.73
Exercise price	\$1,35
Time to maturity	1 year
Risk-free rate	3.19%
Expected volatility	45.72%
Dividend yield	Nil
Dilution factor	35.11%

As at August 19, 2022, the Company announced that it has restructured the terms of the secured convertible debenture financing closed on March 17, 2022 in the principal amount of \$2,235,465.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Company entered into debt settlement agreements with each of the secured lenders pursuant to which the prior secured debentures, related security agreements and previously issued warrants from the March Debenture Offering were cancelled and the Company agreed to issue the following to the secured lenders:

- (i) secured convertible debentures in the aggregate principal amount of \$3,517,512 (inclusive of all advances, accrued interest and default fees) with a blended conversion price of approximately \$0.905 representing a 25% premium to the 5 day volume weighted average price of NuRAN's common shares with \$1,951,804 of the principal amount convertible at \$0.95 at the option of the debenture holder and the remaining principal amount convertible at a price of \$0.85, provided that if at any time while the debentures remain outstanding, the volume weighted average price of the common shares does not exceed \$0.85 for a period of 50 consecutive trading days, the Conversion Price will be reduced to \$0.73. \$1,398,278 of the principal amount of the debentures bears interest at a rate of 12% until maturity and the remaining principal amount does not bear interest until maturity;
- (ii) 2,899,999 share purchase warrants, with each warrant exercisable to acquire one common share of NuRAN at an exercise price of \$1.10 for a term of three years replacing the previous share purchase warrants issued;
- (iii) 182,840 bonus common shares of the NuRAN.

In connection with the debt restructuring the secured lenders also agreed to forbear their right to enforce their security and accelerate payment of the debenture amounts under the terms of their security agreements and debentures issued pursuant to the March Debenture Offering relating to any technical default under the debentures due to the cease trade order issued in May 2022.

The debentures may be prepaid by the Company at any time prior to the Maturity Date, upon ten business days' notice to the debenture holder, subject to the Company paying a price equal to 103% of the principal amount of the Debentures then outstanding plus accrued and unpaid interest thereon.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The fair value of the conversion option on September, 2022, was estimated at \$10,273 and \$16,816, which was derived using a Black-Scholes option pricing model:

Share price	\$0.72
Exercise price	\$0.95
Time to maturity	1 year
Risk-free rate	3.43%
Expected volatility	43.57%
Dividend yield	Nil
Dilution factor	39.57%

Share price	\$0.72
Exercise price	\$0.55
Time to maturity	1 year
Risk-free rate	3.43%
Expected volatility	43.57%
Dividend yield	Nil
Dilution factor	39.57%

The fair value of \$649,600 assigned to the warrants issued was established using a Black-Scholes pricing model.

The Black-Scholes pricing model used for the warrants and the conversion options used the following assumptions:

Share price	\$0.72
Exercise price	\$1.10
Time to maturity	3 years
Risk-free rate	3.43%
Expected volatility	111.04%
Dividend yield	Nil
Dilution factor	39.57%

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

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### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Company also agreed to settle outstanding fees of \$220,979 by issuing a New Debenture in the same principal amount, 205,333 New Warrants, and 28,886 bonus common shares of the Company.

During the twelve-months period ended December 31, 2022, the debenture holders requested the conversion of debentures totalling a par value of \$1,233,000 in common shares of NuRAN. 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 \$1,242,817.

As at February 21, 2023, the Company announced that the debenture holders have agreed to extend the maturity for a further 6 months to August 2023 and waive certain rights pursuant to the debentures, including relating to events of default in favour of EIB and the other DFI. As consideration to these debenture holders, the Company has entered into debt settlement agreements pursuant to which the prior secured debentures and related security agreements from August 2022 were cancelled and the Company agreed to issue the following:

- (i) secured convertible debentures in the aggregate principal amount of \$2,975,914 (inclusive of all advances, accrued interest and fees) with a conversion price of \$0.42 per common share; and
- (ii) an aggregate of 750,000 bonus shares, which are subject to a 4-month hold.

The New Debentures mature on August 23, 2023 and do not bear interest until maturity. There is no change to the warrants issued in August 2022.

The debenture value determined using the current value method was \$2,789,883.

The fair value of the conversion option on June 30, 2024 was estimated at \$0, which was derived using a Black-Scholes option pricing model.



# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

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(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Black-Scholes pricing model used for the conversion options used the following assumptions:

Share price	\$0.42
Exercise price	\$0.42
Time to maturity	6 months
Risk-free rate	4.23%
Expected volatility	30.91%
Dividend yield	Nil
Dilution factor	42.82%

As at April 24, 2023, the Company issued an unsecured convertible debenture in the principal amount of \$75,000. The debenture was to mature on October 24, 2023 with interest accrued until the Maturity date. The debenture value determined using the current value method was \$69,243.

As at August 29, 2023, the Company restructured its convertible secured debentures issued in February, 2023. The debenture holders agreed to extend the maturity for a further 12 months to August 28, 2024 and waive certain rights pursuant to the debentures, including relating to events of default. As consideration to these debenture holders, the Company entered into debt settlement agreements and agreed to pay a 5% extension fee pursuant to which the prior secured debentures and related security agreements from February 2023 were cancelled and the Company agreed to issue the following: (i) secured convertible debentures in the new aggregate principal amount of \$2,792,810 (inclusive of accrued interest and fees) with a new conversion price of \$0.35 per unit, with each unit comprised of one common share and three quarters of one warrant, with each whole warrant exercisable to acquire an additional common share at a price of \$0.40 until August 28, 2026. The New Debentures will bear interest until at a rate of 15% per annum.

The debenture value determined using the current value method was \$2,380,620.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The fair value of the conversion option on August 28, 2023 was estimated at \$7,979, which was derived using a Black-Scholes option pricing model.

The Black-Scholes pricing model used for the conversion options used the following assumptions:

Share price	\$0.23
Exercise price	\$0.35
Time to maturity	12 months
Risk-free rate	4.78%
Expected volatility	39.54%
Dividend yield	Nil
Dilution factor	36.04%

As at September 30, 2023, the debentures holder agreed to certain amendments including the default provisions of the debentures. As consideration to these debenture holders, the Company agreed to a new conversion price of \$0.225 per unit, with each unit comprised of one common share and three quarters (3/4) of one warrant, with each whole warrant exercisable to acquire an additional common share at a price of \$0.25 until August 28, 2026. As additional consideration to the debenture holders, the Company agreed to issue 120,000 common shares, which are subject to a statutory hold period in Canada of four months and a day.

The Company issued an aggregate of 750,000 bonus shares, which are subject to a 4-month hold.

The fair value of the conversion option on September 30, 2023 was estimated at \$24,203, which was derived using a Black-Scholes option pricing model.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

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(In Canadian dollars)

(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Black-Scholes pricing model used for the conversion options used the following assumptions:

Share price	\$0.212
Exercise price	\$0.225
Time to maturity	10 months
Risk-free rate	4.97%
Expected volatility	34.53%
Dividend yield	Nil
Dilution factor	36.03%

As at December 20, 2023, the Company extended the maturity date of the Convertible Debentures entered into in July 2022. The maturity date of the Convertible Debentures was extended to July 12, 2024 along with other terms of the original debenture which were amended. The original debenture had an original issuance discount of 10% and this was increased to 16% leading to a maturity value of CA\$ 2,645,502. In addition, the principal amount is convertible into common shares of the Company at a fixed price of \$0.40 at the option of the debenture holder during the term of the Convertible Debenture. Under the terms of the Convertible Debenture the principal amount is due one year from the date of closing and does not bear interest until the maturity date or an event of default occurs. The number and terms of warrants issued in conjunction with the original debenture, as well as all other terms of the debenture did not change.

The debenture value determined using the current value method was \$2,273,353.

The fair value of the conversion option on December 20, 2023 was estimated at \$nil, which was derived using a Black-Scholes option pricing model.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

### 10 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (CONTINUED)

The Black-Scholes pricing model used for the conversion options used the following assumptions:

Share price	\$0.11
Exercise price	\$0.40
Time to maturity	6 months
Risk-free rate	3.91%
Expected volatility	26.80%
Dividend yield	Nil
Dilution factor	41.06%

As at October 4th, 2023, the unsecured debenture was settled into a factoring agreement (Note 15).

During the six-month period ended June 30, 2024, the debenture holders requested the conversion of debenture totaling a par value of \$225,000 in common shares of NuRAN. Taking into account the book value of the debenture converted, as well as the value of the conversion option, the carrying value recorded for these shares was \$227,000.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

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(Unaudited)

### 11- SHARE CAPITAL

	2024-06-30		2023-12-31	
	Number	\$	Number	\$
Balance as at December 31, 2023	43,043,579	51,413,683	35,008,197	46,948,232
Issue of share capital	11,432,076	1,282,149	3,659,215	970,970
Convertible Debenture	-	-	-	613,466
Debenture conversion in share capital	1,000,000	227,000	3,056,167	1,053,888
Issue of Warrants	-	(75,547)	-	(60,873)
Exercise of Warrants	-	-	1,250,000	1,888,000
Employee shared-based compensation	-	-	70,000	-
<b>Balance as at June 30, 2024</b>	<b>55,475,655</b>	<b>52,847,285</b>	<b>43,043,579</b>	<b>51,413,683</b>

- a) The number of issued common shares totals 55,475,655 as at June 30, 2024 (43,043,579 as at December, 2023)

As stated in Note 8, on January 2, 2024, the Factor received 1,900,000 bonus shares at a price of \$0.

During the six-month period ended June 30, 2024, 10,206,886 shares were issued following the conversion of the factoring agreement (Note 8), 1,000,000 shares were issued following the conversion of debenture and 371,100 shares were issued as of shares for services.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 12 – WARRANTS

The following is a summary of the activity of warrants:

	<b>2024-06-30</b>	2023-12-31
	<b>\$</b>	<b>\$</b>
<b>Balance as at January 1, 2024</b>	<b>792,537</b>	6,085,741
Issue of Warrants	<b>75,547</b>	60,873
Exercise of Warrants	-	(1,888,000)
Employee shared-based compensation - RSU	-	6,264
Warrants forfeited	-	(3,472,342)
<b>Balance as at June 30, 2024</b>	<b>868,084</b>	792,537

  

	<b>Six months ended June 30, 2024</b>	
	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
		<b>\$</b>
<b>Opening balance</b>	<b>11,911,105</b>	<b>0.64</b>
Granted during the period	<b>7,620,726</b>	<b>0.25</b>
Expired during the period	<b>(700,000)</b>	-
<b>Closing balance, as at June 30, 2024</b>	<b>18,831,831</b>	<b>0.55</b>
<b>Closing balance of exercisable warrants, as at June 30, 2024</b>	<b>17,981,831</b>	<b>0.57</b>

**NuRAN Wireless Inc.**  
**Notes to Condensed Interim Consolidated Financial**  
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As at June 30, 2024 and June 30, 2023

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**12 – WARRANTS (CONTINUED)**

	Twelve months ended December 31, 2023	
	Number of warrants	Weighted average exercise price
		\$
Opening balance	12,297,895	1.47
Granted during the period	7,979,625	0.29
Exercised during the period	(1,250,000)	-
Expired during the period	(5,116,415)	2.34
Forfeited during the period	(2,000,000)	0.40
Closing balance, as at Decemer 31, 2023	11,911,105	0.64
Closing balance of exercisable warrants, as at December 31, 2023	5,361,105	1.20

**NuRAN Wireless Inc.**  
**Notes to Condensed Interim Consolidated Financial**  
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As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

**12 – WARRANTS (CONTINUED)**

The following is a summary of warrants outstanding and exercisable, as at June 30, 2024

	<b>Options outstanding</b>		<b>Options exercisable</b>	
	<b>Number</b>	<b>Weighted average contractual life (years)</b>	<b>Number</b>	<b>Weighted average contractual life (years)</b>
<b>June 30, 2024</b>				
<b>Exercise price</b>				
<b>\$0,00</b>	<b>850,000</b>	<b>0.18</b>	<b>-</b>	<b>-</b>
<b>\$0.25</b>	<b>8,450,351</b>	<b>2.16</b>	<b>8,450,351</b>	<b>2.16</b>
<b>\$0.40</b>	<b>5,000,000</b>	<b>1.42</b>	<b>5,000,000</b>	<b>1.42</b>
<b>\$0.40</b>	<b>150,000</b>	<b>2.16</b>	<b>150,000</b>	<b>2.16</b>
<b>\$1.10</b>	<b>2,899,999</b>	<b>1.14</b>	<b>2,899,999</b>	<b>1.14</b>
<b>\$2,00</b>	<b>1,481,481</b>	<b>0.03</b>	<b>1,481,481</b>	<b>0.03</b>
	<b>18,831,831</b>		<b>17,981,831</b>	
<b>December 31, 2023</b>				
<b>Exercise price</b>				
<b>\$0,00</b>	<b>700,000</b>	<b>0.25</b>	<b>-</b>	<b>-</b>
<b>\$0,00</b>	<b>850,000</b>	<b>0.68</b>	<b>-</b>	<b>-</b>
<b>\$0.25</b>	<b>5,000,000</b>	<b>1.92</b>	<b>-</b>	<b>-</b>
<b>\$0.25</b>	<b>829,625</b>	<b>2.66</b>	<b>829,625</b>	<b>2.66</b>
<b>\$0.40</b>	<b>150,000</b>	<b>2.66</b>	<b>150,000</b>	<b>2.66</b>
<b>\$1.10</b>	<b>2,899,999</b>	<b>1.64</b>	<b>2,899,999</b>	<b>1.64</b>
<b>\$2,00</b>	<b>1,481,481</b>	<b>0.53</b>	<b>1,481,481</b>	<b>0.53</b>
	<b>11,911,105</b>		<b>5,361,105</b>	



# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 13 – STOCK OPTIONS

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

	<u>2024-06-30</u>	<u>2023-12-31</u>
	\$	\$
<b>Balance as at January 1, 2023</b>	<b>6,623,291</b>	3,020,950
Issue of Stock Options	-	130,000
Warrants forfeited	-	3,472,342
<b>Balance as at June 30, 2024</b>	<b>6,623,291</b>	<b>6,623,291</b>

	<u>Six months ended June 30, 2024</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>
		\$
<b>Opening balance</b>	<b>3,305,000</b>	<b>1.54</b>
Granted during the period	-	-
Expired during the period	<b>(135,000)</b>	<b>2.23</b>
<b>Closing balance, as at June 30, 2024, ---</b>	<b>3,170,000</b>	<b>1.37</b>
<b>Closing balance of exercisable options, as at June 30, 2024</b>	<b>3,170,000</b>	<b>1.54</b>

	<u>2023-12-31</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>
		\$
Opening balance	2,404,000	1.94
Granted during the period	1,250,000	0.43
Expired during the period	(349,000)	1.48
Closing balance, as at December 31, 2023	3,305,000	1.54
Closing balance of exercisable options, as at December 31, 2023	3,305,000	1.54

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### 13 – STOCK OPTIONS (CONTINUED)

The following is a summary of stock options outstanding and exercisable as at June 30, 2024:

	Options outstanding		Options exercisable	
	Number	Weighted average contractual life (years)	Number	Weighted average contractual life (years)
<b>June 30, 2024</b>				
<u>Exercise price</u>				
<b>\$0.43</b>	<b>1,250,000</b>	<b>1.76</b>	<b>1,250,000</b>	<b>1.76</b>
<b>\$1.34</b>	<b>250,000</b>	<b>2.58</b>	<b>250,000</b>	<b>2.58</b>
<b>\$1.60</b>	<b>300,000</b>	<b>0.36</b>	<b>300,000</b>	<b>0.36</b>
<b>\$1.67</b>	<b>100,000</b>	<b>2.32</b>	<b>100,000</b>	<b>2.32</b>
<b>\$1.70</b>	<b>250,000</b>	<b>2.31</b>	<b>250,000</b>	<b>2.31</b>
<b>\$2.35</b>	<b>1,020,000</b>	<b>1.58</b>	<b>1,020,000</b>	<b>1.58</b>
	<b>3,170,000</b>		<b>3,170,000</b>	
<b>December 31, 2023</b>				
<u>Exercise price</u>				
<b>\$0.43</b>	<b>1,250,000</b>	<b>2.26</b>	<b>1,250,000</b>	<b>2.26</b>
<b>\$1.34</b>	<b>250,000</b>	<b>3.08</b>	<b>250,000</b>	<b>3.08</b>
<b>\$1.60</b>	<b>310,000</b>	<b>0.86</b>	<b>310,000</b>	<b>0.86</b>
<b>\$1.67</b>	<b>100,000</b>	<b>2.82</b>	<b>100,000</b>	<b>2.82</b>
<b>\$1.70</b>	<b>250,000</b>	<b>2.81</b>	<b>250,000</b>	<b>2.81</b>
<b>\$2.35</b>	<b>1,145,000</b>	<b>1.98</b>	<b>1,145,000</b>	<b>1.98</b>
	<b>3,305,000</b>		<b>3,305,000</b>	

# **NuRAN Wireless Inc.**

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

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

### **14 - 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 12 and 13.

### **15 - 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.

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

On July 5, 2024, the Company announced that it had closed the US \$5M Loan Facility with the Facility for Energy Inclusion (FEI), a fund managed by Cygnum Capital, which had been announced on April 26th, 2024.

On July 16, 2024, the Company announced an agreement for up to 200 sites with MTN in Benin, West Africa for the deployment of rural 2G, 3G and 4G sites under the NaaS business model. The 5-year agreement includes a renewal for an additional 5 years at the end of the initial term and NuRAN expects to retain ownership of the infrastructure after completion of the contract. This agreement places NuRAN in 8 countries throughout Sub-Saharan Africa for a total of 5,092 sites under contract with multiple mobile network operators (MNOs).

The Company had also announced that the initial US \$2.5M drawdown of the FEI financing has been received and the Company is resuming its rollout of sites, with an initial focus on Cameroon. The drawdown included a US\$1.07M refinancing of renewable energy assets already previously shipped and installed by NuRAN in Cameroon.

## **NuRAN Wireless Inc.**

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

As at June 30, 2024 and June 30, 2023

(In Canadian dollars)

(Unaudited)

On August 19, 2024, the Company announced the closing of a non-brokered private placement of an unsecured convertible debenture for aggregate gross proceeds to the Company of US\$ 1.6M. The Debenture will mature on August 16, 2026 and accrue interest at a rate of 15% per annum until the Maturity Date. The principal amount of Debenture is US\$2,194,772 after application of an original issuance discount of 25% and including all applicable fees. The Debenture may be converted, in whole or in part, at any time before the Maturity Date, into units of the Company, at the election of the Debenture holder at a conversion price of CDN\$ 0.225 per Unit Each Unit consists of one common share in the capital of the Company and one common share purchase warrant. Each Warrant is exercisable into one common share (each, a "Warrant Share") at a price of CDN\$0.25 per Warrant Share for a period of 24 months from the date of closing. Under the terms of the Debenture the Company granted the Debenture holder a participation right so long as the Debenture holder holds greater than a 5.0% equity interest in the Company on a partially-diluted basis, the Debenture holder will be entitled to participate, on a pro rata basis, in certain equity financings of the Company up to a 9.9% equity interest in the Company on a partially-diluted basis. In accordance with applicable Canadian securities laws, the Debenture as well as any underlying Shares or Warrant Shares to be issued upon conversion or exchange of these securities, are subject to a hold period of four months and one day following closing of the Offering. Subject to the terms thereof, the Debentures and the Warrants provide that the number of Shares that the Debenture holder may acquire upon conversion of the Debentures or exercise of the Warrants shall be limited to 9.9% of the outstanding Shares after giving effect to the conversion or exercise or issuance.