



## NOVRA ANNOUNCES PROFITABLE SECOND QUARTER 2017

**Winnipeg, MB – (Marketwired – August 29, 2017):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its consolidated financial results for the second quarter and six months ended June 30, 2017. All amounts are in Canadian dollars unless otherwise noted.

### Second Quarter 2017 Financial Results

The following financial highlights <sup>(1)</sup> show a profitable second quarter and first half of 2017, in line with management’s prior outlook.

<i>(in thousands, except for Gross margin and % Chg)</i>	<b>Q2 2017</b>	Q2 2016	% Chg	<b>YTD 2017</b>	YTD 2016	% Chg
Revenue by type:						
Products	<b>\$2,959</b>	\$ 431	587%	<b>\$ 5,132</b>	\$ 735	598%
Services	<b>302</b>	70	NM	<b>552</b>	81	NM
<b>Total revenue</b>	<b>3,261</b>	501	551%	<b>5,684</b>	816	597%
<b>Gross profit</b>	<b>1,810</b>	267	NM	<b>2,940</b>	357	NM
<i>Gross margin</i>	<b>55.5%</b>	53.3%		<b>51.7%</b>	43.8%	
Operating expenses (“OPEX”)	<b>1,074</b>	476	126%	<b>2,027</b>	708	186%
<b>Operating income (loss)</b>	<b>736</b>	(210)	NM	<b>913</b>	(352)	NM
Finance costs, net	<b>(25)</b>	(24)	4%	<b>(71)</b>	(57)	25%
Other income (expenses)	<b>(72)</b>	57	NM	<b>39</b>	(75)	NM
<b>Net income (loss) as reported under IFRS</b>	<b>\$ 639</b>	\$ (177)	NM	<b>\$ 881</b>	\$ (484)	NM
<b>Adjusted EBITDA - non-IFRS measure <sup>(2)</sup></b>	<b>\$ 860</b>	\$ (89)	NM	<b>\$ 1,134</b>	\$ (231)	NM

NM – Not meaningful

(1) Amounts in the table may not reconcile due to rounding differences.

(2) Refer to the Management’s Discussion & Analysis (“MD&A”) for a reconciliation of Adjusted EBITDA to Net income (loss) as reported under IFRS.

The significant variance in our second quarter and first half of 2017 operating results over the same periods in 2016 is largely driven by the acquisition of International Datacasting Corporation (“IDC”), which closed on June 15, 2016.

Total revenue for the current quarter benefited from shipments relating to the large contracts previously announced in the second half of 2016. Gross margin improved by 2.2 percentage points to 55.5% in the second quarter mainly due to product mix, in particular sale of head-end equipment at higher margin than for our receivers. OPEX for the current quarter increased by 126% over Q2 2016 mainly due to the increase in personnel, depreciation and facility costs relating to the merger with IDC. Also, the change in

other income was mainly driven by the fair value remeasurement of Wegener Corporation (“Wegener”) options and foreign exchange movement.

We earned \$860 thousand Adjusted EBITDA in the current quarter compared to a loss of \$89 thousand in the comparable prior period, mainly due to higher revenues at higher margins, partially offset by an increase in OPEX.

Harris Liontas, President and CEO, stated “I am very pleased with our third consecutive profitable quarter since the merger with IDC. We have a strong financial position at June 30, 2017, with over \$1.8 million in cash, \$2.8 million in working capital and no outstanding bank borrowings. We have also successfully raised approximately \$0.5 million of new equity through exercise of warrants and conversion of convertible note during the second quarter. This positions us well to weather soft quarters from time to time while pursuing large sales opportunities and potential acquisitions.”

A copy of the MD&A and the unaudited interim Condensed Consolidated Financial Statements for the quarter ended June 30, 2017, are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **About Novra Technologies Inc.:**

Novra (TSX-V: NVI) is an international technology provider of products, systems and services for the distribution of multimedia broadband content. Novra’s applications focus includes: broadcast video and radio, digital cinema, digital signage, and highly reliable data communications.

For more information visit: [www.novragroup.com](http://www.novragroup.com)

#### **Forward-Looking Statements:**

*This press release contains “forward-looking statements” within the meaning of applicable Canadian securities laws, concerning but not limited to: our profitability outlook, the pending acquisition of Wegener, and anticipated developments in our operations in future periods. Forward-looking statements are generally identifiable by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “predicts”, “outlook”, “potential”, “targeted”, “plans” “possible”, “poised for”, and similar expressions, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. As such, forward-looking statements are not historical facts but reflect our current assumptions and expectations regarding future events. These are subject to a number of risk and uncertainties that could cause actual results or events to differ materially from current expectations and assumptions. Some of these risks and uncertainties are described herein under the “Risks and Uncertainties” section of the MD&A.*

*For the above reasons, readers are cautioned not to place undue reliance on forward-looking statements.*

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Harris Liontas  
President & CEO  
+1 204 989 4632  
[hliontas@novra.com](mailto:hliontas@novra.com)

Steven Archambault  
Chief Financial Officer  
+1 613 596 4120 ext. 2296  
[sarchambault@novra.com](mailto:sarchambault@novra.com)