



## NOVRA ANNOUNCES PROFITABLE THIRD QUARTER 2017

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

### Third Quarter and YTD 2017 Financial Results

| <i>(in thousands, except for Gross margin and % Chg)</i> | Q3 2017       | Q3 2016  | % Chg | YTD 2017        | YTD 2016   | % Chg |
|--|---------------|----------|-------|-----------------|------------|-------|
| Revenue by type:   |               |          |       |                 |            |       |
| Products   | \$1,654       | \$ 874   | 89%   | \$ 6,785        | \$ 1,609   | 322%  |
| Services   | 394           | 296      | 33%   | 946             | 377        | 151%  |
| <b>Total revenue</b>                                     | <b>2,048</b>  | 1,170    | 75%   | <b>7,731</b>    | 1,986      | 289%  |
| <b>Gross profit</b>                                      | <b>946</b>    | 463      | 104%  | <b>3,886</b>    | 819        | 374%  |
| <i>Gross margin</i>                                      | <b>46.2%</b>  | 39.6%    |       | <b>50.3%</b>    | 41.2%      |       |
| Operating expenses (“OPEX”)                              | 815           | 1,049    | -22%  | 2,842           | 1,757      | 62%   |
| <b>Operating income (loss)</b>                           | <b>131</b>    | (587)    | NM    | <b>1,044</b>    | (938)      | NM    |
| Finance costs, net                                       | (17)          | (28)     | -39%  | (88)            | (86)       | 2%    |
| Other income (expenses)                                  | (71)          | (41)     | 73%   | (32)            | (116)      | -72%  |
| <b>Net income (loss) as reported under IFRS</b>          | <b>\$ 43</b>  | \$ (656) | NM    | <b>\$ 924</b>   | \$ (1,140) | NM    |
| <b>Adjusted EBITDA - non-IFRS measure <sup>(2)</sup></b> | <b>\$ 244</b> | \$ (460) | NM    | <b>\$ 1,378</b> | \$ (691)   | 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 YTD 2017 financial results over the same period in 2016 is largely driven by the acquisition of International Datacasting Corporation (“IDC”), which closed on June 15, 2016. The Q3 2016 reflects the first full quarter with IDC’s operating results.

### Third Quarter Results

We earned \$244 thousand Adjusted EBITDA in the current quarter compared to a loss of \$460 thousand in Q3 2016, mainly due to higher revenues at higher margins and lower OPEX. The following is a high-level commentary on the variance from Q3 2017 vs. Q3 2016:

- The 75% growth in total revenue benefited in part from shipments of low margin inventory supplies sold to Wegener. Excluding sales to Wegener, our Q3 2017 total revenue increased by

59% over Q3 2016. This revenue growth was primarily driven from both products and services. Products sales benefited from strong sales within our Data product line, primarily IP encapsulators and additional perpetual software client licenses sold indirectly to the U.S. military. Our Services revenue was also stronger in the current quarter mainly due to new customer support agreements and selling enhanced customer support plans to certain existing customers.

- Excluding the impact of low-margin sales of inventory supplies to Wegener in both periods, our gross margin was 62% in Q3 2017 vs. 47% in Q3 2016. This significant improvement in gross margin was driven by product mix, including higher software revenue.
- OPEX for the current quarter decreased by 22% over Q3 2016 mainly due to cost synergies realized since the merger with IDC, lower compensation, and no acquisition-related costs.
- The change in other income was mainly driven by negative foreign exchange movement mainly due to the weakening of the U.S. dollar vs the Canadian dollar.

Harris Liontas, President and CEO, stated "I am pleased with our fourth consecutive profitable quarter since the merger with IDC. I expect our fourth quarter operating results to be soft, in part due to the tragic earthquake events in Mexico which caused some customer orders to be delayed. However, we remain confident this is only a timing issue and continue to pursue these opportunities actively as well as other promising sales opportunities in the USA and Asia. Additionally, with our announcement yesterday regarding Novra taking a controlling interest in Wegener, we plan to begin immediately integrating Wegener's operations with the Novra Group to realize operating efficiencies and combine our sales effort to drive revenue growth over the next 12 months."

A copy of the MD&A and the unaudited interim Condensed Consolidated Financial Statements for the quarter ended September 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. 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. These statements are not historical facts but instead*

*represent Novra's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of Novra's control. It is possible that actual results will differ, possibly materially, from the anticipated results contemplated by these statements. Factors that could cause actual results to differ, possibly materially, from those forward-looking statements are disclosed in our periodic MD&A filings on SEDAR at [www.sedar.com](http://www.sedar.com).*

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

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