



NOVRA ANNOUNCES FIRST QUARTER 2020 FINANCIAL RESULTS

Winnipeg, MB – (Newsfile Corp. – July 14, 2020): Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its financial results for the first quarter of 2020. All amounts are in Canadian dollars unless otherwise noted.

First Quarter 2020 Consolidated Financial Results

Not surprisingly, given the global impact of COVID-19, Novra’s first quarter revenue was down from the same period last year. Even before the pandemic took hold across the world, companies were delaying expenditures due both to the uncertainty around the eventual effect it would have as well as the indications of an economic slowdown in most G20 economies, a trend we were already observing. As a result, Q1 revenue was down significantly this year and this materially impacted our financial results.

The following financial summary shows results for the three months ended March 31, 2020 and 2019.

<i>(in thousands, except for Gross margin and % Chg)</i>	Three Months Ended March 31,		
	2020	2019	% Chg
Revenue by type:			
Products	\$ 536	\$ 1,923	-72%
Services	490	577	-15%
Total revenue	1,026	2,500	-59%
Gross profit	488	909	-46%
<i>Gross margin</i>	<i>47.6%</i>	36.4%	
Operating expenses	1,446	1,604	-10%
Operating income (loss)	(958)	(695)	38%
Other income (expenses)	443	(149)	NM
Net income (loss) as reported under IFRS	\$ (515)	\$ (844)	-39%
Adjusted EBITDA - non-IFRS measure⁽²⁾	\$ (642)	\$ (299)	115%

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.

In first quarter 2020, bottom line results were favourably impacted by a 10% reduction in operating costs (\$1.4 million versus \$1.6 million), improved gross margin (47.6% versus 36.4%), and favourable swing in foreign exchange rates compared to 2019. Even with a 59% dip in revenue (\$1.0 million 2020, \$2.5 million 2019) such improvements resulted in a 39% reduction in Net Income loss (loss of \$515 thousand versus \$844 thousand).

In response to the evolving market dynamics, management has taken targeted actions including implementing additional cost saving measures that will positively affect Q2 and beyond. At the same time, we continue to invest

in focused innovation initiatives and building customer relationships to position Novra for future growth. This combination of lower expenses and higher revenue is anticipated to drive positive net income once market conditions allow.

“In recent weeks we have seen encouraging signs as some customers who had delayed large capital expenses have begun to place orders. Our continuous efforts to enhance current products, develop innovative new solutions and build strong customer relationships have positioned us as a trusted supplier of critical infrastructure to these businesses, resulting in them making purchases even in these uncertain times”, stated Harris Liontas, President and CEO. “We will continue to take this role as a trusted supplier and technology partner very seriously as we help our customers navigate current challenges and embrace future opportunities.”

Copies of the MD&A and the Consolidated Financial Statements for the quarter ended March 31, 2020, are available on SEDAR (www.sedar.com). See these for details of Novra’s results and outlook.

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. The Novra Group of companies includes Novra, International Datacasting Corporation, and Wegener Corporation. The companies in the group are known for a strong focus on applications including: broadcast video and radio, digital cinema, digital signage, and highly reliable data communications.

For more information visit: 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 “expect”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “outlook”, “opportunity”, “momentum”, “potential”, “targeted”, “plans” “possible”, “poised for”, “looking forward to”, “getting ready to”, 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.

###

CONTACT FOR NOVRA:

Harris Liontas
President & CEO
+1 204 989 4632
hliontas@novra.com