



## NOVRA ANNOUNCES SECOND QUARTER 2020 FINANCIAL RESULTS

**Winnipeg, MB – (Newsfile Corp. – August 31, 2020):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its financial results for the first six months of 2020. All amounts are in Canadian dollars unless otherwise noted.

### Second Quarter 2020 Consolidated Financial Results

The following financial summary shows results for the six months ended June 30, 2020 and 2019. Our 2020 results continue to be affected by the global impact of COVID-19. As expected, Novra’s revenue was down significantly from the same period last year and this materially impacted our financial results. However, subsequent to June 30 Novra has received significant new orders, some of which have been previously announced. As a result, Novra’s current backlog of orders received has increased to more than \$2.5 million, with the majority of that expected to be recognised in 2020. This provides some positive visibility into our second half of 2020 revenues.

<i>(in thousands, except for Gross Margin and % Change)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	% Chg	2020	2019	% Chg
<b>Revenue by type:</b>						
Products	\$ 508	\$ 1,744	-71%	\$ 1,044	\$ 3,667	-72%
Services	678	679	0%	1,169	1,256	-7%
<b>Total revenue</b>	<b>1,186</b>	<b>2,423</b>	<b>-51%</b>	<b>2,213</b>	<b>4,923</b>	<b>-55%</b>
<b>Gross profit</b>	<b>761</b>	<b>1,319</b>	<b>-42%</b>	<b>1,250</b>	<b>2,228</b>	<b>-44%</b>
<i>Gross margin</i>	<b>64.2%</b>	<b>54.4%</b>		<b>56.5%</b>	<b>45.3%</b>	
Operating expenses	1,271	1,639	-22%	2,717	3,242	-16%
<b>Operating income (loss)</b>	<b>(510)</b>	<b>(320)</b>	<b>59%</b>	<b>(1,467)</b>	<b>(1,015)</b>	<b>45%</b>
Other income (expenses)	63	(170)	NM	505	(319)	NM
<b>Net income (loss) as reported under IFRS</b>	<b>\$ (447)</b>	<b>\$ (491)</b>	<b>-9%</b>	<b>\$ (962)</b>	<b>\$ (1,335)</b>	<b>-28%</b>
<b>Adjusted EBITDA - non-IFRS measure</b>	<b>\$ 103</b>	<b>\$ 73</b>	<b>41%</b>	<b>\$ (479)</b>	<b>\$ (225)</b>	<b>113%</b>

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 2020, bottom line results for the first six months were favourably impacted by a 16% reduction in operating costs (\$2.7 million versus \$3.2 million), improved gross margin (56.5% versus 45.3%), government assistance under the Canada Emergency Wage Subsidy, and a favourable swing in foreign exchange rates compared to 2019. Even with a 55% dip in revenue (\$2.2 million versus \$4.9 million), such improvements resulted in a 28% reduction in Net Income loss (loss of \$962 thousand versus \$1.3 million). This also led to improved bottom line results and a positive Adjusted EBITDA<sup>(2)</sup> for the most recent quarter.

With COVID-19's effect on global economies and markets, we continue to expect significant volatility in revenue for the next four quarters due to timing of orders from existing customers, significant unpredictability in the length of sales cycles for our new opportunities, and the continued impact on our supply chains.

Management is responding to the evolving market dynamics with a dual focus on both weathering current challenges and succeeding in the long term. We understand that doing both well is critical to our customers, our shareholders, and our team. Management continues to take targeted actions, including implementing cost saving measures that will positively affect 2020 and beyond. At the same time, we are investing in targeted innovation initiatives and building customer relationships to position Novra for future growth.

"Since our last reporting we have continued to see encouraging signs with new orders from customers, including orders for our new products and services that are coming online. It's gratifying to see the market embrace our new products, which are the result of our on-going R&D investments and our engineering ingenuity. We are so proud to be helping our customers address the unprecedented challenges and opportunities they are currently facing", stated Harris Liontas, President and CEO. "By balancing cost containment with strategic investments in technical innovation and growing customer relationships, we are helping customers today and positioning Novra for increased revenue and positive results once market conditions allow."

For additional details on Novra's results and outlook for the six months ending June 30, 2020, please refer to our MD&A and the Consolidated Financial Statements, which 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. 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](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 "expect", "anticipate", "believe", "intend", "estimate", "predict", "outlook", "opportunity", "momentum", "potential", "targeted", "plans", "possible", "position 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.

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