



## NOVRA ANNOUNCES THIRD QUARTER 2020 FINANCIAL RESULTS

**Winnipeg, MB – (Newsfile Corp. – November 30, 2020):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its financial results for the first nine months of 2020. All amounts are in Canadian dollars unless otherwise noted.

### Third Quarter 2020 Consolidated Financial Results

The following financial summary shows results for the nine months ended September 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, orders have accelerated in the second half of the year. Beginning in Q3 Novra has received significant new orders, and as a result, Novra’s current backlog of orders received is now more than \$2.7 million, with the majority of that expected to be recognised before year end.

| <i>(in thousands, except for Gross Margin and % Change)</i> | Three Months Ended September 30, |               |             | Nine Months Ended September 30, |                 |             |
|---|----------------------------------|---------------|-------------|---------------------------------|-----------------|-------------|
|   | 2020                             | 2019          | % Chg       | 2020                            | 2019            | % Chg       |
| <b>Revenue by type:</b>                                     |                                  |               |             |                                 |                 |             |
| Products  | \$ 531                           | \$ 2,306      | -77%        | \$ 1,574                        | \$ 5,973        | -74%        |
| Services  | 562                              | 710           | -21%        | 1,731                           | 1,966           | -12%        |
| <b>Total revenue</b>  | <b>1,092</b>                     | <b>3,016</b>  | <b>-64%</b> | <b>3,305</b>                    | <b>7,939</b>    | <b>-58%</b> |
| <b>Gross profit</b>   | <b>517</b>                       | <b>1,849</b>  | <b>-72%</b> | <b>1,767</b>                    | <b>4,077</b>    | <b>-57%</b> |
| <i>Gross margin</i>   | <i>47.4%</i>                     | <i>61.3%</i>  |             | <i>53.5%</i>                    | <i>51.4%</i>    |             |
| Operating expenses  | 1,229                            | 1,374         | -11%        | 3,946                           | 4,617           | -15%        |
| <b>Operating income (loss)</b>                              | <b>(712)</b>                     | <b>475</b>    | <b>NM</b>   | <b>(2,179)</b>                  | <b>(540)</b>    | <b>303%</b> |
| Other income (expenses)                                     | (3)                              | 18            | NM          | 502                             | (302)           | NM          |
| <b>Net income (loss) as reported under IFRS</b>             | <b>\$ (715)</b>                  | <b>\$ 493</b> | <b>NM</b>   | <b>\$ (1,677)</b>               | <b>\$ (842)</b> | <b>99%</b>  |
| <b>Adjusted EBITDA - non-IFRS measure</b>                   | <b>\$ (325)</b>                  | <b>\$ 797</b> | <b>NM</b>   | <b>\$ (805)</b>                 | <b>\$ 571</b>   | <b>NM</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.

Bottom line results for the first nine months have been positively impacted by a 15% reduction in operating costs (\$3.9 million versus \$4.6 million) and improved gross margin (53.5% versus 51.4%). However, a 58% reduction in revenue (\$3.3 million versus \$7.9 million), lead to increased net income loss (loss of \$1.7 million versus \$842 thousand) and an Adjusted EBITDA<sup>(2)</sup> loss.

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

Management continues its dual focus on both weathering current challenges and succeeding in the long term by balancing cost containment with strategic investments in technical innovation and growing customer relationships. Our strategy is to position Novra for increased revenue and positive results once market conditions allow. We are developing new products based on a modular design, which provides the flexibility to not only meet our customers current requirements but their future needs as well. Maintaining adequate available funds to respond to both unprecedented threats and exciting opportunities is a key component. Our expense control and cash management strategies resulted in positive cash flows for the nine-month reporting period.

“Although we are still seeing unsettled and unpredictable market conditions because of COVID-19, beginning in September we started seeing encouraging signs with new orders, including orders for our new products and services. For the past 3 years we have been heavily investing in R&D, with new innovating products being released to the market this year. It is gratifying to see our current and new clients embracing these new products and recognizing the value they add to their networks. 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. “Our significant cash balance and available credit position us well for continued operations, on-going investment in innovation and future growth when the markets return to normal”

For additional details on Novra’s results and outlook for the nine months ending September 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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**CONTACT FOR NOVRA:**

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