



## NOVRA ANNOUNCES 2021 FINANCIAL RESULTS

**Winnipeg, MB – (Newsfile Corp. – May 2, 2022):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) has announced its financial results for the year ended December 31, 2021. All amounts are in Canadian dollars unless otherwise noted.

### 2021 Consolidated Financial Results

Novra’s 2021 financial results improved significantly over the previous year. The company returned to profitability on a consolidated basis and our Net Income improved by more than \$2.6 million over 2020. This year-over-year improvement was driven by a combination of a 45% increase in revenue, to \$7.2 million, and significant reductions in operating costs.

(In Thousands)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Chg	2021	2020	% Chg
<b>Revenue by type:</b>						
Products	\$ 1,025	\$ 1,116	-8%	\$ 5,606	\$ 2,690	108%
Services	484	558	-13%	1,600	2,289	-30%
<b>Total revenue</b>	<b>1,509</b>	<b>1,674</b>	<b>-10%</b>	<b>7,206</b>	<b>4,979</b>	<b>45%</b>
<b>Gross profit</b>	<b>569</b>	<b>631</b>	<b>-10%</b>	<b>3,329</b>	<b>2,398</b>	<b>39%</b>
<i>Gross margin</i>	<b>37.7%</b>	<b>37.7%</b>		<b>46.2%</b>	<b>48.2%</b>	
Operating expenses	279	1,201	-77%	3,999	5,147	-22%
<b>Operating income (loss)</b>	<b>290</b>	<b>(570)</b>	<b>NM</b>	<b>(670)</b>	<b>(2,749)</b>	<b>-76%</b>
Other income (expenses)	(62)	(179)	-65%	850	323	163%
<b>Net income loss as reported under IFRS</b>	<b>227</b>	<b>(749)</b>	<b>NM</b>	<b>180</b>	<b>(2,426)</b>	<b>NM</b>
<b>Adjusted EBITDA - non-IFRS measure <sup>(2)</sup></b>	<b>\$ 594</b>	<b>\$ (116)</b>	<b>NM</b>	<b>\$ 1,494</b>	<b>\$ (921)</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.

The significant increase in revenue, coupled with a 22% reduction in operating expenses, resulted in adjusted EBITDA<sup>(2)</sup> of \$1.49 million for the year, an improvement of more than \$2.4 million over 2020. This indicates a substantial improvement in the results of Novra’s core operating activities.

Continued global supply chain and transport disruptions have prevented us from achieving the significant profits we were targeting for 2021. Our Net Income of \$180 thousand and adjusted EBITDA of \$1.49 million would have been much higher if we had been able to ship over \$4 million in orders that we received in 2021 and originally expected to deliver before the end of the year.

Fortunately, continued diligent work with our suppliers and partners to aggressively manage these supply chain disruptions and delivery challenges has resulted in increased confidence in the timelines to deliver our significant backlog in 2022. However, these issues will continue to affect lead-times to deliver new orders we may receive through at least the next few quarters, particularly orders for custom or unstocked products.

Gross profit for the current year was slightly lower at 46.2%, a reduction of 2% compared to 2020. This reduction resulted from the rising input costs that have been felt by manufacturers around the world, coupled with changes in our product/service mix. We adjusted pricing of certain products in 2021 in response to those cost increases.

Due to on-going global geo-political and public health situations, we expect continued volatility in our revenue and income over the next several quarters as these continue to impact on our clients and the economy in general. Novra currently has an order backlog of approximately \$5.9 million and at December 31, 2021 we had more than \$1.3 million in deferred revenue. Together these provide some visibility into future revenue for 2022 and beyond.

“Although I am disappointed that supply chain disruptions prevented us from reporting significant profits, I am grateful and appreciative of our clients for their patience and understanding during these very challenging times. We take very seriously their trust in us and our products to deliver their mission critical services. Our positive results for 2021, plus our current backlog and deferred revenue, are indicative of this trust. We are constantly monitoring and taking action, as we operate in the age of COVID-19 and now the Ukrainian war, to enable us to deliver our products to our clients in a timely manner.”, said Harris Liontas, President and CEO.

For additional details on Novra’s results and outlook for the year ended December 31, 2021, please refer to our MD&A and the audited Consolidated Financial Statements, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

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

Novra (TSX-V: NVI, OTCQB: NVRVF) is an international technology provider of products, systems and services for the distribution of multimedia broadband content. The Novra Group of companies includes Novra Technologies Inc, 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”, “positive indication for”, “looking forward to”, “getting ready to”, “is starting 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.*

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