



**NOVRA ANNOUNCES FINANCIAL RESULTS FOR THE FIRST SIX MONTHS OF 2022**

**Winnipeg, MB – (Newsfile Corp. – August 29, 2022):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) has announced its financial results for the six months ended June 30, 2022. All amounts are in Canadian dollars unless otherwise noted.

Shipments against Novra’s order backlog ramped up in the second quarter and this is reflected in improved financial results for the three-month period. However, transportation delays resulting from the continued effects of COVID-19 and global unrest caused some backlog shipments scheduled for Q2 to slip into Q3. With hardware now on-hand for the majority of our backlogged orders, the impacts of any further global disruptions on their delivery should be dampened for the remainder of the year, allowing us to clear most of our current \$4.2 million backlog before year end. This backlog coupled with period-end deferred revenue of \$1.3 provides some visibility into our future revenue. For new orders, Novra continues to ship most standard products from stock, with very short lead-times.

**Consolidated Financial Results for Q2 and the First Six Months of 2022**

At \$2.3 million, Q2 revenue improved both over the same period in 2021 (\$1.1 million) and over the first quarter of 2022 (\$929 thousand). Net income also improved significantly in Q2 (loss of \$92 thousand) compared to Q1 (loss of \$758 thousand). For the six-month period, revenue was \$3.3 million compared to \$4.8 million in 2021 and net income was a loss of \$850 thousand compared to income of \$647 thousand in 2021. Adjusted EBITDA for the six-month period was negative \$131 thousand. This measure also trended up this quarter with Adjusted EBITDA of \$274 thousand compared to negative \$58 thousand for the same quarter in 2021 and negative \$426 thousand for the first quarter of this year.

(In Thousands)	Three Months Ended June 30,			Period ended June 30,		
	2022	2021	% Chg	2022	2021	% Chg
<b>Revenue by type:</b>						
Products	\$ 1,954	\$ 766	155%	\$ 2,458	\$ 4,046	-39%
Services	384	312	23%	809	760	6%
<b>Total revenue</b>	<b>2,338</b>	1,078	117%	<b>3,267</b>	4,806	-32%
<b>Gross profit</b>	<b>1,170</b>	404	190%	<b>1,518</b>	2,568	-41%
<i>Gross margin</i>	<b>50.0%</b>	37.5%		<b>46.5%</b>	53.4%	
Operating expenses	1,228	1,345	-9%	2,311	2,535	-9%
<b>Operating income (loss)</b>	<b>(58)</b>	(941)	-94%	<b>(793)</b>	33	NM
Other income (expenses)	(34)	469	NM	(58)	614	NM
<b>Net income loss as reported under IFRS</b>	<b>\$ (92)</b>	\$ (472)	-81%	<b>\$ (850)</b>	\$ 647	NM
<b>Adjusted EBITDA <sup>(2)</sup>- non-IFRS measure</b>	<b>\$ 274</b>	\$ (58)	NM	<b>\$ (131)</b>	\$ 1,280	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.

Due to continuing global geopolitical and public health situations, we expect volatility in our revenue and income to continue over the next several quarters as these impact our clients and the economy in general. Global supply chain issues will also 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 margin rebounded in the second quarter to better than 2021, bringing the six-month margin to within 7% of that for the same period in 2021, after a significant dip in the first quarter. These fluctuations in gross margin are primarily the result of certain fixed costs being spread over varying amounts of revenue, as well as differences in the product/service mix.

Targeted cost saving measures have allowed us to reduce total operating cost for the first half of the year by \$224 thousand or 9%. At the same time, we continue to invest in product development, adding new features and capabilities to existing products and expanding our overall product offerings. We've also ramped up in-person meetings with customers and attendance at industry events to take advantage of increasing opportunities to grow market share in key vertical markets.

"The second quarter saw shipments of our backlog orders for custom products ramp up and with the subsequent arrival of key hardware components and assemblies for these products, this trend is expected to continue through the end of this year. At the same time, the investments we've made in standard product inventory are enabling us to deliver many customer orders very quickly. We're focused on meeting our clients' needs for the critical infrastructure equipment we supply in a timely manner to support their business objectives. While we can't control the global environment, we're thrilled to see our strategies to work within it paying off for us and, most importantly, for our customers.", said Harris Liontas, President & CEO.

For additional details on Novra's results and outlook for the six months ended June 30, 2022, 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, 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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