



## NOVRA ANNOUNCES FINANCIAL RESULTS FOR Q1 2023

**Winnipeg, MB – (Newsfile Corp. – May 31, 2023):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI; OTC:NVRVF) has released its financial results for the three months ended March 31, 2023. All amounts are in Canadian dollars unless otherwise noted.

Novra is pleased to announce several positive trends in our financial results for the first quarter, as well as significant customer orders so far this year.

While Novra’s revenues fluctuate quarterly reflecting the project-based nature of our sales, and Q1 is a low-revenue quarter, both revenue and gross margin percentage were up from the same period in 2022. Overall revenue increased by 17% with service revenue in particular rising by 42%. Our advanced development work and substantial R&D investment over the past few years are paying off as we book more and more service business, including the recent selection of our MISTiQ solution by two major Canadian broadcasters for their cloud-based content distribution.

Our services revenue includes a growing contribution from our Software as a Service (SaaS) and content distribution offerings. This recurring-revenue model is increasingly popular with customers who want to migrate to new technology without a major upfront investment, and it’s aligned with our ongoing strategic goal of generating a more consistent revenue base. This shift in product/service mix contributed to a substantial increase in gross margin percentage to 63.9% for the current quarter. This in turn led to a \$433 thousand, or 57%, improvement in Net Income loss compared to the same quarter in 2022 and an 84% improvement of our Adjusted EBITDA<sup>(1)</sup>.

See more financial highlights in the chart below.

(In Thousands)	Three Months Ended March 31,		
	2023	2022	% Chg
<b>Revenue by type:</b>			
Products	\$ 483	\$ 504	-4%
Services	604	425	42%
<b>Total revenue</b>	<b>1,087</b>	929	17%
<b>Gross profit</b>	<b>696</b>	348	100%
<i>Gross margin</i>	<b>63.9%</b>	37.5%	
Operating expenses	1,051	1,082	-3%
<b>Operating income (loss)</b>	<b>(356)</b>	(734)	-51%
Other income (expenses)	32	(23)	NM
<b>Net income (loss) as reported under IFRS</b>	<b>\$ (324)</b>	\$ (757)	-57%
<b>Adjusted EBITDA - non-IFRS measure<sup>(1)</sup></b>	<b>\$ (70)</b>	\$ (425)	-84%

NM – Not meaningful

Amounts in the table may not reconcile due to rounding differences.

(1) Refer to the Management’s Discussion & Analysis (“MD&A”) for a reconciliation of EBITDA and Adjusted EBITDA to Net Income (loss) as reported under IFRS.

Operating expenses in Q1 2023 were 3% lower than in 2022, despite significant inflationary pressures, non-recurring expenses related to our facilities moves, patent registration expenses and one-time additional accounting expenses related to moving all companies to a common financial accounting system. We continue to aggressively manage expenses and will take any steps that become necessary to adjust expenditures in response to market conditions. At the same time, we will also continue to make prudent investments in technology and other areas to facilitate additional on-going cost reductions.

As recently announced, we received a sizeable order to upgrade encryption technology for a major US government broadcast service. Deliveries against this order commenced in Q2 and are scheduled to complete later this year. We are the ongoing provider for this long-term program, supplying decryption software integrated into our satellite receivers, as well as desktop client licenses. We are in the process of releasing a next-generation satellite receiver for this program in order to support ongoing lifecycle refresh requirements. This program also drives multiple business opportunities for software, receiver hardware appliances, IP Encapsulators, and ongoing support.

On March 31, 2023, Novra's deferred revenue and bookings backlog totalled more than \$4.1 million. This is an increase of over \$600 thousand from December 31, 2022, resulting from higher bookings than revenue. We expect to deliver most of these orders within the remainder of 2023. This provides some visibility into future revenues and helps moderate the volatility we expect in our revenue and income over the next several quarters, as our clients continue to face global economic uncertainty, elevated interest rates, geopolitical conflicts, and threats of recession, all factors that are causing many businesses to delay investments in infrastructure.

"We are pleased to see our sales and bookings momentum continuing into 2023 as customers embrace our latest products and services. Our goal is for our SaaS and distribution services revenue to increase by double digits annually over the next few years as our clients are looking to either switch to, or add, IP distribution capabilities. We will continue our strategy of applying strategic R&D investments to develop flexible and cost-effective products and services to help our clients through these times of accelerating technology changes. We know our customers value a trusted technology partner with a strong commitment to R&D. Novra's mission is to be that trusted partner our clients can depend on", said Harris Lontas, President & CEO.

For additional details on Novra's results and outlook for the three months ended March 31, 2023, please refer to our MD&A and 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", "scheduled to", "in the process of", "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 under the "Risks and Uncertainties" section of Novra's 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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