



## NOVRA ANNOUNCES PROFITABLE FIRST QUARTER 2017

**Winnipeg, MB – (Marketwired – May 30, 2017):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its consolidated financial results for the first quarter of 2017. All amounts are in Canadian dollars unless otherwise noted.

The following financial highlights <sup>(1)</sup> show a profitable first quarter 2017, in line with management’s prior outlook.

<i>(in thousands, except for Gross margin and % Chg)</i>	<b>Three Months Ended March 31,</b>		
	<b>2017</b>	2016	% Chg
Revenue			
Products	\$ 2,172	\$ 303	617%
Services	250	13	NM
<b>Total revenue</b>	<b>2,422</b>	316	666%
<b>Gross profit</b>	<b>1,130</b>	90	NM
<i>Gross margin</i>	<b>46.7%</b>	28.5%	
Operating expenses ("OPEX")	953	232	311%
<b>Operating income (loss)</b>	<b>177</b>	(142)	NM
Finance costs, net	(47)	(34)	38%
Other income (expenses)	112	(131)	NM
<b>Net income (loss) as reported under IFRS</b>	<b>\$ 242</b>	\$ (307)	NM
<b>Adjusted EBITDA - non-IFRS measure <sup>(2)</sup></b>	<b>\$ 274</b>	\$ (141)	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.

The significant variance in our first quarter operating results over the same quarter in 2016 is largely driven by the acquisition of International Datacasting Corporation (“IDC”), which closed in the second quarter of 2016.

Total revenue for the current quarter benefited from shipments relating to the two large contracts previously announced in the second half of 2016. Management expects to complete performance on these two contracts by June 30, 2017. Gross margin improved by 18.2 percentage points to 46.7% mainly due to a product mix with higher margins. OPEX for the current quarter increased by 311% over Q1 2016

mainly due to the increase in personnel, depreciation and occupancy costs relating to the merger with IDC. Also, the change in other income was mainly driven by the fair value remeasurement of Wegener options and foreign exchange movement.

Novra had a profitable Adjusted EBITDA in the current quarter compared to a loss in the comparable prior period, mainly due to higher revenues at higher margins, partially offset by an increase in OPEX.

Harris Liontas, President and CEO, stated “I am very pleased with our operating performance for the first quarter of 2017, our second consecutive profitable quarter since the merger with IDC. We’re on track for another profitable quarter in Q2. As a result of the strong operating performance for the past two quarters, we have significantly strengthened our financial position, with over \$1.5 million in cash and no outstanding bank borrowings at March 31, 2017. With the launch of new products, as previously announced at the NAB Show in April 2017, we’re making good progress on several significant sales opportunities to position the Novra Group well over the next twelve months. Further, we still expect to conclude negotiations for the potential acquisition of Wegener by June 30, 2017. I am also happy to report that over a million warrants have been exercised during May 2017, including approximately 232 thousand from our CFO (Steven Archambault), and I expect to see further exercises in the coming two weeks prior to the expiration of the warrants on June 15, 2017. Additionally, IMT has confirmed that it will elect to convert its \$300 thousand convertible note to Novra’s common stock on or before June 30, 2017. This additional capital will provide further financial stability to Novra and enable us to continue to bring innovative products to our global customers.”

A copy of the MD&A and the unaudited interim Condensed Consolidated Financial Statements for the quarter ended March 31, 2017, 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. Novra’s applications focus includes: broadcast video and radio, digital cinema, digital signage, and high-speed applications.

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 “expects”, “anticipates”, “believes”, “intends”, “estimates”, “predicts”, “outlook”, “potential”, “targeted”, “plans” “possible”, “poised for”, 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 Liontas  
President & CEO  
+1 204 989 4632  
[hliontas@novra.com](mailto:hliontas@novra.com)

Steven Archambault  
Chief Financial Officer  
+1 613 596 4120 ext. 2296  
[sarchambault@novra.com](mailto:sarchambault@novra.com)