Novra Announces Q2 2016 Results

Winnipeg, MB – (Marketwired - August 29, 2016): Novra Technologies Inc. ("Novra") (TSX-V: NVI) today announced its financial results as at and for the three-month and six-month periods ended June 30, 2016. All amounts are in Canadian dollars unless otherwise noted.

Financial Highlights [(1)]:

(in thousands, except for Gross margin and % Chg)

(in thousands)	Three Months Ended June 30th			Six Months Ended June 30th		
	2016	2015	% Chg	**2016**	2015	% Chg
Revenue						
Products	**$ 431**	$ 251	72%	**$ 735**	$ 1,357	-46%
Services	**70**	7	900%	**81**	13	523%
Total revenue	**501**	258	94%	**816**	1,370	-40%
Gross profit	**268**	54	396%	**357**	601	-41%
Gross margin	***53.5%***	*20.9%*		***43.8%***	*43.9%*	
Operating expenses	**472**	208	127%	**792**	271	192%
Operating income (loss)	**(203)**	(154)	32%	**(435)**	330	-232%
Other income (expenses)	**26**	(4)	-750%	**(49)**	132	-137%
Net income (loss) as reported under IFRS	**(177)**	(158)	12%	**(484)**	462	-205%
Adjusted EBITDA - non-IFRS measure [(1)]	**$ (87)**	$ (132)	-34%	**$ (256)**	$ 177	-245%

(1) Amounts in tables may not reconcile due to rounding differences. Refer to the Management's Discussion & Analysis for a reconciliation of Adjusted EBITDA to Net income (loss) as reported under IFRS.

On June 15, 2016 we successfully closed the merger with International Datacasting Corporation ("IDC"). Accordingly, we have included IDC's results of operations for the last two weeks of June 2016 in the above Financial Highlights.

For Q2 of 2016, total revenue was $501 thousand, a 94% increase over the comparable period. The merger with IDC contributed $299 thousand to the total revenue. Gross margin improved to 53.5% in Q2 2016 from 20.9% in Q2 2015, largely due to product mix and service revenue at high margins. Total revenue was $816 thousand for the first half of Fiscal 2016, compared to $1.4 million or a 40% decline over the comparable period. The decline was driven mainly by weaker sales of Novra's satellite receiver product line. Gross margin was 43.8% for the first half of 2016, relatively in line with 43.9% for the same period in 2015. In light of recent wins (see Subsequent Events below), we are poised for significant revenue growth for the second half of 2016.

For the three and six months ended June 30, 2016, total operating expenses increased by 127% and 192%, respectively, compared to the same prior periods. The increase was driven mainly by an increase in headcount for the last two weeks of the quarter as a result of the merger with IDC, coupled with professional fees incurred in relation to the IDC merger.

Adjusted EBITDA for Q2 2016 was a loss of $87 thousand, compared to a loss of $132 thousand for the same period in 2015. The improved operating performance was driven mainly by higher gross margin during the quarter, primarily driven by service revenues, which was partially offset by an increase in operating expenses as a result of the IDC merger. For the first half of 2016, Adjusted EBITDA was a loss of $256 thousand, compared to income of $177 thousand for the comparable prior period. The weak six-month operating performance was mainly due to weaker Q1 2016 sales from Novra's satellite receiver product line compared to the prior year.

At June 30, 2016, Novra's total tangible assets were $4.4 million, including cash of $1.3 million.

Subsequent Events post Q2 2016

- Effective July 1, 2016, we entered into a new three-year lease agreement for the Ottawa office location. As a result, Novra's additional total contractual lease obligation will be $665 thousand for the term of the lease, based on current space needs.

- As previously announced on August 4 and 5, 2016, Novra won a large contract with a major North American radio broadcast network for its next generation audio system. The contract includes products and services for two geographically diverse uplinks / head-ends supporting secure distribution of 188 audio channels and 1,000 receivers. The audio system incorporates audio encoders, network management, encryption, and a targeted content distribution platform. The contract has a maximum value of $4 million and we expect to begin shipment late in September 2016.

"While our results for the first half of 2016 were lower than expected, our outlook for the second half is quite positive as a result of winning a large contract with a premier North American radio broadcast network and seeing continued positive momentum with other sales opportunities. We are also progressing well with our merger integration efforts and expect to realize further cost synergies over the next six months" stated Harris Liontas, President and CEO.

For further information on Novra's second quarter 2016 results, please refer to the unaudited Condensed Consolidated Financial Statements and Management's Discussion and Analysis that will be available on SEDAR (www.sedar.com) after market close today.

About Novra Technologies Inc.:

Novra (TSX-V: NVI), specializes in the transmission and reception of IP traffic over satellite, cable and terrestrial communication links. Products offered include broadband receivers for DVB-S, DVB-S2, and ATSC systems. The NovraLink digital signage solution integrates Novra's technologies into a comprehensive multimedia management and distribution system. IDC, a wholly owned subsidiary of Novra, is a global technology provider for the world's premiere broadcasters in radio, television, data and digital cinema. IDC's products and solutions are in demand for radio and television networks, targeted ad insertion, digital cinema, 3D live events, VOD, and IPTV.

For more information visit: www.novra.com and www.datacast.com

Forward-Looking Statements:

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities laws, concerning but not limited to: management's beliefs regarding expected benefits and synergies from the acquisition of IDC 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.

For the above reasons, readers are cautioned not to place undue reliance on forward-looking statements.

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CONTACT FOR NOVRA:

Harris Liontas
President & CEO
+1 204 989 4632
hliontas@novra.com

Steven Archambault
Chief Financial Officer
+1 613 596 4120 ext. 2296
sarchambault@datacast.com