Novra Announces Q3 2016 Financial Results, $5.3 million Sales Order Backlog and Proposed Private Placement

Winnipeg, MB – (Marketwired – November 29, 2016): Novra Technologies Inc. ("Novra") (TSX-V: NVI) today announced its financial results for the third quarter ended September 30, 2016, its current sales order backlog, and proposal to complete a non-brokered private placement with a related party. All amounts are in Canadian dollars unless otherwise noted.

Q3 and YTD 2016 Consolidated Financial Results

Financial Highlights (1):

While the following financial highlights show weak operating results, these are in line with management's prior forecast of reaching profitability by the end of 2016.

(in thousands, except for Gross margin and % Chg)	**Q3 2016**	Q3 2015	% Chg	**YTD 2016**	YTD 2015	% Chg
Revenue						
Products	**$ 874**	$ 656	33%	**$ 1,609**	$ 2,020	-20%
Services	**296**	7	NM	**377**	13	NM
Total revenue	**1,170**	663	76%	**1,986**	2,033	-2%
Gross profit	**463**	259	79%	**819**	860	-5%
Gross margin	***39.6%***	*39.1%*		***41.2%***	*42.3%*	
Operating expenses	**1,047**	119	780%	**1,838**	388	374%
Operating income (loss)	**(584)**	139	-520%	**(1,019)**	472	-316%
Other income (expenses)	**(72)**	(217)	-67%	**(121)**	(88)	38%
Net income (loss) as reported under IFRS	**(656)**	(78)	741%	**(1,140)**	384	-397%
Adjusted EBITDA - non-IFRS measure (2)	**$ (465)**	$ 71	-755%	**$ (720)**	$ 247	-391%

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

The above consolidated financial results include operating results of International Datacasting Corporation ("IDC") from June 15, 2016, the closing date of our merger.

Q3 Results

The 76% growth in Novra's Q3 2016 total revenue over the same quarter in 2015 was driven by $759 thousand of revenue contributed by IDC, offset partially by lower demand for our DVB receiver product line. Novra's YTD total revenue declined by 2% over the same comparable period in 2015. Despite strong bookings during Q3 2016, our ability to build and ship products to customers during the quarter was affected by certain components with long lead times. We expect to deliver on these orders over the next two quarters. At September 30, 2016, our sales order backlog was $4.7 million.

Gross margin improved by 0.5% to 39.6% in Q3 2016 from 39.1% in Q3 2015; however, excluding the impact of fair value accounting on IDC inventories at the acquisition date, the gross margin would have been six percentage points higher. For YTD ended September 30, 2016, gross margin decreased by 0.9% to 41.2% from the same period in 2015. Excluding the fair value accounting on IDC inventories at the acquisition date, gross margin would have been five percentage points higher. The improvement in gross margins is largely due to higher margins earned on IDC products.

For Q3 and YTD ended September 30, 2016, total operating expenses increased by 780% and 374%, respectively, compared to the same prior periods. The increase was driven mainly by the increase in Novra's total headcount which more than tripled following the merger with IDC, coupled with acquisition-related costs.

Adjusted EBITDA for Q3 and YTD 2016 was a loss of $465 thousand and $720 thousand, respectively, compared to an Adjusted EBITDA income of $71 thousand and $247 thousand for the same periods in 2015, respectively. The weak operating performance in 2016 was driven mainly by production delays due to procuring components with long lead times to meet IDC's strong bookings, coupled with significantly lower sales of Novra's DVB receivers for the first nine months of 2016.

Subsequent Events Since Q3 2016

- In October, we met all closing conditions with Royal Bank of Canada to secure an additional $1.45 million USD non-revolving term facility to fund up to 90% of eligible pre-shipment costs in connection with the large radio network contract that we announced in August 2016.

- In November, we announced the closing of a $1.3 million encryption system order from a Fortune 500 U.S. defense contractor.

- In late November, we reached an agreement with InfoMagnetics Technologies Inc. ("IMT") to provide Novra with further capital flexibility regarding its two unsecured promissory notes coming due on December 1, 2016. The parties agreed to further extend the maturity date to January 2, 2018 for the $250 thousand unsecured promissory note. Additionally, the parties agreed to a private placement to partially settle the $681 thousand unsecured promissory note (see Private Placement below).

"I am very pleased with the strong sales bookings we had during the quarter. We have addressed most of the merger challenges and I'm happy to see further progress made on closing significant deals. With over $5.3 million in today's sales order backlog, we have a positive outlook on operating results for the next two quarters barring any significant customer delays." stated Harris Liontas, President and CEO.

For further information on Novra's Q3 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.

Private Placement

As previously disclosed, on June 9, 2016, Novra entered a $681 thousand unsecured promissory note with IMT ("IMT Note") in order to finance the acquisition of IDC. This note became due on October 1, 2016. On this day, both parties agreed to extend the maturity date to December 1, 2016. Novra's President and CEO has a controlling interest in IMT.

On November 28, 2016, Novra's Board of Directors approved to partially settle the above IMT Note by entering a $300 thousand unsecured convertible promissory note with IMT ("Convertible Note") effective December 1, 2016, as well as further extending the maturity date on the IMT Note from December 1, 2016 to June 30, 2017, for the remaining outstanding principal plus accrued and unpaid interest. The issuance of the Convertible Note will be done by way of a Private Placement under the TSX-V rules and regulations.

Under this Convertible Note, IMT may at its sole discretion elect to partially or fully convert any outstanding balance of this note into Novra's common shares at a conversion rate of $0.12 per Novra's common share. The Convertible Note will bear a fixed interest rate of 4% per annum and mature on January 2, 2018. Convertibility may take place anytime after June 15, 2017 up to January 2, 2018. If fully converted, this would result in the issuance of 2,500,000 common shares from Novra's treasury or 8.6% of total outstanding common shares on November 28, 2016. Under this full conversion event, Novra's President & CEO would directly and indirectly have 17.2% voting interest in Novra, assuming no further common share issuances including from potential exercise of outstanding warrants. As a reminder, Novra issued 13,378,631 warrants to IDC shareholders as part of the merger transaction. These warrants may be exercised at $0.12 each and will expire on June 15, 2017.

The Board believes this private placement is in the best interest of shareholders as it enhances Novra's capital structure and liquidity. The TSX-V has conditionally approved this non-brokered private placement.

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 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, VOD, IPTV, and other advanced content delivery applications.

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.

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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