



## NOVRA ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2019 FINANCIAL RESULTS

**Winnipeg, MB – (Newsfile Corp. – June 15, 2020):** Novra Technologies Inc. (“Novra”) (TSX-V: NVI) today announced its financial results for the fourth quarter and year ended December 31, 2019. All amounts are in Canadian dollars unless otherwise noted.

### Fourth Quarter and Annual 2019 Consolidated Financial Results

Our first 9 months of 2019 marked a significant improvement as our revenue, net income and Adjusted EBITDA, a non-IFRS measure, had all improved compared to 2018. The unusual dip in revenue in Q4 negatively affected our 2019 financial results compared to our 2018 results. However, despite a net income loss, Adjusted EBITDA did remain positive for the year, which is an important indication of positive core operating results (refer to the Management’s Discussion & Analysis (“MD&A”) for a reconciliation of Adjusted EBITDA to Net Income).

While Novra’s fourth quarter revenue is traditionally strong, 2019 did not follow the usual pattern. Starting in the third quarter, we noticed delays in projects across markets and geographies, which we believe was an indication of an economic slowdown in most G20 economies that began even before the emergence of the COVID-19 pandemic. As a result, revenue for the fourth quarter was down significantly and this materially impacted both our quarterly and annual financial results.

The following financial summary shows results for the three and twelve month periods ended December 31, 2019 and 2018.

<i>(in thousands, except for Gross margin and % Chg)</i>	<b>Three Months Ended December 31,</b>			<b>Year Ended December 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>% Chg</b>	<b>2019</b>	<b>2018</b>	<b>% Chg</b>
<b>Revenue by type:</b>						
Products	1,210	\$ 2,714	-55%	7,183	\$ 8,208	-12%
Services	608	692	-12%	2,574	2,422	6%
<b>Total revenue</b>	<b>1,817</b>	<b>3,406</b>	<b>-47%</b>	<b>9,756</b>	<b>10,630</b>	<b>-8%</b>
<b>Gross profit</b>	<b>747</b>	<b>1,854</b>	<b>-60%</b>	<b>4,824</b>	<b>5,579</b>	<b>-14%</b>
<i>Gross margin</i>	<b>41.1%</b>	<b>54.4%</b>		<b>49.4%</b>	<b>52.5%</b>	
Operating expenses	1,439	1,603	-10%	6,056	6,411	-6%
<b>Operating income (loss)</b>	<b>(692)</b>	<b>252</b>	<b>NM</b>	<b>(1,232)</b>	<b>(831)</b>	<b>48%</b>
Other income (expenses)	(168)	(284)	-41%	(470)	279	NM
<b>Net income (loss) as reported under IFRS</b>	<b>(860)</b>	<b>\$ 535</b>	<b>NM</b>	<b>(1,702)</b>	<b>\$ (552)</b>	<b>208%</b>
<b>Adjusted EBITDA - non-IFRS measure</b>	<b>(358)</b>	<b>\$ 647</b>	<b>NM</b>	<b>213</b>	<b>\$ 319</b>	<b>-33%</b>

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.

During the COVID-19 pandemic Novra has continued working without interruption. For the past few months our sales group has seen significant customer activity. This is very encouraging as we see our clients getting ready to place orders in the second half of 2020. Our operations, support and R&D groups have had no interruption in our ability to ship orders, provide exceptional support to our customers and advance innovation initiatives. We are working directly with customers most challenged by this unprecedented and still evolving global situation to help them address new technology and operational challenges and to embrace the opportunities that this presents, as their valued partner and technology provider.

In response to evolving market dynamics, management took targeted actions including implementing additional cost saving measures. In the fourth quarter we continued to realize significant reductions in operating expenses. For the full year, total operating expenses were reduced 6% compared to 2018 and for the 3-month period the reduction was steeper at 10%. The \$355 thousand total reduction for the year resulted from cost savings across General and Administration (reduced by \$156 thousand or 9.6%), Research and Development (reduced by \$171 thousand or 4.9%) and Sales and Marketing (reduced by \$27 thousand or 2.1%). Subsequently, additional cost-saving measures have been implemented in 2020 such that we expect operating expenses to continue to trend down year-over-year.

“2019 was an exciting year as we introduced new products and services. We saw successes from our focused marketing to reach new customers, expand the networks of current customers and provide products needed in our current and new market spaces. Our first 9-month revenue was a positive reflection of this hard work, but our Q4 revenue was disappointing as several of our new projects were delayed into 2020. Although the COVID-19 pandemic has slowed the world economy, we are very excited to see these multi-year projects are still active and expected in the second half of 2020. We are looking forward to announcing initial orders over the next few weeks.”, stated Harris Liontas, President and CEO.

Copies of the MD&A and the Consolidated Financial Statements for the year ended December 31, 2019, are available on SEDAR ([www.sedar.com](http://www.sedar.com)). See these for details of Novra’s results and outlook.

#### **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. The Novra Group of companies includes Novra, 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”, “poised for”, “looking forward to”, “getting ready 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.*

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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