

Novra Announces Second Quarter 2019 Financial Results

WINNIPEG, Aug. 29, 2019 /CNW/ - Novra Technologies Inc. ("Novra") (TSX-V: NVI) today announced its financial results for the second quarter and six months ended June 30, 2019. All amounts are in Canadian dollars unless otherwise noted.

Second Quarter 2019 Consolidated Financial Results

The following financial summary shows results for the three and six months ended June 30, 2019.

<i>(in thousands, except for Gross Margin and % Chg)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Chg	2019	2018	% Chg
Revenue by type:						
Products	1,744	\$ 1,081	61%	3,667	\$ 2,593	41%
Services	679	513	32%	1,256	1,073	17%
Total revenue	2,423	1,594	52%	4,923	3,666	34%
Gross profit	1,319	758	74%	2,228	1,638	36%
Gross margin	54.4%	47.6%		45.3%	44.7%	
Operating expenses	1,639	1,582	4%	3,243	3,281	-1%
Operating income (loss)	(320)	(824)	NM	(1,015)	(1,643)	NM
Other income (expenses)	(170)	32	NM	(319)	89	-459%
Net income (loss) as reported under IFRS	(491)	\$ (792)	NM	(1,335)	\$ (1,554)	NM
Adjusted EBITDA - non-IFRS measure ⁽²⁾	73	\$ (592)	NM	(225)	\$ (1,178)	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.

As expected, our first half of 2019 marked a significant improvement in results over the first half of 2018 and we believe this momentum will carry into the second half of 2019 and into 2020. Although our 51% ownership of Wegener continues to negatively impact our financial results, we have taken concrete steps to improve their financial performance.

Total revenue was \$4.9 million for the first half of Fiscal 2019, a 34% increase over the comparable period in 2018. Operating income loss improved to \$320 thousand for the quarter, compared to a loss of \$824 thousand in the same period in 2018 and also improved to an operating loss of \$1.0 million in the first half of 2019 compared to a loss of \$1.6 million in first half of 2018.

Adjusted EBITDA, a non-IFRS measure, was positive \$73 thousand for the quarter, compared to negative \$592 thousand in Q2 2018, and for the first six months it was negative \$225 thousand in 2019, compared to negative \$1.2 million for the same period in 2018.

In addition to our increased revenue, a reduction in G&A operating expenses by \$170 thousand for the 6-month period this year versus last also contributed to this improvement. Additional recent cost cutting efforts totalling approximately \$400,000 in annual expense reductions have not materially impacted OPEX during this period, but we expect this to begin having further positive effect over the next two quarters.

"We are determined to make our operations more efficient and to improve our agility in product development for our clients. Our R&D investment of over \$3.5 million in the past 18 months is an indication of our commitment to develop innovative and relevant solutions and allow us to enter new

emerging market verticals. We increased our marketing expenditures by \$125 thousand to promote the Novra Group and our new products, initiate and nurture partnerships with industry leaders, and enter new vertical markets. I am excited at the results and opportunities that have been created by these investments as we move forward. We are creating value for our shareholders and are reviewing potential acquisitions that will make Novra an even stronger technology leader for our clients and resellers." stated Harris Liontas, President and CEO.

A copy of the MD&A and audited Consolidated Financial Statements for the quarter ended June 30, 2019, are available on SEDAR (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. 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

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", 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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