NTG Clarity Networks Announces Year-End 2022 Financial Results With $788K Profit and Q4 Revenue of $5.74M

Toronto, ON / TNW-Accesswire / April 27, 2023 / NTG Clarity Networks Inc. (TSX.V:NCI) reports its fourth quarter and year end results for the fiscal year ended December 31, 2022 (all figures in Canadian Dollars).

The hard work and dedication resulted in 2022 having the highest revenue in NTG's recent history, with Q4 2022 being the highest single quarter revenue. Revenues for 2022 were up 48% to $17.65M compared to $11.895M in 2021 and we are profitable for the year, despite significant currency devaluation challenges in Egypt.

Revenue for Q4 2022 was $5,742,867 and the net loss was $391,759; compared to a revenue of $4,132,046 and a net profit of $416,748 in Q4 2021. We expect these strong quarterly revenues to continue in 2023 due to the new contracts announced in 2022.

The loss in Q4 is attributed to the devaluation of the Egyptian pound. By the end of 2022 the EGP's value dropped from around 12.3 EGP to the Canadian dollar in January to about 18.2 EGP in December 2022, a 48% drop in value. NTG Egypt's unconsolidated revenue of approximately 76.9M EGP in 2022 translated to around $4.29M CAD at year end, resulting in a devaluation of over $1.1M CAD. This was recorded as a reduction in revenues for Q4 2022 of approximately $410K, and just over $750K in exchange loss on translation and foreign exchange loss.

To reduce the FX risk going forward and increase margins, we are focusing on offshoring resources in Egypt, which will be paid in USD.

Going forward, NTG will focus on promoting and expanding the following:

1. Our product offerings that provide a higher profit margin. We are focused on our NTGapps digital transformation platform that integrates with our Network Asset Management product. Digital Transformation is one of the current key objectives of most organizations and NTGapps provides a tool to enable these organization to achieve this goal in using a phased approach while integrating with their legacy systems. We believe that NTGapps is one of the best digital transformation platforms available. It enables our customers to consolidate their end-to-end business software and integrate with specialty third-party platforms, enhancing operational efficiency and saving clients time that can instead be used to create new revenue streams.
2. Our outsourcing/offshoring services. These services provide good cash flow and margin for the business. They help in acquiring new customers on a short sale cycle. This gives us the opportunity to introduce our products to these customers. NTG has invested in expanding our offshore centre in Egypt and that has proven to be very successful.

Income Statement Highlights for the Year Ended December 31, 2022 and 2021

	December 31, 2021		December 31, 2021	
REVENUE	$	17,652,313	$	11,895,943
COST OF SALES		10,929,917		5,307,491
GROSS PROFIT	$	6,722,396	$	6,588,452
Operating Expenses		4,468,091		3,992,545
Other Expenses		1,006,448		1,225,819
Exchange loss on translation		459,423		6,130
Comprehensive Income	$	788,434	$	1,363,958
per share (basic)	$	0.01	$	0.01
per share (fully diluted)	$	0.00	$	0.01

Balance Sheet Highlights

	December 31, 2022		December 31, 2021	
Total Assets	$	8,167,611	$	6,490,706
Total Liabilities	$	14,944,739	$	14,409,518
Shareholder's Equity	$	(6,777,128)	$	(7,918,812)

Outlook

KSA's robust economy, due in large part to strong oil prices, has shown an increasing demand for our products and services. Customers continue to recognize our quality of work and track record and this has resulted in large increases in the volume of work from our major customers and expansion into several new customers, primarily in the financial sector.

Some customers are now making use of the technical, IT and professional services we offer through our Egypt Offshore Centre. We are excited about the increasing demand for this offering model as we expand our business into new verticals that include government and financial sectors.

With the demand for our software product; NTGapps digital toolbox, we anticipate being able to continue to expand into new verticals. As NTGapps includes tools related to small and medium enterprise (SME) end-to-end business operations, we are already seeing demand in the financial and government sectors and we see this as an opportunity to present our product for use in other verticals.

We now have a dedicated team of sales personnel that are targeting new customers in this currently booming KSA economy. We are targeting small and medium enterprises (SME) across multiple verticals that now include the medical sectors and the food industry, in addition to the telecom and financial sectors. We anticipate the sales of NTGapps to increase significantly in 2023. For more information, visit www.ntgapps.com.

As of the beginning of 2023, NTG has a backlog of $20.95M in unbilled amounts for POs/contracts on hand. This amount exceeds the total revenue for 2022. This put us in a healthy position to continue our profitability going forward and contributes to the growth of our organization. Additionally, we are expecting to renew several contracts with major customers that are coming up for renewal within the next six months.

About NTG Clarity Networks Inc.

NTG Clarity Networks' vision is to be a global leader in providing networking solutions. As a Canadian company established 30 years ago in 1992, NTG Clarity has delivered networking, IT and network enabled application software solutions to network service providers and large enterprises. More than 500 network professionals provide design, engineering, implementation, software development and security expertise to the industry's leading network service providers and enterprises.

Forward Looking Information
Certain statements in this release, other than statements of historical fact, are forward looking information that involves various risks and uncertainties. Such statements relating to, among other things, the prospects for the company to enhance operating results, are necessarily subject to risks and uncertainties, some of which are significant in scope and nature.

These uncertainties may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward looking statements are based on the estimates and opinions of the management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward looking statements should circumstances or management's estimates or opinions change.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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