

Novra Announces Third Quarter 2019 Financial Results

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

Third Quarter 2019 Consolidated Financial Results

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

<i>(in thousands, except for Gross Margin and % Chg)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Chg	2019	2018	% Chg
Revenue by type:						
Products	2,306	\$ 2,908	-21%	5,973	\$ 5,494	9%
Services	710	650	9%	1,966	1,730	14%
Total revenue	3,016	3,558	-15%	7,939	7,224	10%
Gross profit	1,849	2,087	-11%	4,077	3,725	9%
<i>Gross margin</i>	61.3%	58.7%		51.4%	51.6%	
Operating expenses	1,374	1,527	-10%	4,617	4,808	-4%
Operating income (loss)	475	560	-15%	(540)	(1,083)	-50%
Other income (expenses)	18	(93)	NM	(302)	(5)	NM
Net income (loss) as reported under IFRS	493	\$ 467	5%	(842)	\$ (1,088)	-23%
Adjusted EBITDA - non-IFRS measure ⁽²⁾	796	\$ 862	-8%	572	\$ (328)	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.

Our first 9 months of 2019 marked a significant improvement as our revenue was up 10% to \$7.9 million (2018: \$7.2 million) and our adjusted EBITDA, a non-IFRS measure, increased to \$572 thousand (2018: loss of \$328 thousand), an improvement of \$900 thousand. Removing the effect of IFRS 16 implementation in 2019, which changed the accounting for leases, adjusted EBITDA would have improved \$356 thousand compared to the first nine months of 2018.

Revenue for this quarter was \$3.0 million (2018: \$3.55 million), however net income improved to \$493 thousand for the quarter (2019: \$467 thousand) and our adjusted EBITDA was \$796 thousand (2018: \$862 thousand).

In the third quarter we began to realize significant reductions in operating expenses for administration and for research and development, as a result of actions taken so far this year. For the nine-month period, general and administrative operating costs were \$248 thousand lower than the comparable period in 2018. Additional efficiencies are expected to be implemented in late Q4 to take effect in Q1 2020. We expect a 10% reduction in overall operating expenditures in 2020 compared to 2019 as we complete our integration of Novra Group's three operating companies.

"We saw higher sales for the first 9 months of 2019 with improvement in both our net income and adjusted EBITDA because of the focused work we are doing to reach new customers, expand the networks of current customers, cut costs and provide world-class leading-edge products. Novra has significantly evolved into a strong scalable global company in the growing multimedia broadband content distribution business. We continue to execute on our stated corporate vision to invest in the development of world-class leading-edge products needed in our current and new markets and to

capitalize on market opportunities which will be created over the next couple of years by the roll-out of 5G and ATSC 3.0 services. We offer our customers products, services and expertise that enable them to enthusiastically embrace the opportunities new technologies create!" stated Harris Liontas, President and CEO.

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

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.

SOURCE Novra Technologies Inc.

View original content: <http://www.newswire.ca/en/releases/archive/November2019/29/c6123.html>

%SEDAR: 00010680E

For further information: CONTACT FOR NOVRA: Harris Liontas, President & CEO, +1 204 989 4632, hliontas@novra.com

CO: Novra Technologies Inc.

CNW 16:30e 29-NOV-19