

Novra Technologies Inc.

TSXV: NVI · COMMUNICATIONS EQUIPMENT / SATELLITE INFRASTRUCTURE · JUN 2, 2026 · Q1 2026 UPDATE

RATING	12-MO TARGET	AT PUBLICATION	IMPLIED UPSIDE	MARKET CAP
Spec. Buy	C\$0.30	C\$0.16	+88%	C\$5.3M

Bottom line: Microcap Research rates Novra Technologies Inc. (TSXV: NVI) Spec. Buy with a 12-month price target of C\$0.30, about 88% above the C\$0.16 share price at publication on Jun 2, 2026. Market capitalisation at publication: C\$5.3M.

Q1 FY2026 tested the thesis without breaking it: revenue fell 36% to C\$0.89M on thin backlog and the quarter slipped to a C\$74K loss, but gross margin hit 57.2%, cash tripled to C\$4.1M, equity turned positive, and the Lilikoi AIoT path and Government & Defense division advanced. We trim our target to C\$0.30 on a smaller trailing earnings base while maintaining Spec. Buy — but SNAPS is about to cross 20% and become a Control Entity at the June 26 vote.

KEY STATISTICS — AS OF JUN 2, 2026

Market Cap	C\$5.3M
EV/Adj. EBITDA (LTM)	~3.9x
EV/Revenue (LTM)	0.73x
Revenue (Q1 FY26)	C\$0.89M
Gross Margin (Q1)	57.2%
Cash (Mar 31)	C\$4.1M

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Update Summary

This update follows Novra's Q1 FY2026 results (three months ended March 31, 2026), filed June 1, 2026. We **maintain** our **Spec. Buy** rating but **lower** our 12-month price target to **C\$0.30** (from C\$0.35), representing approximately 88% upside from C\$0.16 (as of 2026-06-02, per Investing.com / TradingView). The quarter was soft on the top line and slipped to a small net loss, but the balance sheet was transformed, gross margin expanded to a multi-year high, and the strategic narrative (Government & Defense, SNAPS, AIoT) advanced on every front.

Our initial coverage on NVI was published May 4, 2026, framing Novra as a deeply mispriced satellite-infrastructure and government-SATCOM business coming off a large FY2025 turnaround, with SNAPS providing strategic capital at a 143% premium. Q1 tests the lumpiness of the model without breaking the thesis.

What Changed

- **Revenue:** C\$0.89M, down 36% YoY from C\$1.39M, on thin backlog carried into the year. Product revenue fell 56% to C\$430K; service revenue grew 12% to C\$463K and was the larger line for the first time, at 52% of the mix.
- **Profitability:** Swung to a net loss of C\$74K (from net income of C\$481K in Q1 2025). Adj. EBITDA collapsed to C\$45K from C\$726K — still positive, but a fraction of the prior year on the lower revenue base.
- **Gross margin:** Expanded 13.5 points to 57.2% (from 43.7%), driven by the richer service/product mix — the structural margin story strengthened even as volume dipped.
- **Balance sheet — the real story:** Cash jumped to C\$4.1M (from C\$1.5M at year-end) as SNAPS advanced C\$4.35M for shares. Shareholders' equity flipped positive to C\$1.6M (from –C\$2.8M). The IMT related-party promissory note (CEO-controlled) was repaid in full, with C\$100K of payables forgiven. Quick ratio improved to 2.94:1 (from 1.49:1); working capital ratio to 3.53:1 (from 2.07:1).
- **SNAPS becomes a Control Entity:** SNAPS has requested conversion of the US\$3.7M received to date into ~14.8M shares at C\$0.34 — more than 20% of shares outstanding, making it a new Insider and Control Entity. TSX-V has approved the US\$0.5M tranche (no vote needed) and the US\$3.2M tranche (subject to shareholder approval). A shareholder meeting is set for **June 26, 2026**. A new agreement commits a further US\$5.3M by September 30, 2026.
- **AIoT target named:** Lilikoi Technologies Inc. identified as the AIoT partner, with discussions underway on a potential merger or acquisition — the optionality flagged in May now has a name attached.
- **Government & Defense formalized:** New Government & Defense division launched at CANSEC 2026, alongside delivered U.S. Space Force orders, a completed SATCOM modernization for a prime contractor, and growing MAP Pro Data GBS receiver adoption (now STIG-compliant).

Thesis Check

Reviewing each of the five original pillars:

- **Pillar 1 — FY2025 Turnaround Is Large and Real (INTACT, TESTED):** The turnaround was always about structural profitability, not linear quarterly growth. Margin expanded to 57.2% and opex discipline held (G&A -9%, S&M -14%), but thin backlog produced a small net loss. Management has consistently warned that revenue fluctuates sharply quarter to quarter; this is that volatility, not a reversal.
- **Pillar 2 — Government and Defence: A Growing Anchor (STRENGTHENED):** A dedicated division now exists, U.S. Space Force orders shipped, a SATCOM prime modernization was delivered, and GBS receiver demand is building. This is the clearest area of momentum in the quarter.
- **Pillar 3 — Cortex, MISTiQ, and the Recurring Revenue Build (STRENGTHENED):** Service revenue rose 12% and outweighed product revenue for the first time, with security-update services called out as a growth area. The recurring-revenue pivot is showing up in the numbers.
- **Pillar 4 — SNAPS: Strategic Capital and AIoT Optionality (STRENGTHENED, WITH NEW COST):** Capital arrived (C\$4.1M cash, equity positive), Lilikoi was named, and US\$5.3M more is committed. But the optionality now carries a governance price — SNAPS crosses 20% to become a Control Entity, with the June 26 vote pending.
- **Pillar 5 — Valuation: ~3x Adj. EBITDA for a Profitable Business (INTACT):** At C\$0.16 the EV of ~C\$3.6M is still ~3.9x LTM Adj. EBITDA and 0.73x LTM revenue. The trailing EBITDA denominator shrank as the strong Q1 2025 rolled off, which is why we trim the target — but the cheapness is intact.

Updated Financials

METRIC (C\$000S)	Q1 2025	Q1 2026	YOY CHANGE
Total Revenue	1,392	893	-36%
Product	978	430	-56%
Service	414	463	+12%
Gross Profit	609	511	-16%
Gross Margin	43.7%	57.2%	+13.5 pts
Operating Expenses	768	786	+2%
Adj. EBITDA	726	45	-94%
Net Income / (Loss)	481	(74)	NM

BALANCE SHEET (C\$000S)	DEC 31, 2025	MAR 31, 2026	CHANGE
Cash & Equivalents	1,467	4,110	+C\$2.6M
Shareholders' Equity	(2,767)	1,616	Turned positive
Related-Party Note	1,411	0	Repaid in full
Quick Ratio	1.49:1	2.94:1	Improved
Working Capital Ratio	2.07:1	3.53:1	Improved

Three months ended March 31. Adj. EBITDA is a non-IFRS measure. Quick and working-capital ratios exclude related-party and deferred-revenue balances, per company definition.

Updated Valuation

We keep our framework but lower the base case. LTM Adj. EBITDA now sits near C\$0.92M (versus the C\$1.60M FY2025 figure that anchored our May target) as the strong Q1 2025 quarter rolled off. At C\$0.16 and ~C\$5.3M market cap, Novra carries an enterprise value of roughly C\$3.6M — about 3.9x LTM Adj. EBITDA and 0.73x LTM revenue, still among the cheapest profitable microcaps we track. Our revised C\$0.30 target applies ~8x to a normalized FY2026E Adj. EBITDA of roughly C\$1.0–1.2M (between the depressed trailing figure and the FY2025 peak) plus net cash. The SNAPS conversion price of C\$0.34 remains an independent strategic reference point well above today's level.

SCENARIO	BASIS	PRICE / SHARE	VS. CURRENT
Bear Case	4x normalized Adj. EBITDA	C\$0.15	~-6%
Base Case	8x FY2026E Adj. EBITDA + net cash	C\$0.30	~+88%
Bull Case	1.3x FY2026E revenue	C\$0.42	~+163%
SNAPS Reference	Conversion price	C\$0.34	~+113%

Risk Update

- **Control & dilution — SNAPS (HIGH, escalated):** Conversion of US\$3.7M into ~14.8M shares takes SNAPS above 20%, creating a new Insider and Control Entity ahead of the June 26, 2026 shareholder vote. A further US\$5.3M is committed by September 30. Minority holders cede effective control; related-party transaction scrutiny rises materially.
- **Revenue lumpiness / order visibility (HIGH, demonstrated):** Q1 made the backlog-dependence concrete — a 36% revenue swing on timing alone. Management explicitly expects continued quarter-to-quarter volatility, so single-quarter results should not be annualized.
- **Macro / tariff / geopolitical (MEDIUM):** Tariff turmoil and the Iran conflict (began February 2026) are delaying customer capital commitments, pressuring near-term revenue and gross profit.
- **Credit-facility contraction (LOW):** The RBC facility was cut to C\$380K (from C\$1.2M); largely offset by the SNAPS cash inflow, but a thinner external backstop.
- **Microcap liquidity (MEDIUM):** ~C\$5M market cap, no analyst coverage, and a tight float make the stock vulnerable to wide spreads and volatility.

Conclusion

Q1 was the quarter the thesis was always going to have to survive: a low-backlog start to the year that exposes how lumpy Novra's revenue really is. It survived. The model slipped to a token loss, but gross margin hit a multi-year high, the balance sheet went from negative equity and related-party debt to C\$4.1M cash and positive equity, and the strategic engine — Government & Defense, recurring services, the named Lilikoi AIoT path — moved forward rather than back. The cost is governance: SNAPS is about to control the company, and the June 26 vote is the event to watch.

We trim the target to reflect a smaller trailing earnings base, not a broken thesis. At C\$0.16 per share and a ~C\$5.3M market cap — under 4x LTM Adj. EBITDA with net cash on the books and a strategic backer paying C\$0.34 — the asymmetry that drew us in remains. We **maintain** our **Spec. Buy** rating with a revised **C\$0.30** price target.

Novra Technologies Inc. (NVI) — key questions

What is Microcap Research's rating and price target on Novra Technologies Inc. (NVI)?

Microcap Research rates Novra Technologies Inc. (TSXV: NVI) Spec. Buy with a 12-month price target of C\$0.30, about 88% above the C\$0.16 share price at publication on Jun 2, 2026. Market capitalisation at publication: C\$5.3M.

What does Novra Technologies Inc. (NVI) do?

Our initial coverage on NVI was published May 4, 2026, framing Novra as a deeply mispriced satellite-infrastructure and government-SATCOM business coming off a large FY2025 turnaround, with SNAPS providing strategic capital at a 143% premium. Q1 tests the lumpiness of the model without breaking the thesis.

What is the investment thesis for Novra Technologies Inc. (NVI)?

Q1 FY2026 tested the thesis without breaking it: revenue fell 36% to C\$0.89M on thin backlog and the quarter slipped to a C\$74K loss, but gross margin hit 57.2%, cash tripled to C\$4.1M, equity turned positive, and the Lilikoi AIoT path and Government & Defense division advanced. We trim our target to C\$0.30 on a smaller trailing earnings base while maintaining Spec. Buy — but SNAPS is about to cross 20% and become a Control Entity at the June 26 vote.

How is Novra Technologies Inc. (NVI) valued?

We keep our framework but lower the base case. LTM Adj. EBITDA now sits near C\$0.92M (versus the C\$1.60M FY2025 figure that anchored our May target) as the strong Q1 2025 quarter rolled off. At C\$0.16 and ~C\$5.3M market cap, Novra carries an enterprise value of roughly C\$3.6M — about 3.9x LTM Adj. EBITDA and 0.73x LTM revenue, still among the cheapest profitable microcaps we track.

What are the key risks for Novra Technologies Inc. (NVI)?

Risks flagged in this report — Control & dilution — SNAPS (HIGH, escalated); Revenue lumpiness / order visibility (HIGH, demonstrated); Macro / tariff / geopolitical (MEDIUM); Credit-facility contraction (LOW); Microcap liquidity (MEDIUM)

What are the key financial metrics for Novra Technologies Inc. (NVI)?

As of Jun 2, 2026 — Market Cap: C\$5.3M · EV/Adj. EBITDA (LTM): ~3.9x · EV/Revenue (LTM): 0.73x · Revenue (Q1 FY26): C\$0.89M · Gross Margin (Q1): 57.2% · Cash (Mar 31): C\$4.1M.

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