



## D-BOX Technologies Announces 6% Revenue Growth for its Second Quarter ended September 30, 2018

LONGUEUIL, Quebec, Nov. 14, 2018 -- D-BOX Technologies Inc. (TSX: DBO), a world leader in immersive entertainment experiences, announced second-quarter revenues of \$8.1 million, up 6% from the same period last year, and growth in recurring revenues of 15%, totalling \$2.1 million for the three-month period ended September 30, 2018.

### FINANCIAL HIGHLIGHTS

#### *Highlights for the second quarter ended September 30, 2018*

Compared with the second quarter ended September 30, 2017:

- Revenues totalled \$8.1 million up 6% from \$7.7 million.
- Recurring revenues grew 15% to \$2.1 million from \$1.8 million.
- Quarterly adjusted EBITDA was \$127K compared with \$176K.
- Recurring revenues rose to 26% of total revenues from 24%.
- Net loss totalled (\$748K) compared with (\$840K).

#### *Highlights for the six month period ended September 30, 2018*

Compared with the six-month period ended September 30, 2017:

- Revenues totalled \$17.6 million up 11% from \$15.8 million.
- Recurring revenues grew 18% to \$4.7 million from \$4.0 million.
- Quarterly adjusted EBITDA was \$1.3 million compared with \$0.6 million.
- Recurring revenues rose to 27% of total revenues from 25%.
- Net loss totalled (\$977K) compared with (\$1,824K).

<b>Second quarter and Six-month period ended September 30</b> (in thousands of dollars, except per share amounts)				
	<b>Second Quarter</b>		<b>Six-month period</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenues	<b>8,086</b>	7,653	<b>17,598</b>	15,794
Net loss	<b>(748)</b>	(840)	<b>(977)</b>	(1,824)
Adjusted EBITDA*	<b>127</b>	176	<b>1,284</b>	553
Basic and diluted net loss per share	<b>(0.004)</b>	(0.004)	<b>(0.006)</b>	(0.010)
<b>Information from the consolidated balance sheet</b>				
	<b>As at September 30, 2018</b>		<b>As at March 31, 2018</b>	
Cash and cash equivalents	<b>8,423</b>		10,141	

\* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated November 14, 2018.

### OPERATIONAL HIGHLIGHTS

- D-BOX is celebrating the recent installation of new D-BOX motion seats in several venues across Germany reaching a new milestone in this country of over 100 screens.
- D-BOX will install motion recliner seats in two full auditoriums with Maya theatres. The first installation is slated for November at the Maya Bakersfield Theatre in California. The second installation will start in December at the Maya North Las Vegas Theater and be completed just in time for the highly-anticipated holiday blockbuster season. D-BOX will also be adding recliner seats to a fully-renovated auditorium at the Boulevard Mall Theatre with Galaxy Theatres in Las Vegas and is also working with Galaxy to increase the number of recliner motion seats in their Riverbank Luxury IMAX Theatre in California. Also, D-BOX continues to grow its partnership with Cinemark in the US with the installation of additional D-BOX motion seats in two new screens.
- D-BOX announced the addition of D-BOX seats across five countries for the major US exhibitor Cinemark. This

expanded agreement increases the installation of motion seats into theatres in Colombia, Brazil, and Peru in addition to two new screens in Chile and Nicaragua.

- D-BOX continued its expansion in China via a new contract with Link Digital Cinema China Technology (Beijing) Co., Ltd. (Link DC). The Asian company signed an agreement to purchase additional D-BOX motion system in an effort to capitalize on the growing demand for premium entertainment experiences.
- D-BOX and [Secret Location](#), a content studio for emerging platforms, have signed an agreement making Secret Location the virtual reality {VR} content management platform provider for D-BOX. Under the strategic partnership, Secret Location will be the primary distributor for D-BOX enabled VR content intended for location-based entertainment (LBE) environments. This new agreement will facilitate global distribution and provide insights into consumer behavior and preferences. Ultimately, this collaboration will accelerate adoption and contribute to the overall success of the VR LBE industry.

Claude Mc Master, President and Chief Executive Officer of D-BOX, announced the company's second quarter results: "D-BOX continues to expand its footprints reflected by our revenue growth."

#### ADDITIONAL INFORMATION REGARDING THE SECOND QUARTER ENDED SEPTEMBER 30, 2018

The financial information relating to the second quarter ended September 30, 2018 should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and the Management's Discussion and Analysis dated November 14, 2018. These documents are available at [www.sedar.com](http://www.sedar.com).

#### OUTLOOK

D-BOX operates in two major areas: the entertainment market and the simulation and training market which have their respective sub-markets. Business development activities aim to increase motion system sales and grow its recurring revenue. This strategy will help solidify D-BOX's position in existing sub-markets and facilitate entering new segments.

D-BOX's expertise in immersive motion and true-to-life simulation positions the Corporation to be an active participant in the growing virtual reality (VR) market. The Corporation is actively developing new applications for VR and other related markets. D-BOX proprietary technology may also enhance the expansion of VR by reducing the motion dizziness sometimes associated with VR experiences. D-BOX is particularly focused on this new trend as the size of the virtual and augmented reality markets grow, potentially to billions of dollars in the near future, according to many industry sources.

#### RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (LOSS)\*

Adjusted EBITDA provides useful and complementary information, which can be used, in particular, to assess profitability and cash flows provided by operations. It consists of net income (loss) excluding amortization, financial expenses net of income, income taxes, write-off of property and equipment and intangible assets, share-based payments, foreign exchange loss (gain) and non-recurring expenses related to restructuring costs.

	Second Quarter ended September 30		Six-month period ended September 30	
	2018	2017	2018	2017
<b>Net loss</b>	<b>(748)</b>	(840)	<b>(977)</b>	(1,824)
Amortization of property and equipment	<b>538</b>	576	<b>1,110</b>	1,170
Amortization of intangible assets	<b>204</b>	165	<b>405</b>	326
Amortization of other assets	<b>1</b>	1	<b>2</b>	2
Financial expenses	<b>128</b>	131	<b>262</b>	267
Income taxes	<b>50</b>	4	<b>78</b>	5
Share-based payments	<b>38</b>	80	<b>93</b>	136
Foreign exchange loss (gain)	<b>(84)</b>	59	<b>311</b>	214
Restructuring costs	<b>—</b>	—	<b>—</b>	257
<b>Adjusted EBITDA</b>	<b>127</b>	<b>176</b>	<b>1,284</b>	<b>553</b>

\* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated November 14, 2018.

#### ABOUT D-BOX

D-BOX redefines and creates hyper-realistic, immersive entertainment experiences by moving the body and sparking the imagination through motion. This expertise is one of the reasons why D-BOX has collaborated with some of the best companies in the world to deliver new ways to enhance great stories. Whether it's for movies, video games, virtual reality applications, themed entertainment or professional simulation, D-BOX mission is to move the world.

D-BOX Technologies Inc. is a publicly traded Canadian company listed on the Toronto Stock Exchange (TSX: DBO). The head office is located in Montreal and its offices are based in Los Angeles, USA and Beijing, China.

D-BOX®, D-BOX Motion Code®, LIVE THE ACTION®, MOTION ARCHITECTS®, MOVE THE WORLD® and FEEL IT ALL are trademarks of D-BOX Technologies Inc. Other names are for informational purposes only and may be trademarks of their respective owners.

## **DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements included herein, including those that express management's expectations or estimates of our future performance, constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to place undue reliance on forward-looking statements. D-BOX disclaims any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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