



D-BOX Technologies Announces Second Quarter Results and Gains Momentum in Racing Market

Longueuil, Quebec, November 14, 2019 – D-BOX Technologies Inc. (TSX: DBO), a world leader in immersive entertainment experiences, today announced second-quarter results for the quarter ended September 30, 2019. All dollar amounts are expressed in Canadian currency and prepared in accordance with International Financial Reporting Standards (IFRS).

FINANCIAL HIGHLIGHTS

Highlights for the second quarter ended September 30, 2019:

- Revenues totalled \$6.3 million compared to \$8.1 million for the same period last year.
- Recurring revenues were \$1.8 million compared to \$2.1 million for the same period last year.
- Revenues in the Simulation and Training market increased 14% year over year to \$1.8 million.
- Quarterly adjusted EBITDA* remained flat at \$0.1 million compared to the same period last year.
- Adjusted EBITDA* margin also remained flat at 2% compared to the same period last year.
- Net loss totalled (\$0.9 million) compared with (\$0.7million) for the same period last year.

“During the second quarter, financial results were lower due to various factors, including constrained capital expenditures within existing customers, international economic uncertainty and the absence of large project deals. In the last 3 years, the combined Commercial Entertainment and Simulation and Training segments have grown approximately 30% CAGR up to this year. Diversification of our revenue stream remains key to our strategic plan as we expect Commercial Entertainment and Simulation & Training revenues to grow at a faster rate than our theatrical business. In the years to come, D-BOX is still in a strong position for growth with the technology adapted to the current technological infrastructure and the development of new solutions close to completion or completed that follow new entertainment trends, such as applications for streaming, gaming, and virtual and augmented reality”, mentioned Mr. Mc Master. “Going forward, the focus will be on the commercialization of new products, execution of strategic partnerships as well as enhancing our focus on profitability starting in fiscal year 2021. I am optimistic that these initiatives will pave the way to significant value creation for our shareholders.”

Highlights for the six-month period ended September 30, 2019

- Revenues totalled \$13.9 million compared to \$17.6 million for the same period last year.
- Recurring revenues were \$4.2 million compared to \$4.7 million for the same period last year.
- Revenues in the Simulation and Training market grew 14% year over year to \$4.1 million.
- Adjusted EBITDA* was \$0.3 million compared to \$1.3 million for the same period last year.
- Adjusted EBITDA* margin declined to 2% compared to 7% for the same period last year.
- Net loss totalled (\$1.5 million) compared to (\$1.0 million) for the same period last year.

Second quarter and Six-month period ended September 30 (in thousands of dollars, except per share amounts)				
	Second Quarter		Six-month Period	
	2019	2018	2019	2018
Revenues	6,329	8,086	13,862	17,598
Net loss	(933)	(748)	(1,539)	(977)
Adjusted EBITDA*	114	127	329	1,284
Basic and diluted net loss per share	(0.005)	(0.004)	(0.009)	(0.006)
Information from the consolidated balance sheet				
	As at September 30, 2019		As at March 31, 2019	
Cash and cash equivalents	6,202		9,635	

* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated November 14, 2019

HIGHLIGHTS

- VRX, in collaboration with D-BOX, teamed up with Microsoft and the McLaren Group to launch the world's most upscale Forza Simulator as part of Microsoft's flagship store in London, UK. The simulator is built on a McLaren Senna chassis, interfaces with Forza Motorsport 7 on Xbox One and integrates D-BOX Motion Systems ("Motion Systems").
- Porsche and Sifat unveiled a new racing simulator with D-BOX Motion Systems at the launch of the Taycan in Barcelona in order to replicate a realistic driving experience.
- D-BOX's growth in the simulation and training market has continued with established partners such as Precision Flight Control, CM Labs Simulations, Simformotion and IMS who continue to win important contracts.
- Grand opening of the first 3 D-BOX auditoriums at Hoyts, the leading theatrical chain in Australia and a member of the AMC Entertainment Company. Hoyts operates a cinema circuit of more than 463 screens.
- D-BOX and Bergen Kino, a theatrical exhibitor in Norway, inaugurated the largest auditorium with Motion Systems in Europe. It is D-BOX's first auditorium with Bergen Kino and it will be comprised of 84 Motion Systems.
- D-BOX has taken Indian moviegoers by storm; PVR Cinemas, India's largest exhibitor, successfully inaugurated 3 auditoriums in Mumbai with more auditoriums to be installed in upcoming quarters. PVR operates a cinema circuit of more than 745 screens in 160 locations.
- D-BOX encoded its first Bollywood movie, War, an Indian action thriller film from Yash Raj Films Movies which is so far the top performing box office Bollywood movie in 2019. Bollywood content combined with D-BOX immersive experiences will be offered to the growing list of D-BOX screens around the world to the benefit and joy of numerous D-BOX fans.

"D-BOX Motion Experience and racing are a natural fit. We are proud that our technological platform is making more inroads in the racing industry with professional racing drivers such as Paul Gasly in Formula 1 and André Lotterer in Formula E who train on simulators offered by RS Simulation, a D-BOX partner", said Mr. Claude Mc Master, D-BOX's President and Chief Executive Officer. "Moreover, D-BOX's vast ecosystem of partners, in collaboration with numerous gaming studios and unequivocal support from racing fans, positions D-BOX to leverage opportunities in Location Based Entertainment centers, consumer electronic stores, and car dealerships, in addition to professional drivers and casual gamers."



ADDITIONAL INFORMATION REGARDING THE SECOND QUARTER ENDED SEPTEMBER 30, 2019

The financial information relating to the second quarter ended September 30, 2019 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, 2019. These documents are available at www.sedar.com.

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	
	2019	2018	2019	2018
Net loss	(933)	(748)	(1,539)	(977)
Amortization of property and equipment	439	538	856	1,110
Amortization of intangible assets	204	204	462	405
Amortization of other assets	1	1	2	2
Write-offs on disposal of fixed assets	2	—	2	—
Financial expenses	280	128	373	262
Income taxes	6	50	(1)	78
Share-based payments	16	38	61	93
Foreign exchange loss (gain)	99	(84)	113	311
Adjusted EBITDA	114	127	329	1,284

* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated November 14, 2019.

ABOUT D-BOX

D-BOX redefines and creates realistic, immersive entertainment experiences by moving the body and sparking the imagination through motion. D-BOX has collaborated with some of the best companies in the world to deliver new ways to enhance great stories. Whether it's movies, video games, virtual reality applications, themed entertainment or professional simulation, creating a feeling of presence that makes life resonate like never before.

D-BOX Technologies Inc. (TSX: DBO) is headquartered in Montreal, Canada with offices in Los Angeles, USA and Beijing, China.

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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.

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