

D-BOX Technologies Announces Revenue Increase of 21% For Its Second Quarter

Longueuil, Quebec, November 8, 2017 – D-BOX Technologies Inc. (TSX:DBO), a leader in immersive motion technology, announced today revenues of \$7.7 million for its second quarter ended September 30, 2017, a 21% increase over last year.

FINANCIAL HIGHLIGHTS

- Quarterly revenue increased by 21% to \$7,653K.
- Increase of 32% in recurring revenues for the entertainment market.
- Net loss of \$840K for the quarter compared to a net loss of \$1,114K last year.
- Quarterly adjusted EBITDA* of \$176K compared to \$(267K) last year.
- Gross profit excluding amortization* increased to 58% compared to 52% last year.
- Cash flow generated by operating activities for the first six months improved by \$5,387K from cash used of \$(4,272K) for last year to cash generated of \$1,115K for the same period this year.

| Interim consolidated financial information | | | | |
|--|--|-----------------------------|-------------|--------------------------|
| Second quarter and six-month periods ended September 30 | | | | |
| (in thousands of dollars, except per share amounts) | | | | |
| | | Second quarter | | Six-month periods |
| | | 2017 | 2016 | 2017 |
| Revenues | | 7,653 | 6,331 | 15,794 |
| Net loss | | (840) | (1,114) | (1,824) |
| Adjusted EBITDA* | | 176 | (267) | 553 |
| Basic and diluted net loss per share | | (0.004) | (0.007) | (0.010) |
| Information from the consolidated balance sheet | | | | |
| | | As at September 30, 2017 | | As at March 31, 2017 |
| Cash and cash equivalents | | 9,114 | | 8,867 |

* See the reconciliation table of adjusted EBITDA to the net loss below and the "Non-IFRS measures" section in the Management Discussion and Analysis dated November 8, 2017.

OPERATIONAL HIGHLIGHTS

- 8% increase in screens installed or in backlog to 659 at quarter-end including additional screens installed with Cineplex in Canada and with Cinemark in United States.
- New agreement with Ster-Kinekor, a division of Primedia (Pty) Ltd., the largest cinema exhibitor in South Africa.
- New project with Cineplex's Scotiabank Theatre Ottawa to supply D-BOX virtual reality ("VR") motion seats and VR systems and offering Canadians their first D-BOX VR Cinematic Experience.

Commenting on the quarterly results, Mr. Claude Mc Master, President and Chief Executive Officer of D-BOX, declared: "Our current and past business development initiatives continue to bring more footprint to consolidate and increase our recurring revenue."



ADDITIONAL INFORMATION WITH RESPECT TO THE SECOND QUARTER ENDED SEPTEMBER 30, 2017

The financial information relating to the second quarter ended September 30, 2017 should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and the Management Discussion and Analysis dated November 8, 2017. These documents are available at www.sedar.com.

OUTLOOK

D-BOX operates in two major areas: entertainment market and simulation and training market which have their respective sub-markets. In light of the business development activities in each of these two markets, D-BOX anticipates the long-term upward trend in revenue to continue. The corporation pursues the expansion of footprint to increase recurring revenues. In combination with this expected growth of revenue, D-BOX has to increase the level of its operating expenses aiming, amongst others, to support the sales and marketing of technological innovations. This strategy will help solidify D-BOX's position in existing sub-markets and will facilitate entering new ones.

With the advent of the VR world and with D-BOX's expertise in immersive motion and true-to-life simulation; D-BOX has actively been developing new applications for VR and other key markets. De facto, D-BOX is well-positioned to become a key player in the VR industry given that its technology can reduce motion dizziness sometimes associated with such experiences and may be the missing link that will solve one of the main challenges virtual reality needs to overcome. D-BOX is particularly keen to be part of the new trend as the size of the virtual and augmented reality markets may soon reach billions of dollars according to many industry sources.

RECONCILIATION OF ADJUSTED EBITDA TO NET LOSS**

The adjusted EBITDA provides useful and complementary information which allows, among other things, the evaluation of profitability and cash flows provided by operations. It is comprised of net income (loss) but excludes items not affecting cash and the following: non-recurring expenses related to restructuring costs, foreign exchange loss (gain), financial expenses (income) and income taxes. The following table explains the reconciliation of adjusted EBITDA to the net income (loss).

| | Second quarters ended September 30 | | Six-month periods ended September 30 | |
|--|---------------------------------------|---------|---|---------|
| | 2017 | 2016 | 2017 | 2016 |
| Net loss | (840) | (1,114) | (1,824) | (1,540) |
| Amortization of property and equipment | 576 | 533 | 1,170 | 1,112 |
| Amortization of intangible assets | 165 | 149 | 326 | 300 |
| Amortization of other assets | 1 | — | 2 | 2 |
| Share-based payments | 80 | 21 | 136 | 62 |
| Restructuring costs | — | 28 | 257 | 28 |
| Foreign exchange loss (gain) | 59 | 4 | 214 | (10) |
| Financial expenses (income) | 131 | 112 | 267 | 218 |
| Income taxes | 4 | — | 5 | — |
| Adjusted EBITDA | 176 | (267) | 553 | 172 |

** See the "Non-IFRS measures" section in the Management Discussion and Analysis dated November 8, 2017.

ABOUT D-BOX

D-BOX is a company who redefines the entertainment experience. We create hyper-realistic, immersive entertainment experiences by moving the body and sparking the imagination through motion. This expertise is one of the reasons



why we have collaborated with some of the best companies of the world to deliver new ways to tell great stories. Whether it's movies, video games, virtual reality applications, themed entertainment or professional simulation, our mission is to move the world.

The trademarks D-BOX, MOVE THE WORLD, MOTION ARCHITECTS, LIVE THE ACTION, Synchro Cinema, HEMC, D-BOX MOTION CODE, and D-BOX HIGH-FIDELITY MOTION, whether in text or graphical form, are owned by the Corporation and in most cases are registered or in the process of being registered in Canada and in the countries or territories in which these trademarks are used.

DISCLAIMER IN REGARDS TO 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 put undue reliance on forward-looking statements. D-BOX disclaims any intent or obligation to update publicly these forward looking statements, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mr. Jean-François Lacroix
Chief Financial Officer
D-BOX Technologies Inc.
450 876-1227
jflacroix@d-box.com

Investor Relations:

Mr. Glen Akselrod
Founder Bristol Capital Ltd.
905 326-1888 ext. 10
glen@bristolir.com