



## D-BOX Technologies Announces Revenue Increase of 53% For Its Third Quarter and Strong Adjusted EBITDA

Longueuil, Quebec, February 12, 2018 – D-BOX Technologies Inc. (TSX:DBO), a leader in immersive motion technology, announced today for its third quarter ended December 31, 2017 revenues of \$10.4 million, an increase of 53% over last year and \$1.1 million adjusted EBITDA.

### FINANCIAL HIGHLIGHTS

- Quarterly revenue increased by 53% to \$10,400K.
- Recurring revenues from the entertainment market increased 20% for the quarter.
- Net income of \$51K was generated for the quarter compared to a net loss of \$1,638K for the same quarter last year.
- Quarterly adjusted EBITDA\* of \$1,114K was achieved for the quarter compared to \$(225K) for the quarter last year.
- Cash flows generated by operating activities for the first nine-months improved by \$5,292K from cash used for operations of \$(4,819K) for the first nine months of last year.

<b>Interim consolidated financial information</b>				
<b>Third quarter and nine-month periods ended December 31</b>				
(in thousands of dollars, except per share amounts)				
	Third quarter		Nine-month periods	
	2017	2016	2017	2016
Revenues	10,400	6,803	26,194	20,796
Net income (loss)	51	(1,638)	(1,773)	(3,178)
Adjusted EBITDA*	1,114	(225)	1,667	(53)
Basic and diluted net income (loss) per share	0.000	(0.009)	(0.010)	(0.018)
<b>Information from the consolidated balance sheet</b>				
	As at December 31, 2017		As at March 31, 2017	
Cash and cash equivalents	7,798		8,867	

\* See the reconciliation table of adjusted EBITDA to the net income (loss) below and the "Non-IFRS measures" section in the Management Discussion and Analysis dated February 12, 2018.

### OPERATIONAL HIGHLIGHTS

- D-BOX pursued its expansion in Latin America with the addition of 16 screens in Argentina, Brazil and for the first time in Honduras.
- D-BOX launched its first VR Cinematic Experience which opened at Scotiabank Theatre Ottawa in December.
- D-BOX collaborates with Cirque du Soleil and the NFL to offer a first-of-its-kind NFL Experience in Times Square, NYC.

Commenting on the quarterly results, Mr. Claude Mc Master, President and Chief Executive Officer of D-BOX, declared: "We are very pleased with the 53% growth in revenue for the last quarter and our ability to generate strong adjusted EBITDA. Our focus on growth is continuing to show significant results."



## ADDITIONAL INFORMATION WITH RESPECT TO THE THIRD QUARTER ENDED DECEMBER 31, 2017

The financial information relating to the third quarter ended December 31, 2017 should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and the Management Discussion and Analysis dated February 12, 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. 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 is increasing 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.

D-BOX expertise in immersive motion and true-to-life simulation positions the company to be an active participant in the growing virtual reality market. The company is actively developing new applications for VR and other related market. D-BOX proprietary technology may also enhance the expansion of VR by potentially 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 which may soon reach billions of dollars according to many industry sources.

### RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (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).

	Third quarter ended December 31		Nine-month periods ended December 31	
	2017	2016	2017	2016
<b>Net income (loss)</b>	<b>51</b>	<b>(1,638)</b>	<b>(1,773)</b>	<b>(3,178)</b>
Amortization of property and equipment	593	743	1,763	1,855
Amortization of intangible assets	161	146	487	446
Amortization of other assets	1	7	3	9
Write-off of property and equipment	—	10	—	10
Write-off of intangible assets	52	—	52	—
Share-based payments	70	32	206	94
Foreign exchange loss (gain)	52	(18)	266	(28)
Restructuring costs	—	370	257	398
Financial expenses (income)	134	123	401	341
Income taxes	—	—	5	—
<b>Adjusted EBITDA</b>	<b>1,114</b>	<b>(225)</b>	<b>1,667</b>	<b>(53)</b>

\*\* See the "Non-IFRS measures" section in the Management Discussion and Analysis dated February 12, 2018.



## **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.

## **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:**

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