



D-BOX Technologies Announces Financial Results for its Third Quarter Period ended December 31, 2018

Longueuil, Quebec, February 13, 2019 – D-BOX Technologies Inc. (TSX: DBO), a world leader in immersive entertainment experiences, today announced revenues of \$8.3 million and \$25.8 million for the three months and nine-month periods ended December 31, 2018. Revenues were down 21% for the three months and 1% for the nine months over the same period from last year. The lower revenues for the period reflect the lack of Hollywood released blockbuster movies during the last quarter which led to weaker box office revenues around the world. D-BOX continues to increase its theatrical footprint worldwide with 55 new screens installed since December 2017 year over year.

FINANCIAL HIGHLIGHTS

Highlights for the third quarter ended December 31, 2018

Compared with the third quarter ended December 31, 2017:

- Revenues fell 21% to \$8.3 million from \$10.4 million.
- Recurring revenues decreased 16% to \$2.1 million from \$2.5 million.
- Quarterly adjusted EBITDA was \$515K compared with \$1.1M.
- Recurring revenues rose to 25% of total revenues from 24%.
- Net loss totalled (\$177K) compared with net income of \$51K.

Highlights for the nine-month period ended December 31, 2018,

Compared with the nine-month period ended December 31, 2017:

- Revenues decreased 1% to \$25.8 million from \$26.2 million.
- Recurring revenues grew 5% to \$6.8 million from \$6.5 million.
- Adjusted EBITDA was \$1.8 million compared with \$1.7 million.
- Recurring revenues rose to 26% of total revenues from 25%.
- Net loss totalled (\$1.2M) compared with (\$1.8M).

Third quarter and Nine-month period ended December 31 (in thousands of dollars, except per share amounts)				
	Third Quarter		Nine-month period	
	2018	2017	2018	2017
Revenues	8,258	10,400	25,855	26,194
Net loss	(177)	51	(1,154)	(1,773)
Adjusted EBITDA*	515	1,114	1,795	1,667
Basic and diluted net income (loss) per share	(0.001)	0.000	(0.007)	(0.010)
Information from the consolidated balance sheet				
	As at December 31, 2018		As at March 31, 2018	
Cash and cash equivalents	8,898		10,141	

* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated February 13, 2019.



OPERATIONAL HIGHLIGHTS

- D-BOX added seats across four countries in Latin America through a partnership with Cinemark, a major US exhibitor. This expanded agreement led to the installation of a full D-BOX screen in Ecuador and motion seats in theatres in Argentina and Brazil. Additional seats were also installed in existing locations throughout Colombia confirming sustainable growing popularity of the brand.
- Triotech launched their latest attraction featuring D-BOX motion system called *The Flyer*, in December at Pier 39 in San Francisco. In November, during the IAAPA trade show (International Association of Amusement Parks and Attractions), *The Rabbids Team battle experience* with Ubisoft have been launched – an interactive media-based ride fully powered by D-BOX motion. These new attractions are part of the widely popular games and rides deployed and sold by the company since 2009 in different markets all over the world including *Typhoon*, *XD dark ride*, *XD theater* and other experiences that all utilize D-BOX motion technology.
- Ymagis group opened *Illucity* in December, France’s first VR adventure park located at La Villette in Paris. D-BOX is prominently featured in three different attractions using seats and simulators.

“Despite the quarterly drop in box-office revenues in the theatrical market, we have succeeded in improving our year to date adjusted EBITDA”, says Claude Mc Master, CEO of D-BOX. “We have also increased the number of the company’s integrator partners for the commercial entertainment division”.

ADDITIONAL INFORMATION REGARDING THE THIRD QUARTER ENDED DECEMBER 31, 2018

The financial information relating to the third quarter ended December 31, 2018, should be read in conjunction with the Corporation’s unaudited interim condensed consolidated financial statements and the Management’s Discussion and Analysis dated February 13, 2019. These documents are available at 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, shared-based payments, foreign exchange loss (gain) and non-recurring expenses related to restructuring costs.



	Third Quarter ended December 31		Nine-month period ended December 31	
	2018	2017	2018	2017
Net Income (loss)	(177)	51	(1,154)	(1,773)
Amortization of property and equipment	402	593	1,512	1,763
Amortization of intangible assets	197	161	602	487
Amortization of other assets	—	1	2	3
Financial expenses (net)	123	134	384	401
Income taxes	(31)	—	46	5
Write-off of intangible assets	—	52	—	52
Share-based payments	16	70	109	206
Foreign exchange loss (gain)	(15)	52	294	266
Restructuring costs	—	—	—	257
Adjusted EBITDA	515	1,114	1,795	1,667

* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated February 13, 2019.

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.

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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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