



D-BOX Technologies Announces Revenue Increase of 26% for its Second Quarter

Longueuil, Quebec, November 10, 2016 – D-BOX Technologies Inc. (TSX:DBO), a leader in immersive motion technology, announced today revenues of \$6.3 million for the quarter ended September 30, 2016 which represents a 26% increase in comparison to revenues of \$5.0 million for the quarter ended September 30, 2015.

FINANCIAL HIGHLIGHTS

- Quarterly increase in revenues:
 - Revenues increased by 26% to \$6,331 k, including \$2,508 k of system sales and \$1,384 k of revenues from rights for use, rental and maintenance in the entertainment market.
- Quarterly net loss of \$1,114 k compared to a net loss of \$208 k last year and a net loss of \$1,540 k for the six-month period compared with a net loss of \$178 k last year.
- Adjusted EBITDA* of \$(295 k) compared to \$132 k last year for the quarter and a positive adjusted EBITDA of \$144 k compared to \$1,283 k in 2015 for the six-month period.
- Cash and cash equivalents of \$11,012 k as at September 30, 2016 compared to \$16,454 k as at March 31, 2016.

Second quarter and six-month period ended September 30 (in thousands of CAD, except per share amounts)				
	Second quarter		Six months	
	2016	2015	2016	2015
Revenues	6,331	5,021	13,993	12,209
Net loss	(1,114)	(208)	(1,540)	(178)
Adjusted EBITDA*	(295)	132	144	1,283
Basic and diluted net loss per share	(0.007)	(0.001)	(0.009)	(0.001)
Information from the consolidated balance sheet				
	As at September 30, 2016		As at March 31, 2016	
Cash and cash equivalents	11,012		16,454	

* 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 10, 2016.

OPERATIONAL HIGHLIGHTS

- Continuous development of our entertainment business activities in China with 1) the opening of a first studio of motion coding in Beijing 2) the partnership with State Production Base of China Film Studio, one of the largest and most influential film enterprise in China, to offer major Chinese film productions in D-BOX, 3) the agreement with Link DC China, a subsidiary of Zhixinhengcheng and one of the largest distributors of cinema equipment in China, to distribute D-BOX technology throughout the country and 4) the launch of a first entire auditorium equipped with our technology with Shanghai Bestar Cinemas Management Co. Ltd.
- D-BOX and Cineplex Entertainment extend agreement to add D-BOX motion seats in 10 auditoriums across Canada. This brings the total number of auditoriums that feature the D-BOX experience to 77.
- Growth of 46% of screens installed or in backlog from 420 a year ago to 613 as at September 30, 2016.
- Partnership with Ubisoft to create a permanent virtual reality (VR) experience at the Rabbids Amusement Center in Canada.
- Subsequently to the quarter end, D-BOX signed an exclusive distribution agreement with Hangzhou JC City Management Investment Group Limited, a wholly-owned subsidiary of Gold Finance Group, to distribute and promote D-BOX's high-end home entertainment motion system in China for revenues of up to US \$22 M, including a US \$3.1 million value to be delivered in the next 15 months. In order to maintain its exclusivity in China (excluding Taiwan, Macau and Hong Kong), it is required to purchase at least US \$22 million of D-BOX motion systems over the next five years. Gold Finance has the right to terminate the Agreement upon 30 days' notice without any further liability or obligation on its part, except for orders already placed.



Commenting on the quarterly results, Mr. Claude Mc Master, President and Chief Executive Officer of D-BOX, declared: "We are pleased with our realizations during the last quarter. We are pursuing our involvement in the virtual reality world and we are solidifying and enhancing our business activities in China. All ingredients are in place to accelerate our penetration in that country as well as to continue to grow in the rest of the world."

ADDITIONAL INFORMATION WITH RESPECT TO THE SECOND QUARTER AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2016

The financial information relating to the second quarter and six-month period ended September 30, 2016 should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and the Management Discussion and Analysis dated November 10, 2016. These documents are available at www.sedar.com.

OUTLOOK

D-BOX focuses on two major development 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. In combination with this expected growth of revenue, D-BOX intends to increase the level of its operating expenses aiming, amongst others, to accelerate China market penetration and 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. Generally speaking, the Corporation aims to maintain a positive adjusted EBITDA and intends to manage its operations accordingly.

With the advent of the VR world and with D-BOX 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 excited 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 the following: items not affecting cash, foreign exchange loss (gain), financial expenses (income) and income taxes. The following table explains the reconciliation of adjusted EBITDA to the net loss.

(in thousands of CDN \$)	Second quarter ended September 30		Six-month period ended September 30	
	2016	2015	2016	2015
Net loss	(1,114)	(208)	(1,540)	(178)
Amortization of property and equipment	533	468	1,112	1,067
Amortization of intangible assets	149	137	300	267
Amortization of other assets	—	19	2	82
Write-off of property and equipment	—	44	—	134
Share-based payments	21	62	62	119
Foreign exchange loss (gain)	4	(493)	(10)	(334)
Financial expenses (income)	112	103	218	115
Income taxes	—	—	—	11
Adjusted EBITDA	(295)	132	144	1,283

** See the "Non-IFRS" measures section in the Management Discussion and Analysis dated November 10, 2016.



ABOUT D-BOX

D-BOX Technologies Inc. designs, manufactures and commercializes cutting-edge motion systems intended for the entertainment and the simulation and training markets. This unique and patented technology uses motion effects specifically programmed for each visual content which are sent to a motion system integrated into either a platform, a seat or any other product. The resulting motion is perfectly synchronized with the on-screen action, thus creating an unparalleled realistic immersive experience.

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

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.

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