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**FOR IMMEDIATE RELEASE**

**Listing:** TSX Venture Exchange  
**Symbol:** DNX

**Dynex Power Announces Third Quarter 2018 Results**

*Expecting improved results from strong order book*

**Lincoln, England, November 27th, 2018** - Dynex Power Inc. (TSXV: DNX), a leading, high power semiconductor company, today announced its financial results for the third quarter ended September 30, 2018.

Summary financial information for the three months to September 30, 2018 is as follows:

| Canadian Dollars (000's)                       | Sept 30,<br>2018 | Sept 30,<br>2017 |
|--|------------------|------------------|
| Revenue  | 9,885            | 13,119           |
| Gross Profit/(Loss)                            | 328              | 1,534            |
| Other Income, Expenses and Costs               | (2,184)          | (1,503)          |
| (Loss) / Profit before Tax                     | (1,856)          | 31               |
| Income Tax Recovery / (Charge)                 | 329              | (21)             |
| Net (Loss) / Profit                            | (1,517)          | 11               |
| EBITDA   | (535)            | 1,300            |
| Operating cash                                 | (731)            | 1,158            |
| Common shares outstanding – diluted            | 80,509,047       | 80,509,047       |
| (Loss) per share in Canadian Dollars - diluted | (0.02)           | 0.00             |

Third quarter revenues of \$9.9 million were 25% lower than the corresponding quarter of last year, or, 27% lower before the impact of exchange rates. Gross margin was 3.4% of revenue, compared with a gross margin of 11.7% in the corresponding quarter in 2017. The reduction in gross margin in 2018 reflects lower revenues and an unfavourable product mix in a high fixed cost business.

The combination of other income, expenses and costs represented 22.0% of revenue in the third quarter compared to 11.5% in the corresponding period in 2017.

As a consequence of these results, the Company recorded a loss before tax of \$1,856,000 compared to a profit before tax of \$31,000 in the corresponding quarter of last year. The net loss after tax for the quarter was \$1,517,000 or \$0.02 per share, compared with a net profit of \$11,000, or \$0.00 per share, in the corresponding period of last year.

EBITDA for the quarter was negative \$535,000 compared with a positive \$1,300,000 in the corresponding period last year.

Operating cash outflow was \$731,000 for the quarter compared with an inflow of \$1,158,000 in the corresponding period of last year.

Clive Vacher, President and Chief Executive Officer, commented, “While the Quarter 3 results were broadly in line with the guidance provided in Q1, we wish the results were very much better. We do believe we have broken out of the poor first-half order intake. As well, the key to sustainable profitability lies in greater volume. This is due to the high fixed cost nature of our business. There were encouraging signs with the order backlog towards the end of Q2, which has continued. We secured a record order intake month in August, and our whole-quarter book-to-bill ratio was 1.5. As a consequence, during the quarter, our order backlog, excluding services, rose from \$10.4 million to \$15.4 million.

“We continue to believe in and pursue our turnaround plan, and the elements that will drive future financial performance. Our major focus remains on product quality, and on refreshing and expanding our product portfolio with industry-leading, next generation products. In addition, we are progressing a project to increase manufacturing capacity for greater volumes, and simultaneously continuing our improvement to the sales function.

“During the quarter, we expanded and updated our product range, by completing qualification on our new 3.3kV IGBT module, which demonstrates considerable differentiation versus competitor products. We successfully won significant new-product IGBT commitments from a rail equipment company and a motorsport company. Additionally, we won a competition to supply semiconductor test equipment in Taiwan for the first time.

“In quarter 4, we will start to execute on our expanded order backlog. Furthermore, we are on track to qualify further new products before year-end, while customer discussions on orders for these new products continue very encouragingly.

“In summary, we continue to execute the plans that will make Dynex a solidly profitable company. The financial challenge remains on how to cover the period from new product release to customer acceptance and the receipt of volume orders. Our recent uptick in order intake will help in this regard, as will our upcoming releases of high-technology new products. While we continue to be extremely unhappy about the current financial performance, we have a strong belief that we are executing the right plan for the future.”

Liu Ke'an, the Chairman of Dynex, added, “Dynex continues its highly-focused improvement on product quality and the release of industry-leading new IGBT and Bipolar semiconductors. This will provide the key elements to better financial performance going forward. I continue to support these efforts to the full, and believe that progressive financial improvement will follow.”

## ***Forward-looking Statements***

In commenting on its expectations, the Company cautioned existing and potential shareholders about relying on the Company's expectations in that the Company's expectations contain forward looking statements and assumptions which are subject to the risks and uncertainties of the markets and the future, which could cause actual results to differ materially from expectations, and which are each difficult and subjective to forecast. Certain of those risks and uncertainties are discussed in the Management's Discussion and Analysis for the quarter ended September 30th, 2017 and include, among other things, risks and uncertainties relating to: the level of worldwide demand for power semiconductors and power semiconductor assemblies; the level of investment in power electronic equipment, electrification of transport systems, alternative power generation and high quality power transmission and distribution; and fluctuations in exchange rates between Canadian Dollars, Sterling, US dollars and Euros. As a consequence of these and other risks and uncertainties, shareholders and potential investors must make their own independent judgments about the accuracy and reliability of the Company's expectations. Dynex disclaims any intention or obligation to update or revise any forward looking statement whether as a result of new information, future events or otherwise.

## ***About the Company***

Dynex designs and manufactures high power bipolar semiconductors, high power insulated gate bipolar transistor (IGBT) modules and die, high power electronic assemblies and radiation hard silicon-on-sapphire integrated circuits (SOS IC's). The company's power products are used worldwide in power electronic applications including electric power transmission and distribution, renewable and distributed energy, marine and rail traction motor drives, aerospace, electric vehicles, industrial automation and controls and power supplies. The Company's IC products are used in demanding applications in the aerospace industry. Dynex Semiconductor Ltd is its only operating business and is based in Lincoln, England in a facility housing the fully integrated silicon fabrication, assembly and test, sales, design and development operations. In 2008, a majority of the shares of Dynex were acquired by Zhuzhou CSR Times Electric Co., Ltd. In April 2016 this company changed its name to Zhuzhou CRRC Times Electric Co., Ltd.

Zhuzhou CRRC Times Electric Co., Ltd. is based in Hunan Province in the People's Republic of China. It is listed on the Hong Kong Stock Exchange. CRRC Times Electric is mainly engaged in the research, development, manufacture and sales of locomotive train power converters, control systems and other train-borne electrical systems, as well as the development, manufacturing and sales of urban railway train electrical systems. In addition, CRRC Times Electric is also engaged in the design, manufacturing and sales of electric components including power semiconductor devices for the railway industry, urban railway industry and non-railway purposes.

Press announcements and other information about Dynex are available at [www.dynexpower.com](http://www.dynexpower.com).

Further information on CRRC Times Electric can be found at [www.timeselectric.cn/en](http://www.timeselectric.cn/en)

All monetary values expressed in this release are in Canadian Dollars unless stated otherwise.

The TSX Venture Exchange has neither approved nor disapproved of the information in this press release

**DYNEX POWER INC.****Interim Condensed Consolidated Statements of Comprehensive Income (unaudited) in Canadian Dollars  
Quarter Ended September 30th, 2018**

|  |      | <b>3 months<br/>Sept 30th<br/>2018</b> | 3 months<br>Sept 30th<br>2017 | <b>YTD<br/>Sept 30th<br/>2018</b> | YTD<br>Sept 30th<br>2017 |
|--|------|--|-------------------------------|-----------------------------------|--------------------------|
|  | Note |  | Note                          | \$                                | \$                       |
| <b>Revenue</b>   | 5, 6 | <b>9,885,111</b>                       | 13,119,281                    | <b>31,052,330</b>                 | 36,218,391               |
| <b>Cost of sales</b>   |      | <b>(9,557,070)</b>                     | (11,585,733)                  | <b>(29,568,217)</b>               | (30,954,533)             |
| <b>Gross profit</b>  |      | <b>328,041</b>                         | 1,533,548                     | <b>1,484,113</b>                  | 5,263,858                |
| Other income   | 6    | <b>13,978</b>                          | 526,425                       | <b>144,860</b>                    | 612,826                  |
| Sales and marketing expenses   |      | <b>(327,420)</b>                       | (370,911)                     | <b>(1,277,670)</b>                | (1,068,539)              |
| Administration expenses  |      | <b>(970,457)</b>                       | (885,946)                     | <b>(3,416,140)</b>                | (3,257,383)              |
| Research and development expenses  | 7    | <b>(696,800)</b>                       | (496,741)                     | <b>(1,645,541)</b>                | (1,416,739)              |
| Finance costs  |      | <b>(171,996)</b>                       | (150,189)                     | <b>(558,953)</b>                  | (473,521)                |
| Other (losses)/gains   |      | <b>(31,501)</b>                        | (125,161)                     | <b>(17,177)</b>                   | (219,556)                |
| <b>Loss before tax</b>   | 7    | <b>(1,856,155)</b>                     | 31,025                        | <b>(5,286,508)</b>                | (559,054)                |
| Income tax recovery  |      | <b>338,727</b>                         | (20,394)                      | <b>964,384</b>                    | 31,875                   |
| <b>Net loss</b>  |      | <b>(1,517,428)</b>                     | 10,631                        | <b>(4,322,124)</b>                | (527,179)                |
| <b>Other comprehensive (loss)/ income</b>  |      |  |                               |                                   |                          |
| Items that may be reclassified subsequently to net profit/loss:                    |      |  |                               |                                   |                          |
| Exchange differences on translation of<br>foreign operations (net of tax of \$nil) |      | <b>(385,024)</b>                       | (191,189)                     | <b>244,571</b>                    | 456,947                  |
| <b>Total comprehensive (loss)/income for the period</b>                            |      | <b>(1,902,452)</b>                     | (180,558)                     | <b>(4,077,553)</b>                | (70,232)                 |
| <b>Loss per share</b>  |      |  |                               |                                   |                          |
| Basic  | 8    | <b>(0.02)</b>                          | 0.00                          | <b>(0.05)</b>                     | (0.01)                   |
| Diluted  | 8    | <b>(0.02)</b>                          | 0.00                          | <b>(0.05)</b>                     | (0.01)                   |

**DYNEX POWER INC.****Interim Condensed Consolidated Statement of Financial Position (unaudited) in Canadian Dollars  
As at September 30th, 2018**

|   |      | <b>Sept 30th<br/>2018</b> | Dec 31st<br>2017 |
|---|------|---------------------------|------------------|
|   | Note | \$                        | \$               |
| <b>NON-CURRENT ASSETS</b>                 |      |                           |                  |
| Intangible assets                         | 9    | <b>1,439,924</b>          | 1,475,016        |
| Property, plant & equipment               | 9    | <b>27,228,363</b>         | 29,338,663       |
| Derivative financial instruments          |      | -                         | -                |
| Deferred tax asset                        |      | <b>2,342,091</b>          | 1,292,441        |
| <b>Total non-current assets</b>           |      | <b>31,010,378</b>         | 32,106,120       |
| <b>CURRENT ASSETS</b>                     |      |                           |                  |
| Inventories                               |      | <b>12,640,749</b>         | 10,961,596       |
| Trade receivables                         |      | <b>5,181,769</b>          | 4,637,011        |
| Amounts owing from group undertakings     | 13   | <b>8,683,350</b>          | 8,704,381        |
| Prepayments, deposits & other receivables |      | <b>2,794,583</b>          | 2,138,954        |
| Tax recoverable                           |      | -                         | -                |
| Cash                                      |      | <b>2,713,256</b>          | 3,564,624        |
| <b>Total current assets</b>               |      | <b>32,013,707</b>         | 30,006,566       |
| <b>CURRENT LIABILITIES</b>                |      |                           |                  |
| Trade payables                            |      | <b>3,077,274</b>          | 1,271,903        |
| Amounts owing to group undertakings       | 13   | <b>8,536,504</b>          | 3,701,225        |
| Other payables and accruals               |      | <b>4,700,586</b>          | 7,204,708        |
| Borrowings                                | 10   | <b>22,214,009</b>         | 20,292,764       |
| Tax payable                               |      | -                         | -                |
| Provisions                                |      | <b>57,387</b>             | 173,339          |

**DYNEX POWER INC.****Interim Condensed Consolidated Statement of Financial Position (Unaudited) in Canadian Dollars  
(continued)**

As at September 30th, 2018

|                                      |      | <b>Sept 30th<br/>2018</b> | Dec 31st<br>2017 |
|--------------------------------------|------|---------------------------|------------------|
|                                      | Note | \$                        | \$               |
| <b>NON-CURRENT LIABILITIES</b>       |      |                           |                  |
| Borrowings                           | 10   | <b>2,192,925</b>          | 3,146,100        |
| Provisions                           |      | <b>51,238</b>             | 50,932           |
| <b>Total non-current liabilities</b> |      | <b>2,244,163</b>          | 3,197,032        |
| <b>NET ASSETS</b>                    |      | <b>22,194,162</b>         | 26,271,715       |
| <b>EQUITY</b>                        |      |                           |                  |
| Share capital                        | 11   | <b>37,096,192</b>         | 37,096,192       |
| Accumulated deficit                  |      | <b>(15,687,266)</b>       | (11,365,142)     |
| Foreign currency translation reserve |      | <b>785,236</b>            | 540,665          |
| <b>TOTAL EQUITY</b>                  |      | <b>22,194,162</b>         | 26,271,715       |

**DYNEX POWER INC.****Interim Condensed Consolidated Statement of Changes in Equity (unaudited) in Canadian Dollars  
Six Months Ended September 30th, 2018**

|  | Share<br>Capital  | Deficit             | Foreign<br>Currency<br>Translation<br>Reserve | Total<br>Equity   |
|--|-------------------|---------------------|---|-------------------|
|  | \$                | \$                  | \$  | \$                |
| At January 1st, 2017                             | 37,096,192        | (10,528,225)        | (259,137)                                     | 26,308,830        |
| Total comprehensive income for the period        | -                 | (527,179)           | 456,947                                       | (70,232)          |
| <b>At September 30th, 2017</b>                   | <b>37,096,192</b> | <b>(11,055,404)</b> | <b>197,810</b>                                | <b>26,238,598</b> |
| Total comprehensive (loss)/income for the period | -                 | (309,738)           | 342,855                                       | 33,117            |
| At December 31st, 2017                           | 37,096,192        | (11,365,142)        | 540,665                                       | 26,271,715        |
| Total comprehensive (loss)/income for the period | -                 | (4,322,124)         | 244,571                                       | (4,077,553)       |
| <b>At September 30th, 2018</b>                   | <b>37,096,192</b> | <b>(15,687,266)</b> | <b>785,236</b>                                | <b>22,194,162</b> |

**DYNEX POWER INC.****Interim Condensed Consolidated Statement of Cash Flows (unaudited) in Canadian Dollars  
Six Months Ended September 30th, 2018**

|   | YTD<br>Sept 30th<br>2018 | YTD<br>Sept 30th<br>2017 |
|---|--------------------------|--------------------------|
| Note  | \$                       | \$                       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                          |                          |
| Loss before tax   | (5,286,508)              | (559,054)                |
| Finance costs recognised in loss before tax                     | 558,953                  | 473,521                  |
| Investment income recognised in loss before tax                 | -                        | 518                      |
| Amortization of intangible assets                               | 320,164                  | 144,677                  |
| Depreciation of property, plant & equipment                     | 3,503,343                | 3,428,972                |
| Loss on disposal of property, plant & equipment and intangibles | 23,320                   | -                        |
| Provision for slow moving and obsolete inventory                | 226,961                  | (3,188,558)              |
| Non cash movement in provisions                                 | -                        | 42,294                   |
| Movements in working capital                                    | 12 740,618               | 3,067,615                |
| Income taxes paid   | (99,467)                 | (96,228)                 |
|   | <b>(12,616)</b>          | <b>3,313,757</b>         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                          |                          |
| Payments for intangible assets                                  | (270,202)                | (9,522)                  |
| Payments for property, plant & equipment                        | (1,185,380)              | (1,352,617)              |
| Interest received   | -                        | (518)                    |
|   | <b>(1,455,582)</b>       | <b>(1,362,657)</b>       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                          |                          |
| Proceeds from borrowings  | 2,566,368                | 1,382,927                |
| Repayments of borrowings  | (1,714,773)              | (1,702,462)              |
| Interest paid   | (244,054)                | (206,399)                |
| Payments for other finance costs                                | (86)                     | (14,465)                 |
|   | <b>607,455</b>           | <b>(540,399)</b>         |
| <b>NET INCREASE IN CASH</b>                                     | <b>(860,743)</b>         | <b>1,410,701</b>         |
| Cash at beginning of period                                     | 3,564,626                | 898,855                  |
| Effect of foreign currency translation on cash                  | 9,373                    | (17,986)                 |
| <b>CASH AT END OF PERIOD</b>                                    | <b>2,713,256</b>         | <b>2,291,570</b>         |