DIRTT Announces Go-Forward Plan for 2018 Q1 and Commitment of Senior Management

CALGARY, Jan. 17, 2018 -- DIRTT Environmental Solutions Ltd. (“DIRTT” or the “Company”) (TSX:DRT), a leading technology-enabled manufacturer of custom prefabricated interiors, today announced highlights of its go-forward plan for the quarter ending March 31, 2018, in addition to reaffirming the senior leadership team’s commitment to DIRTT.

Company co-founder and executive chair, Mogens Smed, confirmed his continued focus on the revenue generation aspects of the business, including sales and marketing activities, and partner engagement and success. “DIRTT is built on a culture of empowerment to drive change and make things happen, and that’s not always comfortable, but it’s worth it,” says executive chair Mogens Smed. “We’re determined to push DIRTT forward and I’m committed to helping this team succeed.”

Michael Goldstein, DIRTT’s interim president and CEO, has laid out a 90-day plan to build momentum:

1. **Deliver on near-term growth:** The Company reaffirms its commitment to capitalize on the significant investments made throughout 2017, to drive revenue growth and focus on improvement to Adjusted EBITDA.

2. **Integrate senior leadership initiatives:** Changes to DIRTT’s senior management team announced on January 2, 2018, establish a leadership group that is driven to realize the Company’s growth and profit potential. Company founders and other members of the senior management team have confirmed their commitment and support. The team is actively engaged with integration work related to new executive team members and roles. The Company diligently continues its search for a permanent CFO, and management and the board are participating in the search process.

3. **Launch strategic growth analysis:** The Company believes its opportunity for growth and increased earnings generation is substantial. As such, it is undertaking a strategic assessment to sharpen its strategy for growth and to support a renewed resource focus on significant markets and opportunities to evolve.

4. **Implement shareholder engagement initiatives:** The Company will implement a program to increase its connection and communications with shareholders and to encourage open dialogue and the exchange of ideas with its shareholders.

“We believe DIRTT has a compelling opportunity to dominate significant portions of this market,” says Goldstein. “I have never experienced a more committed, engaged and motivated team than what DIRTT has. What the founders have created here is truly remarkable, and we are committed to reinforcing and building upon the capabilities of this team and the Company’s technology to fully realize the potential of DIRTT.”

An updated investor presentation is now available on DIRTT’s Investor Relations website at ir.DIRTT.net.

Forward Looking Information

Except for historical information, this press release contains forward-looking statements, which reflect the Company's current expectations regarding future events including its opportunities for future growth and to increase its market position. These forward-looking statements are based upon information which is currently available to the Company and which is believed to be reasonable in the circumstances; however, such statements involve a number of risks and uncertainties, which may cause actual results to differ materially from such forward looking statements. In particular, the Company’s ability to predict future financial performance is highly uncertain due, in part, to the lumpy nature of customer orders, the variability of product mix, and the timing of the underlying construction projects that DIRTT is selling in to. The Company’s success will depend, in part, on its ability to maintain and manage growth effectively. To take advantage of future growth opportunities and manage the growth of the Company’s operations and personnel, DIRTT will need to continue to improve its operational, financial and management controls and reporting systems and procedures. Failure to effectively manage growth could result in difficulty in implementing products or securing customers and Partners; declines in quality or customer satisfaction; increases in costs; and difficulties in introducing new features or other operational difficulties. Any of these difficulties could adversely impact the Company’s business performance and results of operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under the Company's continuous disclosure obligations.

Non-IFRS Measures

EBITDA and Adjusted EBITDA are non-IFRS measures, meaning that they do not have standardized meanings as prescribed by International Financial Reporting Standards ("IFRS"). Other companies may calculate similar measures in a different manner and, therefore, non-IFRS measures are unlikely to be comparable to similar measures presented and calculated by other companies. EBITDA represents an indication of the Company's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their age, technological validity, and management's estimate of their useful life. Accordingly, EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for non-cash foreign exchange gains or losses on debt revaluation; gains or losses on disposal of property, plant and equipment and intangible assets; write-off of property, plant and equipment and intangible assets; non-cash stock-based compensation expense; transaction costs; and any other non-recurring gains or losses. The Company believes these non-IFRS measures are useful supplemental measures that may assist investors in assessing its business. The Company uses them to assess its ability to generate cash flows, service debt, pay current taxes, and fund capital expenditures. Non-IFRS measures should not be considered as the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, any other measure of performance under IFRS, including net income (loss) or profit as determined in accordance with IFRS.

About DIRTT | www.DIRTT.net
DIRTT Environmental Solutions uses its proprietary 3D software to design, manufacture and install fully customized, prefabricated interiors. DIRTT's manufacturing facilities are in Phoenix, Savannah, Kelowna and Calgary. DIRTT's team supports nearly 100 Partners throughout North America, the United Kingdom, the Middle East and Asia. DIRTT trades on the Toronto Stock Exchange under the symbol "DRT."

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