

LEVIS, QC, Oct. 24, 2013 /PRNewswire/ -DEQ Systems Corp. (TSX-V: DEQ) ("DEQ" or the "Company") announces the filing of its third quarter financial results for the period ended August 31, 2013

. The Consolidated Financial Statements are available on SEDAR (www.sedar.com

) and DEQ's website. A conference call will be held on Friday, October 25, 2013

at 11am EST to present and discuss these results. Those interested in participating in the call should dial toll free 1 (800) 768-4046 or 1 (416) 981-9000. A presentation is available on DEQ's website in the Investors/Financial Reports/Presentation section to support the call content.

2013 Q3 and Nine-Month Results:

Financial Metrics

Third Quarter:

- 29% increase in product rental revenue from \$1,116,000 in Q3-2012 to \$1,445,000 in Q3-2013.
- 25% increase in total recurring revenue from \$1,395,000 in Q3-2012 to \$1,741,000 in Q3-2013.
- 25% increase in total revenue from \$1,412,000 in Q3-2012 to \$1,764,000 in Q3-2013.

Nine-Month Period:

- 30% increase in product rental revenue from \$3,055,000 in 2012 to \$3,981,000 in 2013.

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- 23% increase in total recurring revenue from \$3,929,000 in 2012 to \$4,849,000 in 2013.
- 27% increase in total revenue from \$3,988,000 in 2012 to \$5,077,000 in 2013.
- **Operating Expenses before non-cash items**
- 9% increase from \$1,194,000 in Q3-2012 to \$1,307,000 in Q3-2013
- 7% increase for the nine-month period from \$3,795,000 in 2012 to \$4,054,000 in 2013.
- Operating expenses should remain stable for the last quarter of 2013
- **EBITDA**
- Positive EBITDA of \$155,000 in Q3-2013 compared to \$85,000 in Q3-2012.
- Positive EBITDA of \$277,000 for the nine-month period in 2013 compared to \$(290,000)

for the same period in 2012. This is an improvement of

\$567,000

for the nine-month period.

- **Cash Flow**

- Positive cash flow from operating activities before working capital items of \$158,000 in Q3-2013 compared to a positive cash flow of

\$40,000

in Q3-2012.

- For the nine-month period, DEQ had a positive cash flow of \$298,000 in 2013 from operating activities before working capital items compared to a cash flow of

\$(194,000)

in 2012

Third Quarter Highlights

- As of August 31, 2013, DEQ had 1,990 units installed worldwide compared to 1,636 units as of August 31, 2012.

- During the third quarter of 2013, a total of 57 net units were installed compared to net installations of 106 units in the third quarter of 2012. Unusual and very sporadic product volatility counts for this lower net install increase and the Company does not see this as a recurring matter or a concern.

- The Company is currently generating average recurring revenue of \$3,425 per unit per year on its worldwide install base of 1,990 units for total annual recurring revenue of

approximately

\$6,800,000

"The third quarter has yielded continued solid results and progression" stated Francois Proulx, Interim CEO. "The initial Hawk

™

electronic shoe placements are doing well and we are thrilled with the market reception of this new and promising product. Our continued penetration in the

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USA

with the G3

™

product at significant locations like the Borgata in Atlantic City

and our expansion into

Asia

with Las Vegas Sands as well as with other distinguished customers are fuelling our success and we are very excited about these and other growth opportunities. Our shareholder base is now stronger with the addition of several new important stockholders recently and we are extremely happy to see them demonstrate their confidence in our business plan and in the continued positive results we are delivering from a financial, product and market penetration perspective."

Statement of Earnings

(unaudited)

Product rental	1,116,000		1,445,000
Royalties	279,000		296,000
Total recurring revenue	1,395,000		1,741,000
Non recurring revenue	17,000		23,000
Total Revenue	1,412,000		1,764,000
Gross Profit	(1)	1,280,000	
<i>% Gross margin</i>	<i>90%</i>		<i>83%</i>
Operating expenses	(1)	1,195,000	
EBITDA	(2)	85,000	
Stock based compensation	20,000		5,000
Amortization expenses	711,000		703,000
Interest expenses	4,000		4,000
Foreign exchange (gain) loss	40,000		15,000
Net Income (Loss)	(690,000)		(572,000)
Net Income (Loss) per share	\$(0.010)		\$(0.008)

Note 1:

Gross profit and operating expense

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Note 2:

We use EBITDA (Earnings before Stock option based compensation, Interest,

Financial Position

November 30,2012

Cash and cash equivalents	750,000
Current assets (other than cash)	1,884,000
Long-term assets	8,884,000
Total Assets	11,518,000
Current liabilities	1,278,000
Shareholders' equity	10,240,000
Total Liabilities and Equity	11,518,000
Number of shares outstanding	69,182,000

ABOUT DEQ

DEQ Systems Corp. (TSXV: DEQ) is a customer-centric company that delivers to the global gaming industry best-of-breed table-game technology-related products that add value and increase client revenue. DEQ provides table-game-bonusing technology, table games, baccarat results tracking, and jackpot connectivity solutions to more than 275 casinos in 30 countries. DEQ is an intellectual-property-focused company that has an extensive patent portfolio of more than 20 patents recognized in 50 countries. For further information, please visit www.deq.com.

TSX Venture does not accept any responsibility regarding the accuracy of the information contained in this press release.

Forward-looking statements contained in this Press Release involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the said forward-looking statements.

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