Management Discussion and Analysis

D-BOX Technologies Inc.

Third quarter ended December 31, 2014

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MANAGEMENT DISCUSSION AND ANALYSIS

D-BOX Technologies Inc.

Third quarter ended December 31, 2014

1. Scope of the MD&A

This Management's Discussion and Analysis ("MD&A") is intended to provide the reader with a better understanding of the activities of D-BOX Technologies Inc. and its subsidiary, and key elements of its financial results. In particular, it explains changes in the Corporation's financial position and operating results for the quarter and nine-month period ended December 31, 2014 by comparing them to the results of the corresponding periods of the previous fiscal year. It also presents a comparison of the balance sheets as at December 31, 2014 and March 31, 2014.

This MD&A has been prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the information included in the audited consolidated financial statements and management discussion and analysis for the fiscal year ended March 31, 2014 and the unaudited interim condensed consolidated financial statements of the third quarter and nine-month period ended December 31, 2014. Unless otherwise indicated, the terms "Corporation" and "D-BOX" refer to D-BOX Technologies Inc.

The unaudited interim condensed consolidated financial statements for the third quarter ended December 31, 2014 and this MD&A have been reviewed by the Audit Committee and approved by the Corporation's Board of Directors. Unless otherwise indicated, all the amounts in this MD&A are in thousands of Canadian dollars.

2. Forward-looking Statements

Some of the statements made in this MD&A, including, but not limited to, statements about the opinions, the projects, the objectives, the strategies, the estimates, the intentions and the expectations of the Corporation, as well as other statements not referring to historical facts, are forward-looking statements. Forward-looking statements can be identified by terms such as "expects," "anticipates," "estimates," "predicts," "undertakes" and other similar terms and expressions. These statements are based on the information available at the time they were prepared and management's good faith assumptions and expectations regarding future events, and inherently involve known and unknown risks and uncertainties such as, without limitation, competition, the Corporation's ability to build on its technology, the Corporation's ability to continue developing its distribution network and enter into new commercial agreements in the entertainment and industrial markets, exchange rate fluctuations, and other factors discussed herein (see "Risks and Uncertainties") or in the Corporation's continuous disclosure filings. The Corporation's actual results may be materially different from those expressed or implied in these forward-looking statements. As a result, you are cautioned not to place undue reliance on these forward-looking statements. These statements do not reflect the potential impact of any special items or of any business combination or other transaction that may be announced or that may occur after the date hereof. Except as required by law, the Corporation does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events.

3. Quarterly Highlights

3.1 Financial Highlights

- Quarterly revenues of $4,994 k representing an increase of 8% compared to last year: up 25% to $3,450 k in the entertainment market and down 17% to $1,544 k in the industrial market.
- 31% increase in the number of theatres equipped with D-BOX MFX systems over the last year with 297 theatres installed worldwide. As at December 31, 2014, the backlog consists of 55 screens of which 35 are scheduled to be delivered and installed in the upcoming quarter.
- Quarterly net loss of $315 k and adjusted EBITDA* of $200 k for the quarter.
- Cash flows relating to operating activities before working capital variations of $460 k for the first nine months of the fiscal year.

Third quarter and nine-month period ended December 31
(in thousands of $CA, except per share amounts)

	Third quarter		Nine months	
	2014	2013	2014	2013
Revenues	4,994	4,619	13,908	12,613
Adjusted EBITDA*	200	333	591	575
Net Loss	(315)	(352)	(1,328)	(1,546)
Basic and diluted net loss per share	(0.0019)	(0.0021)	(0.0081)	(0.0094)

Information from the consolidated balance sheet

	As at Dec. 31, 2014	As at Sept. 30, 2014	As at March 31, 2014
Cash and cash equivalents	4,512	5,038	6,717

* See the "Non IFRS Measures" section and the reconciliation table of adjusted EBITDA to the net income (net loss) on page 8.

3.2 Operational Highlights

- New agreement with Cinemark, the third largest theatre chain in the United States with 4,473 screens, providing for the deployment of 20 screens in major US markets and bringing to 24 the number of screens with this chain in the United States. As of today, the total number of screens either installed or to be installed nationally or internationally amounts to 366 screens including 72 screens in backlog.
- Over the quarter, D-BOX has developed new products as a result of its investments in research and development, including:

  For the commercial theatre market – The launch of a two-seat motion system allowing D-BOX to enter new markets.

  For the home entertainment market – The launch of a new universal Home Entertainment Motion Controller (HEMC) that synchronizes the motion code with any visual content, whether through a digital data storage device (DVD, Blu-ray®, hard drive) or through online streaming via Netflix®, Apple TV®, YouTube® or any website that offers visual content.

  For the industrial market – The ongoing commercialization of a new three-inch actuator offering a larger array of movement possibilities, a longer reach and better weight-lifting capabilities. This actuator is particularly adapted to the needs of the simulation and training markets and has been developed and tested with customers.

4. Outlook

D-BOX focuses on two major development areas: the entertainment market and the industrial market which have their respective sub-markets.

In light of the business development activities in each of these two markets, the investments related to new products and the strength of the backlog at the end of the quarter, D-BOX expects that the upward trend in revenue will continue.

In conjunction with the anticipated growth in revenue, D-BOX expects to gradually increase the level of its operating expenses related to sales and marketing and research and development that will support amongst others the commercialization of new products. In general, the Corporation aims, however, to maintain a positive adjusted EBITDA and intends to manage its operations based on attaining this objective.

5. Corporate Profile

D-BOX Technologies Inc. designs, manufactures and commercializes cutting-edge motion systems intended for the entertainment and industrial 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.

Three components produce motion synchronized with image and sound:

1. the creation of motion effects making up the motion code known as D-BOX Motion Code;
2. a motion controller serving as an interface between the visual content (films, television series, video games) and the D-BOX motion system; and
3. the D-BOX motion system, consisting amongst other things of electromechanical pistons (actuators) built into a platform, a seat, or another type of equipment.

The entertainment experience provided by the Corporation's technology essentially targets two distinct markets: the entertainment market and the industrial market which each have their respective sub-markets. As at December 31, 2014, D-BOX had 82 employees compared to 67 as at December 31, 2013.

6. Corporate Strategy

The Corporation is establishing itself as the global reference with respect to the creation and design of immersive motion systems. It is developing brand awareness in addition to offering a differentiated asset generating revenues in various business sectors. The Corporation's cutting-edge motion systems target two distinct markets: the entertainment market and the industrial market.

Examples of Applications

Entertainment Market	Industrial Market
• Commercial theatres • Home entertainment	• Simulation and training • Amusement parks, arcades, museums and planetariums • Casinos • Therapeutic care

6.1 Revenue Models

The Corporation's revenue streams mainly consist of:

1. the sale or lease of D-BOX motion systems including motion controllers and, in some cases, computer servers;
2. utilization rights (license) for the D-BOX technology on the sale of admission tickets in movie theatres which are equipped with this technology to view a motion picture encoded by D-BOX. The Corporation also receives system maintenance revenues relating to the use of systems;
3. direct sales of motion systems to a network of specialized resellers, integrators, equipment or seating manufacturers whom market the D-BOX technology under their own brands (Original Equipment Manufacturers ("OEM")). This marketing method offers the advantage of minimizing sales and marketing costs;
4. coding rights for visual content.

6.2 Growth Strategy / Entertainment Market

The Corporation is constantly pursuing negotiations with movie theatre owners to increase the number of venues equipped with its technology.

Concomitantly, the Corporation relies on the contacts and credibility established with Hollywood's major studios and some Asian and European studios in order to obtain more content. The Corporation believes that an increase in the offer of motion pictures has a direct impact on the number of equipped venues and that box office revenue for D-BOX MFX equipped theatres acts as an incentive to:

1. accelerate the deployment of its technology with new commercial theatre exhibitors that want to add a distinctive element to their offering;
2. facilitate the sale of its technology to current film exhibitors that may want to equip more than one of their complexes or equip more than one screen within the same complex;
3. generate motion system sales to the clientele of the home entertainment sub-market, who wishes being able watching coded movies in the comfort of their homes;
4. entice video game customers in purchasing gaming seats equipped with D-BOX actuators thereby allowing them to feel all the action that can be brought by a specific game;
5. promote the technology to potential customers in the industrial market.

As of December 31, 2014, over 30 or so exhibitors had more than one site that integrated the D-BOX technology and more than 50 installed sites had more than one screen incorporating our technology within the same complex.

An increase in the number of equipped theatres has a direct impact on the offering of studios because it is based on a business model in which all parties involved benefit since they share the new revenues generated by the technology.

Access to content is a key factor in rapidly deploying the D-BOX technology. As of today, the Corporation has developed business relations with many content providers either for movies or gaming. For instance, over 140 titles, including more than 70 which ranked no 1 at the box office on opening weekend, have been coded for presentation in commercial theatres.

The D-BOX experience in movie theatres will continue to expand significantly through the deployment of its technology. This vision is strengthened by the fact that the Corporation has continuously coded content from major studios in addition to coding local content in some countries where D-BOX is now present. Furthermore, it has proven its technical and commercial merits and has received several awards over the last few years.

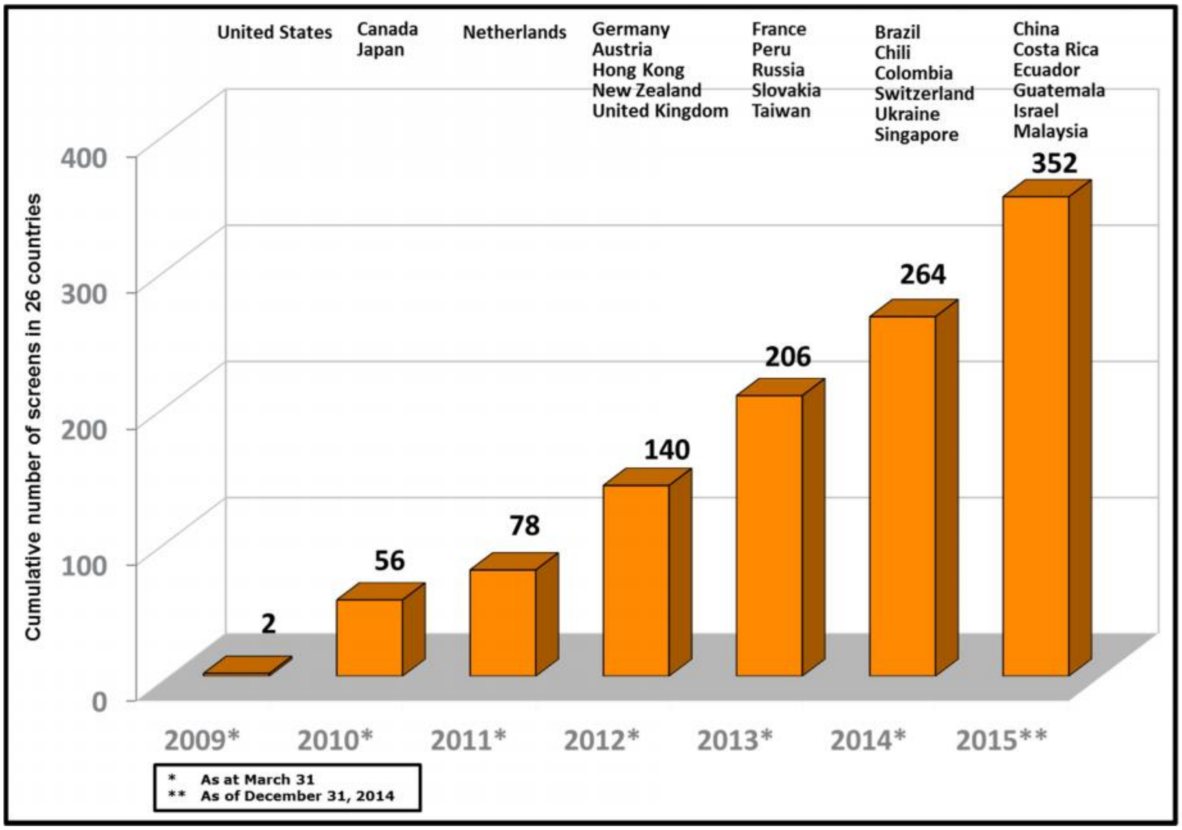
However, certain seasonal factors may impact the deployment of new D-BOX MFX systems in commercial theatres. The Corporation’s growth rate for its commercial theatre business activities will not necessarily be linear but rather subject to a certain level of volatility when comparing consecutive quarters. With respect to markets outside of North America, it is worth noting that the launch dates of movies are not necessarily the same in different geographical markets.

In this respect, the Corporation wishes to remind readers that it remains subject to a number of risks and uncertainties pertaining to its operations (see the "Risks and Uncertainties" section).

Business development efforts targeting movie theatre chains are handled by an internal business development team and a few external partners in certain countries. Moreover, the Corporation’s representatives continue to attend major trade shows. The Corporation believes that the entertainment market, in addition to being an excellent showcase for the demonstration of its technology to the largest number of people possible, generates increasing revenues through utilization rights earned from the use of the technology based on premiums for admission tickets, the sale or rental of motion systems and motion system maintenance contracts. This strategy drives a significant increase in brand awareness.

In measuring achievement of its deployment objectives for theatre chains, the Corporation tracks the installed base of its D-BOX MFX systems as well as its backlog. From a practical standpoint, the Corporation defines systems backlog as follows: an order for D-BOX MFX systems received as part of a contractual agreement and for which the installation is scheduled within a twelve-month period of date of its most recent financial statements. As at December 31, 2014, the total installed or in backlog screens stood at 352 in comparison to 315 as at September 30, 2014 and 243 a year ago.

Worldwide growth of installed screens or in backlog
As at December 31, 2014



With respect to products targeting home entertainment, the Corporation aims to:

1. sell products under its own brand name and under original equipment manufacturers' (OEM), integrators' and resellers' brands;
2. increase the offer of content coded by D-BOX;
3. create products and form partnerships with strategic players who allow for progressive penetration of mass markets.

In short, D-BOX has demonstrated so far:

- the willingness of moviegoers to pay a premium on an admission ticket to experience immersive Audio Video Motion (AVM);
- that it generates a new source of business traffic and new revenues for movie theatre operators allowing them to stand out from competitors and increase their revenues ((i) direct revenues from the sale of tickets in the D-BOX zone and (ii) indirect revenues from the sale of food and beverages); and
- that it brings in additional visibility and a new source of revenues for the studios.

6.3 Growth Strategy / Industrial Market

The industrial market contributes significantly to the global awareness of the D-BOX brand thereby sparking consumer interest for the Audio Video Motion (AVM) experience which can stimulate demand for the D-BOX experience in other sub-markets, such as: industrial simulation, arcades, casinos, therapeutic care, virtual training, museums and planetariums. The Corporation is mobilizing resources devoted to the business development of this market with the goal of identifying new eventual partners, properly satisfying their needs and meeting their demands.

With respect to products earmarked for industrial simulation users, the Corporation is following its mission to sell products under its own brand, under original equipment manufacturers' brands (OEM's) and through a network of integrators and resellers. It is also adapting its products to address specific requests of manufacturers and OEM's to penetrate new markets.

In the last few years, the Corporation has stepped up its presence at commercial and industrial trade shows, which has contributed raising awareness of D-BOX and its motion technology.

The Corporation recently developed motion systems adapted to the needs of new business segments within the industrial market and the sale of these systems should accelerate over the course of the next few quarters.

The Corporation dedicates a team to develop and service this market and to identify new potential customers and adequately meet their demands. The main selection criteria for new customers include an efficient international distribution network, a well-renowned name in the market and the willingness to invest the necessary effort and resources to generate new and important revenue streams.

(Amounts in tables are in thousands of Canadian dollars, except for amounts relating to shares and per-share amounts) Page 8

7. Non-IFRS Measures

In this MD&A, the Corporation uses two measures that are non-compliant with IFRS: 1) the adjusted EBITDA and 2) the gross profit excluding amortization. Although these measures supply useful and complementary information, they do not have a standardized meaning under IFRS and are not likely to be comparable to similar measures used by other issuers.

1) The adjusted EBITDA allows to evaluate the Corporation's profitability and its capacity to generate funds from its operating activities. It designates the net income (net loss) before items not affecting cash, the foreign exchange gain or loss, financial expenses, interest income and income taxes.

   The following table explains the reconciliation of adjusted EBITDA to the net income (net loss).

	Third quarter ended December 31		Nine-month period ended December 31	
	2014	2013	2014	2013
Net loss	(315)	(352)	(1,328)	(1,546)
Amortization of property, plant and equipment	541	492	1,533	1,529
Amortization of intangible assets	121	71	318	215
Amortization of other assets	23	38	59	68
Write-off of property, plant and equipment	10	86	82	123
Gain on disposal of property, plant and equipment	—	—	(36)	—
Share-based payment expense	105	143	325	434
Foreign exchange gain	(295)	(150)	(388)	(276)
Financial results (financial expenses and interest income)	14	1	25	18
Income taxes	(4)	4	1	10
Adjusted EBITDA	200	333	591	575

2) The gross profit excluding amortization also allows to evaluate the Corporation's capacity to generate funds through product sales by considering the cost of these products while excluding the main non-cash item, namely amortization (See the table explaining the reconciliation of gross profit to gross profit excluding amortization on page 11).

(Amounts in tables are in thousands of Canadian dollars, except for amounts relating to shares and per-share amounts) Page 9

8. Main Financial Data

The following tables present selected significant financial data for the third quarter and nine-month period ended December 31, 2014 by comparing them with the corresponding periods of the previous fiscal year.

Information from the Consolidated Statements of Net Loss and Other Comprehensive Loss	Third quarter ended December 31		Nine months ended December 31	
	2014	2013	2014	2013
Revenues	4,994	4,619	13,908	12,613
Gross profit excluding amortization*	2,623	2,574	7,559	6,981
Adjusted EBITDA*	200	333	591	575
Net loss	(315)	(352)	(1,328)	(1,546)
Basic and diluted net loss per share	(0.0019)	(0.0021)	(0.0081)	(0.0094)

* See the "Non-IFRS measures" section.

Information from the Consolidated Statements of Cash Flows	Nine months ended December 31	
	2014	2013
Goods held for lease	(405)	(497)
Cash flows relating to operating activities	(1,060)	2,520
Additions to property, plant and equipment	(379)	(250)
Additions to intangible assets	(827)	(384)

The following table presents certain important financial data of the consolidated balance sheet as at December 31, 2014 and as at March 31, 2014.

Information from the Consolidated Balance Sheets	As at December 31, 2014	As at March 31, 2014
Cash and cash equivalents	4,512	6,717
Inventories	4,615	4,389
Working capital	10,859	11,502
Total assets	22,138	24,204
Total liabilities	2,293	3,264
Equity	19,845	20,940

9. Operating Results

9.1 Revenues

Revenue for the third quarter ended December 31, 2014 amounted to $4,994 k, an increase of 8% compared to the $4,619 k achieved for the quarter ended December 31, 2013. Revenues include motion system sales to customers in the industrial market who sell the D-BOX technology under their own brand names and system sales to customers in the entertainment market. The entertainment market consists of D-BOX MFX system sales to commercial theatre operators, revenues from utilization rights, rental and maintenance fees with respect to admission tickets sold in commercial theatres and system sales to home entertainment customers.

For the industrial market, our development strategy consists of selling our motion system technology to customers so they can integrate it into their products. Industrial market sales are driven by, among other things, by the attendance at commercial and industrial trade shows which contributes to raising awareness to the D-BOX technology and the presentation in commercial theatres of movies integrating D-BOX Motion Code, which creates a growing demand for the D-BOX experience in numerous other sub-markets.

Sales of motion systems to customers of the industrial market amounted to $1,544 k for the quarter ended December 31, 2014 representing a 17% decrease compared to $1,857 k for the same quarter ended on December 31, 2013. The decrease in sales in the industrial market was driven by one of our main customers following delays in the launch of new projects which had a direct impact on our motion system sales.

During the third quarter, revenue generated by the entertainment market amounted to $3,450 k, representing a 25% increase compared to the $2,762 k realized last year. Revenue from commercial theatre exhibitors increased by 22% from $2,580 k in the third quarter of 2013 to $3,141 k in the third quarter of this year. These revenues consist of: i) the sale of D-BOX MFX systems which increased by 43% to $2,150 k ($1,499 k for the corresponding quarter in 2013) and are mostly explained by sales in South America and ii) revenue from utilization rights, rental and maintenance fees on admission tickets in commercial theatres which decreased by 8 % to $991 k ($1,081 k in 2013).

It is important to remember that revenues from utilization rights, rental and maintenance fees can fluctuate from one period to another based on the following factors:

- the box office performance of the movies that are presented, which can fluctuate significantly;
- the individual performance of exhibitors;
- the average number of D-BOX MFX systems deployed, which is constantly evolving;
- the number of weekly screenings of a D-BOX movie, which can vary based on the country in which a film is presented, or from one exhibitor to another;
- the number of weeks a movie is played, which can vary based on the country due to different launch dates or the decision made by an exhibitor to present a film for a longer or shorter period of time.

As at December 31, 2014, 7,435 D-BOX MFX systems were installed in 297 auditoriums around the world compared to 5,985 D-BOX MFX systems installed in 227 auditoriums at the same date last year.

(Amounts in tables are in thousands of Canadian dollars, except for amounts relating to shares and per-share amounts) Page 11

The entertainment market also includes system sales for home entertainment which increased by 70% to $309 k in comparison to $182 k last year. This progression is explained for the most part by the new HEMC controller launched during the quarter.

For the nine-month period ended December 31, 2014, revenues amounted to $13,908 k in comparison to $12,613 k for the corresponding period of last year. This 10% increase is explained by a 36% increase of sales in the entertainment market and a 26% decrease of sales in the industrial market which amounted to $3,858 k compared to $5,224 k for the corresponding period last year.

The 36% increase of sales in the entertainment market is explained by the 47% increase of D-BOX MFX systems sales which amounted to $5,908 k and the 19% progression of revenue from utilization rights, rental and maintenance fees to $3,372 k. Sales in the home entertainment market reached $770 k, higher than the $537 k achieved for the corresponding quarter of last year.

The 26% decrease in the industrial market sales is explained amongst others by a change of strategy of one of our customers in the casino market following the sale of its business to a new operator and delays in the launch of new projects which had a direct impact on our motion system sales.

9.2 Gross Profit

The following table explains the reconciliation of gross profit to gross profit excluding amortization.

	Third quarter ended December 31		Nine months ending December 31	
	2014	2013	2014	2013
Revenues	4,994	4,619	13,908	12,613
Gross profit	2,142	2,132	6,209	5,658
Amortization related to cost of goods sold	481	442	1,350	1,323
Gross profit excluding amortization*	2,623	2,574	7,559	6,981
Gross margin excluding amortization	53 %	56 %	54 %	55 %

* See the "Non-IFRS measure" section.

For the third quarter ended December 31, 2014, gross profit remained relatively stable amounting to $2,142 k in comparison to $2,132 k for the corresponding quarter of the previous fiscal year. Excluding amortization related to cost of goods sold, gross profit increased by 2% and amounted to $2,623 k in 2014 (53% of revenues) in comparison to the $2,574 k (56% of revenues) last year. The decrease in gross margin excluding amortization from 56% to 53% is explained by the revenue mix, given the 43% increase in system sales to commercial theatre exhibitors generate a lower margin than revenues from utilization rights, rental and maintenance representing which decreased by 8%.

For the nine-month period ended December 31, 2014, gross profit amounted to $6,209 k in comparison to $5,658 k for the corresponding period of last year. Excluding amortization, gross profit amounted to $7,559 k (54% of revenues) for the nine-month period ended December 31, 2014 in comparison to $6,981 k (55% of revenues) last year. This 8% improvement of gross profit excluding amortization is explained by the increase in revenues over the period.

9.3 Operating Expenses

Selling and Marketing Expenses: Selling and marketing expenses consist primarily of salaries paid to staff including share-based payment expenses, professional fees, advertising and point-of-sales material expenses and attendance at industrial trade shows targeting the industrial and entertainment markets. They also include expenses related to motion coding and other marketing expenses.

For the quarter ended December 31, 2014, selling and marketing expenses totaled $1,475 k (30% of revenues) representing an amount similar to $1,479 k (32% of revenues) in the third quarter of the previous fiscal year.

For the nine-month period ended December 31, 2014, selling and marketing expenses amounted to $4,231 k (30% of revenues) representing an amount similar to $4,192 k (33% of revenues) for the nine-month period ending December 31, 2013.

Administrative Expenses: Administrative expenses consist primarily of costs related to employee compensation including share-based payment expenses, professional fees as well as other general and administrative expenses.

For the quarter ended December 31, 2014, administrative expenses amounted to $789 k (16% of revenues) representing a 3% decrease compared to the $810 k (18% of revenue) for the quarter ended December 31, 2013.

For the nine-month period ended December 31, 2014, administrative expenses amounted to $2,402 k (17% of revenues) which compares to $2,288 k (18% of revenues) for the nine-month period ending December 31, 2013. This 5% increase is explained essentially by costs related to newly–hired employees.

Research and Development Expenses: Research and development expenses mainly include costs related to employees, others costs associated with existing product enhancement, cost reduction initiatives and the cost of adapting products to various international standards, less investment tax credits.

For the quarter ended December 31, 2014, research and development expenses amounted to $478 k (10% of revenues) which compares to $340 k (7% of revenues) for the corresponding quarter of the previous fiscal year. The 41% increase is mostly explained by the hiring of qualified resources responsible for the improvement and cost reduction of existing products as well as the amortization of new patents and internally-developed new products. Moreover, investment tax credits were reduced to take into account adjustments from previous fiscal years.

For the nine-month period ended December 31, 2014, research and development expenses increased 30% to $1,266 k (9% of revenues) compared to $972 k (8% of revenues) for the same period last year. This increase is explained by the same above-mentioned elements.

Foreign Exchange Gain or Loss: The foreign exchange gain or loss mainly results from the fluctuation of Canadian currency relative to US currency when converting US dollar operations at the prevailing rate on the date of a transaction and the conversion of US dollar monetary assets and liabilities at the end-of-period rate.

Thus, for the quarter ended December 31, 2014, the foreign exchange gain amounts to $295 k in comparison to a foreign exchange gain of $150 k for the corresponding quarter of 2013. The quarterly foreign exchange gain is explained by the devaluation of the Canadian currency in comparison to the US currency over the course of the period in comparison to the same quarter last year.

For the nine-month period ended December 31, 2014, the foreign exchange gain amounts to $388 k which compares to a gain of $276 k for the corresponding quarter of the previous fiscal year. The foreign-exchange gain is explained by the devaluation of the Canadian currency in comparison to the US currency over the course of each of these two periods.

9.4 Financial Results

The financial results include financial expenses and interest income. For the third quarter ended December 31, 2014, financial results amounted to a net expense of $14 k in comparison to a net expense of $1 k for the corresponding quarter of the previous fiscal year. For the nine-month period ended December 31, 2014, net expense amounted to $25 k compared to $18 k in 2013.

9.5 Income Taxes

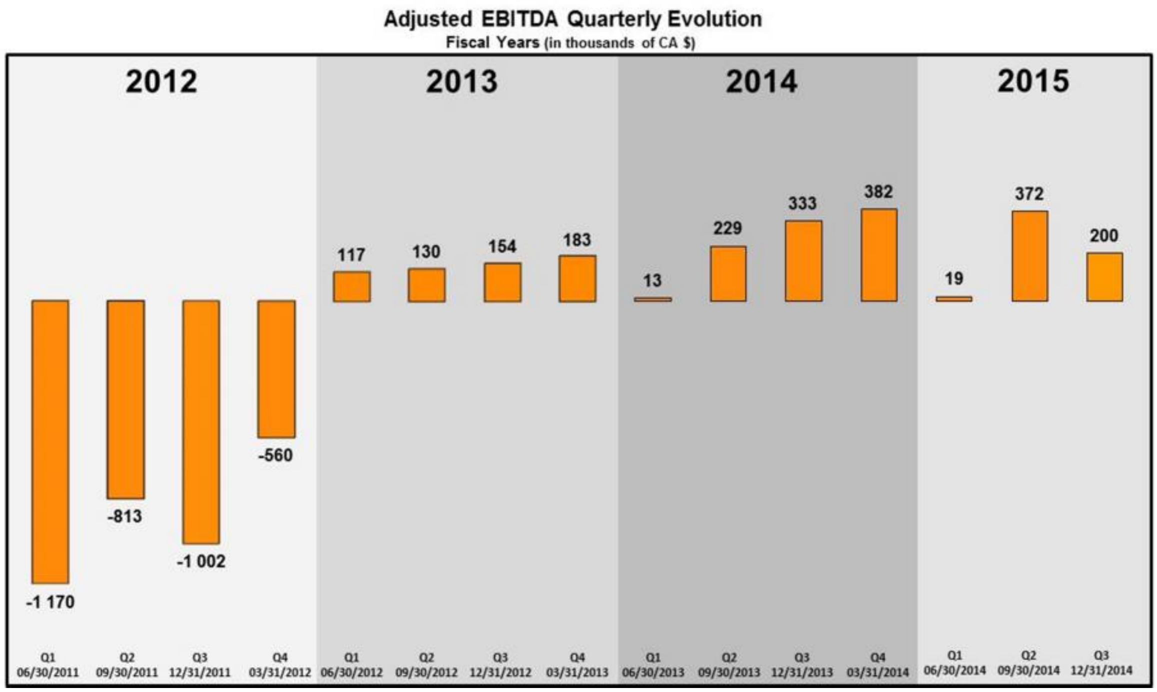
With respect to accounting for future income taxes, the Corporation has concluded that a valuation allowance equal to its future income tax assets should be recorded.

9.6 Net Loss

Given the aforementioned facts, but more specifically given the $295 k foreign exchange gain, the net loss for third quarter ended December 31, 2014 amounted to $315 k ($0.0019 per share) in comparison to a net loss of $352 k ($0.0021 per share) for the corresponding quarter of last year. For the nine-month period ended December 31, 2014, the net loss amounted to $1,328 k ($0.0081 per share), lower than the $1,546 k net loss ($0.0094 per share) in 2013.

10. Adjusted EBITDA

The adjusted EBITDA designates net loss before items not affecting cash, the foreign exchange gain or loss, financial expenses, interest income and income taxes. This measure provides useful and complementary information which allows, among other things, the evaluation of profitability and cash flows provided by operations.



In the third quarter ended December 31, 2014, D-BOX achieved an adjusted positive EBITDA of $200 k in comparison to a positive adjusted EBITDA of $333 k last year. A positive adjusted EBITDA was achieved in the Corporation's eleven previous quarters. This result was due to strategies developed over the course of the last few years for the industrial and entertainment markets which translated into much higher revenues and gross profit in combination with a tight control over operating expenses.

For the nine-month period ended December 31, 2014, adjusted EBITDA amounts to $591 k in comparison to $575 k for the corresponding period last year.

11. Liquidity, Capital Resources and Financing Sources

As at December 31, 2014, total assets amounted to $22,138 k compared to $24,204 k as at March 31, 2014. The reduction in total assets is mostly explained by the decrease in cash and cash equivalents which totals $4,512 k as at December 31, 2014 in comparison to $6,717 k on March 31, 2014. This decrease is explained below by the quarterly operating and investing activities.

Working capital stood at $10,859 k as at December 31, 2014 compared with $11,502 k as at March 31, 2014. Accounts receivable, which mostly consists of trade accounts receivable, investment tax credits and commodity taxes receivable, increased by $300 k to $3,647 k as at December 31, 2014 in comparison to $3,347 k as at March 31, 2014.

Inventories increased by $226 k going from $4,389 k as at March 31, 2014 to $4,615 k as at December 31, 2014. Inventories increased to take into account the backlog at the end of the quarter.

Short-term liabilities decreased by $971 k to $2,293 k as of December 31, 2014 which compares to $3,264 k as at March 31, 2014. Short-term liabilities include accounts payable and accrued liabilities which decreased by $891 k to $2,180 k compared to $3,071 k as at March 31, 2014. This decrease in accounts payable and accrued liabilities is mostly explained by accounts payable relating to inventory purchases and higher other accrued expenses as at March 31, 2014.

11.1 Operating Activities

For the nine-month period ended December 31, 2014 cash flows used by operating activities totalled $1,060 k compared to cash flows generated by operating activities of $2,520 k for the corresponding period of the previous fiscal year. Operating activities, excluding working capital items generated $460 k of cash compared to $417 k for the quarter ended December 31, 2013. Working capital items other than cash and cash equivalents used $1,520 k of liquidities, mainly from the decrease in accounts payable and accrued liabilities for $1,356 k.

11.2 Investing Activities

For the nine-month period ended December 31, 2014, cash flows used by investment activities amounted to $1,167 k in comparison to $634 k for the corresponding quarter of the previous fiscal year. The increase is explained primarily by the acquisition costs of intangible assets for $827 k ($384 k for the same period in 2013) including an amount of $625 k representing the cost of internally-developed products that are or will be marketed.

11.3 Financing Activities

For the third quarter and the nine-month period ended December 31, 2014, cash flows generated by financing activities amounted to $1 k as a result of the exercise of stock options. There were no financing activities during the same periods of 2013.

11.4 Equity

Equity amounted to $19,845 k as at December 31, 2014, compared with $20,940 k as at March 31, 2014. This $1,095 k decrease mainly results from the net loss for the nine-month period ended December 31, 2014 in the amount of $1,328 k less the share-based payment expense of $325 k accounted to the share-based payment expense reserve account.

(Amounts in tables are in thousands of Canadian dollars, except for amounts relating to shares and per-share amounts) Page 16

12. Quarterly Data

Operating results for each of the past eight quarters are presented in the table below.

	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues from the industrial market	1,544	998	1,316	1,779	1,857	1,964	1,403	1,735
Revenues from the entertainment market								
Commercial theatre exhibitors:								
- System sales	2,150	1,880	1,878	2,120	1,499	1,889	625	1,097
- Utilization rights, rental & maintenance	991	1,238	1,143	815	1,081	498	1,260	542
	3,141	3,118	3,021	2,935	2,580	2,387	1,885	1,639
System sales for home entertainment	309	238	223	266	182	144	211	211
Total revenues Entertainment market	3,450	3,356	3,244	3,201	2,762	2,531	2,096	1,850
TOTAL REVENUES	4,994	4,354	4,560	4,980	4,619	4,495	3,499	3,585
Adjusted EBITDA *	200	372	19	382	333	229	13	183
Net income (loss)	(315)	192	(1 205)	(43)	(352)	(675)	(519)	(508)
Basic and diluted net income (loss) per share	(0.002)	0.001	(0.007)	(0.001)	(0.002)	(0.004)	(0.003)	(0.003)
Weighted average number of common shares outstanding	163 784 462	163 783 665	163 781 129	163 781 129	163 781 129	163 781 129	163 781 129	163 781 129

* See the "Non-IFRS Financial Measures" section.

The fluctuation of revenue during the last eight quarters is explained, among other reasons, by the uneven growth of the industrial and entertainment markets. More specifically, for the entertainment market, revenues fluctuated based on the number of systems sold, the average number of systems installed, the number of systems leased, seasonality, the performance of presented films and the performance of commercial theatre exhibitors.

(Amounts in tables are in thousands of Canadian dollars, except for amounts relating to shares and per-share amounts) Page 17

13. Commitments

As of December 31, 2014, future minimum payments under long-term contracts, mainly leases for the rental of the Corporation's premises, are as follows:

Less than one year	198
More than one year but less than five years	409
More than five years	118
	725

The Corporation has pledged the universality of movable and personal property, both present and future, as collateral in favour of the lessor up to a maximum of $120 k.

14. Outstanding Share Capital (February 11, 2015)

	Class A common shares
Class A common shares outstanding	163,784,462
Convertible instruments	
Stock options outstanding	14,839,345
	178,623,807

15. Risk and Uncertainties

We are active in an industry which presents many risks and uncertainties. These risks and uncertainties are described in the Annual Information Form (AIF) dated June 10, 2014 which is available on www.sedar.com

16. Disclosure Controls and Internal Controls over Financial Reporting

Internal control over financial reporting aims to provide reasonable insurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the quarter ended December 31, 2014, there were no changes in the Corporation's internal control over financial reporting that materially affected, or are likely to materially affect, the Corporation's internal control over financial reporting.

17. Continuous Information and Additional Disclosure

This MD&A was prepared as at February 11, 2015. Additional information can be found on the SEDAR website at www.sedar.com.

D-BOX®, D-BOX Motion Code®, Motion Architects® and Architectes du Mouvement® are registered trademarks of D-BOX Technologies Inc. Other names are for informational purposes only and may be trademarks of their respective owners.

Unaudited Interim Condensed Consolidated
Financial Statements

D-BOX Technologies Inc.

December 31, 2014

Notice

The Corporation's independent auditors have not reviewed these consolidated financial statements in accordance with standards established by CPA Canada for a review of interim condensed consolidated financial statements by an entity's auditor.

D-BOX Technologies Inc.
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
(in thousands of Canadian dollars)
As at

	Notes	December 31, 2014 $	March 31, 2014 $
ASSETS			
Current assets			
Cash and cash equivalents		**4,512**	6,717
Accounts receivable		**3,647**	3,347
Inventories	3	**4,615**	4,389
Prepaid expenses and deposits		**378**	313
		13,152	14,766
Non-current assets			
Property, plant and equipment		**7,204**	8,146
Intangible assets		**1,637**	1,128
Other assets		**145**	164
		22,138	24,204
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**2,180**	3,071
Derivative financial instruments		**44**	42
Warranty provision		**14**	14
Deferred revenues		**55**	137
		2,293	3,264
Equity			
Share capital	4.1	**57,715**	57,714
Share-based payment reserve		**4,930**	4,605
Accumulated exchange difference		**(199)**	(106)
Deficit		**(42,601)**	(41,273)
		19,845	20,940
		22,138	24,204

See accompanying notes of Unaudited Interim Condensed Consolidated Financial Statements.

On behalf of the Board,

Director Director

D-BOX Technologies Inc.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND OTHER COMPREHENSIVE LOSS

(in thousands of Canadian dollars, except share and per-share amounts)
Quarters and nine-month periods ended December 31

	Notes	Third Quarter 2014 $	Third Quarter 2013 $	Nine Months 2014 $	Nine Months 2013 $
Revenues					
Motion systems for:					
Industrial market		**1,544**	1,857	**3,858**	5,224
Entertainment market:					
Commercial theatres:					
System sales		**2,150**	1,499	**5,908**	4,013
Rights for use, rental and maintenance		**991**	1,081	**3,372**	2,839
		3,141	2,580	**9,280**	6,852
Home entertainment system sales		**309**	182	**770**	537
		3,450	2,762	**10,050**	7,389
		4,994	4,619	**13,908**	12,613
Cost of goods sold excluding amortization	5.1	**2,371**	2,045	**6,349**	5,632
Amortization related to cost of goods sold		**481**	442	**1,350**	1,323
Cost of goods sold		**2,852**	2,487	**7,699**	6,955
Gross profit		**2,142**	2,132	**6,209**	5,658
Other expenses					
Selling and marketing	5.2	**1,475**	1,479	**4,231**	4,192
Administration	5.3	**789**	810	**2,402**	2,288
Research and development	5.4	**478**	340	**1,266**	972
Foreign exchange gain		**(295)**	(150)	**(388)**	(276)
		2,447	2,479	**7,511**	7,176
Loss before financial expenses and income taxes		**(305)**	(347)	**(1,302)**	(1,518)
Financial expenses (income)					
Financial expenses		**20**	19	**53**	60
Interest income		**(6)**	(18)	**(28)**	(42)
		14	1	**25**	18
Loss before income taxes		**(319)**	(348)	**(1,327)**	(1,536)
Income taxes		**(4)**	4	**1**	10
Net Loss		**(315)**	(352)	**(1,328)**	(1,546)
Items that will be reclassified to net loss in subsequent periods:					
Foreign currency translation adjustment		**68**	32	**93**	51
Comprehensive loss		**(383)**	(384)	**(1,421)**	(1,597)
Basic and diluted net loss per share		**(0.0019)**	(0.0021)	**(0.0081)**	(0.0094)
Weighted average number of common shares outstanding		**163,784,462**	163,781,129	**163,783,092**	163,781,129

See accompanying notes of Unaudited Interim Condensed Consolidated Financial Statements.

D-BOX Technologies Inc.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of Canadian dollars)
Nine-month period ended December 31, 2014 and 2013

	Notes	Share capital $	Share-based payment reserve $	Accumulated exchange difference $	Deficit $	Total $
Balance as at March 31, 2014		57,714	4,605	(106)	(41,273)	20,940
Net loss		—	—	—	(1,328)	(1,328)
Foreign currency translation adjustment		—	—	(93)	—	(93)
Comprehensive loss		—	—	(93)	(1,328)	(1,421)
Shares issued	4.1	1	—	—	—	1
Share-based payment expense	4.2	—	325	—	—	325
Balance as at December 31, 2014		57,715	4,930	(199)	(42,601)	19,845
Balance as at March 31, 2013		57,714	3,988	(12)	(39,684)	22,006
Net loss		—	—	—	(1,546)	(1,546)
Foreign currency translation adjustment		—	—	(51)	—	(51)
Comprehensive loss		—	—	(51)	(1,546)	(1,597)
Share-based payment expense	4.2	—	434	—	—	434
Balance as at December 31, 2013		57,714	4,422	(63)	(41,230)	20,843

See accompanying notes of Unaudited Interim Condensed Consolidated Financial Statements.

D-BOX Technologies Inc.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)
Nine-month periods ended December 31

	Notes	2014 $	2013 $
OPERATING ACTIVITIES			
Net loss		**(1,328)**	(1,546)
Items not affecting cash			
Amortization of property, plant and equipment		**1,533**	1,529
Amortization of intangible assets		**318**	215
Amortization of other assets		**59**	68
Write-off of property, plant and equipment		**82**	123
Gain on disposal of property, plant and equipment		**(36)**	—
Share-based payment expense	4.2	**325**	434
Unrealized foreign exchange gain		**(493)**	(406)
Cash flows from operations before changes in working capital items		**460**	417
Changes in working capital items:			
Accounts receivable		**289**	1,139
Inventories		**137**	1,767
Prepaid expenses and deposits		**(65)**	4
Goods held for lease		**(405)**	(497)
Other assets		**(40)**	(78)
Accounts payable and accrued liabilities		**(1,356)**	(341)
Foreign exchange contract		**2**	—
Deferred revenues		**(82)**	109
		(1,520)	2,103
Cash flows relating to operating activities		**(1,060)**	2,520
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(379)**	(250)
Disposal of property, plant and equipment		**39**	—
Additions to intangible assets		**(827)**	(384)
Cash flows relating to investing activities		**(1,167)**	(634)
FINANCING ACTIVITIES			
Shares issued	4.1	**1**	—
Cash flows relating to financing activities		**1**	—
Effect of exchange rate fluctuations on cash and cash equivalents		**21**	32
Net change in cash and cash equivalents		**(2,205)**	1,918
Cash and cash equivalents, beginning of period		**6,717**	5,708
Cash and cash equivalents, end of period		**4,512**	7,626
Cash and cash equivalents consist of:			
Cash		**3,112**	1,267
Cash equivalents		**1,400**	6,359

See accompanying notes of Unaudited Interim Condensed Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS

D-BOX Technologies Inc. [“D-BOX” or the “Corporation”], incorporated under the *Canada Business Corporations Act*, is domiciled at 2172 de la Province Street, Longueuil, Québec, Canada.

D-BOX designs, manufactures and markets leading-edge technology motion systems for the entertainment and industrial markets. With its unique, patented technology, D-BOX uses motion effects specifically programmed for visual content, which are sent to a motion generating system integrated within a platform, seat or other product. The resulting motion is perfectly synchronized with all onscreen action, creating an unparalleled realistic and immersive experience.

Based on the nature of the Corporation’s clients, two significant markets have been identified: the entertainment and industrial markets. The entertainment market comprises motion systems installed in commercial theatres and home entertainment consumer products, particularly video games and home theatres. The industrial market consists of products for industrial simulators, industrial training and other applications.

The unaudited interim condensed consolidated financial statements were approved by the Corporation’s Board of Directors on February 11, 2015.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS 34”), *Interim Financial Reporting* and accordingly, they are interim condensed consolidated financial statements because they do not include all disclosures required under International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements. Thus, these interim condensed consolidated financial statements should be read in conjunction with the 2014 annual consolidated financial statements which include the same accounting policies used in the preparation of these financial statements.

(Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts)

3. INVENTORIES

Inventories as at December 31, 2014 and March 31, 2014 are detailed as follows:

	December 31, 2014 $	March 31, 2014 $
Parts and components	**3,148**	2,659
Finished goods	**1,467**	1,730
	4,615	4,389

4. EQUITY

4.1 *Share Capital*

Class A common shares of the Corporation for the nine-month periods ended December 31, 2014 and 2013 are summarized in the following table:

	2014		2013	
	#	$	#	$
Balance as at March 31	**163,781,129**	**57,714**	163,781,129	57,714
Shares issued on exercise of options	**3,333**	**1**	—	—
Balance as at December 31	**163,784,462**	**57,715**	163,781,129	57,714

During the quarter ended December 31, 2014, there was no share capital variation. During the nine-month period ended December 31, 2014, the Corporation issued 3,333 Class A common shares for a total of $1 in cash on exercise of stock options. An amount of $0.4, representing the initial fair value of the stock options, was credited to share capital and deducted from the share-based payment reserve.

(Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts)

4. EQUITY [Cont'd]

4.2 Stock Option Plan

Changes in the Corporation's stock options for the nine-month periods ended December 31, 2014 and 2013 are summarized in the following table:

	2014		2013	
	Number	**Weighted average exercise price $**	**Number**	**Weighted average exercise price $**
Balance as at March 31	**14,453,345**	**0.38**	12,381,811	**0.44**
Options granted	**785,000**	**0.27**	5,252,534	**0.20**
Options exercised	**(3,333)**	**0.19**	—	—
Options cancelled	**(245,667)**	**0.40**	(2,051,000)	**0.27**
Options expired	**(150,000)**	**0.39**	(1,145,500)	**0.41**
Balance as at December 31	**14,839,345**	**0.37**	14,437,845	**0.38**
Options exercisable at end of period	**9,977,658**	**0.44**	6,869,640	**0.48**

The fair value for options granted during the nine-month period ended December 31, 2014 and 2013 was estimated at the grant date using the Black-Scholes option pricing model based on the following assumptions: 1.69% weighted average risk-free interest rate (1.65% in 2013); no dividend issued in 2014 and 2013; 86% weighted average volatility factor of the expected market price for the Corporation's shares (92% in 2013); 3.7% weighted average cancellation rate (3.89% in 2013); $0.27 weighted average share price ($0.20 in 2013) and an expected weighted average option life of 5.9 years (5.7 years in 2013). The expected life of stock options is based on historical data and is not necessarily indicative of exercise patterns that might occur. The expected volatility reflects the assumption that historical volatility over a term similar to the option term is indicative of future trends, which might not be the case.

The weighted average of the estimated fair values at the grant date of the options awarded during the nine-month period ended December 31, 2014 is $0.27 per option [$0.13 per option in 2013], amortized through income over the vesting periods of the options.

For the quarter and the nine-month period ended December 31, 2014, the share-based compensation expense charged to income amounted to $105 and $325 [$143 and $434 for the quarter and the nine-month period ended December 31, 2013] with a corresponding amount recognized under share-based payment reserve.

(Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts)

5. SUPPLEMENTARY INFORMATION ON THE UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND OTHER COMPREHENSIVE INCOME LOSS

5.1 Cost of Goods Sold Excluding Amortization

The key components of costs of goods sold excluding amortization of property, plant and equipment are detailed as follows for the quarters and the periods ended December 31:

	Third Quarter		Nine Months	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Cost of parts and components	**2,010**	1,808	**5,237**	4,842
Employee costs	**277**	159	**682**	486
Freight charges and import duties	**23**	54	**122**	99
Production supplies	**17**	26	**51**	65
Parts and components write-offs	**—**	—	**113**	80
Other	**44**	(2)	**144**	60
	2,371	2,045	**6,349**	5,632

5.2 Selling and Marketing

The key components of selling and marketing expenses are detailed as follows for the quarters and the periods ended December 31:

	Third Quarter		Nine Months	
	2014	**2014**	**2014**	**2013**
	$	$	$	$
Employee costs	**893**	735	**2,589**	2,294
Trade show expenses	**140**	152	**356**	361
Professional fees	**137**	173	**348**	445
Amortization of property, plant and equipment	**49**	61	**146**	192
Freight charges and import duties	**47**	50	**145**	108
Travel and entertainment expenses	**39**	38	**138**	138
Publicity and material	**32**	84	**89**	131
Share-based payment expense	**26**	48	**79**	151
Write-off of property, plant and equipment	**9**	61	**69**	124
Other	**103**	77	**272**	248
	1,475	1,479	**4,231**	4,192

(Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts)

5. SUPPLEMENTARY INFORMATION FOR THE UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND OTHER COMPREHENSIVE LOSS [Cont'd]

5.3 Administrative Expenses

The key components of administrative expenses are detailed as follows for the quarters and the periods ended December 31:

	Third Quarter		Nine Months	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Employee costs	**405**	409	**1,323**	1,145
Professional fees	**92**	90	**241**	240
Share-based payment expense	**70**	81	**214**	235
Amortization of property, plant and equipment and of intangible assets	**69**	58	**198**	166
Insurance	**38**	62	**123**	182
Director fees	**30**	21	**72**	76
Public company costs	**26**	23	**108**	138
Other	**59**	66	**123**	106
	789	810	**2,402**	2,288

5.4 Research and Development

The key components of research and development expenses are detailed as follows for the quarters and the periods ended December 31:

	Third Quarter		Nine Months	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Employee costs	**290**	240	**902**	678
Amortization of property, plant, equipment and intangible assets	**85**	41	**216**	131
Materials and certification	**57**	99	**114**	173
Share-based payment expense	**6**	5	**19**	35
Investment tax credits	**(9)**	(81)	**(101)**	(164)
Other	**49**	36	**116**	119
	478	340	**1,266**	972