

Unaudited Interim Condensed Consolidated Financial Statements

D-BOX Technologies Inc.

For the three and six months ended September 30, 2025

Notice

The Company's independent auditor has not reviewed these interim condensed 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 CONDENSED CONSOLIDATED BALANCE SHEETS**

As at

[in thousands of Canadian dollars]

		September 30, 2025	March 31, 2025
	Notes	\$	\$
ASSETS	4		
Current assets			
Cash and cash equivalents		10,606	7,812
Short-term deposits		—	107
Accounts receivable		10,315	6,881
Inventories	3	7,052	5,609
Prepaid expenses and deposits		1,110	608
Current portion of finance leases receivable		73	61
		29,156	21,078
Non-current assets			
Property and equipment		5,304	5,621
Intangible assets		1,115	1,349
Finance leases receivable		333	375
		35,908	28,423
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		7,678	5,459
Derivative financial instruments		118	484
Provisions	5	203	182
Deferred revenues		692	980
Current portion of lease liabilities		271	249
Current portion of long-term debt	6	179	301
		9,141	7,655
Non-current liabilities			
Lease liabilities		3,481	3,581
Long-term debt	6	232	920
		12,854	12,156
Equity			
Share capital	7.1	66,568	66,470
Share-based payments reserve	7.2	301	498
Foreign currency translation reserve		(71)	(138)
Deficit		(43,744)	(50,563)
		23,054	16,267
		35,908	28,423

See accompanying notes.

D-BOX Technologies Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT AND COMPREHENSIVE INCOME

For the three and six month periods ended September 30

[in thousands of Canadian dollars, except share and per-share amounts]

	Notes	Three months		Six months	
		2025	2024	2025	2024
		\$	\$	\$	\$
Revenues					
System sales		11,632	8,929	20,676	15,255
Rights for use, rental and maintenance		4,476	3,188	8,470	5,624
		16,108	12,117	29,146	20,879
Cost of goods sold		7,210	5,689	12,932	9,900
Gross profit		8,898	6,428	16,214	10,979
Other expenses					
Selling and marketing		1,164	1,713	2,849	3,543
Administration	5	1,889	1,693	4,124	3,504
Research and development		1,175	979	2,607	2,090
Foreign exchange loss (gain)		88	(133)	75	(61)
		4,316	4,252	9,655	9,076
Net profit before financial expenses (income) and income taxes		4,582	2,176	6,559	1,903
Financial expenses (income)					
Financial expenses	8.2	123	164	213	302
Interest income		(87)	(14)	(152)	(16)
		36	150	61	286
Net profit before income taxes		4,546	2,026	6,498	1,617
Income taxes		20	—	20	10
Net profit		4,526	2,026	6,478	1,607
<i>Items that will be reclassified to profit or loss:</i>					
Foreign currency translation gain (loss)		43	(30)	67	(50)
Comprehensive income		4,569	1,996	6,545	1,557
Basic and diluted net profit per share		0.020	0.009	0.029	0.007

See accompanying notes.

D-BOX Technologies Inc.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Six month periods ended September 30

[in thousands of Canadian dollars]

	Notes	Share capital \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Deficit \$	Total \$
Balance as at March 31, 2024		66,227	783	(210)	(54,670)	12,130
Profit		–	–	–	1,607	1,607
Foreign currency translation loss		–	–	(50)	–	(50)
Comprehensive income		–	–	(50)	1,607	1,557
Share-based payments	7.2	–	38	–	–	38
Cancellation and expiration of stock options	7.2	–	(89)	–	89	–
Balance as at September 30, 2024		66,227	732	(260)	(52,974)	13,725
Balance as at March 31, 2025		66,470	498	(138)	(50,563)	16,267
Profit		–	–	–	6,478	6,478
Foreign currency translation gain		–	–	67	–	67
Comprehensive income		–	–	67	6,478	6,545
Exercise of stock options	7.1	98	(43)	–	–	55
Share-based payments	7.2	–	187	–	–	187
Cancellation and expiration of stock options	7.2	–	(341)	–	341	–
Balance as at September 30, 2025		66,568	301	(71)	(43,744)	23,054

See accompanying notes.

D-BOX Technologies Inc.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Six month periods ended September 30

[in thousands of Canadian dollars]

		2025	2024
	Notes	\$	\$
OPERATING ACTIVITIES			
Net profit		6,478	1,607
Items not affecting cash:			
Amortization of property and equipment		612	607
Amortization of intangible assets		282	282
Amortization of financing costs	8.2	—	10
Share-based payments	7.2	187	38
Change in fair value of derivative financial instruments		(366)	(36)
Unrealized foreign exchange (loss)		(102)	(83)
Interest income on lease receivable		(33)	(35)
Interest expense on lease liabilities	8.2	123	119
Accretion of interest expense on long-term debt		7	10
Cash flows provided by operations before changes in working capital items		7,188	2,519
Changes in working capital items:			
Short-term deposits		107	(4)
Accounts receivable		(3,238)	(1,169)
Inventories		(1,443)	(182)
Prepaid expenses and deposits		(502)	133
Accounts payable and accrued liabilities		2,265	103
Provisions		21	242
Deferred revenues		(288)	1,359
		(3,078)	482
Cash flows provided by operating activities		4,110	3,001
INVESTING ACTIVITIES			
Finance lease receivables payments		63	41
Additions to property and equipment		(345)	(241)
Additions to intangible assets		(48)	(156)
Cash flows used in investing activities		(330)	(356)
FINANCING ACTIVITIES			
Exercise of stock options	7.1	55	—
Repayment of long-term debt		(817)	(225)
Payment of lease liabilities		(250)	(138)
Cash flows used in financing activities		(1,012)	(363)
Effect of exchange rate fluctuations on cash and cash equivalents		26	(29)
Net change in cash and cash equivalents		2,794	2,253
Cash and cash equivalents, beginning of period		7,812	2,916
Cash and cash equivalents, end of period		10,606	5,169
Cash and cash equivalents consist of:			
Cash		10,606	5,169
Interest and income taxes included in operating activities:			
Interest		31	94
Income taxes		20	10

See accompanying notes.

1 DESCRIPTION OF BUSINESS

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

D-BOX designs, manufactures and commercializes haptic motion systems intended for theatrical entertainment, sim racing and simulation and training customers. This 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 synchronized with the on-screen action, thus creating a realistic immersive experience.

The Company evaluates its operating results and allocates resources based on its single operating segment which is the design, manufacture, and sale of motion systems.

The unaudited interim condensed consolidated financial statements were approved by the Company's Board of Directors on November 12, 2025.

2 BASIS OF PRESENTATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 ["IAS 34"], *Interim Financial Reporting*. 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. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the March 31, 2025 annual consolidated financial statements which include the same accounting policies and methods of computation used in the preparation of these financial statements.

D-BOX Technologies Inc.**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2025

[Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts]

3 INVENTORIES

	September 30, 2025	March 31, 2025
	\$	\$
Parts and components	4,525	3,890
Finished goods	2,527	1,719
	7,052	5,609

4 CREDIT FACILITY

On August 26, 2025, the Company signed an amended agreement with the National Bank of Canada ["NBC"] related to the availability of a line of credit amounting to \$8,000 for the ongoing operations and working capital of the Company. The balance outstanding as at September 30, 2025 was \$nil [\$nil as at March 31, 2025]. This line of credit is renewable annually and bears interest at prime rate [4.70% as at September 30, 2025 and 4.95% as at March 31, 2025] plus 1.00% [2.50% as at March 31, 2025]. The line of credit is secured by first-ranking hypothec and security interests on all assets of the Company and its U.S. subsidiary. As at September 30, 2025, the Company was in compliance with the financial ratios required under the facility.

5 PROVISIONS

	Warranty claims	Restructuring	Total
	\$	\$	\$
At April 1, 2025	182	—	182
Charged to profit or loss	113	1,207	1,320
Utilised in period	(92)	(1,207)	(1,299)
Due within one year or less at September 30, 2025	203	—	203

D-BOX Technologies Inc.**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2025

[Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts]

Warranty claims

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns and repairs on the warrant period for all products sold. The corresponding expense is recorded in cost of goods sold.

Restructuring

During the six month period ended September 30, 2025, the Company announced a change in Chief Executive Officer and a change in Chief Financial Officer. The resulting termination costs of the outgoing Chief Executive Officer and Chief Financial Officer was recorded in the following:

	\$
Administration	1,207

6 LONG-TERM DEBT

	September 30, 2025	March 31, 2025
	\$	\$
Loan with the NBC amounting to \$1,000 for ongoing operations. During the period, the Company reimbursed this loan in its entirety. The loan bore interest at the fixed rate of 4% payable monthly, and principal repayable in monthly installments of \$9. The loan was secured by a first-ranking hypothec and security interests on all assets of the Company and its U.S. subsidiary and was guaranteed by BDC.	—	722
Loan with Canada Economic Development amounting to \$846 for ongoing operations and working capital of the Company, repayable in monthly capital installments of \$16 until maturity in December 2027. The loan does not bear interest [effective interest rate of 4%] and is not secured. At inception of this loan, the discounting was recognized as government assistance and recorded as a reduction of administration expense.	411	499
	411	1,221

D-BOX Technologies Inc.**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2025

[Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts]

	September 30, 2025	March 31, 2025
	\$	\$
Less: Current portion of long-term debt	190	301
	221	920

Debt payments for the next years are as follows:

	\$
2026	190
2027	190
2028	47
	427
Less: discounting	16
	411

For the three and six month periods ended September 30, 2025, the interest expense on long-term debt charged to net profit amounted to \$17 and \$28, respectively, including an amount of \$7 accounted for as an accretion of interest expense [\$38 and \$79, including an amount of \$5 and \$10 accounted for as an accretion expense for the three and six month periods ended September 30, 2024, respectively].

7 EQUITY

7.1 Share-capital

7.1.1 Authorized

Unlimited number of Class A common shares without par value, voting and participating.

Class B preferred shares, issuable in series, ranking senior to Class A common shares. The directors are entitled to determine the number of shares per series and their characteristics [rights, privileges and restrictions].

7.1.2 Issued

Changes in Class A common shares of the Company for the six month periods ended September 30 are shown in the following table:

	2025		2024	
	#	\$	#	\$
Balance at beginning of period	221,939,573	66,470	220,226,573	66,227
Exercise of stock options	570,000	98	—	—
Balance at end of period	222,509,573	66,568	220,226,573	66,227

For the three and six month periods ended September 30, 2025, the Company issued 200,000 and 570,000 common shares pursuant to the exercise of stock options for gross cash proceeds of \$20 and \$55, respectively. The fair value of \$16 and \$43 was transferred from the share-based payments reserve to share capital, for the respective periods.

7.2 Share-based payments

Changes in the Company's stock options for the six month periods ended September 30 are summarized in the following table:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	#	\$	#	\$
Balance as at March 31	8,054,500	0.15	9,067,500	0.12
Granted	5,800,000	0.26	600,000	0.10
Exercised	(570,000)	0.10	—	—
Cancelled and expired	(4,375,000)	0.16	(1,340,000)	0.09
Balance as at September 30	8,909,500	0.21	8,327,500	0.12
Options exercisable at end of period	1,184,502	0.12	5,977,500	0.13

The fair value of the options granted during the period ended September 30, 2025 was estimated at the date of grant using the Black-Scholes option pricing model based on the following assumptions: 2.96% weighted average risk-free interest rate; no dividends; 98.32% weighted average volatility factor of the expected market price of the Company's shares; \$0.26 weighted average share price; and a 6-year expected weighted average option life. 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 forfeiture rate used was 11.18%. The weighted average of the estimated fair value at the grant date of the options awarded was \$0.20 per option, amortized through net profit over the vesting periods of the options.

For the three and six month periods ended September 30, 2025, the share-based payment expense charged to net profit amounted to \$135 and \$187, respectively [\$19 and \$38 for the three and six month periods ended September 30, 2024, respectively] with a corresponding amount recognized under the share-based payments reserve. For the three and six month periods ended September 30, 2025, the cancellation and expiry of options resulted in a reclassification from the share-based payment reserve to deficit of \$22 and \$341, respectively [\$35 and \$89 for the three and six month periods ended September 30, 2024, respectively].

8 SUPPLEMENTARY INFORMATION ON THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT AND COMPREHENSIVE INCOME

8.1 Revenues

Revenues are disaggregated by customer grouping as follows for the three and six month periods ended September 30:

Customer grouping	Three months		Six months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Theatrical	10,904	7,167	18,979	10,163
Simulation and training	1,781	2,147	3,960	4,241
Sim racing	2,612	2,120	4,913	4,710
Other	811	683	1,294	1,765
Total revenues	16,108	12,117	29,146	20,879

D-BOX Technologies Inc.**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2025

[Amounts are in thousands of Canadian dollars, except share, option, per-share and per-option amounts]

8.2 Financial expenses

The key components of financial expenses are detailed as follows for the three and six month periods ended September 30:

	Three months		Six months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest expense on long-term debt	17	38	28	79
Interest expense on credit facility	5	8	10	15
Interest expense on lease liabilities	61	62	123	125
Amortization of financing costs	—	4	—	10
Other interest and bank charges	40	52	52	73
	123	164	213	302

8.3 Government assistance

For the three and six month periods ended September 30, 2025, the Company recognized government assistance from various governmental entities. Government assistance received has been recorded as a reduction of the related expenses as follows:

	Three months		Six months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Research and development	109	207	179	306