Unaudited Interim Condensed Consolidated Financial Statements

D-BOX Technologies Inc.

For the three months ended June 30, 2026

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]

	Notes	**June 30, 2026** **$**	March 31, 2026 $
ASSETS	4		
Current assets			
Cash and cash equivalents		**17,828**	17,585
Accounts receivable		**8,974**	8,360
Inventories	3	**6,551**	6,155
Prepaid expenses and deposits		**857**	631
Current portion of finance leases receivable		**490**	401
		34,700	33,132
Non-current assets			
Property and equipment		**4,911**	5,107
Intangible assets		**1,007**	986
Deferred tax asset		**6,471**	6,407
Finance leases receivable		**1,238**	918
		48,327	46,550
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**5,587**	7,027
Derivative financial instruments		**557**	297
Provisions		**274**	241
Deferred revenues		**219**	406
Current portion of lease liabilities		**292**	285
Current portion of long-term debt	5	**184**	182
		7,113	8,438
Non-current liabilities			
Lease liabilities		**3,261**	3,337
Long-term debt	5	**94**	141
		10,468	11,916
Equity			
Share capital	6.1	**66,424**	66,597
Treasury shares	6.1	**—**	(75)
Share-based payments reserve	6.1	**1,606**	995
Foreign currency translation reserve		**50**	(10)
Deficit		**(30,221)**	(32,873)
		37,859	34,634
		48,327	46,550

See accompanying notes.

D-BOX Technologies Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT AND COMPREHENSIVE INCOME

For the three month periods ended June 30
[in thousands of Canadian dollars, except share and per-share amounts]

		2026	2025
	Notes	**$**	$
Revenues			
System sales		**8,424**	9,044
Rights for use, rental and maintenance		**4,978**	3,994
		13,402	13,038
Cost of goods sold		**5,480**	5,722
Gross profit		**7,922**	7,316
Other expenses			
Selling and marketing		**1,770**	1,685
Administration		**1,877**	2,235
Research and development		**1,338**	1,432
Foreign exchange loss (gain)		**57**	(13)
		5,042	5,339
Net profit before financial expenses (income) and income taxes (recoveries)		**2,880**	1,977
Financial expenses (income)			
Financial expenses	7.2	**78**	90
Interest income		**(136)**	(65)
		(58)	25
Net profit before income taxes (recoveries)		**2,938**	1,952
Income taxes (recoveries)		**(2)**	–
Net profit		**2,940**	1,952
Items that will be reclassified to profit or loss:			
Foreign currency translation gain		**60**	24
Comprehensive income		**3,000**	1,976
Basic net profit per share		**0.013**	0.009
Diluted net profit per share		**0.012**	0.009

See accompanying notes.

D-BOX Technologies Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three month periods ended June 30
[in thousands of Canadian dollars]

	Notes	Share capital	Share-based payments reserve	Foreign currency translation reserve	Treasury shares	Deficit	Total
		$	$	$	$	$	$
Balance as at March 31, 2025		66,470	498	(138)	–	(50,563)	16,267
Profit		–	–	–	–	1,952	1,952
Foreign currency translation gain		–	–	24	–	–	24
Comprehensive income		–	–	24	–	1,952	1,976
Exercise of stock options	6.1	62	(27)	–	–	–	35
Share-based payments	6.1	–	52	–	–	–	52
Cancellation and expiration of stock options	6.1	–	(319)	–	–	319	–
Balance as at June 30, 2025		66,532	204	(114)	–	(48,292)	18,330
Balance as at March 31, 2026		**66,597**	**995**	**(10)**	**(75)**	**(32,873)**	**34,634**
Profit		**–**	**–**	**–**	**–**	**2,940**	**2,940**
Foreign currency translation gain		**–**	**–**	**60**	**–**	**–**	**60**
Comprehensive income		**–**	**–**	**60**	**–**	**2,940**	**3,000**
Share-based payments	6.1	**–**	**611**	**–**	**–**	**–**	**611**
Shares re-purchased and cancelled	6.1	**(151)**	**–**	**–**	**–**	**(235)**	**(386)**
Shares cancelled	6.1	**(22)**	**–**	**–**	**75**	**(53)**	**–**
Balance as at June 30, 2026		**66,424**	**1,606**	**50**	**–**	**(30,221)**	**37,859**

See accompanying notes.

D-BOX Technologies Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Three month periods ended June 30
[in thousands of Canadian dollars]

	Notes	2026 $	2025 $
OPERATING ACTIVITIES			
Net profit before income taxes (recoveries)		**2,938**	1,952
Items not affecting cash:			
Amortization of property and equipment		**262**	318
Amortization of intangible assets		**115**	144
Share-based payments	6.1	**943**	52
Change in fair value of derivative financial instruments		**260**	(484)
Unrealized foreign exchange (loss) gain		**(452)**	87
Interest income on lease receivable		**(45)**	(18)
Interest expense on lease liabilities	7.2	**58**	62
Accretion of interest expense on long-term debt		**3**	4
Cash flows provided by operations before changes in working capital items		**4,082**	2,117
Changes in working capital items:			
Short-term deposits		**–**	107
Accounts receivable		**(723)**	(474)
Inventories		**(396)**	(396)
Prepaid expenses and deposits		**(226)**	(149)
Finance lease receivable		**(331)**	63
Accounts payable and accrued liabilities		**(1,236)**	(440)
Provisions		**33**	102
Deferred revenues		**(187)**	1,899
		(3,066)	712
Cash flows provided by operating activities		**1,016**	2,829
INVESTING ACTIVITIES			
Additions to property and equipment		**(108)**	(259)
Additions to intangible assets		**(136)**	(30)
Cash flows used in investing activities		**(244)**	(289)
FINANCING ACTIVITIES			
Proceeds from the credit facility		**–**	240
Exercise of stock options	6.1	**–**	35
Repayment of long-term debt		**(48)**	(76)
Repurchase of shares	6.1	**(386)**	–
Payment of lease liabilities		**(127)**	(77)
Cash flows used in financing activities		**(561)**	122
Effect of exchange rate fluctuations on cash and cash equivalents		**32**	(24)
Net change in cash and cash equivalents		**243**	2,638
Cash and cash equivalents, beginning of period		**17,585**	7,812
Cash and cash equivalents, end of period		**17,828**	10,450
Cash and cash equivalents consist of:			
Cash		**17,828**	10,450
Interest and income taxes included in operating activities:			
Interest		**8**	12

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 August 11, 2026.

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, 2026 annual consolidated financial statements which include the same accounting policies and methods of computation used in the preparation of these financial statements.

Changes in accounting standards
New standards, interpretations and amendments which became effective beginning on April 1, 2026.

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and

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Measurement of Financial Instruments (the Amendments). The standard has been adopted and has no material impact on these interim condensed consolidated financial statements. The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

3 INVENTORIES

	June 30, 2026	March 31, 2026
	$	$
Parts and components	**4,233**	4,104
Finished goods	**2,318**	2,051
	6,551	6,155

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 June 30, 2026 was $nil [$nil as at March 31, 2026]. This line of credit is renewable annually and bears interest at prime rate [4.45% as at June 30, 2026 and 4.45% as at March 31, 2026] plus 1.00%. 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 June 30, 2026, the Company was in compliance with the financial ratios required under the facility.

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5 LONG-TERM DEBT

	June 30, 2026	March 31, 2026
	$	$
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.	**278**	323
	278	323
Less: Current portion of long-term debt	**184**	182
	94	141

Debt payments for the next years are as follows:

	$
2027	190
2028	95
	285
Less: discounting	7
	278

For the three months ended June 30, 2026, the interest expense on long-term debt charged to net profit amounted to $3, including an amount of $3 accounted for as an accretion of interest expense [$11, including an amount of $4 accounted for as an accretion expense for the three months ended June 30, 2025].

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

6 EQUITY

6.1 Share-capital

6.1.1 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].

6.1.2 Issued

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

	2026		2025	
	#	**$**	#	$
Balance at beginning of period	**222,766,072**	**66,597**	221,939,573	66,470
Exercise of stock options	**–**	**–**	370,000	62
Treasury shares cancelled	**(95,000)**	**(22)**	–	–
Shares repurchased and cancelled	**(484,500)**	**(151)**	–	–
Balance at end of period	**222,186,572**	**66,424**	222,309,573	66,532

For the three months ended June 30, 2026, the Company issued nil [370,000 in 2025] Class A common shares pursuant to the exercise of stock options for gross cash proceeds of $nil [$35 in 2025]. The fair value of $nil [$27 in 2025] was transferred from the share-based payments reserve to share capital, for the respective periods.

On March 23, 2026, the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"), allowing the Company to repurchase, at its discretion, up to 20.96 million Class A common shares in the open market, or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Class A common shares purchased by the Company are cancelled. The program commenced on March 27, 2026 and will terminate on March 26, 2027. Under this bid, for the three months ended June 30, 2026, 484,500 shares at an average price of 0.79$ per share were repurchased for cancellation. The 95,000 shares held in treasury by the Company as at March 31, 2026 were canceled.

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

The following tables summarize the changes in the Company's stock options and information on options outstanding as at June 30:

	2026		2025	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
	#	**$**	#	$
Balance as at March 31	**12,955,001**	**0.43**	8,054,500	0.15
Granted	**2,800,000**	**0.92**	5,000,000	0.24
Exercised	**–**	**–**	(370,000)	0.09
Cancelled and expired	**–**	**–**	(3,625,000)	0.17
Balance as at June 30	**15,755,001**	**0.52**	9,059,500	0.19
Options exercisable at end of period	**2,488,334**	**0.18**	1,384,502	0.12

The fair value of the options granted during the three month periods ended June 30 were estimated at the date of grant using the Black-Scholes option pricing model based on the following assumptions:

	2026	2025
Weighted average fair values at the measurement date ($)	**0.67**	0.19
Dividend yield (%)	**– %**	– %
Expected volatility (%)	**78.83 %**	100.71 %
Risk-free interest rate (%)	**3.17 %**	2.96 %
Annual Forfeiture rate (%)	**11.27 %**	11.01 %
Expected life (years)	**5.23**	6.00
Weighted average share price ($)	**0.92**	0.24

For the three month periods ended June 30, the share-based payment expense charged to net profit amounted to $611 [$52 for the three month periods ended June 30, 2025] with a corresponding amount recognized under the share-based payments reserve. For the three month periods ended June 30, the cancellation and expiry of options resulted in a reclassification from the share-based payment reserve to deficit of nil [$319 for the three month periods ended June 30, 2025].

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

The liability resulting from these units is measured at fair value of the underlying share price for each unit at the grant date and measured again at the end of each reporting period and at settlement date. Any change in fair value is recognized in the unaudited interim condensed consolidated statements of net profit.

	2026			2025		
	SAR	**RSU**	**DSU**	SAR	RSU	DSU
	#	**#**	**#**	#	#	#
Balance, beginning of period	**425,000**	**1,439,720**	**–**	–	2,534,523	–
Units granted	**–**	**449,976**	**–**	–	–	–
Units cancelled and expired	**(5,000)**	**–**	**–**	–	(1,627,303)	–
Balance, end of period	**420,000**	**1,889,696**	**–**	–	907,220	–
Units exercisable at end of period	**–**	**–**	**–**	–	–	–

For the three month periods ended June 30, the share-based payment expense included in administration expense amounted to $332 [$49 in 2025]. As at June 30, 2026, an amount of $590 [$80 in 2025] was accounted for in accounts payable and accrued liabilities.

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

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

7.1 Revenues

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

Customer grouping	**2026** **$**	2025 $
Theatrical	**8,675**	8,075
Sim racing	**2,323**	2,301
Simulation and training	**1,757**	2,179
Other	**647**	483
Total revenues	**13,402**	13,038

7.2 *Financial expenses*

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

	2026 **$**	2025 $
Interest expense on long-term debt	**3**	11
Interest expense on credit facility	**5**	5
Interest expense on lease liabilities	**57**	62
Other interest and bank charges	**13**	12
	78	90

7.3 *Government assistance*

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

	2026	2025
	$	$
Research and development	**70**	70