Unaudited Interim Condensed Consolidated Financial Statements

# D-BOX Technologies Inc.

For the three and six months ended September 30, 2026

**Notice**

The Company's independent auditor has not reviewed these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of 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 | September 30, 2026 | March 31, 2026 |
|---|---|---|---|
| | | **$** | $ |
| **ASSETS** | 4 | | |
| **Current assets** | | | |
| Cash and cash equivalents | | **19,892** | 17,585 |
| Accounts receivable | | **10,203** | 8,360 |
| Inventories | 3 | **6,867** | 6,155 |
| Prepaid expenses and deposits | | **994** | 631 |
| Current portion of finance leases receivable | | **523** | 401 |
| | | **38,479** | 33,132 |
| **Non-current assets** | | | |
| Property and equipment | | **4,807** | 5,107 |
| Intangible assets | | **1,050** | 986 |
| Deferred tax asset | | **6,520** | 6,407 |
| Finance leases receivable | | **1,266** | 918 |
| | | **52,122** | 46,550 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | **7,161** | 7,027 |
| Derivative financial instruments | | **557** | 297 |
| Provisions | | **324** | 241 |
| Deferred revenues | | **636** | 406 |
| Current portion of lease liabilities | | **299** | 285 |
| Current portion of long-term debt | 5 | **185** | 182 |
| | | **9,162** | 8,438 |
| **Non-current liabilities** | | | |
| Lease liabilities | | **3,182** | 3,337 |
| Long-term debt | 5 | **47** | 141 |
| | | **12,391** | 11,916 |
| **Equity** | | | |
| Share capital | 6.1 | **66,074** | 66,597 |
| Treasury shares | 6.1 | **(89)** | (75) |
| Share-based payments reserve | 6.2 | **2,342** | 995 |
| Foreign currency translation reserve | | **53** | (10) |
| Deficit | | **(28,649)** | (32,873) |
| | | **39,731** | 34,634 |
| | | **52,122** | 46,550 |

*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]

| | | Three months | | Six months | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| | **Notes** | **$** | $ | **$** | $ |
| **Revenues** | | | | | |
| System sales | | **6,994** | 11,632 | **15,418** | 20,676 |
| Rights for use, rental and maintenance | | **5,105** | 4,476 | **10,083** | 8,470 |
| | | **12,099** | 16,108 | **25,501** | 29,146 |
| Cost of goods sold | | **4,396** | 7,210 | **9,876** | 12,932 |
| **Gross profit** | | **7,703** | 8,898 | **15,625** | 16,214 |
| **Operating expenses** | | | | | |
| Selling and marketing | | **1,798** | 1,164 | **3,568** | 2,849 |
| Administration | | **2,405** | 1,889 | **4,282** | 4,124 |
| Research and development | | **846** | 1,175 | **2,184** | 2,607 |
| Foreign exchange loss | | **40** | 88 | **97** | 75 |
| | | **5,089** | 4,316 | **10,131** | 9,655 |
| **Net profit before financial expenses (income) and income taxes** | | **2,614** | 4,582 | **5,494** | 6,559 |
| **Financial expenses (income)** | | | | | |
| Financial expenses | 7.2 | **79** | 123 | **157** | 213 |
| Interest income | | **(151)** | (87) | **(287)** | (152) |
| | | **(72)** | 36 | **(130)** | 61 |
| **Net profit before income taxes** | | **2,686** | 4,546 | **5,624** | 6,498 |
| Income taxes | | **65** | 20 | **63** | 20 |
| **Net profit** | | **2,621** | 4,526 | **5,561** | 6,478 |
| *Items that will be reclassified to profit or loss:* | | | | | |
| Foreign currency translation gain | | **3** | 43 | **63** | 67 |
| **Comprehensive income** | | **2,624** | 4,569 | **5,624** | 6,545 |
| **Basic net profit per share** | | **0.012** | 0.020 | **0.025** | 0.029 |
| **Diluted net profit per share** | | **0.011** | 0.020 | **0.024** | 0.029 |

*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 | Treasury shares | Deficit | Total |
|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ |
| Balance as at March 31, 2025 | | 66,470 | 498 | (138) | – | (50,563) | 16,267 |
| Net profit | | – | – | – | – | 6,478 | 6,478 |
| Foreign currency translation gain | | – | – | 67 | – | – | 67 |
| Comprehensive income | | – | – | 67 | – | 6,478 | 6,545 |
| Exercise of stock options | 6.1 | 98 | (43) | – | – | – | 55 |
| Share-based payments | 6.2 | – | 187 | – | – | – | 187 |
| Cancellation and expiration of stock options | 6.2 | – | (341) | – | – | 341 | – |
| Balance as at September 30, 2025 | | 66,568 | 301 | (71) | – | (43,744) | 23,054 |
| | | | | | | | |
| **Balance as at March 31, 2026** | | **66,597** | **995** | **(10)** | **(75)** | **(32,873)** | **34,634** |
| **Net profit** | | **–** | **–** | **–** | **–** | **5,561** | **5,561** |
| **Foreign currency translation gain** | | **–** | **–** | **63** | **–** | **–** | **63** |
| **Comprehensive income** | | **–** | **–** | **63** | **–** | **5,561** | **5,624** |
| **Exercise of stock options** | 6.1 | **37** | **(16)** | **–** | **–** | **–** | **21** |
| **Shares repurchased and cancelled** | 6.1 | **(538)** | **–** | **–** | **–** | **(1,286)** | **(1,824)** |
| **Shares repurchased and held in treasury** | 6.1 | **–** | **–** | **–** | **(89)** | **–** | **(89)** |
| **Treasury shares cancelled** | 6.1 | **(22)** | **–** | **–** | **75** | **(53)** | **–** |
| **Share-based payments** | 6.2 | **–** | **1,365** | **–** | **–** | **–** | **1,365** |
| **Cancellation and expiration of stock options** | 6.2 | **–** | **(2)** | **–** | **–** | **2** | **–** |
| **Balance as at September 30, 2026** | | **66,074** | **2,342** | **53** | **(89)** | **(28,649)** | **39,731** |

*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]

| | Notes | 2026<br>$ | 2025<br>$ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net profit before income taxes | | **5,624** | 6,498 |
| Items not affecting cash: | | | |
| Amortization of property and equipment | | **514** | 612 |
| Amortization of intangible assets | | **235** | 282 |
| Share-based payments | 6.2 | **1,365** | 187 |
| Change in fair value of derivative financial instruments | | **260** | (366) |
| Unrealized foreign exchange gain (loss) | | **13** | (102) |
| Interest income on lease receivable | | **(91)** | (33) |
| Interest expense on lease liabilities | 7.2 | **113** | 123 |
| Accretion of interest expense on long-term debt | | **5** | 7 |
| Cash flows provided by operations before changes in working capital items | | **8,038** | 7,208 |
| **Changes in working capital items:** | | | |
| Short-term deposits | | **–** | 107 |
| Accounts receivable | | **(1,780)** | (3,238) |
| Inventories | | **(712)** | (1,443) |
| Prepaid expenses and deposits | | **(363)** | (502) |
| Finance lease receivable | | **(379)** | 43 |
| Accounts payable and accrued liabilities | | **134** | 2,265 |
| Provisions | | **83** | 21 |
| Deferred revenues | | **230** | (288) |
| | | **(2,787)** | (3,035) |
| **Income taxes paid** | | **(176)** | – |
| **Cash flows provided by operating activities** | | **5,075** | 4,173 |
| **INVESTING ACTIVITIES** | | | |
| Additions to property and equipment | | **(256)** | (345) |
| Additions to intangible assets | | **(299)** | (48) |
| **Cash flows used in investing activities** | | **(555)** | (393) |
| **FINANCING ACTIVITIES** | | | |
| Exercise of stock options | 6.1 | **21** | 55 |
| Repayment of long-term debt | | **(96)** | (817) |
| Repurchase of shares | 6.1 | **(1,913)** | – |
| Payment of lease liabilities | | **(254)** | (250) |
| **Cash flows used in financing activities** | | **(2,242)** | (1,012) |
| Effect of exchange rate fluctuations on cash and cash equivalents | | **29** | 26 |
| **Net change in cash and cash equivalents** | | **2,307** | 2,794 |
| Cash and cash equivalents, beginning of period | | **17,585** | 7,812 |
| **Cash and cash equivalents, end of period** | | **19,892** | 10,606 |
| **Cash and cash equivalents consist of:** | | | |
| Cash | | **19,892** | 10,606 |
| **Interest included in operating activities:** | | | |
| Interest | | **15** | 31 |

*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, being 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 10, 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 Company's audited annual consolidated financial statements for the year ended March 31, 2026 which include the same accounting policies and methods of computation used in the preparation of these financial statements.

# 3 INVENTORIES

| | **September 30, 2026** | March 31, 2026 |
|---|---|---|
| | **$** | $ |
| Parts and components | **4,340** | 4,104 |
| Finished goods | **2,527** | 2,051 |
| | **6,867** | 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 September 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 September 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 September 30, 2026, the Company was in compliance with the financial covenants required under the facility.

## 5 LONG-TERM DEBT

| | **September 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. | **232** | 323 |
| | **232** | 323 |
| Less: Current portion of long-term debt | **185** | 182 |
| | **47** | 141 |

Debt payments for the next years are as follows:

| | **$** |
|---|---|
| 2027 | 190 |
| 2028 | 47 |
| | 237 |
| Less: discounting | 5 |
| | 232 |

For the three and six months periods ended September 30, 2026, the interest expense on long-term debt charged to net profit amounted to $2 and $5, respectively, including an amount of $5 accounted for as an

accretion of interest expense [$17 and $28, respectively, including an amount of $7 accounted for as an accretion expense for the three and six months ended September 30, 2025].

# 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 six month periods ended September 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 | **150,000** | **37** | 570,000 | 98 |
| Treasury shares cancelled | **(95,000)** | **(22)** | – | – |
| Shares repurchased and cancelled | **(1,781,000)** | **(538)** | – | – |
| Balance at end of period | **221,040,072** | **66,074** | 222,509,573 | 66,568 |

For the three and six months periods ended September 30, 2026, the Company issued 150,000 [200,000 and 570,000, respectively, in 2025] Class A common shares pursuant to the exercise of stock options for gross cash proceeds of $21 [$20 and $55, respectively, in 2025]. The fair value of $16 [$16 and $43, respectively, 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 and six month periods ended September 30, 2026, 1,296,500 and 1,781,000 shares at an average price of $1.09 per share and $1.02 per share, respectively, were repurchased for cancellation. The 95,000 shares held in treasury by the Company as at March 31, 2026 were cancelled. As at September 30, 2026, 79,700 shares were held in treasury by the Company, waiting to be cancelled.

## *6.2 Share-based payments*

The following tables summarize the changes in the Company's stock options and information on options outstanding as at September 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** | 5,800,000 | 0.26 |
| Exercised | **(150,000)** | **0.14** | (570,000) | 0.10 |
| Cancelled and expired | **(25,000)** | **0.92** | (4,375,000) | 0.16 |
| **Balance as at September 30** | **15,580,001** | **0.52** | 8,909,500 | 0.21 |
| **Options exercisable at end of period** | **2,605,000** | **0.20** | 1,184,502 | 0.12 |

The fair value of the options granted during the six month periods ended September 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 and six month periods ended September 30, the share-based payment expense charged to net profit amounted to $754 and $1,365, respectively [$135 and $187 for the three and six month periods ended September 30, 2025, respectively] with a corresponding amount recognized under the share-based payments reserve. For the three and six month periods ended September 30, the cancellation and expiry of options resulted in a reclassification from the share-based payment reserve to deficit of $2 [$22 and $341 for the three and six month periods ended September 30, 2025, respectively].

## *6.3 Share-based payment liabilities*

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 | 600,000 | 455,000 | – | – |
| Units cancelled and expired | (15,000) | – | – | – | (2,094,803) | – |
| Balance, end of period | **410,000** | **1,889,696** | **600,000** | 455,000 | 439,720 | – |
| Units exercisable at end of period | **–** | **–** | **–** | – | – | – |

For the three and six months periods ended September 30, 2026, the cash-settled share-based payment expense is detailed as follows:

| | **Three months** | | Six months | |
|---|---|---|---|---|
| | **2026** | 2025 | 2026 | 2025 |
| | **$** | $ | **$** | $ |
| Cost of goods sold | **6** | – | **38** | – |
| Selling and marketing | **64** | – | **57** | – |
| Administration | **540** | 5 | **654** | 54 |
| Research and development | **(8)** | – | **187** | – |
| | **602** | 5 | **936** | 54 |

As at September 30, 2026, an amount of $1,295 [$67 in 2025] was accounted for in accounts payable and accrued liabilities.

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

## *7.1 Revenues*

For the three and six month periods ended September 30, revenues of the Company are disaggregated by customer grouping as follows:

| | **Three months** | | **Six months** | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **Customer grouping** | **$** | $ | **$** | $ |
| Theatrical | **8,173** | 10,904 | **16,848** | 18,979 |
| Sim racing | **2,055** | 2,612 | **4,378** | 4,913 |
| Simulation and training | **1,426** | 1,781 | **3,183** | 3,960 |
| Other | **445** | 811 | **1,092** | 1,294 |
| **Total revenues** | **12,099** | 16,108 | **25,501** | 29,146 |

## 7.2 *Financial expenses*

For the three and six month periods ended September 30, the Company recognized financial expenses detailed as follows:

| | Three months | | Six months | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Interest expense on long-term debt | **2** | 17 | **5** | 28 |
| Interest expense on credit facility | **5** | 5 | **10** | 10 |
| Interest expense on lease liabilities | **56** | 61 | **113** | 123 |
| Other interest and bank charges | **16** | 40 | **29** | 52 |
| | **79** | 123 | **157** | 213 |

## 7.3 *Government assistance*

For the three and six month periods ended September 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:

| | Three months | | Six months | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ |
| Research and development | **375** | 109 | **445** | 179 |