

## Unaudited Interim Condensed Consolidated Financial Statements

### **D-BOX Technologies Inc.**

For the three and nine months ended December 31, 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]

		<b>December 31, 2025</b>	March 31, 2025
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>	4		
<b>Current assets</b>			
Cash and cash equivalents		<b>16,183</b>	7,812
Short-term deposits		<b>—</b>	107
Accounts receivable		<b>8,976</b>	6,881
Inventories	3	<b>8,103</b>	5,609
Prepaid expenses and deposits		<b>482</b>	608
Current portion of finance leases receivable		<b>233</b>	61
		<b>33,977</b>	21,078
<b>Non-current assets</b>			
Property and equipment		<b>5,239</b>	5,621
Intangible assets		<b>1,014</b>	1,349
Deferred tax asset	9	<b>6,407</b>	—
Finance leases receivable		<b>761</b>	375
		<b>47,398</b>	28,423
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<b>6,674</b>	5,459
Derivative financial instruments		<b>70</b>	484
Provisions	5	<b>254</b>	182
Deferred revenues		<b>4,134</b>	980
Current portion of lease liabilities		<b>278</b>	249
Current portion of long-term debt	6	<b>181</b>	301
		<b>11,591</b>	7,655
<b>Non-current liabilities</b>			
Lease liabilities		<b>3,409</b>	3,581
Long-term debt	6	<b>186</b>	920
		<b>15,186</b>	12,156
<b>Equity</b>			
Share capital	7.1	<b>66,611</b>	66,470
Share-based payments reserve	7.2	<b>472</b>	498
Foreign currency translation reserve		<b>(190)</b>	(138)
Deficit		<b>(34,681)</b>	(50,563)
		<b>32,212</b>	16,267
		<b>47,398</b>	28,423

See accompanying notes.

**D-BOX Technologies Inc.**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET PROFIT AND COMPREHENSIVE INCOME**

For the three and nine month periods ended December 31

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

	Notes	Three months		Nine months	
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>Revenues</b>					
System sales		10,708	10,136	31,384	25,391
Rights for use, rental and maintenance		3,083	3,163	11,553	8,787
		13,791	13,299	42,937	34,178
Cost of goods sold		6,704	6,612	19,636	16,512
<b>Gross profit</b>		<b>7,087</b>	<b>6,687</b>	<b>23,301</b>	<b>17,666</b>
<b>Other expenses</b>					
Selling and marketing		1,465	1,810	4,314	5,353
Administration	5	1,541	1,574	5,665	5,078
Research and development		1,406	1,187	4,013	3,277
Foreign exchange loss		25	470	100	409
		4,437	5,041	14,092	14,117
<b>Net profit before financial expenses (income) and income taxes (recoveries)</b>		<b>2,650</b>	<b>1,646</b>	<b>9,209</b>	<b>3,549</b>
<b>Financial expenses (income)</b>					
Financial expenses	8.2	82	128	295	430
Interest income		(86)	(24)	(238)	(40)
		(4)	104	57	390
<b>Net profit before income taxes (recoveries)</b>		<b>2,654</b>	<b>1,542</b>	<b>9,152</b>	<b>3,159</b>
Income taxes (recoveries)		(6,407)	11	(6,387)	21
<b>Net profit</b>		<b>9,061</b>	<b>1,531</b>	<b>15,539</b>	<b>3,138</b>
<i>Items that will be reclassified to profit or loss:</i>					
Foreign currency translation gain (loss)		(119)	67	(52)	17
<b>Comprehensive income</b>		<b>8,942</b>	<b>1,598</b>	<b>15,487</b>	<b>3,155</b>
<b>Basic net profit per share</b>		<b>0.041</b>	<b>0.007</b>	<b>0.070</b>	<b>0.014</b>
<b>Diluted net profit per share</b>		<b>0.040</b>	<b>0.007</b>	<b>0.068</b>	<b>0.014</b>

See accompanying notes.

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

Nine month periods ended December 31

[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	–	57	–	–	57
Cancellation and expiration of stock options	7.2	–	(284)	–	284	–
Balance as at December 31, 2024		66,462	463	(260)	(52,779)	13,886
<b>Balance as at March 31, 2025</b>		<b>66,470</b>	<b>498</b>	<b>(138)</b>	<b>(50,563)</b>	<b>16,267</b>
<b>Profit</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>15,539</b>	<b>15,539</b>
<b>Foreign currency translation loss</b>		<b>–</b>	<b>–</b>	<b>(52)</b>	<b>–</b>	<b>(52)</b>
<b>Comprehensive income</b>		<b>–</b>	<b>–</b>	<b>(52)</b>	<b>15,539</b>	<b>15,487</b>
<b>Exercise of stock options</b>	7.1	<b>141</b>	<b>(61)</b>	<b>–</b>	<b>–</b>	<b>80</b>
<b>Share-based payments</b>	7.2	<b>–</b>	<b>378</b>	<b>–</b>	<b>–</b>	<b>378</b>
<b>Cancellation and expiration of stock options</b>	7.2	<b>–</b>	<b>(343)</b>	<b>–</b>	<b>343</b>	<b>–</b>
<b>Balance as at December 31, 2025</b>		<b>66,611</b>	<b>472</b>	<b>(190)</b>	<b>(34,681)</b>	<b>32,212</b>

See accompanying notes.

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

Nine month periods ended December 31

[in thousands of Canadian dollars]

		2025	2024
	Notes	\$	\$
<b>OPERATING ACTIVITIES</b>			
Net profit before income taxes (recoveries)		9,152	3,138
Items not affecting cash:			
Amortization of property and equipment		910	897
Amortization of intangible assets		412	416
Amortization of financing costs	8.2	—	10
Share-based payments	7.2	308	57
Change in fair value of derivative financial instruments		(414)	574
Unrealized foreign exchange (loss)		(60)	(157)
Interest income on lease receivable		(33)	(53)
Interest expense on lease liabilities	8.2	181	185
Accretion of interest expense on long-term debt		7	14
Cash flows provided by operations before changes in working capital items		10,463	5,081
<b>Changes in working capital items:</b>			
Short-term deposits		107	103
Accounts receivable		(2,569)	(1,491)
Inventories		(2,494)	1,403
Prepaid expenses and deposits		126	31
Accounts payable and accrued liabilities		1,236	78
Provisions		72	107
Deferred revenues		3,154	(24)
		(368)	207
<b>Cash flows provided by operating activities</b>		<b>10,095</b>	<b>5,288</b>
<b>INVESTING ACTIVITIES</b>			
Finance lease receivables payments		63	41
Additions to property and equipment		(582)	(383)
Additions to intangible assets		(77)	(287)
<b>Cash flows used in investing activities</b>		<b>(596)</b>	<b>(629)</b>
<b>FINANCING ACTIVITIES</b>			
Exercise of stock options	7.1	80	142
Repayment of long-term debt		(861)	(1,190)
Payment of lease liabilities		(373)	(208)
<b>Cash flows used in financing activities</b>		<b>(1,154)</b>	<b>(1,256)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		26	14
<b>Net change in cash and cash equivalents</b>		<b>8,371</b>	<b>3,417</b>
Cash and cash equivalents, beginning of period		7,812	2,916
<b>Cash and cash equivalents, end of period</b>		<b>16,183</b>	<b>6,333</b>
<b>Cash and cash equivalents consist of:</b>			
Cash		16,183	6,333
<b>Interest and income taxes included in operating activities:</b>			
Interest		39	134
Income taxes		20	21

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 February 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 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**

December 31, 2025

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

**3 INVENTORIES**

	<b>December 31, 2025</b>	March 31, 2025
	<b>\$</b>	<b>\$</b>
Parts and components	<b>5,576</b>	3,890
Finished goods	<b>2,527</b>	1,719
	<b>8,103</b>	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 December 31, 2025 was \$nil [\$nil as at March 31, 2025]. This line of credit is renewable annually and bears interest at prime rate [4.45% as at December 31, 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 December 31, 2025, the Company was in compliance with the financial ratios required under the facility.

**5 PROVISIONS**

	<b>Warranty claims</b>	<b>Restructuring</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
At April 1, 2025	182	—	182
Charged to profit or loss	257	1,207	1,464
Utilised in period	(185)	(1,207)	(1,392)
<b>Due within one year or less at December 31, 2025</b>	<b>254</b>	<b>—</b>	<b>254</b>

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

December 31, 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 warranty period for all products sold. The corresponding expense is recorded in cost of goods sold.

**Restructuring**

During the nine month period ended December 31, 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**

	December 31, 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.	367	499
	<b>367</b>	1,221



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

December 31, 2025

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

	<b>December 31, 2025</b>	March 31, 2025
	<b>\$</b>	<b>\$</b>
Less: Current portion of long-term debt	<b>181</b>	301
	<b>186</b>	920

Debt payments for the next years are as follows:

	<b>\$</b>
2026	190
2027	190
	380
Less: discounting	13
	367

For the three and nine month periods ended December 31, 2025, the interest expense on long-term debt charged to net profit amounted to \$3 and \$31, respectively, including an amount of \$7 accounted for as an accretion of interest expense [\$49 and \$128, including an amount of \$14 accounted for as an accretion expense for the three and nine month periods ended December 31, 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 nine month periods ended December 31 are shown in the following table:

	<b>2025</b>		<b>2024</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
Balance at beginning of period	<b>221,939,573</b>	<b>66,470</b>	220,226,573	66,227
Exercise of stock options	<b>792,001</b>	<b>141</b>	1,650,000	235
Balance at end of period	<b>222,731,574</b>	<b>66,611</b>	221,876,573	66,462

For the three and nine month periods ended December 31, 2025, the Company issued 222,001 and 792,001 common shares pursuant to the exercise of stock options for gross cash proceeds of \$25 and \$80, respectively. The fair value of \$18 and \$61 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 nine month periods ended December 31 are summarized in the following table:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	#	\$	#	\$
<b>Balance as at March 31</b>	<b>8,054,500</b>	<b>0.15</b>	9,067,500	0.12
Granted	10,300,000	0.50	600,000	0.10
Exercised	(792,001)	0.10	(1,650,000)	0.09
Cancelled and expired	(4,400,000)	0.16	(2,300,000)	0.10
<b>Balance as at December 31</b>	<b>13,162,499</b>	<b>0.42</b>	5,717,500	0.13
<b>Options exercisable at end of period</b>	<b>937,501</b>	<b>0.13</b>	3,752,500	0.15

The fair value of the options granted during the nine month period ended December 31, 2025 was estimated at the date of grant using the Black-Scholes option pricing model based on the following assumptions: 2.97% weighted average risk-free interest rate; no dividends; 93.85% weighted average volatility factor of the expected market price of the Company's shares; \$0.50 weighted average share price; and a 5.68-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 11.44%. The weighted average of the estimated fair value at the grant date of the options awarded was \$0.41 per option, amortized through net profit over the vesting periods of the options.

For the three and nine month periods ended December 31, 2025, the share-based payment expense charged to net profit amounted to \$191 and \$378, respectively [\$19 and \$57 for the three and nine month periods ended December 31, 2024, respectively] with a corresponding amount recognized under the share-based payments reserve. For the three and nine month periods ended December 31, 2025, the cancellation and expiry of options resulted in a reclassification from the share-based payment reserve to deficit of \$2 and \$343, respectively [\$195 and \$284 for the three and nine month periods ended December 31, 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 nine month periods ended December 31:

	Three months		Nine months	
	2025	2024	2025	2024
Customer grouping	\$	\$	\$	\$
Theatrical	8,921	7,994	27,900	18,157
Simulation and training	1,529	1,956	5,489	6,197
Sim racing	2,668	2,629	7,581	7,339
Other	673	720	1,967	2,485
<b>Total revenues</b>	<b>13,791</b>	<b>13,299</b>	<b>42,937</b>	<b>34,178</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

December 31, 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 nine month periods ended December 31:

	Three months		Nine months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest expense on long-term debt	3	49	31	128
Interest expense on credit facility	5	5	15	20
Interest expense on lease liabilities	60	62	183	187
Amortization of financing costs	—	—	—	10
Other interest and bank charges	14	12	66	85
	82	128	295	430

**8.3 Government assistance**

For the three and nine month periods ended December 31, 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		Nine months	
	2025	2024	2025	2024
	\$	\$	\$	\$
Research and development	70	57	249	363

## 9 INCOME TAXES

### 9.1 Deferred income taxes

The key components of the Company's deferred income tax asset and liability are as follows:

	December 31, 2025		March 31, 2025	
	\$		\$	
	Asset	Liability	Asset	Liability
<i>Recognised in profit and loss</i>				
Net operating loss carry-forwards	7,978	—	11,068	—
Research and development expenditures	2,987	—	3,129	—
Carrying amounts of property and equipment below tax bases	336	—	336	—
Share issue costs and other differences	176	—	176	—
Derivative financial instruments	128	—	128	—
<i>Recognised in equity</i>				
Share issuance costs	271	—	271	—
Total deferred tax	11,876	—	15,108	—
Unrecognized deferred income tax assets	(5,469)	—	(15,108)	—
	6,407	—	—	—

For the three and nine month periods ended December 31, 2025, the Company recorded a deferred tax benefit relating to the recognition of tax losses and credits. The deferred tax asset of \$6,407 has been recognised in net profit as a recovery of income taxes.