Management's Discussion and Analysis

D-BOX Technologies Inc.
Three and six month periods ended September 30, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS
D-BOX Technologies Inc.
Three and six month periods ended September 30, 2026

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 subsidiaries, as well as key elements of its financial results. In particular, it explains changes in the Company's financial position and operating results for the three and six month periods ended September 30, 2026, by comparing them to the results of the corresponding periods of the prior fiscal year. It also presents a comparison of the balance sheets as at September 30, 2026 and March 31, 2026.

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 for the fiscal year ended March 31, 2026 and accompanying notes. Unless otherwise indicated, the terms "Company" and "D-BOX" refer to D-BOX Technologies Inc.

The unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2026, and this MD&A have been reviewed by the Audit Committee and approved by the Board of Directors of the Company on November 10, 2026. Unless otherwise indicated, all the amounts in this MD&A are in thousands of Canadian dollars.

2 FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, activities, objectives, operations, strategy, business outlook, and financial performance and condition of the Company, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking information, by its very nature, is subject to numerous risks and uncertainties and is based on several assumptions which give rise to the possibility that actual results could differ materially from the Company's expectations expressed in or implied by such forward-looking information and no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including but not limited to the future plans, activities, objectives, operations, strategy, business outlook and financial performance and condition of the Company.

Forward-looking information is provided in this MD&A for the purpose of giving information about Management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking information for any other purpose.

Forward-looking information provided in this MD&A is based on information available at the date hereof and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Company's control.

The risks, uncertainties and assumptions that could cause actual results to differ materially from the Company's expectations expressed in or implied by the forward-looking information include, but are not limited to: international trade regulations; concentration of clients; dependence on suppliers; performance of content; exchange rate between the Canadian dollar and the U.S. dollar; ability to implement strategy; consumer preferences and trends; political, social and economic conditions; strategic alliances; credit risk; competition; access to content; technology standardization; future funding requirements; distribution network; indebtedness; global health crises; warranty, recalls and claims; dependence on key personnel and labour relations; legal, regulatory and litigation; intellectual property; security and management of information; and reputational risk through social media. These and other risk factors that could cause actual results to differ materially from expectations expressed in or implied by the forward-looking information are discussed under "Risk Factors" in the Company's annual information form for the fiscal year ended March 31, 2026, a copy of which is available on SEDAR at www.sedarplus.ca. Except as may be required by Canadian securities laws, the Company does not intend nor does it undertake any obligation to update or revise any forward-looking information contained in the annual information form to reflect subsequent information, events, circumstances or otherwise.

The Company cautions readers that the risks described above are not the only ones that could have an impact on it. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, financial condition or results of operations.

3 CORPORATE OVERVIEW

D-BOX is a leader in haptic technology, delivering immersive motion experiences that engage the body and spark the imagination. It's haptic software and haptic design process ensure a seamless synchronization of motion, vibration, and texture with on-screen content, enhancing storytelling across cinema, simracing, and professional simulation. D-BOX's expertise in haptics ensures the highest level of realism for content. This level of realism is achieved through the seamless integration of software and hardware by:

1. Programming and designing haptic effects as a track, frame by frame, in the case of linear content, or using D-BOX's vast haptic effects library for interactive content based on the content's specific telemetry. This content is meticulously engineered so that the haptic feedback is precisely timed and tailored to the movie, maximizing the immersive effect.
2. A haptic processor serving as an interface between the content and the physical haptic system can recognize the content being played, regardless of the source, and associate it with the appropriate D-BOX Haptic Code. It then enables the haptic systems to be synchronized with the content.
3. Our haptic system, consists, amongst other things, of proprietary electromechanical actuators built into a seat, platform, or other type of equipment.

The Company's current revenue streams consist of:

1. The sale, finance or long-term rental/lease of D-BOX hardware including haptic actuators and haptic bases that are integrated by resellers, integrators, and equipment or seating manufacturers (known as original equipment manufacturers ("OEMs")) into chairs, recliners, seats, haptic controllers and electronic interfaces or servers, and market the D-BOX technology under their own brands;
2. Licensing of the D-BOX Haptic Code to theaters which are equipped with haptic systems to play content designed by D-BOX. This technology enables theaters equipped with D-BOX haptic systems to deliver an

enhanced, immersive experience to moviegoers. The Company also receives maintenance revenue relating to the use of these theatrical haptic systems. Importantly, the recognition and generation of these licensing and maintenance revenues are directly tied to ticket sales. This means that the Company's recurring revenue streams from these sources are inherently linked to the volume of tickets sold, which is influenced by the overall performance of the box office.

As at September 30, 2026, D-BOX had 93 employees compared with 90 employees as at September 30, 2025.

3.1 Industry Overview

Theatrical customers

While the global theatrical industry is projected to reach a valuation of $72.7 billion USD by 2034 with a 5.3%[1] CAGR, the industry continues to signal towards "premiumization" of their best assets to compensate for the possible divestment of less efficient assets. As exhibitors upgrade their assets to prioritize per-patron yield over raw volume, D-BOX's immersive haptic technology serves as a primary catalyst for revenue optimization. D-BOX enables exhibitors to maximize the monetization of their most efficient seats and screens by providing a costumer experience that is not available at home. D-BOX's haptic systems are the lowest-friction premium upgrade for exhibitors. Often with very little structural modifications to existing auditoriums, our solution allows for rapid deployment into multiplexes.

D-BOX's strategic value is centered on its high-margin recurring royalty and maintenance stream. While hardware sales may reflect the variable nature of exhibitor renovation cycles, every new installation represents a long-term expansion of our digital footprint. This "installed base" functions as a high-multiple technology platform. Our rights-of-use and rental revenues are increasingly resilient; in recent periods, D-BOX royalties have outperformed broader North American box office trends, proving that movie-goers prioritize premium haptic experiences even in volatile content cycles.

Sim racing customers

Over the last few years, sim racing has transitioned from a niche past time to a legitimate e-sport and professional training. The proliferation of simulation centers and commercial complexes equipped with sim racing rigs has fueled the growth of this e-sport, attracting both professional and casual enthusiasts. With its haptic systems that are capable of reproducing textures, velocity, engine vibrations and dynamic vehicle motion, D-BOX has drawn the attention of several leading racing simulation partners who have chosen to integrate the D-BOX haptic systems into their expansion plans of commercial venues. The commercialization of this e-sport has the potential to serve as a complementary growth opportunity for D-BOX.

Simulation and training customers

Simulation and training through haptics allows for the unique opportunity to improve safety by allowing operators to learn and practice new skills in a controlled environment without the risk of accidents, injuries, costly damage to expensive machinery and less environmental impact in many cases. The construction, automotive and military industries are three sectors in which the Company sees continued opportunity in simulation and training through haptics, and these sectors have been positive contributors in the past. Our durable products and precise haptic software are generally well suited for simulation and training applications because customers seek the most realistic training simulator.

[1] Per Global Market Insights (GMI): https://www.gminsights.com/industry-analysis/movie-theater-market

3.2 Business Strategy

The Company operates within a single reportable operating segment. D-BOX markets and sells its products through OEMs, including integrators, resellers, and distributors. For the purpose of analyzing system sales revenues, the Company evaluates performance across four distinct customer groups: theatrical, sim racing, simulation and training, and other customers. Although D-BOX offers a consistent product portfolio across all customer groups, each group contributes disproportionately to overall revenue and is therefore discussed separately.

Theatrical customers include commercial cinema circuits, theatrical OEMs, and studios. Sim racing customers include commercial entities engaged in the sale of simulation racing rigs to commercial sim centers, the general public, and select professional racing teams. The simulation and training customer group encompasses OEMs and commercial entities specializing in professional training across the automotive, transportation, logistics, aviation, and construction industries, as well as certain military applications. The other customers group captures all remaining revenue streams, including OEMs selling to theme parks, arcades, museums and planetariums, along with logistics revenues.

Key components of the Company's business strategy in these customer groups are as follows:

- Expand the theatrical installed base to drive growth in future recurring revenues;
- Grow high-margin recurring revenue streams by expanding content licensing, software subscriptions, and service agreements across the installed base;
- Advance and refine D-BOX's haptic motion technology to reinforce the Company's position as a leader in immersive seated haptic experiences;
- Drive operational excellence through disciplined cost management, while continuing to deliver best-in-class haptic experiences;
- Return value to shareholders through disciplined capital allocation, including the use of capital market tools such as a Normal Course Issuer Bid ("NCIB"), where appropriate, to repurchase shares when they are believed to be trading below their intrinsic value.

4 FINANCIAL AND OPERATING HIGHLIGHTS

Highlights for the three month period ended September 30, 2026

- Total revenues decreased 25% to $12.1 million, compared with $16.1 million in the prior year.
- Adjusted EBITDA* decreased to $4.4 million, compared with $5.6 million in the prior year.
- Net profit before income taxes decreased to $2.6 million, compared with $4.5 million in the prior year.
- Rights for use, rental and maintenance revenues increased 14% to a record $5.1 million, compared with $4.5 million in the prior year.
- System sales revenues decreased 40% to $7.0 million, compared with $11.6 million in the prior year.
- Cash and cash equivalents was $19.9 million as at September 30, 2026 compared with $17.6 million as at March 31, 2026.

Highlights for the six month period ended September 30, 2026

- Total revenues decreased 13% to $25.5 million compared with $29.1 million in the prior year.
- Adjusted EBITDA* decreased 3% to $8.6 million compared with $8.9 million in the prior year.
- Net profit before income taxes decreased 14% to $5.6 million compared with $6.5 million in the prior year.
- Rights for use, rental and maintenance revenues increased 19% to a record $10.1 million compared with $8.5 million in the prior year.
- System sales revenues decreased 25% to $15.4 million compared with $20.7 million in the prior year.

	Three month periods ended September 30			Six month periods ended September 30		
	2026	2025	Var. (%)	**2026**	2025	Var. (%)
Revenues	**12,099**	16,108	(25)%	**25,501**	29,146	(13)%
Net profit	**2,621**	4,526	(42)%	**5,561**	6,478	(14)%
Adjusted EBITDA*	**4,384**	5,594	(22)%	**8,641**	8,922	(3)%
Basic net profit per share	**0.012**	0.020	42 %	**0.025**	0.029	14 %
Diluted net profit per share	**0.011**	0.020	44 %	**0.024**	0.029	18 %
	As at September 30, 2026			**As at March 31, 2026**		
Cash and cash equivalents	**19,892**			17,585		

* See the "Non-IFRS Financial Performance Measures" in section 8.

5 OPERATING RESULTS

5.1 Revenues

The following table presents the revenue information for the three and six month periods ended September 30, 2026, compared with the corresponding periods of the prior fiscal year:

	Three month periods				Six month periods			
	2026	2025	Var. ($)	Var. (%)	**2026**	2025	Var. ($)	Var. (%)
Revenues from								
System sales								
Theatrical	**3,068**	6,428	(3,360)	(52)%	**6,765**	10,509	(3,744)	(36)%
Sim racing	**2,055**	2,612	(557)	(21)%	**4,378**	4,913	(535)	(11)%
Simulation and training	**1,426**	1,781	(355)	(20)%	**3,183**	3,960	(777)	(20)%
Other	**445**	811	(366)	(45)%	**1,092**	1,294	(202)	(16)%
Total system sales	**6,994**	11,632	(4,638)	(40)%	**15,418**	20,676	(5,258)	(25)%
Rights for use, rental and maintenance	**5,105**	4,476	629	14%	**10,083**	8,470	1,613	19%
Total Revenues	**12,099**	16,108	(4,009)	(25)%	**25,501**	29,146	(3,645)	(13)%

Three month period ended September 30, 2026

For the three month period ended September 30, 2026, revenue decreased 25% to $12.1 million compared with $16.1 million for the corresponding period in the prior year.

System sales to theatrical customers decreased 52% to $3.1 million compared with $6.4 million for the corresponding period in the prior year. As expected, this decline reflects a return to more typical seasonal patterns, as exhibitors naturally slowed capital deployment during the summer months in order to focus on operating through a strong blockbuster content slate. This seasonal softness in hardware purchasing was further compounded by an exceptionally strong comparative prior-year period, making the year-over-year comparison particularly challenging. Despite the lower system sales volume, D-BOX continues to be viewed as a preferred capital allocation priority by its exhibitor partners, given the technology's proven ability to maximize per-patron yield.

Net new screen installations totaled 16 for the period, compared with 37 in the same period of the prior year — a difference that similarly reflects the normalization of the capital cycle rather than any change in underlying demand or brand momentum. The total number of active screens reached 1,249 as of September 30, 2026, compared with 1,084 in the prior year, representing year-over-year screen growth of 15.2%. This continued expansion of the installed base underscores D-BOX's growing penetration across the global theatrical market. The Company maintains a disciplined outlook on future hardware cycles, recognizing that exhibitor capital expenditures are inherently subject to seasonality and cyclicality, and tend to fluctuate in line with the strength of the global box office slate and the free cash flow generation of its exhibitor partners.

System sales revenue among sim racing customers decreased 21% to $2.1 million compared with $2.6 million for the corresponding period in the prior year. Similarly, system sales revenue among simulation and training customers decreased 20% to $1.4 million compared with $1.8 million for the corresponding period in the prior year. The declines in both customer groups reflect a moderation in demand from certain third-party OEM partners, who adjusted their production schedules and tempered procurement activity during the period. These timing-driven fluctuations are characteristic of the OEM-dependent sales model.

System sales revenue among other customers decreased 45% to $0.4 million compared with $0.8 million for the corresponding period in the prior year. This decline was primarily driven by lower logistics revenues, which are directly correlated with overall system sales volume and therefore decreased in line with the broader reduction in hardware shipments during the period.

Right-for-use, rental and maintenance revenues increased 14% to $5.1 million compared with $4.5 million for the corresponding period in the prior year, representing a record quarterly result. The year-over-year increase was driven by two complementary factors: an 28.6%[2] increase in the North American domestic box office, which directly supported higher royalty-based revenue, and a 15.2% increase in our installed footprint, which broadened the base of screens generating recurring licensing and maintenance fees. Together, these dynamics underscore the operating leverage embedded in our business model — as our installed base grows, each box office recovery translates into a proportionally larger royalty uplift.

The quarter's box office was, however, unusually concentrated in its composition. Two films alone accounted for over 50% of total domestic receipts during the period, a level of concentration that is significantly above the historical norm of approximately 26% to 36% for the top two titles. While this level of blockbuster dominance is constructive for overall box office volume, it creates a more constrained content scheduling environment for exhibitors. D-BOX's royalty revenue is better served by a broader slate of three to four strong-performing titles. When the box office is dominated by only one or two films, this concentrates patron traffic into a limited number of showings. By contrast, a wider slate of compelling titles enables exhibitors to program D-BOX content simultaneously across their multiple D-BOX-equipped screens, driving higher seat utilization and ensuring that patrons seeking a premium experience have more opportunities to choose D-BOX — ultimately generating greater royalty revenue for the Company. D-BOX seats also typically operate at higher average occupancy rates than conventional seats, reaching capacity sooner during high-demand showings. During the quarter, the concentrated demand of two films allowed overall box office receipts to grow at a higher rate than D-BOX royalty revenue, as conventional seating had greater capacity to absorb incremental attendance. Notwithstanding this dynamic, D-BOX technology was featured in 90% of the quarter's top 10 grossing films, reinforcing the Company's strong alignment with the industry's highest-performing releases. Standout performances from Spider-Man: Brand New Day, The Odyssey, Minions & Monsters, and Toy Story 5 contributed meaningfully to the record quarterly result, and demonstrate that even in a concentrated content environment, D-BOX remains the premium format of choice for the industry's most anticipated titles.

[2] According to https://www.boxofficemojo.com/

Six month period ended September 30, 2026

For the six month period ended September 30, 2026, revenue decreased 13% to $25.5 million compared with $29.1 million for the corresponding period in the prior year. The decrease was driven primarily by lower system sales across all customer groups, partially offset by record right-of-use, rental and maintenance revenues.

System sales to theatrical customers deceased 36% to $6.8 million compared to $10.5 million for the corresponding period in the prior year. As discussed in the three-month period analysis, this decline reflects a return to more typical seasonal patterns, as exhibitors naturally moderated capital deployment during the summer months to focus on operating through a strong blockbuster content slate. The comparison was further pressured by an exceptionally strong prior-year period, making the year-over-year result particularly challenging to match. Despite the lower system sales volume, the Company continued to expand its installed footprint, reinforcing D-BOX's position as a preferred capital allocation priority for exhibitor partners seeking to maximize per-patron yield.

System sales revenue among sim racing customers decreased 11% to $4.4 million compared with $4.9 million for the corresponding period in the prior year. Similarly, system sales revenue among simulation and training customers decreased 20% to $3.2 million compared with $4.0 million for the corresponding period in the prior year. The declines in both customer groups reflect a moderation in demand from certain third-party OEM partners, who adjusted their production schedules and tempered procurement activity during the period. These timing-driven fluctuations are characteristic of the OEM-dependent sales model.

System sales revenue among other customers decreased 16% to $1.1 million compared with $1.3 million for the corresponding period in the prior year. This decline was primarily driven by lower logistics revenues, which are directly correlated with overall system sales volume and therefore decreased in line with the broader reduction in hardware shipments during the period.

Right for use, rental and maintenance revenues increased 19% to $10.1 million compared with $8.5 million for the corresponding period in the prior year. The increase was driven by a 15.2% year-over-year expansion in our global footprint and continued strengthening of brand recognition among exhibitors and moviegoers. Our haptic designed films remain a key competitive differentiator, enabling exhibitors to offer a premium, motion-enhanced experience that consistently resonates with audiences and supports recurring revenue generation across our installed base.

5.2 Gross Profit

The following table reconciles gross margin to gross profit for the three and six month periods ended September 30, 2026, compared with the corresponding period of the prior fiscal year:

	Three month periods		Six month periods	
	2026	2025	**2026**	2025
Revenues	**12,099**	16,108	**25,501**	29,146
Gross profit	**7,703**	8,898	**15,625**	16,214
Gross margin*	**64%**	55%	**61%**	56%

* See the "Non-IFRS Financial Performance Measures" in section 8.

Three month period ended September 30, 2026

For the three month period ended September 30, 2026, gross profit decreased to $7.7 million from $8.9 million for the corresponding period in the prior year. Gross margin increased to 64% from 55% for the corresponding period in

the prior year. The improvement in gross margin reflects a more favourable revenue mix, driven primarily by a higher proportion of high-margin rights for use, rental and maintenance revenues relative to total revenue in the current period. This recurring revenue stream, which grew 14% year-over-year to a record $5.1 million, carries structurally higher margins than system sales and was the key contributor to the overall margin expansion. The decline in theatrical system sales, which carry lower margins relative to our recurring revenue streams, further supported the favorable mix shift in the period.

Six month period ended September 30, 2026

For the six month period ended September 30, 2026, gross profit decreased by $0.5 million to $15.6 million, compared to $16.2 million for the corresponding period in the prior year, consistent with the overall decline in revenue over the period. Despite this decrease in absolute gross profit, gross margin improved significantly to 61% from 56% in the prior year comparative period, representing a 6 percentage point increase.

This improvement in gross margin reflects a favorable shift in revenue mix toward recurring, higher-margin revenue streams, specifically right-for-use, rental, and maintenance revenues, which represented a greater proportion of total revenue relative to theatrical system sales. This mix shift was further amplified by a year-over-year decline in theatrical system sales. While system sales are accretive to gross profit in absolute dollar terms, they carry structurally lower margins than our recurring revenue streams. As a result, their reduced contribution to the overall revenue mix had a positive effect on consolidated gross margin, even as it weighed on total gross profit.

5.3 Operating Expenses

The following table presents operating expense information for the three and six month periods ended September 30, 2026, compared with the corresponding period of the prior fiscal year:

	Three month periods			Six month periods		
	2026	2025	Var. (%)	**2026**	2025	Var. (%)
Selling and marketing	**1,798**	1,164	54%	**3,568**	2,849	25%
% of revenues	15%	7%		14%	10%	
Administration	**2,405**	1,889	27%	**4,282**	4,124	4%
% of revenues	20%	12%		17%	14%	
Research and development	**846**	1,175	(28)%	**2,184**	2,607	(16)%
% of revenues	7%	7%		9%	9%	
Foreign exchange loss	**40**	88	(55)%	**97**	75	29%
% of revenues	–%	1%		–%	–%	
Total operating expenses	**5,089**	**4,316**	18%	**10,131**	9,655	5%
% of revenues	42%	27%		40%	33%	

Selling and Marketing: Selling and marketing expenses consist primarily of employee costs including share-based payments, professional fees, advertising and point-of-sale material expenses and attendance at trade shows.

For the three month period ended September 30, 2026, selling and marketing expenses increased by 54% to $1.8 million (15% of revenues) compared with $1.2 million (7% of revenues) for the corresponding period in the prior year. The increase was primarily driven by higher share-based compensation expense ($0.2 million), professional fees

($0.2 million), and travel costs related to trade shows ($0.1 million), with all other expense components remaining broadly stable year-over-year.

For the six month period ended September 30, 2026, selling and marketing expenses increased by 25% to $3.6 million (14% of revenues) compared with $2.8 million (10% of revenues) for the corresponding period in the prior year. The increase was primarily driven by higher share-based compensation expense ($0.3 million), professional fees ($0.3 million), and travel costs related to trade shows ($0.1 million), with all other expense components remaining broadly stable year-over-year.

Administration: Administration expenses consist primarily of employee costs including share-based payments, IT infrastructure costs, insurance costs, audit fees, professional fees and other general and administration expenses.

For the three month period ended September 30, 2026, administration expenses increased by 27% to $2.4 million (20% of revenues) compared with $1.9 million (12% of revenues) for the corresponding period in the prior year. The increase was driven entirely by higher share-based compensation expense ($1.0 million), which was partially offset by reductions in salaries ($0.5 million), with all other expense components remaining broadly stable. Share-based compensation is a non-cash expense whose valuation is directly influenced by the Company's stock price and its volatility; accordingly, the year-over-year increase reflects the appreciation in D-BOX's share price rather than an increase in underlying cash expenditures. Excluding share-based compensation, administration expenses decreased year-over-year, reflecting the Company's continued focus on disciplined cost management.

For the six month period ended September 30, 2026, administration expenses increased by 4% to $4.3 million (17% of revenues) compared with $4.1 million (14% of revenues) for the corresponding period in the prior year. As with the three-month period, the increase was driven entirely by higher share-based compensation expense ($1.7 million), which was substantially offset by lower salary costs ($1.2 million) — the latter reflecting severance payments that had been incurred in the prior year and did not recur. This increase in share-based compensation alongside controlled salary costs reflects the Company's commitment to tying management compensation directly to shareholder value creation. Excluding share-based compensation, administration expenses declined year-over-year, underscoring the Company's ongoing commitment to operational discipline and cost control.

Research and Development: Research and development expenses mainly include costs related to product, hardware engineering and software engineering employees including share-based payments, amortization of certain intangible assets, other costs associated with maintenance and enhancements to existing products, and the cost of adapting products to various international standards, less investment tax credits.

For the three month period ended September 30, 2026, research and development expenses decreased by 28% to $0.8 million (7% of revenues) from $1.2 million (7% of revenues) for the corresponding period in the prior year. The decrease was primarily driven by a $0.3 million increase in government assistance received in connection with projects aimed at advancing the Company's core haptic motion technology. Despite the reduction in reported R&D expenses, the Company's underlying investment in innovation remained consistent with prior periods, as the level of development activity was broadly unchanged year-over-year. D-BOX remains committed to the ongoing refinement of its technology platform as a key enabler of long-term revenue growth and margin expansion.

For the six month period ended September 30, 2026, research and development expenses decreased by 16% to $2.2 million (9% of revenues) from $2.6 million (9% of revenues) for the corresponding period in the prior year. As with the three-month period, the decrease was primarily attributable to a $0.3 million increase in government assistance supporting projects focused on furthering the Company's proprietary technology. R&D expenses as a percentage of revenues remained stable year-over-year, reflecting the Company's disciplined approach to allocating development

resources while continuing to invest in the capabilities that underpin the competitiveness and scalability of its product offerings.

Foreign Exchange Loss (Gain): Foreign exchange loss (gain) results primarily from the fluctuation of the Canadian dollar relative to the U.S. dollar when translating U.S. dollar operations at the prevailing rate on the date of a transaction and the translation of U.S. dollar monetary assets and liabilities at the end-of-period rate. Foreign exchange loss (gain) includes the change in fair value of derivative financial instrument related to foreign exchange.

For the three and six month periods ended September 30, 2026, foreign exchange loss amounted to $0.04 million and $0.1 million, respectively, compared to $0.1 million and $0.1 million, respectively, for the corresponding periods in the prior year.

5.4 Financial Expenses

For the three and six month periods ended September 30, 2026, net financial items generated income of $0.1 million and $0.1 million, respectively, compared with a net expense of nil and $0.1 million, respectively, for the corresponding period in the prior year. This positive shift reflects a reduction in interest expense on long-term debt and other bank charges as D-BOX continued to reduce its outstanding debt obligations. These reductions were complemented by a significant increase in interest income, which grew to $0.2 million and $0.3 million for the three and six month periods, respectively, compared with $0.1 million and $0.2 million in the prior year. This growth in interest income reflects the Company's strategic deployment of excess cash into high-interest savings accounts, generating incremental returns on available liquidity.

Taken together, the reduction in gross financial expenses and the meaningful growth in interest income represent a positive and improving net financial income position, demonstrating the tangible benefits of D-BOX's disciplined capital allocation strategy..

5.5 Income Taxes

For the three and six month periods ended September 30, 2026, income tax expense amounted to $0.07 million and $0.06 million, respectively, compared with $0.02 million and $0.02 million, respectively, for the corresponding period in the prior year. Income tax expenses, when incurred, are primarily related to D-BOX's international operations, specifically its U.S. subsidiary, which is subject to foreign tax rates that differ from the Canadian statutory rate of 26.5%.

The Company has recognized a net deferred tax asset of $6.5 million as at September 30, 2026, reflecting D-BOX's assessment that it is probable that sufficient future taxable profit will be available to utilize its accumulated tax losses and credits. This recognition is supported by the Company's sustained profitability, its positive operational outlook, and the continued growth of its recurring revenue streams.

5.6 Net Profit

Net profit for the three and six month periods ended September 30, 2026, amounted to $2.6 million (basic and diluted net profit per share of $0.012 and $0.011 respectively) and $5.6 million (basic and diluted net profit per share of $0.025 and $0.024 respectively), respectively, compared with $4.5 million (basic and diluted net profit per share of $0.020 and $0.020 respectively) and $6.5 million (basic and diluted net profit per share of $0.029 and $0.029 respectively) for the corresponding period in the prior year. The year-over-year decline in net profit reflects the overall decrease in revenues, driven primarily by lower theatrical system sales, partially offset by continued strong growth in rights for use, rental and maintenance revenues. The impact of lower revenues on net profit was further mitigated by a meaningful

improvement in gross margin, which expanded to 64% from 55% for the three month period and to 61% from 56% for the six month period, as well as by the improvement in net financial income. These factors collectively limited the decline in net profit relative to the decrease in revenues.

6 QUARTERLY DATA

Operating results for each of the past eight quarters are shown in the table below:

(Amounts are in thousands of Canadian dollars, except per-share data)

	FY 2027		FY 2026				FY 2025	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
System sales	**6,994**	8,424	11,666	10,708	11,632	9,044	6,368	10,136
Rights for use, rental and maintenance	**5,105**	4,978	2,985	3,083	4,476	3,994	2,241	3,163
Total Revenues	**12,099**	13,402	14,651	13,791	16,108	13,038	8,609	13,299
Adjusted EBITDA*	**4,384**	4,257	3,242	3,359	5,594	3,328	1,578	2,565
Net profit	**2,621**	2,940	1,888	9,061	4,526	1,952	720	1,531
Basic net profit per share	**0.012**	0.013	0.008	0.041	0.020	0.009	0.003	0.007
Diluted net profit per share	**0.011**	0.012	0.008	0.040	0.020	0.009	0.003	0.007
Weighted average number of common shares outstanding	**222,118**	222,201	222,448	222,325	222,022	222,022	220,757	220,381

* See the "Non-IFRS Financial Performance Measures" in section 8.

7 LIQUIDITY, CAPITAL RESOURCES AND FINANCING SOURCES

The following table shows certain selected significant financial information from the consolidated balance sheets as at September 30, 2026 and March 31, 2026:

	As at September 30, 2026	As at March 31, 2026
Cash and cash equivalents	**19,892**	17,585
Accounts receivable	**10,203**	8,360
Inventories	**6,867**	6,155
Total finance leases receivable	**1,789**	1,319
Total assets	**52,122**	46,550
Total current liabilities	**9,162**	8,438
Total liabilities	**12,391**	11,916
Equity	**39,731**	34,634

Working capital increased $4.6 million to $29.3 million as at September 30, 2026, from $24.7 million as at March 31, 2026. The improvement was driven by strong cash generation from operations during the period, resulting in a $2.3 million increase in cash and cash equivalents to $19.9 million, partially offset by a modest increase in current liabilities. The Company's liquidity position remains robust, providing ample financial flexibility to support its ongoing operations and strategic growth initiatives.

Accounts receivable increased $1.8 million to $10.2 million as at September 30, 2026, compared to $8.4 million as at March 31, 2026. This increase is primarily attributable to the timing of revenue recognition associated with several high-performing blockbuster film releases near the end of the fiscal period. Inventory increased by $0.7 million to $6.9 million as at September 30, 2026, from $6.2 million as at March 31, 2026, driven by higher procurement activity to support growing demand. Total finance leases receivable, including the current portion of finance leases receivable, increased $0.5 million to $1.8 million as at September 30, 2026, compared to $1.3 million as at March 31, 2026. This reflects growing adoption of D-BOX's flexible financing offering, which enables exhibitor partners to deploy D-BOX haptic systems with reduced upfront capital requirements, lowering the barrier to entry, accelerating screen installations, and generating a recurring, predictable revenue stream for the Company.

Current liabilities increased $0.7 million to $9.2 million as at September 30, 2026, compared to $8.4 million as at March 31, 2026. This increased was primarily driven by a $0.3 million rise in the fair value of derivative financial instruments, a $0.2 million increase in deferred revenues reflecting amounts received in advance of recognition, and a modest increase in provisions, partially offset by accounts payable and accrued liabilities remaining essentially flat period-over-period.

Total liabilities increased $0.5 million to $12.4 million as at September 30, 2026, from $11.9 million as at March 31, 2026. Notwithstanding the increase in current liabilities described above, the Company continued to reduce its non-current debt obligations during the period, including scheduled repayments on its Canada Economic Development loan. As at September 30, 2026, the Company's credit facility with the National Bank of Canada remained fully undrawn, with a $8.0 million available capacity, further underscoring D-BOX's strong liquidity position.

In line with our disciplined capital allocation strategy, a significant portion of cash is maintained in high interest savings accounts to optimize interest income. As at September 30, 2026, 86% of the cash balance was maintained in high interest savings accounts (88% as a March 31, 2026). This shift reflects both increased liquidity needs to support growth and ongoing efforts to maximize returns on idle cash.

Equity increased $5.1 million to $39.7 million as at September 30, 2026, from $34.6 million as at March 31, 2026. The increase resulted mainly from the $5.6 million net profit generated during the six month period, combined with a $1.4 million increase in the share-based payments reserve driven by share-based compensation expense recognized in the period. These increases were partially offset by a $1.9 million reduction in share capital related to the Company's normal course issuer bid share repurchase program during the period.

The following table shows selected significant financial information for the six month periods ended September 30, 2026, compared with the corresponding period of the prior fiscal year:

	2026	2025
Cash flows provided by operating activities	**5,075**	4,173
Cash flows used in investing activities	**(555)**	(393)
Cash flows used in financing activities	**(2,242)**	(1,012)

For the six month period ended September 30, 2026, net change in cash and cash equivalents totaled $2.3 million cash generated compared to $2.8 million for the corresponding period in the prior year.

7.1 Operating Activities

For the six month period ended September 30, 2026, cash flows provided by operating activities totaled $5.1 million compared with $4.2 million for the corresponding period in the prior year. This $0.9 million improvement was primarily

driven by a $1.2 million increase in non-cash share-based compensation expense and a $0.6 million favorable swing in the fair value of derivative financial instruments, partially offset by a $0.7 million decrease in net profit before income taxes, reflecting the overall decline in revenues during the period. Changes in working capital consumed $2.8 million of cash, broadly in line with the $3.0 million consumption in the prior year.

7.2 Investing Activities

For the six month period ended September 30, 2026, cash flows used in investing activities totaled $0.6 million compared with $0.4 million for the corresponding period in the prior year, representing an increase in capital deployment of $0.2 million.

The increase in investing outflows was driven by a $0.3 million increase in additions to intangible assets, reflecting D-BOX's continued investment in product development and technology capabilities to support its long-term growth strategy. This was partially offset by a $0.1 million reduction in additions to property and equipment, as the Company maintained its disciplined approach to physical capital deployment. Overall, investing activity remained at a low absolute level, consistent with D-BOX's asset-light operating model and its focus on directing resources toward high-return, technology-driven investments that support sustainable revenue growth and the continued expansion of its global footprint.

7.3 Financing Activities

For the six month period ended September 30, 2026, cash flows used in financing activities amounted to $2.2 million compared with $1.0 million for the corresponding period in the prior year, representing an increase in financing outflows of $1.2 million.

The primary driver of this increase was the Company's execution of its normal course issuer bid share repurchase program, under which D-BOX repurchased and cancelled $1.9 million of its common shares during the period, with no equivalent activity in the prior year. This reflects the Company's commitment to returning value to shareholders and its confidence in the long-term outlook of the business. Scheduled payments on lease liabilities remained broadly stable at $0.3 million, consistent with the prior year. These outflows were partially offset by a significant reduction in long-term debt repayments, which decreased to $0.1 million from $0.8 million in the prior year, reflecting the substantial progress already made in reducing the Company's outstanding debt obligations in prior periods.

As at September 30, 2026, the effective interest rate of long-term debt was nil (nil as at September 30, 2025). For the six month period ended September 30, 2026, the interest expense on long-term debt, recognized entirely as accretion of the discount applied at inception, amounted to $5 thousand compared with $28 thousand for the corresponding period in the prior year. The Company's $8.0 million credit facility with the National Bank of Canada remained fully undrawn throughout the period.

8 NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company uses non-IFRS financial performance measures in its MD&A and other communications. The non-IFRS measures do not have any standardized meaning prescribed by IFRS and are unlikely to be comparable to similarly titled measures reported by other companies. Readers are cautioned that the disclosure of these metrics is meant to add to, and not to replace, the discussion of financial results determined in accordance with IFRS. Management uses both IFRS and non-IFRS measures when planning, monitoring and evaluating the Company's performance. The non-IFRS performance measures are described as follow:

1 EBITDA represents earnings before interest and financing, income taxes and depreciation and amortization. Adjustments to EBITDA are for items that are not necessarily reflective of the Company's underlying operating performance. As there is no generally accepted method of calculating EBITDA, this measure is not necessarily comparable to similarly titled measures reported by other issuers. Adjusted EBITDA provides useful and complementary information, which can be used, in particular, to assess profitability and cash flows from operations. The following table reconciles adjusted EBITDA to net profit:

	Three month periods		Six month periods	
	2026	2025	**2026**	2025
Net profit	**2,621**	4,526	**5,561**	6,478
Amortization of property and equipment	**252**	294	**514**	612
Amortization of intangible assets	**120**	138	**235**	282
Financial expenses (income)	**(72)**	36	**(130)**	61
Income taxes (recoveries)	**65**	20	**63**	20
Share-based payments	**1,358**	135	**2,301**	187
Foreign exchange loss	**40**	88	**97**	75
Restructuring costs	**–**	357	**–**	1,207
Adjusted EBITDA	**4,384**	5,594	**8,641**	8,922

2 Adjusted EBITDA margin is used to evaluate the Company's capacity to generate adjusted EBITDA. The calculation is performed by dividing adjusted EBITDA by total revenues.

3 Gross margin is used to evaluate the Company's capacity to generate funds through product sales by considering the cost of these products (see the reconciliation table in section 5.2).

9 FULLY DILUTED SHARE CAPITAL (NOVEMBER 10, 2026)

	Class A common shares
Class A common shares outstanding	219,635,872
Convertible instruments	
Stock-options outstanding	15,580,001
Restricted share units and deferred share units outstanding	2,049,976
	237,265,849

10 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") STRATEGY

The Company is firmly committed to conducting its business in an ethical, legal and socially responsible manner, with a heightened focus on integrating sustainable development principles throughout its operations and corporate strategy. The Company actively promotes, accelerates, and facilitates the adoption of sustainability practices, recognizing that responsible business conduct is essential for long-term value creation and resilience.

ESG matters are interwoven with each other and must be addressed by all responsible corporate citizens. The Company recognizes that ESG has gained a greater importance among investors, policymakers, and other key stakeholders because it is seen as a way to safeguard businesses from future risks. The three pillars of ESG for D-BOX are as follows:

'E' or Environmental pertains to the Company's energy use, waste, pollution, and natural resource conservation;

'S' or Social looks at how the Company interacts with communities where it operates, and the Company's internal policies related to labour, diversity and inclusion policies, among others;

'G' or Governance relates to internal practices and policies that lead to effective decision making and legal compliance. ESG facilitates the Company's top-line growth in the long run, attracts talent, reduces costs, and forge a sense of trust amongst consumers.

D-BOX has taken a proactive approach by adopting policies and behaviours pertaining to environment and sustainability, wellbeing, diversity and ethics. These policies and behaviours are described in the Annual Information Form (AIF) dated June 2, 2026, which is available on www.sedarplus.ca.

11 RISK AND UNCERTAINTIES

We operate in an industry which presents many risks and uncertainties. Due to the international nature of our business, we are exposed to political, economic, and regulatory changes that could impact our future revenue, costs, expenses, and overall financial condition. Our performance is highly sensitive to global economic conditions and the demand for technology hardware and software, along with continued access to the markets in which we operate. Adverse macroeconomic conditions—such as changing tariff structures, interest rates, or recessionary concerns —could negatively affect our financial performance.

Investors should carefully analyze the following risk factors in addition to the other information contained in our Annual Information Form. These risks and uncertainties are not the only ones that could affect the Company. Further risks and uncertainties that are currently unknown or that the Company deems immaterial could potentially have an impact on

the commercial activities of the Company and lower the price of its shares. The materialization of any of the following risks may have an impact on the activities of the Company and a negative impact on its financial position and operating results. In that event, the price of the Company's shares may decrease.

1. Dependence on Theatrical Industry; Content Availability/Performance; Seasonality
2. Concentration of Clients
3. Credit Risk
4. Political, Social, Economic and Public Health Conditions
5. Consumer Preferences and Trends
6. Competition, Pricing Pressure and Margin Compression
7. Supply Chain, Cross-Border Trade and Foreign Exchange
8. Product Safety, Warranty, Recalls and Claims
9. Technology Change, Obsolescence, Innovation and AI
10. Intellectual Property, Data Protection, Privacy and Cybersecurity
11. Execution Risk
12. Liquidity, Capital Requirements and Access to Financing
13. Indebtedness
14. Dependence on Key Personnel and Labour Relations
15. Legal, Regulatory and Litigation
16. Reputational Risk through Social Media

For a detailed description of risk factors associated with the Company, please refer to the "Risk Factors" section of the Company's the Annual Information Form (AIF) dated June 2, 2026, which is available on www.sedarplus.ca. This document should be read together with such risk factors described in the 2026 AIF, which are hereby incorporated by reference.

12 DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

During the six month period ended September 30, 2026, there were no changes in the Company's internal control over financial reporting that materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

13 CONTINUOUS INFORMATION AND ADDITIONAL DISCLOSURE

This MD&A was prepared as at November 10, 2026. Additional information can be found on the SEDAR website at www.sedarplus.ca.

The trademarks D-BOX, HAPTICODE, HAPTISYNC, FEEL IT ALL, MOVE THE WORLD, LIVE THE ACTION, HEMC and D-BOX MOTION CODE, whether in text or graphical form, are owned by the Company and in most cases are registered or in the process of being registered in Canada and in the countries or territories in which these trademarks are used.

All aspects of the D-BOX haptic effects are protected by copyright.