



## **Management's Discussion and Analysis**

**D-BOX Technologies Inc.  
Three and nine month periods ended December 31,  
2025**

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# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

### **Three and nine month periods ended December 31, 2025**

#### **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 nine month periods ended December 31, 2025, by comparing them to the results of the corresponding periods of the previous fiscal year. It also presents a comparison of the balance sheets as at December 31, 2025 and March 31, 2025.

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, 2025 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 nine months ended December 31, 2025, and this MD&A have been reviewed by the Audit Committee and approved by the Board of Directors of the Company on February 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, 2025, a copy of which is available on SEDAR at [www.sedarplus.ca](http://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 the design of haptic and immersive experiences. D-BOX is at the forefront of innovation in the field, continually redefining the boundaries of haptic and immersive entertainment experiences. Our solutions involve the use of motion, vibration, and textures to stimulate the senses, offering a unique way to engage and stimulate the imagination. D-BOX has collaborated with companies in the entertainment, simulation, and training industries to deliver new ways to enhance great content. Our motion technology enhances a wide range of media, including movies, video games, virtual reality, music, and professional simulation. D-BOX’s unique mastery of haptics provides the best possible synchronization of body movement with image and sound.

The harmonious integration of these three components ensures seamless synchronization between motion, visuals, and audio, elevating the entertainment experience to new heights:

1. Software haptic effects are programmed as a track, frame by frame, in the case of linear content, or programmed as a library for interactive content based on the content’s specific telemetry.
2. A haptic processor serving as an interface between the content and the D-BOX 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 D-BOX haptic systems to be synchronized with the content.
3. The D-BOX 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 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. the licensing of the D-BOX Haptic Code in theaters which are equipped with the D-BOX haptic systems to play content encoded by D-BOX. The Company also receives maintenance revenue relating to the use of these theatrical haptic systems.

As at December 31, 2025, D-BOX had 91 employees compared with 96 employees as at December 31, 2024.

### **3.1 Industry Overview**

#### Theatrical customers

The theatrical industry continues to captivate audiences around the world. In 2024, the industry was valued at \$72.7 billion USD, and experts project that it will register a compound annual growth rate (CAGR) of 5.3%<sup>1</sup> between 2025 and 2034. Technological advancements and premium experiences, such as D-BOX motion, are key contributors to this industry's growth. These premium offerings provide audiences a more immersive cinematic experience, setting it apart from other entertainment options, including those available in a domestic setting. We believe that our premium seating is uniquely positioned to provide value to theatrical circuits and studios alike, while at the same time providing patrons with an experience like no other.

D-BOX is strategically expanding its domestic presence in North America as well as internationally. Although the sale of new hardware may fluctuate from quarter to quarter or year to year due to the variable nature of our customers' renovation schedules, each new installation has the potential to increase our rights of use, rental and maintenance revenue stream in the future. Despite rights of use, rental and maintenance revenues being dependent on the volume and popularity of blockbuster releases and alternative content being produced, our strategic placement within an auditorium, coupled with our dedicated and returning user base, enables us to outperform numerous other formats.

#### Sim racing customers

Over the last few years, sim racing has transitioned from a niche game to a legitimate e-sport. 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 significant 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 growth potential in simulation and training through haptics, and these sectors have reacted positively in the past to the D-BOX haptic experience. Our durable products and precise haptic software are generally well suited for simulation and training applications because customers seek the most realistic training simulator.

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

### **3.2 Business Strategy**

The Company engages in business activities within a single operating segment. D-BOX sells its products to OEMs including integrators, resellers and distributors. As it relates specifically to system sales revenues, the Company analyzes and discusses performance across four customer groups; theatrical, simulation and training, sim racing and other customers. While D-BOX distributes the same products across all customer groups, it recognizes that these groups have a disproportionate effect on revenue and, as such, they discuss them separately.

Theatrical customers include commercial theater circuits, theatrical OEMs, and studios. The simulation and training customer group includes OEMs and commercial entities that specialize in training professionals working in the automotive, transportation, logistics, aviation, and construction industries, along with certain military applications. Sim racing customers includes commercial entities focused on selling simulation racing rigs to commercial sim centers, the general public and certain professional racing teams. The other customers group includes all other sales to theme parks, arcades, museums, planetariums, video game peripherals and logistics revenues.

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

- Increase theatrical footprint in order to increase future recurring revenues;
- Increase market penetration in three key customer groups: theatrical, sim racing, and simulation and training;
- Continue to enhance and develop D-BOX’s haptic motion technology in order to maintain our presence as a leader in immersive seated haptic experiences;
- Enter into business partnerships with market leaders in these customer groups to integrate the D-BOX haptic experience in their products and to commercialize new products and applications;
- Expand, drive growth and scale in existing customer groups by extending existing capabilities and infrastructure;
- Focus on operational excellence by controlling costs while continuing to provide leading haptic experiences.

## **4 FINANCIAL AND OPERATING HIGHLIGHTS**

### ***Highlights for the three month period ended December 31, 2025***

- Total revenues increased 4% to \$13.8 million, compared with \$13.3 million in the previous year.
- Adjusted EBITDA\* increased to \$3.4 million, compared with \$2.6 million in the previous year.
- Net profit before income taxes increased to \$2.7 million, compared with \$1.5 million in the previous year.
- Rights for use, rental and maintenance revenues decreased 3% to \$3.1 million, compared with \$3.2 million in the previous year.
- System sales revenues increased 6% to \$10.7 million, compared with \$10.1 million in the previous year.
- Cash and cash equivalents was \$16.2 million as at December 31, 2025 compared with \$7.8 million as at March 31, 2025.

### ***Highlights for the nine month period ended December 31, 2025***

- Total revenues increased 26% to \$42.9 million compared with \$34.2 million in the previous year.
- Adjusted EBITDA\* increased 112% to \$12.1 million compared with \$5.7 million in the previous year.
- Net profit before income taxes increased to \$9.2 million compared with \$3.2 million in the previous year.
- Rights for use, rental and maintenance revenues increased 31% to \$11.6 million compared with \$8.8 million in the previous year.
- System sales revenues increased 24% to \$31.4 million compared with \$25.4 million in the previous year.

	Three month periods ended December 31			Nine month periods ended December 31		
	2025	2024	Var. (%)	2025	2024	Var. (%)
Revenues	<b>13,791</b>	13,299	4 %	<b>42,937</b>	34,178	26 %
Net profit	<b>9,061</b>	1,531	492 %	<b>15,539</b>	3,138	395 %
Adjusted EBITDA*	<b>3,359</b>	2,565	31 %	<b>12,146</b>	5,733	112 %
Basic net profit per share	<b>0.041</b>	0.007	487 %	<b>0.070</b>	0.014	391 %
Diluted net profit per share	<b>0.040</b>	0.007	470 %	<b>0.068</b>	0.014	377 %
<b>As at December 31, 2025</b>				<b>As at March 31, 2025</b>		
Cash and cash equivalents	<b>16,183</b>			7,812		

\* 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 nine month periods ended December 31, 2025, compared with the corresponding periods of the previous fiscal year:

	Three month periods				Nine month periods			
	2025	2024	Var. (\$)	Var. (%)	2025	2024	Var. (\$)	Var. (%)
<b>Revenues from</b>								
System sales								
Theatrical	<b>5,838</b>	4,831	1,007	21%	<b>16,347</b>	9,370	6,977	74%
Simulation and training	<b>1,529</b>	1,956	(427)	(22)%	<b>5,489</b>	6,197	(708)	(11)%
Sim racing	<b>2,668</b>	2,629	39	1%	<b>7,581</b>	7,339	242	3%
Other	<b>673</b>	720	(47)	(7)%	<b>1,967</b>	2,485	(518)	(21)%
<i>Total system sales</i>	<b>10,708</b>	10,136	572	6%	<b>31,384</b>	25,391	5,993	24%
Rights for use, rental and maintenance	<b>3,083</b>	3,163	(80)	(3)%	<b>11,553</b>	8,787	2,766	31%
<b>Total Revenues</b>	<b>13,791</b>	13,299	492	4%	<b>42,937</b>	34,178	8,759	26%

### Three month period ended December 31, 2025

For the three month period ended December 31, 2025, revenue increased 4% to \$13.8 million compared with \$13.3 million for the corresponding period in the previous year.

System sales to theatrical customers increased 21% to \$5.8 million compared to \$4.8 million for the corresponding period in the previous year. The sustained expansion of our screens in the U.S. is a clear indication of the brand recognition and market acceptance of our commercial offering. While net new screen installations were equivalent to those for the same period last year, at 51, gross installations reached an all-time high of 86. During the quarter, the Company deactivated 35 screens outside North America as they had been dormant and generating no revenue for the last 3 years, due to geopolitical hurdles in certain international markets. This strategic initiative, involving the replacement of dormant or closed sites with high-performing ones, is expected to have a positive impact on the Company's overall metrics in the future. The year-over-year screen growth rate was 12.8%, which resulted in a total of 1,135 active screens as of December 31, 2025, representing an increase from 1,006 the previous year.

System sales revenue among simulation and training customers decreased 22% to \$1.5 million compared with \$2.0 million for the corresponding period in the previous year. The decrease is due to a deceleration in demand for our third party OEM customers’ products.

System sales revenue among sim racing customers increased 1% to \$2.7 million compared with \$2.6 million for the corresponding period in the previous year. The increase is due to the continued growth and traction of commercial sales to sim racing centers, which are largely replacing consumer purchases of racing rigs through our OEM partners.

System sales revenue among other customers remained stable at \$0.7 million.

Right for use, rental and maintenance revenues decreased 3% to \$3.1 million compared with \$3.2 million for the corresponding period in the previous year. The year over year decline can be attributed to an overall decline of 6.9%<sup>2</sup> in the North American domestic box office and specifically fewer large scale blockbuster releases and a higher proportion of titles that generated lower demand for premium theatrical experiences. This lower concentration among tentpole releases reduced the number of titles capable of driving audiences in search of immersive experiences. D-BOX-encoded movies once again delivered strong results among the highest grossing titles of the quarter, including Avatar: Fire and Ash, Zootopia 2 and Wicked: For Good.

#### ***Nine month period ended December 31, 2025***

For the nine month period ended December 31, 2025, revenue increased 26% to \$42.9 million compared with \$34.2 million for the corresponding period in the previous. The increase was largely due to the increase in rights for use, rental and maintenance revenues, as well as growth in theatrical customer system sales.

System sales to theatrical customers increased 74% to \$16.3 million compared to \$9.4 million for the corresponding period in the previous year. The increase can be attributed to several exhibitor circuits continuing their screen rollouts and adding multiple screens to existing and new locations. The installation of multiple screens in a single location enables exhibitors to deliver a consistent, premium experience for films as they are shown in different auditoriums over time. It also allows patrons the flexibility to experience D-BOX well after opening weekend. We continue to expand our footprint, strengthen our market presence and reinforce our leadership position among theatrical customers.

System sales revenue among simulation and training customers decreased 11% to \$5.5 million compared with \$6.2 million for the corresponding period in the previous year. The decrease is due to a deceleration in demand for our third party OEM customers’ products.

System sales revenue among sim racing customers increased 3% to \$7.6 million compared with \$7.3 million for the corresponding period in the previous year. The increase was largely due to growth among this customer group, supported by continued expansion of sim racing centers.

System sales revenue among other customers decreased 21% to \$2.0 million compared with \$2.5 million for the corresponding period in the previous year. The decrease is due to the planned exit of the direct-to-consumer (DTC) hardware market announced February 2024, as part of our focus on the highest-performing commercial channels.

Right for use, rental and maintenance revenues increased 31% to \$11.6 million compared with \$8.8 million for the corresponding period in the previous year. The increase is attributable to two main factors: our growing global footprint (a 12.8% year over year increase in the number of screens) and continued traction in brand recognition. Our

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<sup>2</sup> According to <https://www.boxofficemojo.com/>

encoded films remain a competitive advantage for our customers, offering movie goers unparalleled experiences in motion and haptics.

## 5.2 Gross Profit

The following table reconciles gross margin to gross profit for the three and nine month periods ended December 31:

	Three month periods		Nine month periods	
	2025	2024	2025	2024
Revenues	<b>13,791</b>	13,299	<b>42,937</b>	34,178
Gross profit	<b>7,087</b>	6,687	<b>23,301</b>	17,666
Gross margin*	<b>51%</b>	50%	<b>54%</b>	52%

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

### ***Three month period ended December 31, 2025***

For the three month period ended December 31, 2025, gross profit increased to \$7.1 million from \$6.7 million for the corresponding period in the previous year. For the three month period ended December 31, 2025, gross margin increased to 51% from 50% for the corresponding period in the previous year. The increase in both cases is due to an increase in revenues, as well as a lower proportion of lower-margin revenues coming from within the “other” customer grouping. This decrease to these “other” customers is related to the planned exit of the direct-to-consumer (DTC) hardware market as mentioned above.

### ***Nine month period ended December 31, 2025***

For the nine month period ended December 31, 2025, gross profit increased to \$23.3 million from \$17.7 million for the corresponding period in the previous year. This is due to the increase in revenues with a large part of the increase coming from high margin rights for use, rental and maintenance revenues.

For the nine month period ended December 31, 2025, gross margin increased to 54% from 52% for the corresponding period in the previous year. The increase in gross margin is due to the higher proportion (market mix) of rights for use, rental and maintenance revenues versus system sales revenues during the period as compared to the corresponding period in the previous year. Gross margin also saw an increase from the impact of exiting the lower-margin direct-to-consumer hardware market, previously announced in February 2024.

### 5.3 Operating Expenses

The following table presents operating expense information for the three and nine month periods ended December 31:

	Three month periods			Nine month periods		
	2025	2024	Var. (%)	2025	2024	Var. (%)
<b>Selling and marketing</b>	<b>1,465</b>	1,810	(19)%	<b>4,314</b>	5,353	(19)%
% of revenues	11%	14%		10%	16%	
<b>Administration</b>	<b>1,541</b>	1,574	(2)%	<b>5,665</b>	5,078	12%
% of revenues	11%	12%		13%	15%	
<b>Research and development</b>	<b>1,406</b>	1,187	18%	<b>4,013</b>	3,277	22%
% of revenues	10%	9%		9%	10%	
<b>Foreign exchange loss</b>	<b>25</b>	470	(95)%	<b>100</b>	409	(76)%
% of revenues	–%	4%		–%	1%	
<b>Total operating expenses</b>	<b>4,437</b>	<b>5,041</b>	(12)%	<b>14,092</b>	14,117	–%
% of revenues	32%	38%		33%	41%	

**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 December 31, 2025, selling and marketing expenses decreased by 19% to \$1.5 million (11% of revenues) compared with \$1.8 million (14% of revenues) for the corresponding period in the previous year. The decrease was due to both a temporary and permanent reduction of employee headcount.

For the nine month period ended December 31, 2025, selling and marketing expenses decreased by 19% to \$4.3 million (10% of revenues) compared with \$5.4 million (16% of revenues) for the corresponding period in the previous year. The decrease was due to both a temporary and permanent reduction of employee headcount.

**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 December 31, 2025, administration expenses decreased by 2% to \$1.5 million (11% of revenues) compared with \$1.6 million (12% of revenues) for the corresponding period in the previous year. The decrease is due to a reduction of IT infrastructure costs (\$0.1 million) as well as small reductions for board fees and insurance costs.

For the nine month period ended December 31, 2025, administration expenses increased by 12% to \$5.7 million (13% of revenues) compared with \$5.1 million (15% of revenues) for the corresponding period in the previous year. The increase is due to the \$1.2 million restructuring charge in connection with the change in Chief Executive Officer and Chief Financial Officer, without which the expense would have decreased by 12% to \$4.5 million. The reduction comes from reductions in IT infrastructure costs, board fees and insurance costs.

**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 December 31, 2025, research and development expenses increased by 18% to \$1.4 million (10% of revenues) from \$1.2 million (9% of revenues) for the corresponding period in the previous year.

For the nine month period ended December 31, 2025, research and development expenses increased by 22% to \$4.0 million (9% of revenues) from \$3.3 million (10% of revenues) for the corresponding period in the previous year. Part of the increase is due to a reduction of projects capitalized to the balance sheet in the current year (\$0.2 million), as well as a reduction of government assistance in the current year (\$0.1 million). The remaining increase is due to projects related to the next generation of products and software development.

**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 nine month periods ended December 31, 2025, foreign exchange loss amounted to \$0.0 million and \$0.1 million, respectively, compared to \$0.5 million and \$0.4 million for the corresponding periods in the previous year.

#### **5.4 Financial Expenses**

For the three and nine month periods ended December 31, 2025, financial expenses net of interest income amounted to almost nil and \$0.1 million, respectively, compared with \$0.1 million and \$0.4 million for the corresponding periods in the previous year. This reduction is due to reduced debt usage throughout the current period, combined with placement of excess cash in high interest savings accounts throughout the current period, as compared to the previous period.

#### **5.5 Income Taxes**

With respect to accounting for future income taxes, the Company recorded a deferred tax benefit relating to the recognition of previously unused tax losses and unused tax credits. For the three and nine month periods ended December 31, 2025, a deferred tax asset of \$6.4 million has been recognised in net profit as a recovery of income taxes. The Company has recognised the unused tax losses and credits to the extend that it is probable that future taxable profit will be available against which the unused tax losses and credits can be utilised. This can be attributed to the Company’s recent success and the positive outlook for its future cash flows and taxable profit projections. Income tax expenses, when incurred, are related to D-BOX’s international operations in different countries and different foreign rules of taxation.

#### **5.6 Net Profit**

Net profit for the three and nine month periods ended December 31, 2025, amounted to \$9.1 million (basic and diluted net profit per share of \$0.041 and \$0.040 respectively) and \$15.5 million (basic and diluted net profit per share of \$0.070 and \$0.068 respectively), respectively, compared with \$1.5 million (basic and diluted net profit per share of \$0.007) and \$3.1 million (basic and diluted net profit per share of \$0.014) for the corresponding periods in the previous year. The increase is largely due to the increase in rights for use, rental and maintenance revenues, as well as theatrical system sales revenue increases.

## 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 number of shares and per-share data)

	FY 2026		FY 2025				FY 2024	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
System sales	<b>10,708</b>	11,632	9,044	6,368	10,136	8,929	6,326	8,053
Rights for use, rental and maintenance	<b>3,083</b>	4,476	3,994	2,241	3,163	3,188	2,436	2,126
<b>Total Revenues</b>	<b>13,791</b>	16,108	13,038	8,609	13,299	12,117	8,762	10,179
<b>Adjusted EBITDA*</b>	<b>3,359</b>	5,594	3,328	1,578	2,565	2,905	263	619
<b>Net profit (loss)</b>	<b>9,061</b>	4,526	1,952	720	1,531	2,026	(419)	585
<b>Basic net profit (loss) per share</b>	<b>0.041</b>	0.020	0.009	0.003	0.007	0.009	(0.002)	0.003
<b>Diluted net profit (loss) per share</b>	<b>0.040</b>	0.020	0.009	0.003	0.007	0.009	(0.002)	0.003
<b>Weighted average number of common shares outstanding</b>	<b>222,325</b>	222,022	222,022	220,757	220,381	220,227	220,227	220,227
(in thousands)								

\* 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 December 31, 2025 and March 31, 2025:

	As at	
	December 31, 2025	As at March 31, 2025
Cash and cash equivalents	<b>16,183</b>	7,812
Accounts receivable	<b>8,976</b>	6,881
Inventories	<b>8,103</b>	5,609
Deferred tax asset	<b>6,407</b>	–
Total assets	<b>47,398</b>	28,423
Deferred revenues	<b>4,134</b>	980
Total current liabilities	<b>11,591</b>	7,655
Total liabilities	<b>15,186</b>	12,156
Equity	<b>32,212</b>	16,267

Working capital increased \$9.0 million to \$22.4 million as at December 31, 2025, from \$13.4 million as at March 31, 2025. This is due to an increase in cash flows provided by operations during the period, resulting in increased cash and cash equivalents at December 31, 2025.

Accounts receivable increased \$2.1 million to \$9.0 million as at December 31, 2025, from \$6.9 million as at March 31, 2025. This is partially due to timing of successful blockbuster films near the period end, and deliveries of theatrical equipment near period end. Inventory increased \$2.5 million to \$8.1 million as at December 31, 2025, from \$5.6 million

as at March 31, 2025. This is due to the preparation of certain theatrical orders set to be delivered in over the course of the next quarter. Deferred tax assets increased \$6.4 million due to the recognition of a deferred tax benefit relating to of tax losses and credits in previous years.

Current liabilities increased \$3.9 million to \$11.6 million as at December 31, 2025. The variation is attributable to the increase of accounts payables and accrued liabilities of \$1.2 million, and deferred revenues, \$3.2 million, due to the continued expansion of the theatrical footprint as mentioned above, partially offset by the decrease in the derivative financial instruments of \$0.4 million. The decrease in the derivatives is due to the decrease in foreign exchange since March 31, 2025 affecting certain foreign exchange contracts. Total liabilities increased \$3.0 million due to the reasons cited above, as well as the following. As at December 31, 2025, total indebtedness, including the current portion of long-term debt and the credit facility, stood at \$0.4 million, versus \$1.2 million as at March 31, 2025. The decrease is due to the early repayment of the balance of the the National Bank of Canada ["NBC"] loan. A high percentage of cash is kept in high interest savings accounts in order to maximize interest revenues. As at December 31, 2025, 55% of the cash balance is in high interest savings accounts (80% as at March 31, 2025).

Equity increased \$15.9 million to \$32.2 million as at December 31, 2025, from \$16.3 million as at March 31, 2025. The increase resulted mainly from the \$15.5 million net profit for the period ended December 31, 2025.

The following table shows selected significant financial information for the nine month periods ended December 31, 2025, compared with the corresponding period of the previous fiscal year:

	2025	2024
Cash flows provided by operating activities	10,095	5,288
Cash flows used in investing activities	(596)	(629)
Cash flows used in financing activities	(1,154)	(1,256)

For the nine month period ended December 31, 2025, net change in cash and cash equivalents totaled \$8.4 million cash generated compared to \$3.4 million for the corresponding period in the previous year.

### 7.1 Operating Activities

For the nine month period ended December 31, 2025, cash flows provided by operating activities totaled \$10.1 million compared with \$5.3 million for the corresponding period in the previous year. This \$4.8 million variance in cash flow from operating activities is mainly attributable to the increase in net profit before income taxes as compared to the corresponding period in the previous year, partially offset by decreases in working capital items affecting cash. Many of the changes in working capital items are discussed above and are the result of timing differences.

### 7.2 Investing Activities

For the nine month period ended December 31, 2025, cash flows used in investing activities remained stable at \$0.6 million compared with the corresponding period in the previous year.

### 7.3 Financing Activities

For the nine month period ended December 31, 2025, cash flows used in financing activities amounted to \$1.2 million compared with \$1.3 million for the corresponding period in the previous year.

As at December 31, 2025, the effective interest rate of long-term debt was nil (2.32% as at December 31, 2024). For the nine month period ended December 31, 2025, the interest expense on long-term debt charged to net profit amounted to \$31 thousand compared with \$128 thousand for the corresponding period in the previous year.

## 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		Nine month periods	
	2025	2024	2025	2024
<b>Net profit</b>	<b>9,061</b>	1,531	<b>15,539</b>	3,138
Amortization of property and equipment	<b>298</b>	296	<b>910</b>	897
Amortization of intangible assets	<b>130</b>	134	<b>412</b>	416
Financial expenses (income)	<b>(4)</b>	104	<b>57</b>	390
Income taxes (recoveries)	<b>(6,407)</b>	11	<b>(6,387)</b>	21
Share-based payments	<b>256</b>	19	<b>308</b>	57
Foreign exchange loss	<b>25</b>	470	<b>100</b>	409
Restructuring costs	–	–	<b>1,207</b>	405
<b>Adjusted EBITDA</b>	<b>3,359</b>	2,565	<b>12,146</b>	5,733

- 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 (FEBRUARY 10, 2026)

Class A common shares	
Class A common shares outstanding	222,731,574
Convertible instruments	
Stock-options outstanding	13,162,499
	235,894,073

## 10 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”) STRATEGY

The Company is committed to conducting its business in an ethical, legal and socially responsible manner, with an ever more responsible approach by promoting, accelerating, and facilitating the integration of sustainable development principles into its business model.

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 10, 2025, which is available on [www.sedarplus.ca](http://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. International Trade Regulations
2. Concentration of Clients
3. Dependence on Suppliers
4. Exchange Rate between the Canadian Dollar and U.S. Dollar
5. Ability to Implement Strategy
6. Consumer Preferences and Trends
7. Political, social, and economic conditions
8. Strategic Alliances
9. Competition
10. Access to Content
11. Technology Standardization
12. Future Funding Requirements
13. Indebtedness
14. Global Health Crises
15. Warranty, Recalls and Claims
16. Dependence on Key Personnel and Labour Relations
17. Legal, Regulatory and Litigation
18. Intellectual Property
19. 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 10, 2025, which is available on [www.sedarplus.ca](http://www.sedarplus.ca). This document should be read together with such risk factors described in the 2025 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 nine month period ended December 31, 2025, 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 February 10, 2026. Additional information can be found on the SEDAR website at [www.sedarplus.ca](http://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.