



D-BOX Technologies Reports Third Quarter Results

Strong Growth, Positive EBITDA and Home Entertainment / Gaming Sectors Gaining Traction

- Total revenues increased to \$5.6 million from \$3.0 million for the same period last year;
- Rights for use, rental and maintenance revenues increased 812% from \$0.2 million for the same period last year to \$2.1 million, driven by the exceptional performance of Spider-Man: No Way Home;
- Revenues related to systems sales increased 26% from \$2.8 million for the same period last year to \$3.5 million;
- Net loss decreased from \$2.2 million for the same period last year to \$0.3 million;
- Adjusted EBITDA* improved from \$(1.3) million for the same period last year to \$0.4 million;
- Cash and cash equivalents was \$5.2 million as at December 31, 2021, compared with \$9.1 million as at March 31, 2021.

Longueuil, Québec, February 14, 2022 – D-BOX Technologies Inc. (“D-BOX” or the “Corporation”) (TSX: DBO) a world leader in haptic and immersive experiences, today announced results for the third quarter of fiscal 2022 ended December 31, 2021. All dollar amounts are expressed in Canadian currency.

Third Quarter and Nine-month Period ended December 31 (in thousands of dollars, except per share amounts)				
	Third Quarter		Nine-month Period	
	2021	2020	2021	2020
Revenues	5,578	2,997	14,341	8,144
Net loss	(340)	(2,194)	(2,105)	(3,701)
Adjusted EBITDA*	402	(1,336)	(47)	(1,951)
Basic and diluted net loss per share	(0.002)	(0.012)	(0.010)	(0.021)
Information from the consolidated balance sheet				
	As at December 31, 2021		As at March 31, 2021	
Cash and cash equivalents	5,171		9,134	

* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated February 14, 2022

“We are pleased with the financial performance of our third quarter, as we continued to execute on sales opportunities and reached a positive EBITDA, a goal we have stated in the past. With revenue growth of 86% YoY, D-BOX demonstrated that its commercial entertainment is continuing its progression, particularly D-BOX’s rights for use revenues which grew 812%. The recent performance of Spider-Man: No Way Home, demonstrates the theatrical experience remains the main contributor to the success of movie studios”, stated Mr. David Montpetit, CFO of D BOX Technologies. “This quarter was affected with supply chain disruption impacting our manufacturing costs, delays in shipment, as well as the global surging of Omicron cases. As a result, there are sales which could not be recognized this quarter. Fortunately, the demand remains strong, and we can count on the support of our customers and our employees to meet our objectives. Finally, we are pleased with our adequate cash position, allowing us to pursue our growth initiatives related to the home entertainment and is in line with our forecast.”



"We continue executing our strategic plan to grow our business and position D-BOX's haptic at the heart of different key industries. As Mark Zuckerberg recently shared in his vision, in a Metaverse universe, the interaction and the involvement of the body will be at the center of human experiences. D-BOX has always had that vision and continues more than ever, to strategically position and connect its haptic platform with more and more seated devices and accessories: entertainment seats, simulators, racing rigs, platforms, gaming controllers, gloves and vests; in the future, haptic will be everywhere! We are also very pleased with the momentum pertaining to our gaming and sim racing initiatives! Recently, the Razer™ (Razer) Enki Pro gaming chair leveraging D-BOX's haptic technology was showcased at the CES 2022 and gained tremendous attention during the event. We are very excited that a gaming accessory leader such as Razer, with over 150 million users has awed consumers around the planet with this concept gaming chair. Moreover, we are thrilled our partner Cooler Master will be starting to take orders in the first quarter of our fiscal year, for the Motion 1, the first haptic gaming chair which was unveiled last summer. The sim racing is not left out. We are continuing to reinforce our brand in North America by being an official sponsor of eNASCAR as we did in Europe with the FIA agreement", mentioned Sébastien Mailhot, President and CEO of D-BOX Technologies."

"We are delighted to welcome two new seasoned sales executives, based in the United States and coming with a strong background in entertainment and gaming with leading organizations such as Disney, Paramount, Electronic Arts and Nintendo. Moreover, as announced in December, Zrinka Dekic joined our Board of Directors. She will bring an invaluable experience from Goldman Sachs, Houlihan Lokey and Disney. Their leadership, industry experience and business relationship will be key to the success of the organization. Lastly, I would like to highlight that we made a strategic positioning in the haptic industry as D-BOX's CTO, has been appointed as Chairman of the Board and President of the Haptics Industry Forum. We will be at the forefront of the industry with other participants to shape the future of haptic and defining the standards and guidelines for the haptic ecosystem", added Mr. Mailhot.

OPERATIONAL HIGHLIGHTS

- D-BOX Technologies Inc. has partnered with Razer, the world's leading lifestyle brand for gamers, to design the first concept Razer gaming chair featuring D-BOX's high-fidelity haptic technology. Introduced at the 2022 CES, the prototype showcased immersive touch-sensory feedback for lifelike sensations based on haptic cues from games and a variety of fully integrated entertainment mediums, including games to streaming libraries featuring over 2,000 movies and TV series.
- D-BOX became an official sponsor of the D-BOX eNascar International iRacing Series presented by Digital Motorsports. This eSports racing series which visited five virtual tracks in the United States, Canada, and Belgium.
- D-BOX grew its theatrical installed-based of haptic systems in fifteen theatrical screens of which eight screens were located in the United States. D-BOX is currently present on more than 780 screens in over 42 countries.
- MajorMega, a D-BOX partner, has launched SpongeBob SquarePants VR experience in November at IAAPA 2021. This unit is attendant-free and requires only 80 sq. ft. of space, features that enable operators to generate a high ROI.
- Embry-Riddle University, one of the largest and leading Universities in the Aerospace, Aeronautical and Astronautical programmes, bought 12 VR Trainer units from True Course Simulation, a D-BOX partner.
- D-BOX announced the appointment of Zrinka Dekic as a member of its Board of Directors. She brings nearly 20 years of entertainment industry and financial markets experience, including Corporate Strategy, Strategic Planning and Business Development at The Walt Disney Company, Vice President in Investment Management at Goldman Sachs in New York and Vice President of Houlihan Lokey's Investment Banking Technology, Media & Telecom (TMT) Group.
- D-BOX appointed Tripp Wood as the Vice President of Sales, Home Entertainment. Mr. Wood is an industry veteran with over 20 years of business development, partnership and sales experience in the home entertainment industry, during which he developed business for market leaders such as The Walt Disney Company, Electronic Arts and Paramount Pictures Home Media. His career has focused on consumer home entertainment including video games and traditional movies and TV content.
- D-BOX appointed Karen Mendoza as Vice President, Sales, Commercial Entertainment. Ms. Mendoza has over 20 years of experience in business development, partner management, sales and merchandising. She



developed business markets for entertainment, gaming and eSports organizations, such as Nintendo of America, FOX Sports Interactive and GameTruck Licensing.

- Robert Desautels, Chief Technology Officer of D-BOX has been appointed Chairman of the Board and President of the Haptics Industry Forum (“HIF”), a global consortium that represents the interests of the haptics industry as of January 11, 2022. HIF was created to give the main ecosystem participants the ability to define common standards as well as recommended practices and guidelines, maximizing interoperability and continued growth of the market. HIF’s common voice will permit decades of know-how to be pooled to facilitate adoption.

ADDITIONAL INFORMATION REGARDING THE THIRD QUARTER ENDED DECEMBER 31, 2021

The financial information relating to the third quarter ended December 31, 2021 should be read in conjunction with the Corporation’s audited consolidated financial statements and the Management’s Discussion and Analysis dated February 14, 2022. These documents are available at www.sedar.com.

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (LOSS)*

Adjusted EBITDA provides useful and complementary information, which can be used, in particular, to assess profitability and cash flows provided by operations. It consists of net income (loss) excluding amortization, financial expenses net of income, income taxes, write-off of property and equipment and intangible assets, share-based payments, foreign exchange loss (gain) and non-recurring expenses related to restructuring costs.

The following table reconciles adjusted EBITDA to net loss (amounts are in thousands of Canadian dollars):

	Third Quarter ended December 31		Nine-month period ended December 31	
	2021	2020	2021	2020
Net loss	(340)	(2,197)	(2,105)	(3,701)
Amortization of property and equipment	271	340	846	1,269
Amortization of intangible assets	232	228	638	608
Impairment of property and equipment	179	—	179	—
Accretion of interest expense	5	—	5	—
Financial expenses	59	150	296	338
Income taxes (recovery)	—	(2)	—	(2)
Share-based payments	44	20	144	96
Foreign exchange (gain) loss	(48)	125	(50)	(145)
Restructuring costs	—	—	—	(414)
Adjusted EBITDA	402	(1,336)	(47)	(1,951)

* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated February 14, 2022

ABOUT D-BOX

D-BOX creates and redefines realistic, immersive entertainment experiences by moving the body and sparking the imagination through effects: motion, vibration and texture. D-BOX has collaborated with some of the best companies in the world to deliver new ways to enhance great stories. Whether it’s movies, video games, music, relaxation, virtual reality applications, themed entertainment or professional simulation, D-BOX creates a



feeling of presence that makes life resonate like never before. D-BOX Technologies Inc. (TSX: DBO) is headquartered in Montreal with offices in Los Angeles, USA and Beijing, China. Visit D-BOX.com.

DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included herein, including those that express management's expectations or estimates of our future performance, constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to place undue reliance on forward-looking statements. D-BOX disclaims any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION, PLEASE CONTACT:

David Montpetit
Chief Financial Officer
D-BOX Technologies Inc.
450-999-3216
dmontpetit@d-box.com

Steve Li
Vice President Investor Relations and
Corporate Strategy
D-BOX Technologies Inc.
450-912-2036
sli@d-box.com