



D-BOX Technologies Reports First Quarter Results

Significant growth in rights for use revenues following the gradual recovery of the markets

- Rights for use revenues up 524% year-over-year in Q1 FY2022, blockbusters leading recovery.
- Total revenues increased 42% to \$3.1 million up from \$2.2 million for the same period last year.
- Cash and cash equivalents were \$6.7 million as of June 30, 2021 compared to \$9.1 million as of March 31, 2021.
- Strengthen balance sheet with additional \$1.0M loan subsequent to the quarter end.
- Cooler Master unveils its gaming seat Motion 1 integrating D-BOX's haptic system which will be compatible to all PC games.
- Signature of a new rollout with Cinemark with eight new locations in the USA.

Longueuil, Québec, September 8, 2021 – D-BOX Technologies Inc. (“D-BOX” or the “Corporation”) (TSX: DBO) a world leader in haptic and immersive experiences, today announced results for the first quarter of fiscal 2022 ended June 30, 2021. All dollar amounts are expressed in Canadian currency.

First Quarter Ended June 30 (in thousands of dollars, except per share amounts)		
	First Quarter	
	2021	2020
Revenue	3,163	2,230
Net loss	(1,344)	(966)
Adjusted EBITDA*	(598)	(95)
Basic and diluted net loss per share	(0.006)	(0.005)
Information from the consolidated balance sheets		
	As at June 30, 2021	As at March 31, 2021
Cash and cash equivalents	6,700	9,134

* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated September 8, 2021

“We are satisfied of the progressive return of our market and our cash level which are inline with our expectations. A good portion of our commercial theatre partners are now reopened and revenues related to the D-BOX premium offering were up 524% year-over-year and 99% sequentially thanks to the return of blockbusters such as “Godzilla vs Kong” and “F9”. This bodes well for the remainder of the year, conditional to COVID Delta variant impacts, with the release of tent pole movies such as James Bond: “No Time to Die”, “The Matrix 4” and “Spider-Man: No Way Home,” stated Mr. David Montpetit, CFO of D-BOX. “Moreover, D-BOX’s strategy to focus on established theatrical chains is paying off with the announcement of significant rollouts with Cinemark, and recently with our European distribution partner ECCO and another major exhibitor chain in the Southern Hemisphere. Subsequent to the quarter-end, D-BOX is pleased to get the financial support from National Bank of Canada [“NBC”], improve its balance sheet position by \$1.0M enabling D-BOX’s transformation and commercial growth initiatives.”



On September 7, 2021, the Corporation signed an agreement with the National Bank of Canada ["NBC"] related to a loan amounting to \$1.0 million for the ongoing operations and working capital of the Corporation. This loan bearing interest at the fixed rate of 4% is repayable in 24 monthly principal installments of \$8 thousand from the 13th month after the payment and the balance at maturity in 36 months. The loan is secured by second-ranking hypothec and security interests on all assets of the Corporation and its U.S. subsidiary and is guaranteed by the Business Development Bank of Canada ["BDC"].

"From a strategic standpoint, D-BOX is on track with its development plan for the home entertainment market. Our R&D team has adapted our technology stack to enable an easy integration with different types of seated products. As a result, the Motion 1 gaming chair from Cooler Master, which is expected to integrate D-BOX's high-fidelity haptic technology, was officially unveiled during their most recent Summer Summit event in July. This gaming chair will provide D-BOX's latest technological breakthrough, a haptic mode compatible to all PC games. While we remain focused on the delivery of a gaming chair with our partner Cooler Master this coming fall, we are entertaining advanced discussions with additional well-established gaming peripheral partners for the launch of more products this fiscal year. We believe the potential in the gaming peripheral market for D-BOX to be massive in the upcoming years, as gamers experience the benefits of haptics confirmed by third-party consumer review", mentioned Sébastien Mailhot, President and CEO of D-BOX Technologies. "The content scalability remains a top priority for the home entertainment segment. and we are pleased to have available in D-BOX format recent popular streaming franchises such as Star Wars: The Bad Batch, Loki, Jack Ryan, The Witcher, and Lupin, amongst others. Our innovative coding tools are increasing significantly content production speed for the home title portfolio!"

OPERATIONAL HIGHLIGHTS

- D-BOX has entered into an agreement with Cinemark Holdings Inc, one of the world's largest and most influential movie theatre companies, to install D-BOX haptic recliner seats in 8 additional locations, driving up the total number of D-BOX Cinemark screens to 99 throughout the United States.
- Cooler Master, a global leader in designing and manufacturing innovative computer components and peripherals, in collaboration with D-BOX, officially launched Motion 1, an immersive haptic gaming chair.
- D-BOX has collaborated with Serious Labs to develop a new VR commercial truck driving simulator. This innovation will not only help to create an expedited route to proficiency and safety for drivers, but contribute to a better, cleaner environment by lowering greenhouse gas emissions.
- D-BOX has collaborated with ANGRUP Software Technologies to develop a heavy vehicle training simulator. The new product is developed completely domestically using real vehicle equipment and electronics.
- D-BOX is partnering with Los Angeles Distribution & Broadcasting Inc. (LADB), a Los Angeles-based leader in digital media and content processing, to accelerate its penetration into the consumer market. This long-term agreement will strengthen D-BOX's presence in Los Angeles and increase the capacity and speed of haptic content output. It will also allow us to solidify our business relationships with major film studios and large movie exhibitors in the United States, and to benefit from LADB's local business network with movies studios and more specifically with emerging streaming platforms.
- D-BOX recently finalized an official study with the Tech3lab from HEC Montréal, evaluating the impact of high-fidelity haptics on the player in a gaming environment. The study concludes that D-BOX haptic experience:
 - Enhances the immersion experienced and perceived by the gamer
 - Increases the level of enjoyment and intensity of emotions
 - And contributes positively to the gaming experience



ADDITIONAL INFORMATION REGARDING THE FIRST QUARTER ENDED JUNE 30, 2021

The financial information relating to the first quarter ended June 30, 2021 should be read in conjunction with the Corporation's audited consolidated financial statements and the Management's Discussion and Analysis dated September 8, 2021. 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):

	First quarter ended June 30	
	2021	2020
Net Income (loss)	(1,344)	(966)
Amortization of property and equipment	297	475
Amortization of intangible assets	224	191
Financial expenses (income)	153	94
Income taxes (recovery)	(1)	(1)
Share-based payments	48	46
Foreign exchange loss	25	66
Adjusted EBITDA	(598)	(95)

* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated September 8, 2021.

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.



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