



## D-BOX Technologies Reports Second Quarter Results

Revenue growth of 92% YoY and Positive EBITDA

- Total revenues in Q2 FY2022 increased to \$5.6 million compared to \$2.9 million in Q2 FY2021 and \$3.2M in Q1 FY2022.
- Rights for use revenues increased to \$1.3 million compared to \$0.2 million in Q2 FY2022 (up 416% year-over-year) and \$0.6 million in Q1 FY2022 (up 110%), driven by the resurgence of moviegoers.
- System sales revenues in Q2 FY2022 up 62% year-over-year and up 69% compared to Q1 FY2022.
- Adjusted EBITDA\* in Q2 FY2022 improved to \$0.2 million from \$(0.6) million Q2 FY2021 and \$(0.6) million Q1 FY2022.
- Net loss in Q2 FY2022 decreased to \$0.4 million compared to \$0.5 million Q2 FY2021 and 1.3 million in Q1 FY2022.
- Cash and cash equivalents were \$6.8 million as of September 30, 2021 compared to \$9.1 million as of March 31, 2021 and \$6.7 million as of June 30, 2021.

Longueuil, Québec, November 12, 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 second quarter of fiscal 2022 ended September 30, 2021. All dollar amounts are expressed in Canadian currency.

Second quarter and Six-month period ended September 30 (in thousands of dollars, except per share amounts)				
	Second Quarter		Six-month Period	
	2021	2020	2021	2020
Revenues	5,601	2,917	8,764	5,146
Net loss	(421)	(540)	(1,765)	(1,506)
Adjusted EBITDA*	150	(571)	(448)	(667)
Basic and diluted net loss per share	(0.002)	(0.003)	(0.008)	(0.009)
Information from the consolidated balance sheet				
	As at September 30, 2021		As at March 31, 2021	
Cash and cash equivalents	6,793		9,134	

\* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated November 11, 2021

“We are pleased with the second quarter results, mainly considering the global challenge we faced from the supply chain. Business activity and revenues are progressing well. Year-over-year and quarter-over-quarter revenue growth of 92% and 77% were driven by the recovery of our commercial markets and the solid strategic positioning of D-BOX. In particular, D-BOX rights for use revenues, which grew 416% compared to last year and 110% compared to Q1 FY2022, have benefited from the strong performance of “*Shang-Chi and the Legend of the Ten Rings*”, “*Black Widow*” and “*Free Guy*”. With movies such as “*James Bond: No Time to Die*”, “*Venom: Let There Be Carnage*”, “*The Matrix 4*” and “*Spider-Man: No Way Home*” that will be included in our third quarter results, rights for use revenue should continue to deliver solid performance”, stated Mr. David Montpetit, CFO of D-BOX Technologies. “The liquidity level is sufficient to execute D-BOX’s annual strategic



initiatives in the home entertainment market and to manage the pent-up demand we are seeing in our traditional markets. Nonetheless, D-BOX will operate with caution as the global uncertainty related to the magnitude and duration of the COVID-19 pandemic, as well as the impact of supply chain, transportation delays and rising costs could impact the financial performance of D-BOX in upcoming quarters”.

“With a strong growth performance this quarter, D-BOX continue to execute its strategic plan to achieve long-term growth, to reach profitability and deliver its home diversification. It’s been two quarters in a row that we are seeing the recovery of our commercial markets with bookings growing at a fast pace”, mentioned Sébastien Mailhot, President and CEO of D-BOX Technologies. “Our home initiatives are progressing well, even if the supply chain has created some delays. SIMTAG BV has launched the new active brake pedal with integrated FIA-licensed haptic technology at the last ADAC Sim Racing Expo in September. Cooler Master, a global leader in the design and manufacturing of video game accessories, will commercialize the first D-BOX haptic gaming seat and will start to take orders in Q4 FY2022. New home initiatives should be announced in upcoming months. This shows the diversity of products our high-fidelity haptic technology can be integrated in and the breadth of applications. Focusing on home entertainment opportunities is a long-term strategic decision that we believe will create tremendous value for our shareholders.”

## **OPERATIONAL HIGHLIGHTS**

- During the second quarter, several key exhibitor chain partners, such as CMX, Cinesa and an important Southern Hemisphere exhibitor chain, as well as ECCO our distributor partner in Germany, have announced a planned rollout of D-BOX haptic systems. Since the beginning of this fiscal year, more than 37 screens to be installed in the future have been announced by D-BOX, confirming the premium offering trend in movie exhibition.
- D-BOX becomes the exclusive haptic supplier for all Adrenalin GmbH’s Simulators, including the DRSeven@ Sim Racing Simulators created for Nürburgring eSports, their first 6 degrees of freedom (“DOF”) unit dedicated to eSports.
- D-BOX participated the ADAC Sim Racing Expo at the Nürburgring Racetrack in Germany. More than 23,500 visitors and 800,000 live stream viewers attended the event and D-BOX was awarded the SIMMY Award for the best booth activation.
- On July 14, 2021, the Corporation announced that it had suffered a ransomware cyberattack on its information technology systems. On July 28, all major IT systems have been restored. The operational and financial impact were negligible.

## **ADDITIONAL INFORMATION REGARDING THE SECOND QUARTER ENDED SEPTEMBER 30, 2021**

The financial information relating to the second quarter ended September 30, 2021 should be read in conjunction with the Corporation’s audited consolidated financial statements and the Management’s Discussion and Analysis dated November 11, 2021. These documents are available at [www.sedar.com](http://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):

	Second quarter ended September 30		Six-month period ended September 30	
	2021	2020	2021	2020
<b>Net loss</b>	<b>(421)</b>	(540)	<b>(1,765)</b>	(1,506)
Amortization of property and equipment	277	401	574	876
Amortization of intangible assets	182	189	406	380
Financial expenses	85	98	238	191
Income taxes (recovery)	1	(1)	—	(1)
Share-based payments	52	31	100	77
Foreign exchange loss	(26)	(335)	(1)	(270)
Restructuring costs	—	(414)	—	(414)
<b>Adjusted EBITDA</b>	<b>150</b>	<b>(571)</b>	<b>(448)</b>	<b>(667)</b>

\* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated November 11, 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](http://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:

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