



D-BOX Technologies Reports Fourth Quarter and Fiscal Year 2021 Results

A year of transformation with a new financing to execute the strategic plan

Longueuil, Québec, June 7, 2021 – D-BOX Technologies Inc. (TSX: DBO), a world leader in immersive entertainment experiences, today announced results for the fiscal year and fourth quarter ended March 31, 2021. All dollar amounts are expressed in Canadian currency.

FINANCIAL HIGHLIGHTS

“During the fourth quarter, we are pleased to get the support from the investment community with the completion of \$5.75M equity financing. This financing should remove short term liquidity concerns. With now over \$9M in cash and cash equivalent, D-BOX can accelerate its investments to maintain our technology and market leadership, support the recovery of commercial entertainment market and to execute our gaming, sim racing and home entertainment strategy”, stated David Montpetit, CFO of D-BOX Technologies.

Highlights for the Fiscal Year ended March 31, 2021

- Cash and cash equivalents were \$9.1 million as of March 31, 2021 compared to \$4.1 million as of March 31, 2020.
- Total revenues decreased to \$11.1 million from \$25.9 million for the same period last year as a result of the adverse impact of the COVID-19 pandemic.
- Net loss decreased to \$6.2 million from \$6.3 million for the same period last year.
- Adjusted EBITDA* decreased to \$(3.5) million from \$0.6 million for the same period last year.
- Cash flow used in operating activities was \$0.3M in FY2021 compared to \$3.0M in FY2020 owing to cash management strategies of working capital.

Highlights for the fourth quarter Ended March 31, 2021

- Total revenues decreased to \$2.9 million from \$6.6 million for the same period last year as a result of the adverse impact of the COVID-19 pandemic.
- Net loss was \$2.5 million compared to a net loss of \$3.1 million during the same period last year.
- Adjusted EBITDA* decreased to \$(1.6) million from \$7 thousand for the same period last year.

“D-BOX is pleased of the progress seen in its home entertainment strategy. Leveraging the past announcements of partnerships with industry leaders such as Ubisoft for video game content and Cooler Master for the design and manufacturing of a gaming chair integrating D-BOX’s haptic technology which is still expected to be launched in 2021, our gaming strategy continued to show strong interest with the addition of Audiokinetic for content production and several independent gaming studios. Moreover, D-BOX is proud to expand its haptic footprint beyond a seat with SIMTAG’s haptic pedal. The addition of haptic experience in the gaming industry is a natural fit and the gaming peripherals market could represent a sizeable opportunity for D-BOX. Finally, we have strengthened our LA presence and ties with Hollywood studios through the LADB partnership, a post-production company, which would allow to scale up the number of movie and TV series,” mentioned Sébastien Mailhot, President and CEO of D-BOX Technologies.

“D-BOX’s future is bright. Not only we continue to add key technology patents, the transformation in the last year and the recent financing allow D-BOX to take advantage of home entertainment opportunities. We are excited by the potential of gaming and sim racing peripherals that we are planning to launch with our partners this year,” added Mr. Mailhot. “With the vaccination rollout underway in our key markets, the expected recovery of the commercial entertainment, such as the recent announcement of Cinemark’s rollout of D-BOX immersive seating, and the upcoming blockbusters releases such as Fast & Furious’ F9, Black Widow, James



Bond: No Time To Die and Top Gun: Maverick, D-BOX is cautiously optimistic to resume growth in fiscal year 2022”.

Fiscal Year and Fourth Quarter Ended March 31 (in thousands of dollars, except per share data)				
	Fiscal Year		Fourth Quarter	
	2021	2020	2021	2020
Revenues	11,080	25,895	2,936	6,560
Net loss	(6,192)	(6,250)	(2,491)	(3,096)
Adjusted EBITDA*	(3,549)	612	(1,592)	7
Basic and diluted net loss per share	(0.035)	(0.036)	(0.014)	(0.019)
Information from the Consolidated Balance Sheets				
	As at March 31, 2021		As at March 31, 2020	
Cash and cash equivalents	9,134		4,116	

* See the “Non-IFRS” measures section in the Management’s Discussion and Analysis dated June 7, 2021

- On March 4, 2021, the Corporation completed the public offering announced on February 25, 2021, and issued 44,275,000 units at a price of \$0.13 per unit for aggregate gross proceeds of \$5,756,000. Each unit is comprised of one Class A common share of the Corporation and one Class A common share purchase warrant entitling the holder to purchase one Class A common share of the Corporation at an exercise price of \$0.16 until March 4, 2023.

OPERATIONAL HIGHLIGHTS

- D-BOX has entered into an agreement with SIMTAG BV, an innovator in developing and building simulators and accessories for sim racing, pursuant to which D-BOX will supply SIMTAG with haptic components to be integrated into SIMTAG’s new active brake pedal with integrated FIA-licensed haptic technology. The value of the haptic components to be sold by D-BOX pursuant to this agreement is approximately \$1.17 million (US\$918,000) over the next year.
- D-BOX joins forces with Audiokinetic Inc., a subsidiary of Sony Interactive Entertainment, the leading global provider of cross-platform audio solutions for the interactive media and gaming industries, to increase the breadth of interactive content offering the D-BOX haptic experience. Interactive content creators will be provided with the ability to create the enhanced immersive D-BOX experience via Audiokinetic’s industry standard audio middleware solution Wwise®.
- D-BOX is partnering with five independent Quebec video gaming studios: 3Mind Games, Breaking Walls, Lucid Dreams Studio, Beyond Fun Studio and Astrolabe Interactive. Integrating D-BOX’s exclusive haptic technology into certain games under development or currently available will enhance the gaming experience with a level of realism never seen before.
- In March 2021, D-BOX was granted by the United States Patent and Trademark Office (“USPTO”) patent 10943446 for media recognition and synchronization to a motion signal. As of March 31, 2021, D-BOX has 104 patents granted and 83 patents application pending. While this technology has various applications, it is a key component for D-BOX’s home entertainment solutions, notably the HaptiSync Hub.



ADDITIONAL INFORMATION REGARDING THE FOURTH QUARTER AND FISCAL YEAR ENDED MARCH 31, 2021

The financial information relating to the fourth quarter and fiscal year ended March 31, 2021 should be read in conjunction with the Corporation's audited consolidated financial statements and the Management's Discussion and Analysis dated June 7, 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):

	Fiscal year ended March 31		Fourth quarter ended March 31	
	2021	2020	2021	2020
Net loss	(6,192)	(6,250)	(2,491)	(3,096)
Amortization of property and equipment	1,530	1,914	267	523
Amortization of intangible assets	819	905	211	241
Amortization of other assets	—	2	—	—
Write-offs of property and equipment	24	—	24	—
Impairment of property and equipment	235	765	235	765
Impairment of intangible assets	—	508	—	508
Impairment (reversal) of finance lease receivable	(26)	52	(26)	52
Financial expenses (income)	488	545	150	78
Income taxes (recovery)	(34)	8	(32)	9
Share-based payments	154	155	58	39
Foreign exchange loss (gain)	(133)	605	12	488
Restructuring costs	(414)	1,403	—	400
Adjusted EBITDA	(3,549)	612	(1592)	7

* See the "Non-IFRS" measures section in the Management's Discussion and Analysis dated June 7, 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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