



## **D-BOX Technologies' Fourth Quarter Caps Record Year for Revenue and Net Profit**

*Haptics leader is focused on accelerating profitable growth*

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**Montréal, Québec, May 30, 2024** – D-BOX Technologies Inc. ("D-BOX" or the "Corporation") (TSX: DBO) a world leader in haptic and immersive experiences, today reported financial results for the fourth quarter and fiscal year ended March 31, 2024. All dollar amounts are expressed in Canadian currency.

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### **Q4 FISCAL 2024 HIGHLIGHTS**

(Compared to Q4 fiscal 2023)

- Total revenues of \$10.1 million contributed to full year record highs for rights for use, rental and maintenance revenue, system sales revenue, and total revenues
- 31 net new screens installed, bringing the total number of active D-BOX cinema screens to 929 as at March 31, 2024
- Adjusted EBITDA decreased slightly from \$648 thousand to \$619 thousand
- Net profit of \$620 thousand contributed to record net profit of \$1.1 million for the fiscal year

"Fiscal 2024 was our best year ever, with record highs for rights for use, rental and maintenance revenue, system sales revenue, total revenues, and net profit," said Sébastien Mailhot, President and Chief Executive Officer of D-BOX. "We attribute this success to our decision to focus primarily on commercial markets, particularly the theatrical, simulation and training, and sim racing segments. In fact, most of our record revenues and profitability in fiscal 2024 came from these three key market segments. For the fourth quarter, our revenues and profitability rebounded strongly following a softer third quarter a few months ago. However, our system sales, total revenues and adjusted EBITDA were down compared to the very strong fourth quarter we had the prior year."

"Even though we are proud of our strong and growing financial results in both fiscal 2023 and fiscal 2024, we are looking to accelerate profitable growth as we have reached a pivotal point on revenue growth conversion to higher profitability. We are now more focused on fewer markets where we see more market readiness, and on building a more dominant position in those markets to materialize strategic value accordingly. And while the Hollywood guild strikes ended last year, some lingering effects are expected to persist in calendar 2024 as the industry undergoes a transition-year ahead of an expected rebound, pointing to a potentially softer H1 in fiscal 2025 for D-BOX."



(Amounts are in thousands of Canadian dollars)

	Three-month periods ended March 31		Twelve-month periods ended March 31	
	2024	2023	2024	2023
Total revenues	10,179	10,412	39,597	34,122
Rights for use, rental and maintenance revenues	2,126	1,930	8,699	8,502
System sales revenues	8,053	8,482	30,898	25,620
Gross profit excluding amortization*	4,993	5,164	19,814	17,732
Net profit (loss)	620	(115)	1,093	(937)
Adjusted EBITDA*	619	648	3,056	1,782

\*See the Non-IFRS Financial Performance Measures section in this news release for more information.

Balance sheet		
	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	2,916	3,116
Working capital	9,987	8,417

## FOURTH QUARTER OVERVIEW

Fourth quarter revenues decreased 2% to \$10.2 million compared to the same period in the previous year, due to a 5% decrease in overall system sales, attributable to lower system sales in the simulation and training market.

Systems sales for the entertainment market increased 4% to \$6.4 million driven by a \$1.9 million increase in system sales to theatrical customers. There were 31 net new screen installations in the quarter, bringing the total number of active D-BOX screens to 929 at quarter end. The increase in system sales among theatrical customers was offset by decreases among sim racing customers (\$0.5 million) and other entertainment market customers (\$1.2 million).

Rights for use, rental and maintenance revenues increased 10% to \$2.1 million with strong performances from highly anticipated films like Dune II and Kung Fu Panda 4 during the month of March.

Gross profit excluding amortization decreased to \$5.0 million from \$5.2 million for the same period in the previous year. Gross margin excluding amortization decreased to 49% from 50% due to a higher proportion (market mix) of system sales to theatrical customers. Generally, system sales to theatrical customers have a slightly lower margin due to rights for use, rental, and maintenance revenues in subsequent periods.

Operating expenses excluding selling and marketing expenses decreased 3% to \$10.2 million, representing 45% of total revenues. Selling and marketing expenses decreased 5% to \$1.7 million; administration expenses were down 3% to \$1.8 million; and research and development expenses were essentially flat at \$1.1 million.

Net profit was \$620 thousand compared to a loss of \$115 thousand a year earlier. Adjusted EBITDA was \$619 thousand, down from \$648 thousand a year ago.



At quarter-end, D-BOX had a cash position and undrawn credit facilities totaling \$8.4 million.

## NOTICE OF VIDEO INVESTOR PRESENTATION

Management of D-BOX will be publishing a video presentation to investors on the Corporation's website at <https://www.d-box.com/en/investor-relations> on Monday, June 3, 2024, at 9:00 am ET. During the presentation, management will discuss the Corporation's fourth quarter and year end results and outlook. Investors are invited to submit relevant questions in advance by email to [investors@d-box.com](mailto:investors@d-box.com) before 12 pm ET on Friday, May 31, 2024.

## ADDITIONAL INFORMATION REGARDING THE FOURTH QUARTER AND YEAR ENDED MARCH 31, 2024

The financial information relating to the fourth quarter and fiscal year ended March 31, 2024, should be read in conjunction with the Corporation's audited consolidated financial statements and the Management's Discussion and Analysis dated May 30, 2024. These documents are available at [www.sedarplus.ca](http://www.sedarplus.ca).

## NON-IFRS FINANCIAL PERFORMANCE MEASURES\*

D-BOX uses three 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. Investors 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 Corporation's performance. The non-IFRS performance measures are described as follows:

- 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 Corporation'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 profit (loss):

(Amounts are in thousands of Canadian dollars)

	Three-month periods ended March 31		Fiscal years ended March 31	
	2024	2023	2024	2023
<b>Net income (loss)</b>	<b>620</b>	(115)	<b>1,093</b>	(937)
Amortization of property and equipment	176	351	1,024	1,226
Amortization of intangible assets	149	249	720	1,000
Impairment (reversal)	—	—	—	(223)
Gain on disposal of assets	(478)	—	(478)	(5)
Financial expenses	79	103	570	504
Income taxes	—	—	7	19
Share-based payments	28	20	63	228
Foreign exchange loss (gain)	45	40	57	(30)
<b>Adjusted EBITDA</b>	<b>619</b>	648	<b>3,056</b>	1,782



- 2) During fiscal 2024, D-BOX sold an investment, recorded in other assets, for gross proceeds of \$500, resulted in a realized gain on sale of investment of \$478.

## **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, metaverse experience, 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 information included in this press release 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 Corporation, or the assumptions underlying any of the foregoing. In this document, 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 Corporation'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 Corporation.

Forward-looking information is provided in this press release 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 Corporation'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 document 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 Corporation's control.

The risks, uncertainties and assumptions that could cause actual results to differ materially from the Corporation's expectations expressed in or implied by the forward-looking information include, but are not limited to, the ability to increase royalty-based revenue and generate profitable growth. 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



Corporation's annual information form for the fiscal year ended March 31, 2024, 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 Corporation does not intend nor does it undertake any obligation to update or revise any forward-looking information contained in this press release to reflect subsequent information, events, circumstances or otherwise.

The Corporation 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 Corporation or that the Corporation currently deems to be immaterial may also have a material adverse effect on the Corporation's business, financial condition or results of operations.

## **CONTACT INFORMATION**

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