D-BOX Reports Record Full-Year Revenue and Profitability for Fiscal 2025

Royalty-driven Model delivers Strong Margin Expansion and Cash Generation; Leadership Transition positions Company for Next Phase of Growth

All dollar amounts are expressed in Canadian currency
(1) Please refer to "non-IFRS and other financial performance measures" in this press release

Fiscal 2025 Highlights

- Record total revenues of $42.8 million, up 8% vs. FY 2024
- Record royalties of $11 million, up 27% vs. FY 2024
- Adjusted EBITDA[1] of $7.3 million, or 17% of total revenues, up 9 pts vs. FY 2024
- Net profit of $3.9 million, up 254% year-over-year, or fully diluted EPS of $0.02
- Cash flow from operating activities of $7.3 million
- Liquidity of approximately $16 million as of March 31, 2025

Fourth Quarter Highlights

- Total revenues of $8.6 million, down 15% vs. Q4 2024
- Royalties of $2.2 million, up 5% year-over-year
- Adjusted EBITDA margin[1] of 18%, up 12 pts vs. Q4 2024
- Net profit of $0.7 million

Montreal, Quebec, June 10, 2025 – D-BOX Technologies Inc. ("D-BOX" or the "Company") (TSX: DBO) today reported financial results for its fourth quarter and full year ended March 31, 2025.

"In Q4 2025, D-BOX delivered robust performance with strong royalty growth, improved profitability, and a resilient core business," said Brigitte Bourque, Chair of the Board. "For the full fiscal year 2025, the Company achieved record revenues and net income, driven by the strength of our royalty-focused model and disciplined expense control."

Q4 and Full-Year 2025 Operating Results

In Q4 2025, total revenues were $8.6 million, down 15% year-over-year, primarily reflecting the earlier-than-expected fulfillment of Theatrical system sales in Q3, partially offset by growth in Simulation training and Sim racing markets. The $3.4 million decline in Theatrical system sales was partially offset by strong growth in royalties and Sim racing. Royalties increased by 5 percent to $2.2 million, driven by an expanded global footprint reaching 1,012 screens, up 9% from the previous year, as well as successful Hollywood content with blockbusters in the fourth quarter including Captain America: Brave New World, Sonic the Hedgehog 3 and Mufasa: The Lion King. Simulation and training and Sim racing customer groups also grew 47% and 108% year-over-year, respectively, in the fourth quarter. Total revenues also benefited from favourable movements in currency exchange rates.

For the full year, D-BOX reported record total revenues of $42.8 million, up 8% compared to fiscal 2024. Excluding the impact of our exit from the direct-to-consumer (DTC) hardware market, FY 2025 revenue would have increased by just over 10% year-over-year. Royalties reached $11 million, accounting for an increased 26% share of the Company's revenue mix.

Adjusted EBITDA[1] for the year totaled $7.3 million, representing an 18% Adjusted EBITDA margin[1], reflecting prudent cost control. Net profit was $3.9 million, with operating cash flow of $7.3 million.

Given the inherent variability and seasonality of quarterly sales, we emphasize the importance of assessing the Company's performance on a trailing twelve-month basis.

(Amounts are in thousands of Canadian dollars)	Q4 2025	Q4 2024	Var. ($)	Var. (%)	FY 2025	FY 2024	Var. ($)	Var. (%)
Revenues from								
System sales								
Theatrical	**992**	4,443	(3,451)	(78%)	**10,362**	11,305	(943)	(8%)
Simulation and training	**2,408**	1,635	773	47%	**8,606**	8,825	(219)	(2%)
Sim racing	**2,682**	1,290	1,392	108%	**10,020**	7,112	2,908	41%
Other	**286**	685	(399)	(58%)	**2,771**	3,656	(885)	(24%)
Total system sales	**6,368**	8,053	(1,685)	(21%)	**31,759**	30,898	861	3%
Rights for use, rental and maintenance ("royalties")	**2,241**	2,126	115	5%	**11,028**	8,699	2,329	27%
Total Revenues	**8,609**	10,179	(1,570)	(15%)	**42,787**	39,597	3,190	8%

Leadership Transition

As announced on June 4, 2025, the Board appointed Naveen Prasad as Interim CEO, effective June 10, following the departure of Sébastien Mailhot. https://www.d-box.com/en/news/d-box-technologies-announces-ceo-change

“It has been an incredible journey over the past five years,” said Sébastien Mailhot. “I am very proud of how we have grown revenues and significantly improved profitability while building a team that is now well-positioned for the future. I leave knowing that D-BOX has tremendous opportunities ahead. I wish Naveen and the broader team continued success.”

“We are confident that Naveen will be effective driving the next phase of strategic growth and value creation for all stakeholders,” added Ms. Bourque.

Balance Sheet and Liquidity

D-BOX closed fiscal 2025 in a position of financial strength, with $7.3 million in operating cash flow, low-cost total debt of $1.2 million, and available liquidity including the undrawn line of credit, of approximately $16 million.

SUPPLEMENTAL FINANCIAL DATA - UNAUDITED

(Amounts are in thousands of Canadian dollars)	Q4 2025	Q4 2024[2]	Var. (%)	FY 2025	FY 2024[2]	Var. (%)
Total Revenues	**8,609**	10,179	(15%)	**42,787**	39,597	8%
Gross profit	**4,661**	4,734	(2%)	**22,327**	18,660	20%
Operating expenses	**3,875**	4,052	(4%)	**17,991**	17,005	6%
Operating income	**786**	682	15%	**4,336**	1,655	162%
Adjusted EBITDA[1]	**1,578**	620	155%	**7,311**	3,056	139%
Financial expenses	**61**	97	(37%)	**452**	590	(23%)
Net profit	**720**	585	23%	**3,858**	1,058	265%
Basic and diluted EPS	**0.003**	0.003	n.m.	**0.017**	0.005	260%
Gross margin[1]	**54%**	47%	7 p.p.	**52%**	47%	5 p.p.
Operating expenses as % of total revenues[1]	**45%**	40%	5 p.p.	**42%**	43%	(1 p.p.)
Operating margin[1]	**9%**	7%	2 p.p.	**10%**	4%	6 p.p.
Adjusted EBITDA margin[1]	**18%**	6%	12 p.p.	**17%**	8%	9 p.p.
Cash flows provided by operating activities				**7,324**	3,125	134%

As at (in thousands of Canadian dollars)	Mar. 31, 2025	Mar. 31, 2024
Total debt[1]	**1,221**	2,468
Cash and cash equivalents	**7,812**	2,916
Net cash (net debt) [1]	**6,591**	448
Adjusted EBITDA (LTM) [1]	**7,311**	3,056
Total debt to adjusted EBITDA (LTM) [1]	**0.2x**	0.8x

1) Please refer to "non-IFRS and other financial performance measures" in this press release
2) Results for the fourth quarter and full year 2024 reflect a $0.5 million one-time gain on the sale of an investment. n.m.= not meaningful

This release should be read in conjunction with the Company's audited consolidated financial statements and the Management's Discussion and Analysis dated June 10, 2025. These documents are available at www.sedarplus.ca.

NON-IFRS AND OTHER FINANCIAL PERFORMANCE MEASURES

D-BOX uses the following 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 Company's performance. The non-IFRS performance measures are described as follows:

Adjusted EBITDA

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 Company'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 flow from operations. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenues. A reconciliation of net profit to Adjusted EBITDA margin is in the Company's Management's Discussion and Analysis dated June 10, 2025.

Total Debt, Net Debt and Total Debt to Adjusted EBITDA

Total debt is defined as the total bank indebtedness, long-term debt (including any current portion), and net debt is calculated as total debt net of cash and cash equivalents. The Company considers total debt and net debt to be important indicators for management and investors to assess the financial position and liquidity of the Company and measure its financial leverage. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Total debt to Adjusted EBITDA ratio is calculated as total net debt divided by the last four quarters Adjusted EBITDA. We believe that total debt to Adjusted EBITDA is a useful metric to assess the Company's ability to manage debt and liquidity.

Supplementary Financial Measures

Gross margin is defined as gross profit divided by total revenues.

Operating expenses as a percentage of sales are defined as operating expenses divided by total revenues.

Operating margin is defined as operating income divided by net sales.

ABOUT D-BOX

D-BOX creates and redefines realistic, immersive 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 films, 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 presence in Los Angeles and China. Visit 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 Company, 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 Company'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 Company.

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 Company'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 Company's control.

The risks, uncertainties and assumptions that could cause actual results to differ materially from the Company's expectations expressed in or implied by the forward-looking information include, but are not limited to, international trade regulations; concentration of clients; dependence on suppliers; performance of content; exchange rate between the Canadian dollar and the U.S. dollar; ability to implement strategy; consumer preferences and trends; political, social and economic conditions; strategic alliances; credit risk; competition; access to content; technology standardization; future funding requirements; distribution network; indebtedness; global health crises; warranty, recalls and claims; dependence on key personnel and labour relations; legal, regulatory and litigation; intellectual property; security and management of information; and reputational risk through social media. 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 outlined under "Risk Factors" in the Company's management's discussion and analysis for the period ended March 31, 2025, and discussed in greater detail in the most recently filed Annual Information Form dated June 10, 2025, a copy of which is available on SEDAR+ at www.sedarplus.ca.

Except as may be required by Canadian securities laws, the Company 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 Company 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 Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, financial condition or results of operations.

CONTACT INFORMATION

Josh Chandler
Chief Financial Officer
D-BOX Technologies Inc.
514-928-8043
jchandler@d-box.com