

# D-BOX

Feel it all

TSX: DBO

Q1 2025

August 2024

D-BOX  
RÉSERVÉ

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## **Currency**

All references in this presentation to dollars and “\$” are to Canadian dollars unless otherwise specified.

# Q1 2025 Financial Results Summary

- Soft quarter, as expected
- System sales reflect timing differences in orders from Simulation & Training customers
- Theatrical business saw lingering effects from strikes last year
  - Weaker slate of movies during the quarter
- Sim racing revenues increased \$1.1 million

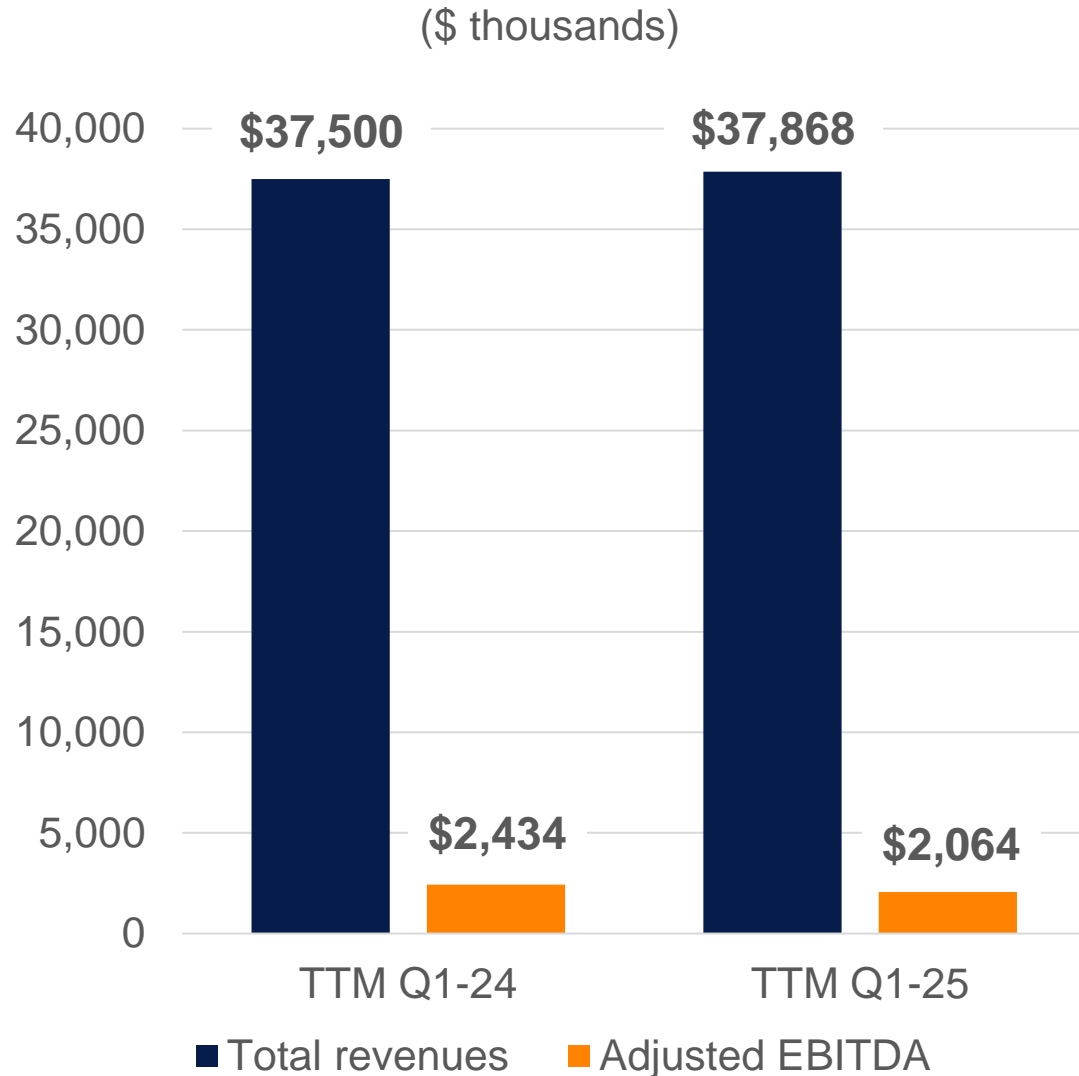
# Q1 2025 Financial Results Summary

| (\$000's)                                     | Q1 2025      | Q1 2024 |
|---|--------------|---------|
| Rights for use, rental & maintenance revenues | <b>2,436</b> | 3,011   |
| Systems sales revenues                        | <b>6,326</b> | 7,480   |
| Total revenues                                | <b>8,762</b> | 10,491  |
| Gross profit excluding amortization           | <b>4,807</b> | 5,620   |
| Net profit (loss)                             | <b>(316)</b> | 496     |
| Adjusted EBITDA                               | <b>263</b>   | 1,257   |

Steps taken for driving profitable growth going forward:

- Amended credit agreement
- Organizational restructuring
- Streamlined sales and marketing

# Trailing 4 Quarters




|   |             |
|---|-------------|
| Total revenues                                | <b>+1%</b>  |
| Rights for use, rental & maintenance revenues | <b>+3%</b>  |
| Systems sales revenues                        | <b>-7%</b>  |
| Adjusted EBITDA                               | <b>-18%</b> |

# Favourable Amendments to Credit Agreement

On July 31<sup>st</sup>, announced amendments to loan facilities with National Bank

- Operating line of credit limit increased from \$5.5 million to \$8 million
  - Removal of the Maximum Capital Expenditure financial covenant
- Maturity of \$1 million term loan extended from September 30, 2025, to September 30, 2027



Provides more capacity and flexibility for growth

# Organizational Restructuring

Restructuring executed to reduce our cost structure and tighten commercial execution

- Reducing workforce by ~8% by fiscal year end
- Unified sales and marketing leadership (see next slide)
- Expected to result in annualized cost savings in excess of \$1 million
  - Further guidance on cost reductions to be provided with Q2 results

# Streamlined Sales & Marketing

Changes made to:

- Fully focus on commercial markets
- Pivot Simulation & Training from nurturing to hunting mode
- Increase impact and reduce costs

Jean-François Gagnon, Senior Vice President

- Responsible for driving sales and aligning marketing initiatives
- Extensive commercial sales and business development experience
- Previously with D-BOX from 2016 to 2021





# Board Refresh

## Proposed slate of 7 directors

Existing: Sébastien Mailhot, CEO | Brigitte Bourque | Zrinka Dekic

New: Daniel Marks | Dave McLurg | Marie-Claude Boisvert | Naveen Prasad

6

independent

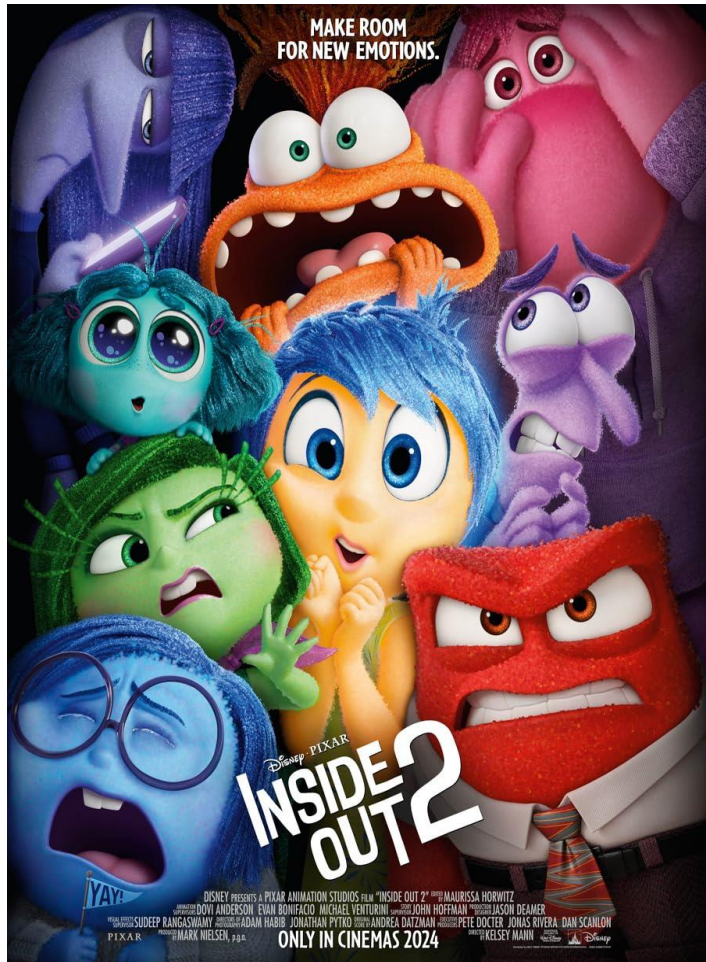
4

new

3

female

# Encouraging Signs at the Box Office for FY2025 Q2+



# Strengthened Partnership with Kindred Concepts

Signed agreement directly with Kindred Concepts

- Tighter agreement for purchase of systems
- Improved visibility

Next F1 Arcade locations:

- Washington, USA (Fall 2024)
- Las Vegas, USA (2025)



# Outlook

- Better positioned for driving profitable growth in line with our strategic decision to focus on commercial markets
- Targeting improved profitability for current year and beyond
- Uncertainty around geopolitical and economic environment



# Q & A

For more information:

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