# Management's Discussion and Analysis

## D-BOX Technologies Inc.
## Fiscal Year Ended March 31, 2024

# Table of Contents

## Table of Contents

# MANAGEMENT'S DISCUSSION AND ANALYSIS
# D-BOX Technologies Inc.
## Fiscal Year Ended March 31, 2024

## 1. SCOPE OF THE MD&A

This Management's Discussion and Analysis ("MD&A") is intended to provide the reader with a better understanding of the activities of D-BOX Technologies Inc. and its subsidiaries, as well as key elements of its financial results. In particular, it explains changes in the Corporation's financial position and operating results for the fourth quarter and fiscal year ended March 31, 2024, by comparing them to the results of the corresponding periods of the previous fiscal year. It also presents a comparison of the balance sheets as at March 31, 2024 and March 31, 2023.

This MD&A has been prepared in accordance with National Instrument 51-102, *Continuous Disclosure Obligations,* and should be read in conjunction with the information included in the audited consolidated financial statements for the fiscal year ended March 31, 2024 and accompanying notes. Unless otherwise indicated, the terms "Corporation" and "D-BOX" refer to D-BOX Technologies Inc.

The annual audited consolidated financial statements for the fiscal year ended March 31, 2024 and this MD&A have been reviewed by the Audit Committee, and approved by the Board of Directors of the Corporation on May 30, 2024. Unless otherwise indicated, all the amounts in this MD&A are in Canadian dollars.

## 2. FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A 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 MD&A, 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 MD&A 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 MD&A 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: dependence on suppliers; concentration of clients; indebtedness; future funding requirements; access to content; global health crises; performance of content; distribution network; strategic alliances; competition; political, social and economic conditions; technology standardization; exchange rate between the Canadian dollar and the U.S. dollar; warranty, recalls and lawsuits; intellectual property; security and management of information; credit risk; reputational risk through social media; and dependence on key personnel and labour relations. 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.sedar.com. 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 the annual information form 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.

## 3. CORPORATE OVERVIEW

D-BOX is a global leader in the design of haptic and immersive experiences. D-BOX creates and redefines haptic and immersive entertainment experiences by moving the body and sparking the imagination through motion, vibration and textures. D-BOX has collaborated with industry leaders in entertainment and simulation and training companies to deliver new ways to enhance great content. Whether it's movies, TV series, video games, virtual reality, music, themed entertainment or professional simulation, D-BOX's motion technology creates a feeling of presence that makes life resonate like never before. Thanks to its unparalleled mastery of haptics, D-BOX offers the best possible synchronization of body movements with images and sound.

Three components produce unparalleled synchronized motion in perfect harmony with the images and sounds:

1. Software haptic effects are programmed as a track, frame by frame, in the case of linear content, or programmed as a library for interactive content based on the content's specific telemetry.

2. A haptic processor (or haptic controller) serving as an interface between the content (films, video games, music, wellness, simulation and training, VR experiences) and the D-BOX haptic system. This device can recognize the content being used or played, regardless of the source, and associate it with the appropriate D-BOX Haptic Code. It then enables the D-BOX haptic systems to be synchronized with the content.

3. The D-BOX haptic system consists, amongst other things, of proprietary electromechanical actuators built into a seat, platform, or other type of equipment.

The Corporation's current revenue streams mainly consist of:

(i) the sale or lease of D-BOX hardware including haptic actuators and haptic bases that are integrated by resellers, integrators, and equipment or seating manufacturers (known as original equipment manufacturers ("OEMs")) into chairs, recliners, seats, haptic controllers and electronic interfaces or servers, and market the D-BOX technology under their own brands;

(ii) the licensing of the D-BOX Haptic Code in theatres and entertainment centres which are equipped with the D-BOX haptic systems to play content encoded by D-BOX. The Corporation also receives maintenance revenue relating to the use of the haptic systems.

As of March 31, 2024, D-BOX had 100 employees compared with 97 employees as of March 31, 2023.

## 3.1 Business Strategy

The Corporation engages in business activities within a single operating segment. D-BOX sells its products to original equipment manufacturers ("OEMs") including integrators, resellers and distributors. As it relates specifically to system sales revenues, the Corporation analyzes and discusses performance across two markets, the entertainment market and the simulation and training market. D-BOX distributes the same products in both markets; however, it considers that these markets have a disproportionate effect on revenue, and therefore discuss them separately.

The entertainment market includes customers in theatrical entertainment (including home theater), location-based entertainment centres (theme parks, arcades, museums, planetariums, etc.), simulation video game peripherals (which includes sim racing and other simulation gaming customers), and virtual reality ("VR") systems. The simulation and training market includes customers in the automobile, transportation logistics, aviation and construction industries, as well as certain military customers.

Key components of the Corporation's business strategy in these markets are as follows:

- Continue to enhance and develop D-BOX's haptic motion technology in order to maintain our presence as a leader in immersive seated haptic experiences;
- Enter into business partnerships with market leaders in these markets to integrate the D-BOX haptic experience in their products and to commercialize new products and applications;
- Expand, drive growth and scale specifically among simulation video gaming and theatrical customers by extending existing capabilities and infrastructure;
- Focus on operational excellence by controlling costs while continuing to provide leading haptic experiences.

# 4. MESSAGE TO SHAREHOLDERS

## Message from the Chair of the Board

To my fellow shareholders,

Fiscal 2024 was another very strong year for D-BOX. Not only was it a record year in terms of several key financial metrics, the Corporation also strengthened its senior management team, sharpened its strategic focus, and obtained more favourable terms with its creditors. I think you would be hard pressed to find many Canadian microcaps that executed better over the past two years, during which time D-BOX grew its total revenues by 86% and adjusted EBITDA by 232%, while dramatically improving its bottom line.

*Our review of strategic alternatives*

In the midst of D-BOX's resurgent fiscal 2023, the Board established a Strategic Review Committee tasked with assessing strategic alternatives for D-BOX. The objective was to enhance long-term value for shareholders and stakeholders. Comprised of independent directors and assisted by Fasken Martineau DuMoulin LLP (legal counsel) and Stifel Nicolaus Canada Inc. (financial advisor), the Committee convened multiple times, formally evaluating strategic alternatives.

Throughout the process, the Corporation and Stifel together contacted a large number of potential buyers, both strategic and private equity. We did pursue a proposal from one potential buyer. However, after careful consideration and evaluating factors such as strategic alignment and market conditions, the Committee concluded that the proposed transaction did not adequately reflect the intrinsic value of D-BOX.

Subsequently, and in light of the Corporation's upward trajectory in revenues and profitability, in March the Committee recommended to the Board that D-BOX should proceed with its revised strategic plan focused primarily on commercial markets, particularly in theatrical, racing simulation, and professional simulation and training sectors. These are market segments where D-BOX already had a well-established presence, where D-BOX was already realizing growth from, and where we see strong continued growth opportunities.

*Key additions to the management team*

Since the start of fiscal 2024, we welcomed three strong professionals to the senior management team and we expect these additions will be instrumental in executing the Corporation's revised strategic plan.

In May of last year, we appointed Sébastien Boire-Lavigne as Chief Technology Officer. With approximately thirty years of experience in international technology management and development, Sébastien is now responsible for overseeing D-BOX's technological needs, engineering and the innovation department.

Back in November, Patrick Artiaga joined as the Head of Global Theatrical Sales, reinforcing the Corporation's commitment to strengthening its leadership position in the theatrical sector. Patrick is a seasoned industry professional with a rich background spanning over thirty years in the entertainment realm. He has a strong track record in sales management, business expansion, forging strategic alliances, and nurturing enduring client connections.

And in April of this year, we welcomed Josh Chandler as the new Chief Financial Officer of the Corporation. Josh has over two decades of leadership experience in corporate development and finance and has spearheaded business transformations to accelerate the value of organizations for stakeholders. We believe his strategic and operational acumen will be very useful in propelling D-BOX into its next phase of growth.

*More favourable credit agreement terms*

In October, the Corporation entered into amended and more favourable credit agreements, reflecting D-BOX's strong financial performance and the trust demonstrated by its financial partners. The increased borrowing limits, lower interest rates, and extended terms provide greater flexibility as the Corporation looks to accelerate profitable growth.

*Focused on shareholder value*

I'd like to express gratitude to our shareholders. It's essential to underscore our commitment to enhancing shareholder value. The Board acknowledges that your investment in D-BOX signifies a vote of confidence, and we approach this responsibility with utmost seriousness. While our review of strategic alternatives may not have yielded immediate results, we are confident that the Corporation's revised strategic plan, and the strengthened management team in place to execute it, will pave the way for D-BOX's sustained success.

Regards,

Signed:
Denis Chamberland
Chair of the Board

## Message from the President and Chief Executive Officer

Dear fellow shareholders,

Fiscal 2024 was a banner year for D-BOX. We achieved record highs for multiple key metrics, including rights for use, rental and maintenance revenue, system sales revenue, total revenues, and net profit. Our total revenues increased 16% (after surging 60% the year before) to $39.6 million, while net profit amounted to $1.1 million – a positive swing of nearly $2.0 million from the prior year – and our first full year of net profit. Although not a record high, adjusted EBITDA grew 71% to $3.1 million. This performance was against a backdrop of uncertain economic conditions including inflation, recessionary fears, and higher interest rates.

*A strong first half and then a speed bump*

We delivered a strong first half in fiscal 2024. Our total revenues and adjusted EBITDA were 61% and 265% higher, respectively, than at the half-way mark in fiscal 2023. By the time we reported our second quarter results, we were confident that fiscal 2024 annual results would be stronger than the prior year. However, we also realized that the second half of fiscal 2024 would likely be softer than the first half of the year and weaker than the second half of fiscal 2023. Well-publicized guild strikes in Hollywood brought film promotion to a halt and resulted in the postponement of many films.

Consequently, our third quarter results were negatively impacted by the strikes. In addition to a lighter schedule of film releases and the lack of smash hit movies during the holiday season, the work stoppages and resulting delays in box office releases created a fair amount of uncertainty in the industry, leading to some of our cinema partners postponing capital spending.

Although revenues and profitability rebounded strongly in the fourth quarter, system sales, total revenues and adjusted EBITDA were still down compared to the very strong fourth quarter we had in fiscal 2023.

*Our strategic focus*

Our strong financial performance in fiscal 2024 underscores the resilience and strength of our business model. Our success is largely attributable to our focus on driving profitable growth and reaffirms our decision to focus primarily on commercial markets, particularly the theatrical, simulation and training, and sim racing segments where we see more market readiness, while reducing investments in other initiatives. In fact, most of our record revenues and profitability in fiscal 2024 came from these three key market segments where our execution capabilities remain unparalleled.

In fiscal 2024, we added 111 net new cinema screens, bringing our total footprint to 929 screens at the end of March 2024. Subsequent to year end, in April, we launched a new luxury compact haptic seat at CinemaCon, and a racing offering for theatrical exhibitors that should fuel future sales in this segment. We remain focused on strengthening our leadership position in this market and expect to reach 1,000 total screens within the next 12 to 18 months.

Our advanced haptic systems, capable of replicating textures, speed, engine vibrations, and realistic vehicle motion, have attracted attention from leading racing simulation partners who are incorporating D-BOX technology into their simulators. Additionally, the ongoing expansion of F1 Arcade venues by Kindred Concepts and the Mercedes-Benz and Mercedes-AMG multipurpose motion platform are encouraging signs for D-BOX in this segment.

Simulation and training revenues have grown steadily for D-BOX over the last three years, and market analysts' estimates for the overall industry reflect continued growth. The heavy equipment, automotive, and military sectors have shown an enthusiastic response towards the D-BOX haptic experience, and we view these sectors as promising areas for ongoing growth as well. We will continue to develop new products to increase the offering and sales potential in this segment.

Based on the substantial progress we've made in optimizing our operations and driving profitable growth, going forward even a small increase in revenue should have a more significant impact on our profitability.

*Outlook*

Looking ahead, we remain fully committed to accelerating our profitable growth trajectory. Despite strong and growing financial results over the past two fiscal years, we are keenly focused on further enhancing our performance and market position. By concentrating our efforts and resources on fewer markets, we aim to strengthen our position and unlock greater strategic value.

Although the Hollywood guild strikes concluded last year, some lingering effects are expected to persist in calendar 2024. We believe the worst is behind us, but we would like to caution investors about a potentially subdued first half of fiscal 2025 for D-BOX while the industry navigates a transitional period prior to an anticipated resurgence.

Overall, we are witnessing burgeoning demand for haptic technology across various fields and applications. As pioneers in this space, we are well-positioned to capitalize on this global trend.

As we continue along our journey, I want to express my gratitude to our dedicated team, loyal customers, and supportive shareholders for their unwavering commitment and trust in D-BOX. I am proud of the financial performance we delivered since I became the CEO back in March of 2020 (right at the beginning of the COVID-19 pandemic, which resulted in an extremely challenging economical and geopolitical environment). While there will always be challenges ahead, and we will not always have perfect linear growth quarter after quarter, we remain steadfast in our pursuit of innovation, market leadership, and delivering long-term value to our shareholders.

Thank you for your continued support.

Sincerely,

<u>Signed:</u>
Sébastien Mailhot
President and Chief Executive Officer

# 5. FINANCIAL AND OPERATING HIGHLIGHTS

### *Highlights for the three-month period ended March 31, 2024*

- Total revenues decreased 2% from $10.4 million to $10.2 million compared to the previous year.
- Rights for use, rental and maintenance revenues increased 10% from $1.9 million to $2.1 million compared to the previous year.
- Revenues related to system sales decreased 5% from $8.5 million to $8.1 million compared to the previous year.
- Net income (loss) changed from a $0.1 million net loss to a $0.6 million net income compared to the previous year.
- Adjusted EBITDA* remained stable at $0.6 million compared to the previous year.
- Cash and cash equivalent decreased from $3.1 million as at March 31, 2023 to $2.9 million as at March 31, 2024.

### *Highlights for the fiscal year ended March 31, 2024*

- Total revenues increased 16% from $34.1 million to $39.6 million compared to the previous year.
- Rights for use, rental and maintenance revenues increased 2% from $8.5 million to $8.7 million compared to the previous year.
- Revenues related to system sales increased 21% from $25.6 million to $30.9 million compared to the previous year.
- Net income (loss) changed from a $0.9 million net loss to a $1.1 million net income compared to the previous year.
- Adjusted EBITDA* increased from $1.8 million to $3.1 million compared to the previous year.

(Amounts are in thousands of Canadian dollars)

| Three-month periods and fiscal years ended March 31 | | | | |
|---|---|---|---|---|
| | Three-month periods | | Fiscal years | |
| | **2024** | 2023 | **2024** | 2023 |
| Revenues | **10,179** | 10,412 | **39,597** | 34,122 |
| Net income (loss) | **620** | (115) | **1,093** | (937) |
| Adjusted EBITDA* | **619** | 648 | **3,056** | 1,782 |
| | | | | |
| | **As at March 31, 2024** | | As at March 31, 2023 | |
| Cash and cash equivalents | **2,916** | | 3,116 | |

* See the "Non-IFRS Financial Performance Measures" in section 9.

# 6. OPERATING RESULTS

The following table shows selected significant financial information for the three-month period and fiscal year ended March 31, 2024, compared with the corresponding periods of the previous fiscal year:

(Amounts are in thousands of Canadian dollars)

| | Three-month periods | | Fiscal years | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Revenues | **10,179** | 10,412 | **39,597** | 34,122 |
| Gross profit excluding amortization* | **4,993** | 5,164 | **19,814** | 17,732 |
| Net income (loss) | **620** | (115) | **1,093** | (937) |
| Adjusted EBITDA* | **619** | 648 | **3,056** | 1,782 |

* See the "Non-IFRS Financial Performance Measures" in section 9.

## 6.1 Revenues

The following table presents the revenue information for the three-month period and fiscal year ended March 31, 2024, compared with the corresponding periods of the previous fiscal year:

(Amounts are in thousands of Canadian dollars)

| | Three-month periods | | | | Fiscal years | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | Var. ($) | Var. (%) | 2024 | 2023 | Var. ($) | Var. (%) |
| **Revenues from** | | | | | | | | |
| System sales | | | | | | | | |
| Entertainment | **6,418** | 6,170 | 248 | 4% | **22,073** | 18,704 | 3,369 | 18% |
| Simulation and training | **1,635** | 2,312 | (677) | (29%) | **8,825** | 6,916 | 1,909 | 28% |
| **Total System sales** | **8,053** | 8,482 | (429) | (5%) | **30,898** | 25,620 | 5,278 | 21% |
| Rights for use, rental and maintenance | **2,126** | 1,930 | 196 | 10% | **8,699** | 8,502 | 197 | 2% |
| **TOTAL REVENUES** | **10,179** | 10,412 | (233) | (2%) | **39,597** | 34,122 | 5,475 | 16% |

### *Three-month period ended March 31, 2024*

Total revenues for the three-month period ended March 31, 2024, decreased 2% to $10.2 million compared with $10.4 million for the same period in the previous year. The decrease was primarily due to the decrease in system sales in the simulation and training market. Systems sales for the entertainment market increased 4% to $6.4 million compared with $6.2 million for the same period in the previous year. This increase was driven by a $1.9 million increase in system sales to theatrical customers, as compared to the same period in the previous year. Net new screen installations were 31, as compared to 18 for the same period in the previous year. These installations during the three-month period ended March 31, 2024, bring the total number of active D-BOX screens to 929. The increase in system sales among theatrical customers was offset by decreases among sim racing customers ($0.5 million) and other entertainment market customer groups ($1.2 million).

Rights for use, rental and maintenance revenues for the three-month period ended March 31, 2024, increased 10% to $2.1 million compared with $1.9 million for the same period in the previous year. The increase is due to strong performances from highly anticipated films like *Dune II* and *Kung Fu Panda 4* during the month of March 2024, with no comparable blockbuster D-BOX encoded titles in the month of March last year.

### *Fiscal year ended March 31, 2024*

Total revenues for the fiscal year ended March 31, 2024, increased 16% to $39.6 million compared with $34.1 million for the same period in the previous year.

Systems sales revenues increased 21% to $30.9 million compared with $25.6 million for the same period in the previous year. This increase was driven by a 28% increase in system sales in the simulation and training market, as well as an 18% increase in the entertainment market.

System sales revenue in the entertainment market increased from $18.7 million to $22.1 million for the same period in the previous year. The majority of this variance is due to increased installations from theatrical customers ($3.9 million) and increased sales among sim racing customers ($2.2 million), partially offset by decreases among other entertainment customer groups ($2.7 million).

Rights for use, rental and maintenance revenues for the fiscal year ended March 31, 2024, increased 2% to $8.7 million compared with $8.5 million for the same period in the previous year. The increase is due to the increased theatrical footprint, combined with a weaker D-BOX encoded movie slate, as compared to the same period last year.

## 6.2 Gross Profit

The following table reconciles gross profit to gross profit excluding amortization for the three-month period and fiscal year ended March 31, 2024, compared with the corresponding periods of the previous fiscal year:

(Amounts are in thousands of Canadian dollars)

| | Three-month periods | | Fiscal years | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues | **10,179** | 10,412 | **39,597** | 34,122 |
| Gross profit | **4,734** | 4,718 | **18,660** | 16,208 |
| Amortization related to cost of goods sold | **259** | 446 | **1,154** | 1,524 |
| Gross profit excluding amortization* | **4,993** | 5,164 | **19,814** | 17,732 |
| Gross margin excluding amortization* | **49%** | 50% | **50%** | 52% |

* See the "Non-IFRS Financial Performance Measures" in section 9.

### *Three-month period ended March 31, 2024*

For the three-month period ended March 31, 2024, gross profit remained stable at $4.7 million as compared to the same period in the previous year. Gross profit excluding amortization related to cost of goods sold 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%. The decrease in gross margin is due to the higher proportion (market mix) of system sales to theatrical customers over the two periods. Higher theatrical system sales results in a decrease to the Corporation's gross margin in the initial year of sale, followed by higher margins from rights for use fees earned in subsequent years. Theatrical customer system sales accounted for 55% of total system sales for the three-month period ended March 31, 2024, compared to 29% for the same period in the previous year.

### *Fiscal year ended March 31, 2024*

For the fiscal year ended March 31, 2024, gross profit increased to $18.7 million from $16.2 million for the same period in the previous year. Gross profit excluding amortization related to cost of goods sold increased to $19.8 million from $17.7 million for the same period in the previous year. Gross margin excluding amortization decreased to 50% from 52% for the same period in the previous year. The decrease is explained by the higher proportion (market mix) of sales to theatrical customers over the two periods.

## 6.3 Operating Expenses

The following table summarizes the evolution of expenses for the three-month period and fiscal year and ended March 31, 2024, compared with the corresponding periods of the previous fiscal year:

(Amounts are in thousands of Canadian dollars)

| | Three-month periods | | | Fiscal years | | |
|---|---|---|---|---|---|---|
| | **2024** | 2023 | **Var. (%)** | **2024** | 2023 | **Var. (%)** |
| **Selling and marketing** | **1,681** | 1,764 | (5%) | **6,741** | 6,485 | 4% |
| % of Revenues | 17% | 17% | | 17% | 19% | |
| **Administration** | **1,733** | 1,867 | (7%) | **6,728** | 6,620 | 2% |
| % of Revenues | 17% | 18% | | 17% | 19% | |
| **Research and development** | **1,055** | 1,059 | 0% | **3,942** | 3,775 | 4% |
| % of Revenues | 10% | 10% | | 10% | 11% | |
| **Foreign exchange loss (gain)** | **45** | 40 | 13% | **57** | (30) | (290%) |
| % of Revenues | 0% | 0% | | 0% | 0% | |

**Selling and Marketing:** Selling and marketing expenses consist primarily of employee costs including share-based payments, professional fees, advertising and point-of-sale material expenses and attendance at trade shows. They also include expenses related to motion coding and other marketing expenses.

For the three-month period ended March 31, 2024, selling and marketing expenses decreased by 5% to $1.7 million (17% of revenues) compared with $1.8 million (17% of revenues) for the same period in the previous year. The decrease is a result of a reduction of marketing initiatives and participation in trade shows, business development events and travel focused on home entertainment customers in the entertainment market.

For the fiscal year ended March 31, 2024, selling and marketing expenses increased by 4% to $6.7 million (17% of revenues) compared with $6.5 million (19% of revenues) for the same period in the previous year. The increase is a result of marketing initiatives and participation in trade shows, business development events and travel focused on developing theatrical and sim racing customer groups.

**Administration**: Administration expenses consist primarily of employee costs including share-based payments, professional fees and other general and administration expenses.

For the three-month period ended March 31, 2024, administration expenses decreased by 7% to $1.7 million (17% of revenues) from $1.9 million (18% of revenues) for the same period in the previous year. The change was primarily due to a reduction in professional fees as compared to the same period in the previous year.

For the fiscal year ended March 31, 2024, administration expenses increased by 2% to $6.7 million (17% of revenues) from $6.6 million (19% of revenues) for the same period in the previous year. The variance is largely due to an increase in amortisation expense related to leasehold improvements as compared to the same period in the previous year.

**Research and Development:** Research and development expenses mainly include costs related to employees including share-based payments, amortization of property and equipment and intangible assets, other costs associated with enhancements to existing products, and the cost of adapting products to various international standards, less investment tax credits.

For the three-month period ended March 31, 2024, research and development expenses remained stable at $1.1 million (10% of revenues). For the fiscal year ended March 31, 2024, research and development expenses increased by 4% to $3.9 million (10% of revenues) from $3.8 million (11% of revenues) for the same period in the previous year. The increase is a result of projects related to the next generation of actuators and software development.

**Gain on disposal of assets:** For the three-month period and fiscal year ended March 31, 2024, the Corporation sold an investment, recorded in other assets, for gross proceeds of $500. The sale resulted in a realized gain on sale of investment of $478 ($nil and $nil for the three-month period and fiscal year ended March 31, 2023).

**Foreign exchange (gain) loss:** Foreign exchange (gain) loss results primarily from the fluctuation of the Canadian dollar relative to the U.S. currency when translating U.S. dollar operations at the prevailing rate on the date of a transaction and the translation of U.S. dollar monetary assets and liabilities at the end-of-period rate. Foreign exchange (gain) loss includes the change in fair value of derivative financial instrument related to foreign exchange.

For the three-month period and fiscal year ended March 31, 2024, foreign exchange loss amounted to a $0.04 million and $0.06 million respectively compared with a $0.04 million loss and $0.03 million gain, respectively, for the corresponding period in the previous year. The foreign exchange difference was driven by the volatility and weakening of the Canadian dollar relative to the U.S. currency between the periods.

**Government assistance:** For the three-month period and fiscal year ended March 31, 2024, the Corporation recognized government assistance from various governmental entities in the amount of $0.2 million and $0.6 million respectively ($0.3 million and $0.9 million for the same periods in the previous year). Government assistance received on capital expenditures and deducted from the carrying amount of the internally generated intangible asset, D-BOX motion technology, amounted to $nil for the three-month period and fiscal year ended March 31, 2024 respectively ($nil and $0.1 million for the same periods in the previous year).

## 6.4 Financial Expenses

For the three-month period ended March 31, 2024, financial expenses net of interest income amounted to $77 thousand compared with $103 thousand for the same period in the previous year. The decrease in financial expenses is due to the limited use of the credit facility throughout the period as compared to the same period in the previous year.

For the fiscal year ended March 31, 2024, financial expenses net of interest income amounted to $0.6 million compared with $0.5 million for the same period in the previous year.

## 6.5 Income Taxes

With respect to accounting for future income taxes, the Corporation has concluded that a valuation allowance equal to its future income tax assets should be recorded. Income tax expenses are related to D-BOX's international operations in different countries and different foreign rules of taxation.

## 6.6 Profit (Loss)

Net income for the three-month period ended March 31, 2024, amounted to $0.6 million (basic and diluted net income of $0.003 per share) compared with a net loss of $0.1 million (basic and diluted net loss of $0.001 per share) for the same period in the previous year.

For the fiscal year ended March 31, 2024, net income amounted to $1.1 million (basic and diluted net income of $0.005 per share) compared with a net loss of $0.9 million (basic and diluted net loss of $0.004 per share) for the same period in the previous year.

# 7. QUARTERLY DATA

Operating results for each of the past eight quarters are shown in the table below:

(Amounts are in thousands of Canadian dollars, except number of shares and per-share data)

| | FY 2024 | | | | FY 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Rights for use, rental and maintenance | **2,126** | 1,418 | 2,144 | 3,011 | 1,930 | 2,009 | 1,771 | 2,792 |
| System sales | **8,053** | 6,657 | 8,708 | 7,480 | 8,482 | 8,446 | 4,371 | 4,321 |
| **TOTAL REVENUES** | **10,179** | 8,075 | 10,852 | 10,491 | 10,412 | 10,455 | 6,142 | 7,113 |
| **Adjusted EBITDA*** | **619** | 90 | 1,092 | 1,257 | 648 | 491 | 38 | 605 |
| **Net income (loss)** | **620** | (425) | 402 | 496 | (115) | (110) | (743) | 29 |
| **Basic and diluted net income (loss) per share** | **0.003** | (0.002) | 0.002 | 0.002 | (0.001) | (0.000) | (0.003) | 0.000 |
| **Weighted average number of common shares outstanding** (in thousands) | **220,227** | 220,227 | 220,227 | 220,227 | 220,226 | 220,226 | 220,226 | 220,226 |

* See the "Non-IFRS Financial Performance Measures" in section 9.

## 8. LIQUIDITY, CAPITAL RESOURCES AND FINANCING SOURCES

The following table shows certain selected significant financial information from the consolidated balance sheets as at March 31, 2024 and 2023:

(Amounts are in thousands of Canadian dollars)

| Information from the Consolidated Balance Sheets | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Cash and cash equivalents | **2,916** | 3,116 |
| Inventories | **7,188** | 9,966 |
| Total assets | **20,936** | 26,721 |
| Total current liabilities | **6,820** | 13,334 |
| Total liabilities | **8,806** | 15,827 |
| Equity | **12,130** | 10,894 |

As at March 31, 2024, working capital, defined as current assets less current liabilities, increased to $10.0 million from $8.4 million for the same period in the previous year. This increase is due to repayment of the credit facility and repayment of the current portion of long-term debt that resulted in a decrease in current liabilities.

Current liabilities decreased $6.5 million to $6.8 million as at March 31, 2024. The decrease is attributable to repayment of the credit facility of $1.2 million, decrease in accounts payable of $1.9 million, decrease in deferred revenues of $2.2 million and repayment of the current portion of long-term debt of $1.1 million as of March 31, 2024. This variation also explains the variation of total liabilities which decreased $7.0 million to $8.8 million as at March 31, 2024.

As at March 31, 2024, long-term debt, including the current portion, stood at $2.5 million, versus $3.9 million as at March 31, 2023. In addition, the Corporation had not drawn on an available line of credit of $5.5 million.

Equity increased $1.2 million to $12.1 million as at March 31, 2024, from $10.9 million as at March 31, 2023. The increase was a result of the $1.1 million net income during the fiscal year.

The following table shows selected significant financial information for the fiscal year ended March 31, 2024, compared with the corresponding period of the previous fiscal year:

| Information from the Consolidated Statements of Cash Flows | Fiscal year ended March 31 | |
|---|---|---|
| | 2024 | 2023 |
| Cash flows generated by operating activities | **3,125** | 255 |
| Cash flows used in investing activities | **(388)** | (1,267) |
| Cash flows (used in) generated from financing activities | **(2,931)** | 206 |

### 8.1 Operating Activities

For the fiscal year ended March 31, 2024, cash flows generated by operating activities totaled $3.1 million compared with cash flows generated by operating activities of $0.3 million for the same period in the previous year. The increase in cash generated by operating activities was primarily due to the net income generated during the year, as opposed to a net loss for the same period in the previous year.

## 8.2 Investing Activities

During the fiscal year ended March 31, 2024, cash flows used in investing activities amounted to $0.4 million compared with $1.3 million in the previous year. The $0.9 million variance is due to decreased spending on property and equipment and intangible assets, as well as a $0.5 million gain on the disposal of other assets.

## 8.3 Financing Activities

During the fiscal year ended March 31, 2024, cash flows used in financing activities amounted to $2.9 million compared with cash generated by financing activities of $0.2 million in the previous year. The variance is due to repayment of the credit facility, as well as repayment of long-term debt during the year.

# 9. NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Corporation 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. Readers 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 three non-IFRS performance measures are described as follow:

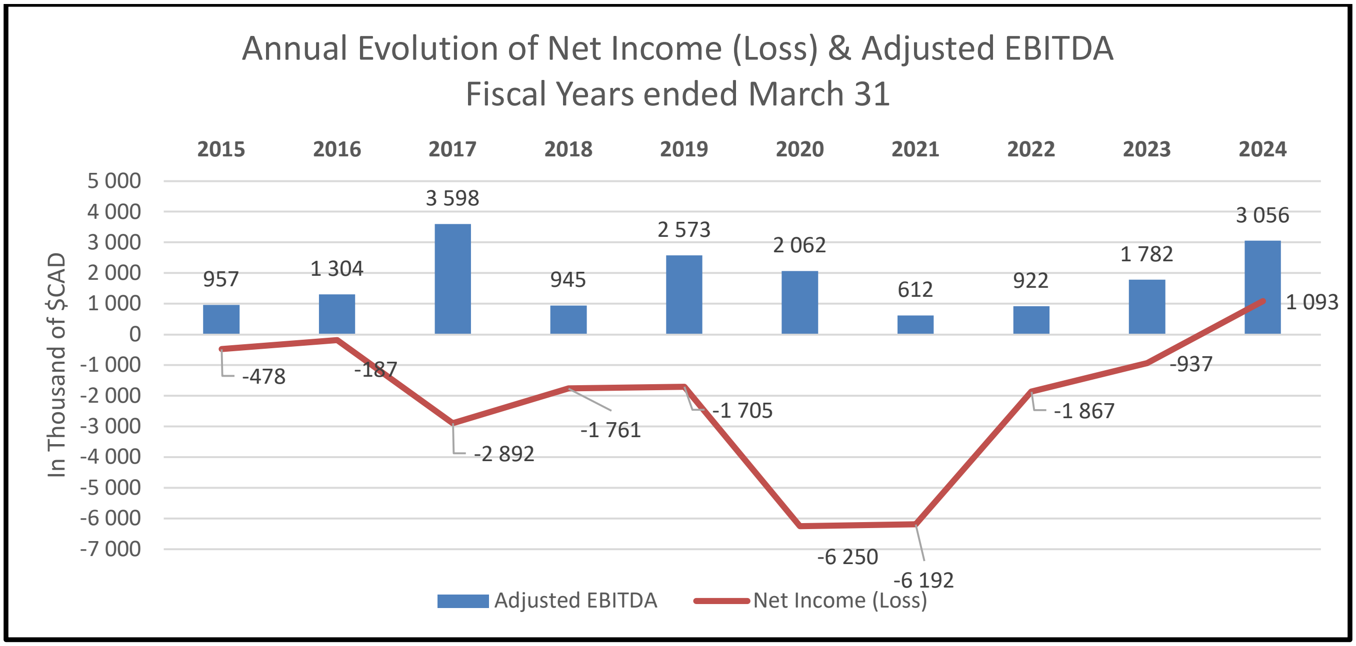
1) EBITDA represents earnings before interest and financing, income taxes and depreciation and amortization. Adjustments to EBITDA are for items that are not necessarily reflective of the Corporation's underlying operating performance. As there is no generally accepted method of calculating EBITDA, this 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 year ended March 31 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | 2023 |
| **Net income (loss)** | **620** | (115) | **1,093** | (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) |
| **Adjusted EBITDA** | **619** | 648 | **3,056** | 1,782 |

The following table illustrates the annual evolution of net income & adjusted EBITDA over the last ten years:

(Amounts are in thousands of Canadian dollars)




2) Gross profit excluding amortization and gross margin excluding amortization are both used to evaluate the Corporation's capacity to generate funds through product sales by considering the cost of these products while excluding the main non-cash item, namely amortization (see the reconciliation table in section 6.2).

## 10. FULLY DILUTED SHARE CAPITAL (May 30, 2024)

| | Class A common shares |
|---|---|
| Class A common shares outstanding | 220,226,573 |
| Convertible instruments | |
| Stock-options outstanding | 8,267,500 |
| Restricted/deferred share units outstanding | 601,083 |
| | 229,095,156 |

## 11. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") STRATEGY

The Corporation is committed to conducting its business in an ethical, legal and socially responsible manner, with an ever more responsible approach by promoting, accelerating, and facilitating the integration of sustainable development principles into its business model.

ESG matters are interwoven with each other and must be addressed by all responsible corporate citizens. The Corporation recognizes that ESG has gained a greater importance among investors, policymakers, and other key stakeholders because it is seen as a way to safeguard businesses from future risks. The three pillars of ESG for D-BOX are as follows:

*'E' or Environmental* pertains to the Corporation's energy use, waste, pollution, and natural resource conservation;

*'S' or Social* looks at how the Corporation interacts with communities where it operates, and the Corporation's internal policies related to labour, diversity and inclusion policies, among others;

*'G' or Governance* relates to internal practices and policies that lead to effective decision making and legal compliance. ESG facilitates the Corporation's top-line growth in the long run, attracts talent, reduces costs, and forge a sense of trust amongst consumers.

D-BOX has taken a proactive approach by adopting policies and behaviours pertaining to environment and sustainability, wellbeing, diversity and ethics. These policies and behaviours are described in the Annual Information Form (AIF) dated May 30, 2024, which is available on www.sedar.com.

## 12. SIGNIFICANT JUDGEMENTS AND ESTIMATES

### *Significant Judgements and Estimates*

The preparation of consolidated financial statements requires the Corporation's management to make judgements, estimates and assumptions that could affect the amounts of assets and liabilities at the balance sheet date and the amounts of revenues and expenses.

### *Judgements*

In connection with the application of the Corporation's accounting policies, management made the following judgement which had a material impact on the carrying amount of assets and liabilities reported in the consolidated financial statements.

Leases

The Corporation is involved in the rental of motion systems as a lessor. The Corporation has determined, based on its assessment of the terms and conditions of agreements, such as lease term and minimum lease payments, that it may or may not retain substantially all the risks and rewards of ownership of the systems for its lease contracts. Accordingly, the Corporation has accounted for these agreements as operating or finance leases, as deemed appropriate.

Intangible assets

Development costs related to D-BOX motion technology are capitalized in accordance with the accounting policy described in note 2.12 of the consolidated financial statements. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied, the expected period of benefits and forecasted revenues.

### *Estimates*

The underlying estimates and assumptions are based on past experience and other factors deemed reasonable in view of the circumstances. Accordingly, they provide a basis for judgements made in determining the carrying amounts of assets and liabilities.

The final amounts appearing in the Corporation's future consolidated financial statements may differ from the amounts currently estimated. These estimates and assumptions are reviewed on an ongoing basis. The main estimates used concern the impairment of non-financial assets as well as the provision for expected credit losses.

Impairment of non-financial assets

Impairment of non-financial assets exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets and observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model, the expected future cash flows and the perpetual growth rate used for extrapolation.

Provision for expected credit losses of trade accounts receivables

The Corporation uses a provision matrix to calculate expected credit losses ("ECLs") for trade accounts receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating, and coverage by credit insurance). The provision matrix is initially based on the Corporation's historical observed default rates. The Corporation will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Corporation's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Corporation's trade accounts receivables is disclosed in note 3 of the consolidated financial statements.

## 13. FINANCIAL INSTRUMENTS

### *Interest Rate Risk*

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk due to fluctuations in interest rates on cash, cash equivalents, and short-term investments that earn interest at market rates and its variable interest rate on the credit facility and the long-term debt. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk. On an annual basis, a 1% change in interest rates would have had a $24 thousand impact on net income (loss) and comprehensive income (loss) for the year ended March 31, 2024 (impact of $10 thousand for the year ended March 31, 2023).

The Corporation manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the necessary liquidity to conduct its day-to-day operations.

### *Credit Risk*

The Corporation is exposed to credit losses arising from payment defaults by third parties. The Corporation evaluates the creditworthiness of its clients to limit the amount of credit extended, where appropriate, and establishes an allowance for expected credit losses sufficient to cover probable and reasonably estimated losses. Furthermore, the Corporation generally insures its trade accounts receivable balances with Export Development Canada. As of March 31, 2024, three clients accounted for 30% of total trade accounts receivable and 26% of trade accounts receivable were 90% insured (as at March 31, 2023, three clients accounted for 35% of total trade accounts receivable and 42% of trade accounts receivable were 77% insured). Historically, the Corporation has never written off a significant amount of trade accounts receivable. Outstanding trade accounts receivable over 90 days past due stood at 17% as at March 31, 2024 (17% in 2023). The Corporation allowance for expected credit losses amounted to $225 thousand as at March 31, 2024 ($196 thousand as at March 31, 2023). Accounts receivable included investment tax credits, commodity taxes and government assistance receivables, which are receivable from the government and not exposed to significant credit risk. Cash and cash equivalents are mainly held with a limited number of Canadian chartered banks.

### *Foreign Exchange Risk*

The Corporation is exposed to foreign exchange risk due to cash and cash equivalents, trade accounts receivable, deposits, and accounts payable denominated in U.S. dollars. As at March 31, 2024, financial assets, consisting primarily of cash, trade accounts receivable, short-term deposits, and accounts payable denominated in U.S. dollars, totaled US$1.8 million, US$2.8 million and US$0.1 million respectively (US$1.8 million, US$3.2 million and US$3 thousand, respectively, as at March 31, 2023), and financial liabilities denominated in U.S. dollars totaled US$1.3 million (US$2.6 million as at March 31, 2023). As at March 31, 2024, a 10% increase or decrease in the exchange rate between the U.S. dollar and the Canadian dollar would have had a $0.5 million impact on net income (loss) and comprehensive income (loss) ($0.3 million as at March 31, 2023).

Moreover, the Corporation uses derivative financial instruments to mitigate foreign exchange risk. The Corporation elected not to apply hedge accounting. However, the Corporation considers that those derivative instruments partially hedge the foreign exchange risk related to those transactions. As at March 31, 2024, the Corporation held foreign exchange contracts with a nominal value ranging from US$5.6 million to US$6.4 million (from US$6.4 million to US$8.1 million as at March 31, 2023), allowing it to sell U.S. currency at a Canadian dollar exchange rate ranging from 1.3200 to 1.3720 (1.2700 to 1.3700 as at March 31, 2023) maturing from April 2024 to February 2025 (April 2023 to March 2024 in 2023).

### *Liquidity Risk*

Liquidity risk is the risk that the Corporation will be unable to meet its financial obligations as they become due. The Corporation manages its liquidity to allow for the settlement of liabilities when they become due by continuously monitoring actual and expected cash flows. In past years, the Corporation financed its liquidity needs primarily by issuing debt and equity securities. The Corporation believes that it has sufficient liquidity to meet its working capital obligations and carry on its business for the next twelve months.

As of March 31, 2024, the Corporation's financial liabilities which had contractual maturities of under one year consisted of its credit facility, accounts payable and accrued liabilities, derivative financial instruments, current portion of lease liabilities and current portion of long-term debt amounting to $6.1 million ($10.5 million as of March 31, 2023). Non-current contractual liabilities included lease liabilities amounting to $0.02 million ($0.2 million as of March 31, 2023) and long-term debt amounting to $2.0 million ($2.3 million as of March 31, 2023).

### *Fair value*

The fair value of cash and cash equivalents, short-term investments, accounts receivable, credit facility, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

The fair value of long-term debt bearing interest at a variable rate approximates its carrying value because the terms and conditions are comparable to current market terms and conditions.

The fair value of long-term debt bearing interest at a fixed rate is determined using the net present value of principal contractual payment discounted using a rate of 10% and represents an amount of approximately $1.3 million.

## 14. RISK AND UNCERTAINTIES

We operate in an industry which presents many risks and uncertainties. These risks and uncertainties are described in the Annual Information Form (AIF) dated May 30, 2024, which is available on www.sedar.com.

## 15. CONTINGENCY

In the normal course of business, the Corporation is party to lawsuits and other claim proceedings. It is management's opinion that any resulting settlement would not have a material impact on the Corporation's financial position or operating results.

## 16. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 Respecting Certification of Disclosure in Issuers' Annual and Interim Filings, the Corporation has filed certifications signed by the President and Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures, and the design and effectiveness of internal control over financial reporting.

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is made known to the President and Chief Executive Officer and the Chief Financial Officer, particularly during the period in which annual filings are being prepared. The President and Chief Executive Officer and the Chief Financial Officer evaluated the effectiveness of the Corporation's disclosure controls and procedures and concluded, based on their evaluation, that such disclosure controls and procedures were effective as of March 31, 2024.

Management has also designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The President and Chief Executive Officer and the Chief Financial Officer evaluated the effectiveness of the Corporation's internal control over financial reporting and concluded, based on their evaluation, that such controls were effective as of March 31, 2024.

Finally, there has been no change in the Corporation's internal control during the financial year beginning April 1, 2023 and ended March 31, 2024 that materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

## 17. OUTLOOK

**Entertainment**

*Theatrical customers*

The theatrical industry continues to captivate audiences globally. The theatrical industry was valued at USD$ 69.7 billion in 2023 and is anticipated to register a CAGR of 5.1% between 2024 and 2032[1]. Technological advancements and premium experiences such as the D-BOX experience contribute significantly to this industry's growth. These innovations provide audiences with a more immersive cinematic experience they can't get anywhere else. D-BOX continues to expand its footprint domestically in North America as well as abroad. The Corporation is focused on strengthening its leadership position in this market and expanding its global theatrical footprint to 1,000 screens within the next 18 months.

The popularity of blockbuster releases also plays a pivotal role in the theatrical industry's success. The Corporation remains encouraged by the content being announced by both major and non-traditional studios. Compelling D-BOX encoded titles continue to provide a premium, added value, to our exhibitor customers, as well as strengthen consumer enthusiasm for the theatrical movie-going experience. The Corporation remains optimistic looking forward to fiscal

[1] Per Global Market Insights (GMI): https://www.gminsights.com/industry-analysis/movie-theater-market

2025, as blockbuster releases such as The Fall Guy, Kingdom of the Planet of the Apes, Furiosa: A Mad Max Saga, and Deadpool & Wolverine are all part of the D-BOX encoded offerings.

While we believe the worst of the Hollywood guild strikes are behind us, it is difficult to predict the full extent of future adverse impacts on the Corporation's business and results of operations. The Corporation is encouraged by the studio dialogue coming out of the strikes. Studios appear to be focusing on a lower volume, higher impact approach to their theatrical productions. We believe this strategy aligns very well with the Corporation's value proposition in the theatrical industry. We recognize that there could be a gap between the time the studios' vision is realized and upcoming theatrical releases, but we are optimistic of the long-term outlook in this sector.

*Sim racing customers*

Over the last few years, sim racing has transitioned from a niche game to a legitimate e-sport. Rising adoption of virtual training solutions for racing drivers to improve their driving skills is expected to be a key driver in the demand for racing simulators. With its haptic systems that are capable of reproducing textures, velocity, engine vibrations and dynamic vehicle motion, D-BOX has drawn the attention of several leading racing simulation partners who have chosen to integrate the D-BOX haptic systems into their simulators.

With continued rollouts of F1 Arcade locations by Kindred Concepts ongoing, and the launch of the Mercedes-Benz and Mercedes-AMG multipurpose motion platform expected during the coming fiscal year, sim racing presents to be a promising customer group going forward.

**Simulation and Training**

Simulation and training through haptics allows for the unique opportunity to improve safety by allowing operators to learn and practice new skills in a controlled environment without the risk of accidents, injuries, costly damage to expensive machinery and less environmental impact in many cases. The construction, automotive and military industries are three sectors in which the Corporation sees growth potential in simulation and training through haptics, and these sectors are reacting positively to the D-BOX haptic experience. Simulation and training revenues have grown steadily for D-BOX over the last three years, and market analysts' expectations for the overall industry are that it continue to grow.

## 18. CONTINUOUS INFORMATION AND ADDITIONAL DISCLOSURE

This MD&A was prepared as at May 30, 2024. Additional information can be found on the SEDAR website at www.sedar.com.

The trademarks D-BOX, HAPTICODE, HAPTISYNC, FEEL IT ALL, MOVE THE WORLD, LIVE THE ACTION, HEMC and D-BOX MOTION CODE, whether in text or graphical form, are owned by the Corporation and in most cases are registered or in the process of being registered in Canada and in the countries or territories in which these trademarks are used.

All aspects of the D-BOX haptic effects are protected by copyright.