

INTERNATIONAL SUBSIDIARY FINANCIAL STATEMENTS

INTERNATIONAL SUBSIDIARY FINANCIAL

NAVIFLOOR ROBOTICS, INC. AND CONSOLIDATE

For the Fiscal Year Ended December 31, 2023

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1. INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of NaviFloor Robotics, Inc.:

We have audited the accompanying consolidated financial statements of NaviFloor Robotics, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the relat

consolidated statements of operations and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable

assurance about whether the consolidated financial statements are free from material misstatement.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NaviFloor Robotics, Inc. and its subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Davidson, Price & Associates, LLP

Boston, Massachusetts

March 15, 2024

2. CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

ASSETS | December 31, 2023 | December 31, 2022

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Current Assets: | |

Cash and cash equivalents | \$15,427 | \$12,845

Short-term investments | 8,500 | 6,200

Accounts receivable, net | 7,234 | 5,876

Inventory | 4,567 | 3,987

Prepaid expenses | 892 | 745

Total current assets | 36,620 | 29,653

Property and equipment, net | 12,456 | 10,234

Intangible assets, net | 8,765 | 7,654

Goodwill | 5,432 | 5,432

Other assets | 1,234 | 987

Total assets | \$64,507 | \$53,960

LIABILITIES AND STOCKHOLDERS' EQUITY | December 31, 2023 | De

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Current Liabilities: | |

Accounts payable | \$3,567 | \$2,987

Accrued expenses | 2,345 | 1,876

Deferred revenue | 1,876 | 1,543

Current portion of long-term debt | 2,000 | 2,000

Total current liabilities | 9,788 | 8,406

Long-term debt | 12,000 | 14,000

Other long-term liabilities | 2,345 | 1,987

Total liabilities | 24,133 | 24,393

3. CONSOLIDATED STATEMENTS OF OPERATION

(in thousands, except per share data)

| Year Ended December 31, 2023 | Year Ended December 31, 2022

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Revenue: | |

Product revenue | \$28,765 | \$22,345

Service revenue | 3,735 | 2,876

Total revenue | 32,500 | 25,221

Cost of revenue | 14,567 | 11,234

Gross profit | 17,933 | 13,987

Operating expenses: | |

Research and development | 5,678 | 4,567

Sales and marketing | 4,567 | 3,876

General and administrative | 3,987 | 3,234

Total operating expenses | 14,232 | 11,677

Income from operations | 3,701 | 2,310

Other income (expense): | |

Interest expense | (876) | (765)

Other income | 234 | 187

Total other expense | (642) | (578)

Income before income taxes | 3,059 | 1,732

Provisiob for income taxes | (765) | (433)

Net income | \$2,294 | \$1,299

4. CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands)

| Year Ended December 31, 2023 | Year Ended December 31, 2022

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Cash flows from operating activities: | |

Net income | \$2,294 | \$1,299

Adjustments to reconcile net income to net cash: | |

Depreciation and amortization | 2,345 | 1,987

Stock-based compensation | 876 | 654

Changes in operating assets and liabilities: | |

Accounts receivable | (1,358) | (987)

Inventory | (580) | (432)

Prepaid expenses | (147) | (98)

Accounts payable | 580 | 432

Accrued expenses | 469 | 345

Deferred revenue | 333 | 234

Net cash provided by operating activities | 4,812 | 3,434

5. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Organization

NaviFloor Robotics, Inc. (the "Company") was incorporated in Delaware on May 15, 2018. The Company develops and manufactures autonomous mobile robots and fleet management platforms for industrial applications. The Company has wholly-owned subsidiaries in Germany, Japan, and Singapore.

Basis of Presentation

The consolidated financial statements include the accounts of NaviFloor Robotics, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures.

assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is reasonably assured. Product revenue is recognized upon transfer of title and risk of loss, which is generally upon shipment.

Note 2. Geographic Information

(in thousands)

Revenue by region: | 2023 | 2022

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North America | \$16,250 | \$12,610

Europe | 9,750 | 7,566

Asia Pacific | 6,500 | 5,045

Total revenue | \$32,500 | \$25,221

[Document continues with additional notes and disclosures...]

