

NAVIFLOOR Q4 2023 FINANCIAL STATEMENTS

NAVIFLOOR ROBOTICS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Quarter and Year Ended December 31, 2023

(Unaudited - Expressed in US Dollars)

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1. MANAGEMENT STATEMENT OF RESPONSIBILITY

The accompanying unaudited consolidated financial statements of NaviFloor

Robotics₂ Inc. ("NaviFloor" or the "Company") have been prepared by management in accordance with generally accepted accounting principles in the United States (US GAAP). Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that transactions are properly authorized and recorded.

These financial statements have been reviewed by the Company's Audit Committee and approved by the Board of Directors.

2. CONSOLIDATED BALANCE SHEET

As of December 31, 2023 (with comparative figures for September 30, 2023)
(in thousands of US dollars)

Assets

Current Assets

-

Cash and cash equivalents: \$14,275 (\$12,850)

-

Short-term investments: \$5,500 (\$5,500)

-

Accounts receivable, net: \$8,425 (\$7,890)

-

Inventory: \$4,850 (\$4,650)

-

Prepaid expenses: \$725 (\$680)

Total Current Assets: \$33,775 (\$31,570)

Non-Current Assets

-

Property and equipment, net: \$12,450 (\$12,750)

-

Intangible assets: \$8,875 (\$9,100)

-

Right-of-use assets: \$4,250 (\$4,500)

-

Other long-term assets: \$1,150 (\$1,150)

Total Non-Current Assets: \$26,725 (\$27,500)

Total Assets: \$60,500 (\$59,070)

Liabilities and Stockholders' Equity

Current Liabilities

-

Accounts payable: \$3,875 (\$3,650)

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Accrued expenses: \$2,250 (\$2,100)

-

Deferred revenue: \$1,875 (\$1,750)

-

Current portion of lease liabilities: \$850 (\$850)

Total Current Liabilities: \$8,850 (\$8,350)

Non-Current Liabilities

-

Long-term lease liabilities: \$3,500 (\$3,725)

-

Convertible notes: \$15,000 (\$15,000)

Total Non-Current Liabilities: \$18,500 (\$18,725)

Stockholders' Equity

-

Common stock: \$50 (\$50)

-

Additional paid-in capital: \$45,500 (\$45,400)

-

Accumulated deficit: (\$12,400) (\$13,455)

Total Stockholders' Equity: \$33,150 (\$31,995)

Total Liabilities and Stockholders' Equity: \$60,500 (\$59,070)

3. CONSOLIDATED STATEMENT OF OPERATIONS

For the three months ended December 31, 2023 (with comparative figures for

2023) - 7 -

(in thousands of US dollars, except per share data)

Revenue

-

Product sales: \$7,850 (\$7,250)

-

Subscription services: \$2,150 (\$1,975)

-

Maintenance and support: \$975 (\$925)

Total Revenue: \$10,975 (\$10,150)

Cost of Revenue

-

Product costs: \$3,140 (\$2,900)

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Service delivery costs: \$860 (\$790)

-

Support costs: \$390 (\$370)

Total Cost of Revenue: \$4,390 (\$4,060)

Gross Profit: \$6,585 (\$6,090)

Operating Expenses

-

Research and development: \$2,250 (\$2,150)

-

Sales and marketing: \$1,750 (\$1,650)

-

General and administrative: \$1,350 (\$1,300)

Total Operating Expenses: \$5,350 (\$5,100)

Operating Income: \$1,235 (\$990)

Other Income/(Expense)

-

Interest income: \$125 (\$115)

-

Interest expense: (\$275) (\$275)

-

Other income: \$20 (\$15)

Total Other Income/(Expense): (\$130) (\$145)

Income Before Income Taxes: \$1,105 (\$845)

-

Income tax expense: (\$50) (\$40)

Net Income: \$1,055 (\$805)

Earnings Per Share

-

Basic: \$0.21 (\$0.16)

-

Diluted: \$0.19 (\$0.15)

4. CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended December 31, 2023

(in thousands of US dollars)

Operating Activities

-

Net income: \$1,055

-

Depreciation and amortization: \$750

-

Stock-based compensation: \$100

-

Changes in operating assets and liabilities:

-

Accounts receivable: (\$535)

-

Inventory: (\$200)

-

Prepaid expenses: (\$45)

-

Accounts payable: \$225

-

Accrued expenses: \$150

-

Deferred revenue: \$125

Net Cash from Operating Activities: \$1,625

Investing Activities

-

Purchase of property and equipment: (\$225)

-

Capitalized software development: (\$200)

Net Cash used in Investing Activities: (\$425)

Financing Activities

-

Principal payments on lease liabilities: (\$225)

-

Exercise of stock options: \$450

Net Cash from Financing Activities: \$225

Net Increase in Cash: \$1,425

Cash at Beginning of Period: \$12,850

Cash at End of Period: \$14,275

5. NOTES TO FINANCIAL STATEMENTS

5.1 Organization and Business

NaviFloor Robotics, Inc. is a Delaware corporation headquartered in Boston, Massachusetts. The Company develops and commercializes autonomous mobile robots (AMRs) and fleet management platforms for industrial applications.

5.2 Significant Accounting Policies

These financial statements are prepared in accordance with US GAAP on a going concern basis. Significant accounting policies include:

a) Revenue Recognition

Revenue is recognized when control of promised goods or services transfers to customers in an amount that reflects the consideration expected to be received.

b) Research and Development

R&D costs are expensed as incurred, except for certain software development costs.

costs that meet capitalization criteria.

5.3 Subsequent Events

Management has evaluated subsequent events through January 31, 2024, the date these financial statements were available for issuance. No material subsequent events were identified requiring recognition or disclosure.

Approved by the Board of Directors on January 31, 2024

/s/ James Wilson

James Wilson

Chief Financial Officer

/s/ Dr. Sarah Chen

Dr. Sarah Chen

Chief Executive Officer

