

Q3 2023 FACILITY DEPLOYMENT REVENUE ANALYSIS

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NaviFloor Robotics, Inc.

For the Period Ending September 30, 2023

CONFIDENTIAL AND PROPRIETARY

1. EXECUTIVE SUMMARY

This analysis presents the facility deployment revenue metrics for NaviFloor Robotics, Inc. ("Company") for the third quarter of fiscal year 2023. The report encompasses revenue recognition from AMR deployments, recurring maintenance

contracts, and associated software licensing across all active customer facilities.

2. REVENUE CLASSIFICATION METHODOLOGY

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1. **Primary Revenue Streams**

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Hardware Deployment Revenue

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Software License Revenue

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Maintenance Service Revenue

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Professional Services Revenue

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2. ****Recognition Criteria****

Revenue is recognized in accordance with ASC 606, with specific considerations for:

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Multi-element arrangements

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Performance obligations

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Contract modifications

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Variable consideration components

3. Q3 2023 DEPLOYMENT METRICS

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1. ****New Facility Deployments****

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Total New Facilities: 14

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Average Deployment Size: 8.3 AMR units

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Total Units Deployed: 116

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Average Deployment Revenue: \$428,500

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2. ****Geographic Distribution****

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North America: 9 facilities

- - 4 -

Europe: 3 facilities

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Asia-Pacific: 2 facilities

4. REVENUE ANALYSIS

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1. **Hardware Revenue**

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New AMR Unit Sales: \$8,932,000

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Upgrade Components: \$876,000

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Spare Parts: \$342,000

Total Hardware Revenue: \$10,150,000

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2. ****Software Revenue****

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New License Sales: \$2,845,000

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License Renewals: \$1,236,000

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Custom Module Sales: \$428,000

Total Software Revenue: \$4,509,000

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3. ****Service Revenue****

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Installation Services: \$1,428,000

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Maintenance Contracts: \$892,000

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Professional Services: \$576,000

Total Service Revenue: \$2,896,000

5. DEPLOYMENT EFFICIENCY METRICS

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1. **Installation Metrics**

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Average Installation Time: 4.2 weeks

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Average Integration Cost: \$86,500

- - 7 -

First-Time Success Rate: 92.3%

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2. **Customer Acceptance**

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Acceptance Rate: 100%

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Average Time to Acceptance: 21 days

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Post-Deployment Issues: 3 minor, 0 major

6. REVENUE RECOGNITION TIMING

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1. ****Current Quarter Recognition****

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Recognized Revenue: \$17,555,000

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Deferred Revenue: \$3,842,000

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Contract Assets: \$1,236,000

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2. ****Future Revenue Impact****

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Committed Backlog: \$12,845,000

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Expected Q4 Recognition: \$4,236,000

7. MARGIN ANALYSIS

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1. **Gross Margin by Category**

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Hardware: 62.3%

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Software: 88.5%

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Services: 71.2%

Overall Blended Margin: 70.8%

8. RISK FACTORS AND CONTINGENCIES

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1. ****Revenue Recognition Risks****

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Supply chain delays affecting 2 deployments

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Custom integration requirements for 3 facilities

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Foreign currency exposure on European contracts

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2. ****Mitigation Measures****

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Enhanced deployment scheduling protocols

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Revised acceptance testing procedures

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Currency hedging strategies implemented

9. CERTIFICATION

The undersigned hereby certifies that this revenue analysis has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and accurately reflects the Company's facility deployment revenue for Q3 2023.

Prepared by:

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: October 15, 2023

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