

WORKING CAPITAL ANALYSIS Q4 2023

WORKING CAPITAL ANALYSIS

Q4 2023 - NAVIFLOOR ROBOTICS, INC.

CONFIDENTIAL & PRIVILEGED

Prepared: January 11, 2024

1. EXECUTIVE SUMMARY

This Working Capital Analysis has been prepared by the Finance Department of NaviFloor Robotics, Inc. ("Company") for the quarter ending December 31, 2023. This analysis reflects the Company's current working capital position and

projections in accordance with GAAP principles and the Company's established accounting policies.

2. WORKING CAPITAL COMPONENTS

2.1 Current Assets

As of December 31, 2023 (in thousands USD):

-

Cash and Cash Equivalents: \$8,450

-

Accounts Receivable: \$7,235

-

Inventory: \$4,890

-

Raw Materials: \$2,145

- - 2 -

Work in Progress: \$1,680

-

Finished Goods: \$1,065

-

Prepaid Expenses: \$925

-

Other Current Assets: \$580

Total Current Assets: \$22,080

2.2 Current Liabilities

As of December 31, 2023 (in thousands USD):

-

Accounts Payable: \$4,890

-

Accrued Expenses: \$2,345

-

Short-term Debt: \$1,500

-

Deferred Revenue: \$3,250

-

Other Current Liabilities: \$890

Total Current Liabilities: \$12,875

3. WORKING CAPITAL METRICS

3.1 Key Ratios

-

Current Ratio: 1.71

- - 4 -

Quick Ratio: 1.33

-

Days Sales Outstanding (DSO): 81 days

-

Days Inventory Outstanding (DIO): 92 days

-

Days Payable Outstanding (DPO): 76 days

-

Cash Conversion Cycle: 97 days

3.2 Historical Comparison

Quarter-over-Quarter Change:

-

Working Capital: +8.2%

- - 5 -

Current Ratio: +0.15

-

Quick Ratio: +0.08

4. WORKING CAPITAL ANALYSIS

4.1 Components Analysis

The Company maintains a healthy working capital position with significant liquid assets to support ongoing operations. Key observations:

-

Accounts Receivable Management

-

Implementation of new credit terms for strategic customers

- - 6 -

Enhanced collections process resulting in 12% improvement in DSO

-

Concentration risk within acceptable parameters

-

Inventory Management

-

Strategic build-up of raw materials for Q1 2024 production

-

Optimization of component sourcing reducing lead times

-

Implementation of new inventory management system

-

Payables Management

- - 7 -

Negotiated favorable payment terms with key suppliers

-

Maintained strong vendor relationships while optimizing cash flow

-

Strategic use of early payment discounts

4.2 Industry Comparison

Relative to industry peers:

-

Current Ratio: Above industry average (1.71 vs 1.55)

-

DSO: Within acceptable range (81 vs 75 industry average)

-

Inventory Turnover: Aligned with industry standards

5. WORKING CAPITAL PROJECTIONS

5.1 Q1 2024 Forecast

Projected working capital requirements based on:

-

Revenue growth of 15% YoY

-

Planned inventory build for new product launch

-

Seasonal working capital patterns

-

Expected supplier payment terms

5.2 Risk Factors

- - 9 -

Supply Chain Considerations

-

Component availability

-

Lead time volatility

-

Pricing fluctuations

-

Customer Payment Patterns

-

Industry-specific payment cycles

-

Credit risk assessment

- - 10 -

Geographic concentration

6. RECOMMENDATIONS

-

Working Capital Optimization

-

Implement dynamic inventory management system

-

Enhance credit risk monitoring

-

Optimize payment term structure

-

Process Improvements

-

Automate collections process

-

Strengthen supplier relationship management

-

Enhance cash flow forecasting

7. DISCLAIMERS

This analysis contains forward-looking statements and projections based on current information and reasonable assumptions. Actual results may differ materially from those projected. This document is confidential and proprietary to NaviFloor Robotics, Inc. and may not be reproduced or distributed without express written consent.

8. CERTIFICATION

The undersigned certifies that this Working Capital Analysis has been prepared in accordance with Company policies and procedures and fairly represents the Company's working capital position as of December 31, 2023.

/s/ James Wilson

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: January 11, 2024

