

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 7, 2024

DIH HOLDING US, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-41250

(Commission
File Number)

98-1624542

77 Accord Park Drive; Suite D-1, Norwell, MA

(Address of principal executive offices)

02061

(Zip Code)

Registrant's telephone number, including area code: (617) 871-2101

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock Warrants	DHAI DHAW	The Nasdaq Stock Market LLC The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INTRODUCTORY NOTE

Terms used in this Current Report on Form 8-K (this “**Report**”) but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the definitive proxy statement/prospectus (the “**Proxy Statement/Prospectus**”), filed pursuant to Rule 424(b)(3) with the Securities and Exchange Commission (the “**SEC**”) on November 15, 2023 (as further supplemented on November 17, 2023) by Aurora Technology Acquisition Corp. (formerly a Cayman Island exempted company which migrated and domesticated as a Delaware corporation, “**ATAK**” and subsequently renamed as DIH Holding US, Inc. (“**New DIH**”), and such definitions are incorporated herein by reference. References to the “**Company**” refer to DIH Holding US, Inc., a Nevada corporation (“**DIH**”) and its consolidated subsidiaries subsequent to the Business Combination (defined below). References to New DIH are to ATAK post closing of the Business Combination.

Business Combination

As previously announced, ATAK, Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK (“**Merger Sub**”), and DIH entered into a Business Combination Agreement dated as of February 26, 2023 (as amended, supplemented or otherwise modified from time to time, (the “**Business Combination Agreement**,” and the transactions contemplated thereby, the “**Business Combination**”).

As contemplated in the Business Combination Agreement and described in the section titled “*Proposal No. 1 — The Business Combination Proposal*” of the Proxy Statement/Prospectus, on February 6, 2024, the day prior to the Effective Time, (a) ATAK changed its jurisdiction of incorporation by deregistering as a Cayman Islands exempted company and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware (the “**Domestication**”), upon which ATAK changed its name to “DIH Holding US, Inc.” (“**New DIH**”) (for further details, see the section titled “*Proposal No. 2 - The Domestication Proposal*” in the Proxy Statement/Prospectus); (b) each issued and outstanding Class A Ordinary Share was converted, on a one-for-one basis, into one share of New DIH Class A Common Stock; (c) each issued and outstanding Class B Ordinary Share was converted, on a one-for-one basis, into one share of Domesticated Class B Common Stock; (d) each issued and outstanding ATAK Public Warrant, ATAK Private Warrant and ATAK Right was converted, on a one-for-one basis, into a New DIH Public Warrant, New DIH Private Warrant and New DIH Right, respectively; and (e) the governing documents of ATAK were replaced by governing documents for the Delaware corporation.

On February 7, 2024 (the “**Closing Date**”), the Business Combination was consummated whereby (a) Merger Sub merged within and into DIH with DIH as the surviving corporation of the transaction and becoming a wholly owned subsidiary of New DIH; (b) the issued and outstanding shares of DIH were exchanged for \$250,000,000 in the form of newly-issued shares of New DIH Class A common stock valued at \$10.00 per share (the “**Aggregate Base Consideration**”); (b) DIH’s financial advisor received 700,000 shares of New DIH Class A Common Stock as payment for the financial advisory fee due to it; (c) the 20,200,000 outstanding New DIH Rights were converted into 2,020,000 shares of New DIH Class A Common Stock; and (d) each outstanding share of New DIH Class B Common Stock was converted into a share of New DIH Class A Common Stock.

In addition to the Aggregate Base Consideration, DIH stockholders may be entitled to receive up to 6,000,000 additional shares of New DIH Class A Common Stock (the “**Earnout Shares**”), as additional consideration upon satisfaction of the following milestones (the “**Earnout Triggers**”), during the period beginning on the Closing Date and expiring on the fifth anniversary of the Closing Date (the “**Earnout Period**”): (i) 1,000,000 Earnout Shares if the VWAP (as defined in the Business Combination Agreement) of New DIH Class A Common Stock is equal to or exceeds \$12.00 for any 20 Trading Days (as defined in the Business Combination Agreement) during the Earnout Period; (ii) 1,333,333 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$13.50 for any 20 Trading Days during the Earnout Period; (iii) 1,666,667 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$15.00 for any 20 Trading Days during the Earnout Period; and (v) 2,000,000 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$16.50 for any 20 Trading Days during the Earnout Period. An aggregate of 6,000,000 shares of Class A Common Stock were issued into an Escrow Account for the benefit of the DIH stockholders at Closing. Such shares will only be released if an Earnout Trigger has been met during the Earnout Period in accordance with the above-described schedule. After the end of the Earnout Period, any shares that have not been earned will be cancelled by New DIH.

In connection with the closing of the Business Combination, Maxim, in its capacity as the underwriter of ATAK’s IPO was owed a deferred underwriting fee in the amount of \$7,070,000. Maxim agreed to convert such fee into shares valued at \$10.00 per share and to forego the receipt of 600,000 shares. New DIH also issued an aggregate of 32,797 additional shares in partial payment for amounts owed to various investors.

As a result of these transactions, an aggregate of 40,544,936 shares of New DIH Common Stock are issued and outstanding.

The foregoing description of the Business Combination does not purport to be complete and is qualified in its entirety by the full text of the Business Combination Agreement which is included by reference as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 1.01. Entry into a Material Definitive Agreement.

The disclosure set forth in the “*Introductory Note*” above is incorporated and made a part of this Item 1.01 by reference.

Pursuant to the terms and subject to the conditions set forth in the Business Combination Agreement, on February 7, 2024, the Business Combination was consummated. In connection with the Closing of the Business Combination and in accordance with the terms of the Business Combination Agreement, ATAK agreed to waive the closing condition that the Reorganization (as such term is defined in the Business Combination Agreement) be completed prior to Closing. As a result, the following legal entities and assets were subject to the business combination with ATAK at Closing: DIH Holding US (which is prepared on a consolidated basis) and Hocoma Medical, as well as, the Hocoma Medical assets. Whereas, Hocoma AG and Motekforce Link BV and its subsidiaries were excluded. New DIH agreed to use its best efforts to complete the Reorganization as soon as possible thereafter.

Item 2.01 of this Current Report on Form 8-K discusses the closing of the Business Combination and various other transactions contemplated by Business Combination Agreement and is incorporated herein by reference.

Related Agreements

Amended and Restated Registration Rights Agreement and Lock-Up Agreement

At the Closing, New DIH, the Sponsor, certain investors and other holders of DIH capital stock (as defined in this section, the “**DIH Holders**” and together with the Sponsor and the investors, the “ **Holders**”) entered into an amended and restated registration rights agreement (the “**Amended and Restated Registration Rights Agreement**”). Pursuant to the terms of the Amended and Restated Registration Rights Agreement, New DIH will be obligated to file a registration statement to register the resale of certain securities of New DIH held by the Holders. The Amended and Restated Registration Rights Agreement also provides the Holders with certain “demand” and “piggy-back” registration rights, subject to certain requirements and customary conditions. In addition, the Amended and Restated Registration Rights Agreement provides that each Holder shall not transfer any securities subject to the Amended and Restated Registration Rights Agreement until one year from the date of the Amended and Restated Registration Rights Agreement, subject to certain customary exceptions, or the date on which ATAK completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the ATAK stockholders having the right to exchange their shares of common stock for cash, securities or other property.

An aggregate of 22,205,414 shares of New DIH Class A common stock will be subject to the Amended and Restated Registration Rights Agreement consisting of 8,120,173 shares (including 3,235,000 shares underlying the ATAK Private Placement Warrants) held by the Sponsor and 14,085,241 shares held by DIH Holders.

The foregoing description of the Amended and Restated Registration Rights Agreement does not purport to be complete and is qualified in its entirety by the full text of the Amended and Restated Registration Rights Agreement which is included by reference as Exhibit 10.4 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the “*Introductory Note*” above is incorporated and made a part of this Item 2.01 by reference.

Form 10 Information

Item 2.01(f) of Form 8-K states that if the predecessor registrant was a shell company, as ATAK was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, New DIH, as the successor issuer to ATAK, is providing the information below that would be included in a Form 10 if we were to file a Form 10. Please note that the information provided below relates to New DIH following the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

The statements contained in this Current Report on Form 8-K that are not purely historical are forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding New DIH's expectations, hopes, beliefs, intentions or strategies regarding the future. The information included in this Current Report on Form 8-K is in relation to New DIH has been provided by New DIH and New DIH's management team, and forward-looking statements include statements relating to the expectations of New DIH's management team's beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Current Report on Form 8-K may include, for example, statements about:

- the expected benefits of the Business Combination;
- New DIH's expansion plans and opportunities;
- New DIH's future financial and operating performance after the Business Combination. New DIH's ability to complete the Reorganization in a timely manner;
- the occurrence of any event that would impact New DIH's ability to rely on its key product lines;
- any global, regional or local economic weakness that could affect New DIH's demand for products;
- war, geopolitical factors and foreign exchange fluctuations;
- the availability of sufficient funds for future operating needs;
- the growth of the market for robotics and VR-enabled smart rehabilitation systems;
- the safety of our products;
- the training of the users of our products;
- consumer satisfaction;
- the continued availability of our sole-source providers;
- the success of our collaboration agreements or other similar transactions;
- our ability to successfully integrate product lines;
- any difficulty managing growth;
- any inability to obtain the requisite regulatory approvals we need in each jurisdiction in which we operate;
- any adverse medical device reporting that could result in enforcement actions;
- compliance with US and international data privacy laws;
- failure to obtain the requisite regulatory approvals;
- our ability to obtain and maintain protection for the intellectual property relating to or incorporated into our products;
- New DIH's ability to maintain the listing of New DIH's securities on Nasdaq; and
- other risks and uncertainties discussed elsewhere in this Current Report on Form 8-K, including in the section entitled "Risk Factors."

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business

The business of New DIH is described in the Proxy Statement/Prospectus in the sections entitled “*Business of DIH*” beginning on page 163, which is incorporated herein by reference.

Risk Factors

The risk factors related to the business and operations of New DIH are set forth in the Proxy Statement/Prospectus in the section entitled “*Risk Factors*” beginning on page 44, which is incorporated herein by reference.

Management’s Discussion and Analysis of Financial Condition and Operations

Management’s discussion and analysis of the financial condition and results of operations prior to the Business Combination is included in (a) DIH’s Management’s Discussion and Analysis of Financial Condition and Results of Operation included as Exhibit 99.2 hereto and incorporated herein by reference and (b) ATAK’s Management’s Discussion and Analysis of Financial Condition and Results of Operations beginning on page 20 of ATAK’s Quarterly Report on Form 10-Q filed with the SEC on November 20, 2023 and incorporated herein by reference.

Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, DIH is not required to provide this information.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding beneficial ownership of our Class A Common Stock as of the Closing Date by (i) each person (or group of affiliated persons) who is known by us to own more than five percent of the outstanding shares of our Class A Common Stock, (ii) each director and executive officer, and (iii) all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Unless otherwise noted, the address of each stockholder listed below is c/o DIH Holding US, Inc. 77 Accord Park Drive; Suite D-1, Norwell, MA.

We had 40,544,936 shares of Class A Common Stock outstanding as of February 7, 2024.

Name and Address of Beneficial Owner	Shares Owned	Percentage Ownership
Directors and Executive Officers		
Jason Chen ⁽¹⁾	14,085,241	34.7
Lynden Bass	--	--
Dr. Patrick Bruno	--	--
Max Baucus	--	--
F. Samuel Eberts III	--	--
Ken Ludlum	--	--
Cathryn Chen ⁽²⁾	4,885,173	12.0
All Directors and Executive Officers as a Group (7 Persons)	18,970,414	46.8
5% or Greater Stockholders		
DIH Technology Ltd. ⁽¹⁾⁽³⁾	14,085,241	34.7
ATAC Sponsor LLC ⁽²⁾⁽⁴⁾	4,885,173	12.0

* Less than 1%

- (1) Jason Chen does not own any shares of DIH directly but may be deemed to have indirect ownership of DIH through his ownership of approximately 42% of the outstanding shares of DIH Technology Ltd. He does not have voting or dispositive power over the shares of DIH owned by DIH Technology Ltd. As a result of the completion of the Business Combination, he continues to have an indirect ownership of shares of New DIH through his ownership of DIH Technology Ltd. but does not have voting or dispositive power over such shares.
- (2) ATAC Sponsor LLC (the "Sponsor") is the record holder of the shares reported herein. Zachary Wang, Cathryn Chen and Yida Gao are managing members of the Sponsor. Consequently, Cathryn Chen may be deemed the beneficial owner of the shares held by the Sponsor and have voting and dispositive control over such securities. Ms. Chen disclaims beneficial ownership of any shares other than to the extent she may have a pecuniary interest therein, directly or indirectly.
- (3) The business address for DIH Technology Ltd is P.O. Box 61, 3rd Floor Harbour Centre, North Church Street, Grand Cayman, KY1-1102, Cayman Islands.
- (4) The business address for the Sponsor is 4 Embarcadero Center, Suite 1449, San Francisco, CA 94105.

Directors and Executive Officers

Biographical information for each director and executive officer is described in the Proxy Statement/Prospectus in the section entitled "Management of the Company Following the Business Combination" beginning on page 198 and the relevant biographical entries are incorporated herein by reference.

Director Independence

Nasdaq listing rules require that a majority of the board of directors of a company listed on Nasdaq be composed of "independent directors," which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of New DIH's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of Max Baucus, F. Samuel Eberts, III, Ken Ludlum, and Cathryn Chen will be an independent director under the Nasdaq listing rules and independent under Rule 10A-3 of the Exchange Act. In making these determinations, the Board considered the current and prior relationships that each non-employee director has or has had with DIH and ATAK and all other facts and circumstances the Board deemed relevant in determining independence, including the beneficial ownership of shares by each non-employee director, and the transactions involving them described in the section of this Item 2.01 on this Current Report on Form 8-K entitled "*Certain Relationships and Related Transactions*" and the information incorporated by reference therein.

Committees of the Board of Directors

The standing committees of the Board consist of an Audit Committee, a Nominating and Compensation Committee and a Governance Committee.

New DIH’s audit committee consists of Ken Ludlum (Chair), Max Baucus and Cathryn Chen. The Board has determined that each member is independent under the Nasdaq listing standards and Rule 10A-3(b)(1) of the Exchange Act. The Board has determined that Ken Ludlum is an “audit committee financial expert” within the meaning of SEC regulations. The Board has also determined that each member of the audit committee has the requisite financial expertise required under the applicable Nasdaq requirements. In arriving at this determination, the board of directors has examined each audit committee member’s scope of experience and the nature of their employment in the corporate finance sector. The description of the role of the audit committee included in the Proxy Statement/Prospectus in the section entitled “*Management of the Company Following the Business Combination—Audit Committee*” beginning on page 199 is incorporated herein by reference.

New DIH’s nominating and compensation committee consists of Max Baucus (Chair), Ken Ludlum and Cathryn Chen. The Board has determined that each member is a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act and an “outside director” as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board has also determined that each member is independent under SEC regulations and Nasdaq listing standards. The primary purpose of the compensation committee is to discharge the responsibilities of the board of directors to oversee its compensation policies, plans and programs and to review and determine the compensation to be paid to its executive officers, directors and other senior management, as appropriate and to nominated candidates for the Board. The description of the nominating and compensation committee included in the Proxy Statement/Prospectus in the section entitled “*Management of the Company Following the Business Combination—Nominating and Compensation Committee*” beginning on page 200 is incorporated herein by reference.

New DIH’s governance committee consists of F. Samuel Eberts III (Chair), and Cathryn Chen. The Board has determined each member is independent under the Nasdaq listing standards. The description of the nominating and corporate governance committee included in the Proxy Statement/Prospectus in the section entitled “*Management of the Company Following the Business Combination—Governance Committee*” beginning on page 199 is incorporated herein by reference.

Director and Executive Compensation

Compensation for New DIH’s directors and executive officers before the consummation of the Business Combination is described in the Proxy Statement/Prospectus in the sections entitled “*Executive And Director Compensation*” beginning on page 201 and that information is incorporated herein by reference.

In connection with the Business Combination, ATAK shareholders approved the DIH Holding US, Inc. Equity Incentive Plan described in the Proxy Statement/Prospectus in the section entitled “*Proposal No. 6 — The Stock Incentive Plan Proposal*” beginning on page 122 and incorporated herein by reference. That summary of the Stock Incentive Plan does not purport to be complete and is qualified in its entirety by reference to the text of the Stock Incentive Plan, which is filed as Exhibit 10.1 and is incorporated herein by reference. The plan allows New DIH to make equity and equity-based incentive awards, as well as cash awards, to employees, directors and consultants.

Decisions with respect to the compensation of New DIH’s executive officers will be made by the compensation committee of the Board.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Certain Relationships and Related Transactions

A description of certain relationships and related transactions is included in the Proxy Statement/Prospectus in the sections entitled “*Certain Relationships and Related Party Transactions*” beginning on page 204, which are incorporated herein by reference.

Legal Proceedings

There is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacities as such.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Our Class A Common Stock and Warrants began trading on the Nasdaq Stock Market LLC under the symbols "DHAI" and "DHAIW" respectively, on February 9, 2024. We have not paid any cash dividends on shares of our Class A Common Stock to date and do not intend to pay cash dividends. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of our board of directors. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future.

Description of Securities

A description of New DIH's capital stock and warrants is included in the Proxy Statement/Prospectus in the section entitled "Description of Securities" beginning on page 215, which is incorporated herein by reference.

Indemnification of Directors and Officers

Information about the indemnification of New DIH's directors and officers is set forth in Proxy Statement/Prospectus under the sections entitled "Limitation on Liability and Indemnification of Directors and Officers" on page 220, which information is incorporated herein by reference.

Financial Statements and Supplementary Data

Reference is made to the disclosure set forth under Item 9.01 of this Current Report on Form 8-K concerning our consolidated financial statements and supplementary data.

Financial Statements and Exhibits

Reference is made to the disclosure set forth under Item 9.01 of this Current Report on Form 8-K concerning our financial information.

Item 2.02. Results of Operations and Financial Condition.

Management's discussion and analysis of the financial condition and results of operations prior to the Business Combination is included in (a) DIH's Management's Discussion and Analysis of Financial Condition and Results of Operation included as Exhibit 99.2 hereto and incorporated herein by reference and (b) ATAK's Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 24 of ATAK's Quarterly Report on Form 10-Q filed with the SEC on November 20, 2023 and incorporated herein by reference.

On February 20, 2024, New DIH issued a press release reporting the results of operations for DIH for the six months ended September 30, 2023. A copy of the press release is furnished as Exhibit 99.4 and is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities

In connection with the Closing, New DIH issued 229,797 shares of its Class A Common Stock to Maxim and to other vendors as partial payment of expenses owed.

Item 3.03. Material Modification to Rights of Security Holders.

On February 7, 2024, in connection with the consummation of the Business Combination, New DIH filed its Amended and Restated Certificate of Incorporation (“**Charter**”) with the Secretary of State of the State of Delaware and adopted its Amended and Restated Bylaws (the “**Bylaws**”).

Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections titled “*Proposal No. 2- The Domestication Proposal*,” “*Proposal No. 3- The Governing Documents Proposal*,” and “*Proposal No. 4 - The Advisory Governing Documents Proposal*,” each of which is incorporated herein by reference.

Copies of the Charter and Bylaws are included as Exhibits 3.1 and 3.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 5.01. Changes in Control of Registrant.

Reference is made to the disclosure in the Proxy Statement/Prospectus in the section titled “*Proposal No. 1 - The Business Combination Proposal*” which is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth above in the sections titled “Directors and Executive Officers,” “Director Independence,” “Committees of the Board of Directors,” “Director and Executive Compensation,” “Certain Relationships and Related Transactions” and “Indemnification of Directors and Officers” in Item 2.01 of this Current Report on Form 8-K are incorporated herein by reference.

Stock Incentive Plan

In connection with the Business Combination, the Board approved the DIH Holding US, Inc. Stock Incentive Plan (the “**Stock Incentive Plan**”) described in the Proxy Statement/Prospectus in the section entitled “*Proposal No. 6 — The Stock Incentive Proposal*” beginning on page 122 and incorporated herein by reference. That summary of the Stock Incentive Plan does not purport to be complete and is qualified in its entirety by reference to the text of the Stock Incentive Plan, which is filed as Exhibit 10.1 and is incorporated herein by reference. The plan allows DIH to make equity and other incentive awards, to employees, directors, consultants, and advisers.

Decisions with respect to the compensation of New DIH’s executive officers will be made by the compensation committee of the Board.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The disclosure set forth in Item 3.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.05 Amendment to the Registrant’s Code of Ethics, or Waiver of a Provision of the Code of Ethics.

In connection with the Closing, New DIH adopted a new Code of Ethics which is available on the Investor Relations section of New DIH’s website.

Item 5.06. Change in Shell Company Status.

As a result of the Business Combination, New DIH ceased being a shell company. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections titled “*Proposal 1-The Business Combination Proposal*” and such disclosure is incorporated herein by reference. Further reference is made to the information contained in Item 2.01 to this Current Report on Form 8-K.

Item 8.01. Other Events

As a result of the Business Combination and by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), New DIH is a successor issuer to ATAK. We hereby report this succession in accordance with Rule 12g-3(f) under the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(a)-(b) Financial Statements.

Information responsive to Item 9.01(a) and (b) of Form 8-K is set forth in the financial statements included in the Proxy Statement/Prospectus beginning on page F-1 to F-102, which is incorporated by reference herein.

(c) Exhibits.

Exhibit No.	Description
2.1 [^]	<u>Business Combination Agreement, dated as of February 26, 2023 (as amended, supplemented or otherwise modified from time to time, the “Business Combination Agreement”), by and among ATAK, Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK, and DIH Holding US, Inc., a Nevada corporation (incorporated by reference to Annex A to definitive proxy statement/prospectus filed pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
2.2	<u>Sponsor Support Agreement, dated as of February 26, 2023, by and among ATAC Sponsor LLC, a Delaware limited liability company, the other persons set forth on Schedule I thereto, Aurora Technology Acquisition Corp., a Cayman Islands exempted company, and DIH Holding US, Inc. (incorporated by reference to Annex F to definitive proxy statement/prospectus pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
2.3	<u>Stockholder Support Agreement, dated as of February 26, 2023, by and among the persons set forth on Schedule I thereto, Aurora Technology Acquisition Corp., and DIH Holding US, Inc. (incorporated by reference to Annex G to definitive proxy statement/prospectus pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
2.4	<u>Amended and Restated Registration Rights Agreement, dated as of February 7, 2024, by and among, (i) Aurora Technology Acquisition Corp., a Delaware corporation (formerly a Cayman Islands exempted company), (ii) ATAC Sponsor LLC, a Delaware limited liability company, (iii) Maxim Group LLC, (iv) the Sponsor equityholders as set forth on Exhibit A thereto, (v) certain equityholders designated on Exhibit B thereto and (vi) any other parties listed on the signature pages thereto and any other person or entity who thereafter becomes a party to the Agreement pursuant to Section 6.2 thereto.</u>
3.1	<u>Amended and Restated Certificate of Incorporation of DIH Holding US, Inc. filed with the Delaware Secretary of State on December February 7, 2024.</u>
3.2	<u>Amended and Restated Bylaws of DIH Holding US, Inc. (incorporated by reference to Annex E to definitive proxy statement/prospectus pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
10.1	<u>DIH Holding US, Inc. Equity Incentive Plan (incorporated by reference to Annex I to Form 424B3, filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
99.1	<u>Unaudited Financial Statements of DIH Holding US, Inc. as of and for the three and six months ended September 30, 2023</u>
99.2	<u>DIH Holding US, Inc.’s Management Discussion and Analysis of Financial Condition and Results of Operations</u>
99.3	<u>Unaudited condensed combined financial information and the accompanying notes as of and for the nine months ended September 30, 2023</u>
99.4	<u>Press Release dated February 20, 2024</u>
104	Cover Page Interactive Data File (Formatted in Inline XBRL)

Indicates management contract or compensatory plan or arrangement.

[^] Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request. §

† Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 20, 2024

DIH HOLDING US, INC.

By: /s/ Jason Chen

Name: Jason Chen

Title: Chief Executive Officer and Chairman

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this “*Agreement*”), dated as of February 7, 2024 is made and entered into by and among, (i) Aurora Technology Acquisition Corp., a Delaware corporation (formerly a Cayman Islands exempted company) (the “*Company*”), (ii) ATAC Sponsor LLC, a Delaware limited liability company, the sponsor of the Company (the “*Sponsor*”), (iii) Maxim Group LLC (the “*Representative*”), (iv) the Sponsor equityholders as set forth on Exhibit A hereto (the “*Sponsor Equityholders*”), (v) certain equityholders designated on Exhibit B hereto (the “*Eligible Equityholders*”) and (vi) any other parties listed on the signature pages hereto and any other person or entity who hereafter becomes a party to this Agreement pursuant to Section 6.2 of this Agreement, (each of the Sponsor, Representative, Sponsor Equityholders, Eligible Equityholders, and such other parties listed on the signature page hereto or become a party to this Agreement, individually a “*Holder*”, and collectively the “*Holder*s”). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the BCA (as defined below).

RECITALS

WHEREAS, the Company, certain Holders and the Sponsor are parties to that certain Registration Rights Agreement, dated as of February 7, 2022 (the “*Prior Agreement*”);

WHEREAS, the Company, Aurora Technology Merger Sub Corp., a Nevada corporation (“*Merger Sub*”), and DIH Holding US, Inc., a Nevada corporation (“*DIH*”) are party to that certain Business Combination Agreement, dated as of February 26, 2023 (as amended or restated from time to time, the “*BCA*”), pursuant to which, on the date hereof, Merger Sub merged (the “*Merger*”) with and into DIH, with DIH surviving the Merger as a wholly owned subsidiary of the Company;

WHEREAS, pursuant to Section 5.5 of the Prior Agreement, no amendment, modification or termination of the Prior Agreement shall be binding upon any party unless executed in writing by such party; and

WHEREAS, in connection with the consummation of the Merger, the parties to the Prior Agreement desire to amend and restate the Prior Agreement in its entirety as set forth herein, and the parties hereto desire to enter into this Agreement pursuant to which the Company shall grant the Holders certain registration rights with respect to the Registrable Securities (as defined below) on the terms and conditions set forth in this Agreement, effective as of the Closing.

NOW, THEREFORE, in consideration of the representations, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I**DEFINITIONS**

1.1 Definitions. The terms defined in this Article I shall, for all purposes of this Agreement, have the respective meanings set forth below:

“**Adverse Disclosure**” shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the Chief Executive Officer or Chief Financial Officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, declared effective or used, as the case may be, and (iii) the Company has a bona fide business purpose for not making such information public.

“**Block Trade**” shall mean an offering and/or sale of Registrable Securities by any Holder on a block trade or underwritten basis (whether firm commitment or otherwise) without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction.

“**Board**” shall mean the Board of Directors of the Company.

“**Change in Control**” shall mean any transfer (whether by tender offer, merger, stock purchase, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons of the Company’s voting securities if, after such transfer, such person or group of affiliated persons would hold more than 50% of outstanding voting securities of the Company (or surviving entity) or would otherwise have the power to control the Board or to direct the operations of the Company.

“**Class A Common Stock**” shall mean the Company’s Class A Common Stock, par value \$0.0001 per share.

“**Class B Common Stock**” shall mean the Company’s Class B Common Stock, par value \$0.0001 per share.

“**Commission**” shall mean the Securities and Exchange Commission.

“**Common Stock**” shall mean the Class A Common Stock and Class B Common Stock.

“**Earnout Shares**” shall have the meaning ascribed to such term in the BCA.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

“**Form S-1**” shall mean a registration statement on Form S-1 or any similar long-form registration statement that may be available at such time.

“**Form S-3**” shall mean a registration statement on Form S-3 or any similar short form registration statement that may be available at such time, and if the Company is a WKSI, such Form S-3 may be an Automatic Shelf Registration Statement.

“**Founder Shares**” shall mean the 5,050,000 shares of Class B Common Stock, issued to the Company’s initial shareholders prior to the Company’s initial public offering.

“**Holder**” shall have the meaning given in the Preamble, for so long as such person or entity holds any Registrable Securities.

“**Misstatement**” shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus, or necessary to make the statements in a Registration Statement or Prospectus (in the case of a Prospectus, in the light of the circumstances under which they were made) not misleading.

“**Permitted Transferees**” shall mean any person or entity to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the Lock-up Period under this Agreement and any other applicable agreement between such Holder and the Company, and to any transferee thereafter.

“**Private Placement Warrants**” shall mean the 6,470,000 warrants issued by the Company in a private placement offering, simultaneously with the consummation of the Company’s initial public offering, with each two warrants entitling the holder thereof to purchase one share of Class A Common Stock at a price of \$11.50 per share.

“**Private Placement Warrant Shares**” shall mean the 3,235,000 shares of Class A Common Stock underlying the Private Placement Warrants.

“**Prospectus**” shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

“**Registrable Security**” shall mean the (a) the Earnout Shares, (b) the Founder Shares and the shares of Common Stock issued or issuable upon the conversion of any Founder Shares, (c) the Private Placement Warrants and the Private Placement Warrant Shares, (d) the Working Capital Warrants and any shares of Common Stock issued or issuable upon the exercise of the Working Capital Warrants (e) the Representative’s Shares, and (f) any outstanding share of the Common Stock or any other equity security (including the shares of Common Stock issued or issuable upon the exercise of any other equity security) of the Company held by a Holder as of the date of this Agreement, and (f) any other equity security of the Company issued or issuable with respect to any such share of the Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, spin-off, reorganization or similar transaction; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities upon the earliest occur of: (A) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (B) such securities shall have been otherwise transferred (other than to a Permitted Transferee), new certificates for such securities not bearing (or book entry positions not subject to) a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (C) such securities shall have ceased to be outstanding;

(D) such securities may be sold without registration pursuant to Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission) (but with no volume or other restrictions or limitations); or (E) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

“**Registration**” shall mean a registration effected by preparing and filing a Registration Statement, Prospectus or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

“**Registration Expenses**” shall mean the out-of-pocket expenses of a Registration, including, without limitation, the following:

(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any securities exchange on which the Common Stock is then listed;

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(F) in an Underwritten Offering, reasonable fees and expenses of one (1) legal counsel selected by the majority-in-interest of the Demanding Holders (not to exceed \$[50,000] without the prior written consent of the Company).

“**Registration Statement**” shall mean any registration statement filed by the Company with the Commission that covers the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

“**Representative Shares**” shall mean the 303,000 shares of Class A Common Stock issued to the Representative upon consummation of the Company’s initial public offering.

“**Securities Act**” shall mean the Securities Act of 1933, as amended from time to time.

“**Shelf**” shall mean the Form S-1 Shelf, the Form S-3 Shelf (each as defined in Section 2.1.1 of this Agreement) or any subsequent Shelf Registration.

“**Shelf Registration**” shall mean a registration of securities pursuant to a Registration Statement filed with the Commission in accordance with and pursuant to Rule 415 promulgated under the Securities Act (or any successor rule then in effect).

“**Sponsor**” shall mean ATAC Sponsor LLC, a Delaware limited liability company.

“**Transfer**” shall mean the (a) the sale or assignment of, offer to sell, contract or agreement to sell, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security, (b) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (c) public announcement of any intention to effect any transaction specified in clause (a) or (b).

“**Underwriter**” shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer’s market-making activities.

“**Underwritten Registration**” or “**Underwritten Offering**” shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

“**WKSI**” shall mean a “well-known seasoned issuer” as defined in Rule 405 under the Securities Act.

“**Working Capital Warrants**” shall mean any warrants issued in payment for working capital loans from the Sponsor to the Company.

ARTICLE II

REGISTRATIONS

2.1 Shelf Registration.

2.1.1 Filing. The Company shall as soon as reasonably practicable, but in any event within forty-five (45) calendar days after the Closing Date, use commercially reasonable efforts to file with the Commission a Registration Statement for a Shelf Registration on Form S-1 (the “**Form S-1 Shelf**”) covering, subject to Section 3.4, the public resale of all of the Registrable Securities owned by (i) the Sponsor, (ii) the Sponsor Equityholders, and (iii) the Eligible Equityholders, (collectively, the “**Eligible Holders**”) (determined as of two (2) business days prior to such filing) on a delayed or continuous basis and shall use its commercially reasonable efforts to cause such Form S-1 Shelf to be declared effective as soon as practicable after the filing thereof, but in no event later than the earlier of (i) the 90th calendar day (or as soon as reasonably practicable if the Commission notifies the Company that it will “review” the Registration Statement) following the Closing Date and (ii) the 10th business day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that the Registration Statement will not be “reviewed” or will not be subject to further review. Such Form S-1 Shelf shall provide for the resale of the Registrable Securities included therein pursuant to any method or combination of methods legally available to, and requested by, any Holder named therein. The Company shall maintain a Shelf in accordance with the terms hereof, and shall prepare and file with the Commission such amendments, including post-effective amendments, and supplements as may be necessary to keep a Shelf continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. Following the filing of a Form S-1 Shelf, the Company shall use its commercially reasonable efforts to convert the Form S-1 Shelf (and any Subsequent Shelf Registration) to a Registration Statement on Form S-3 (the “**Form S-3 Shelf**”) as soon as reasonably practicable after the Company is eligible to use Form S-3. As soon as reasonably practicable following the effective date of a Registration Statement filed pursuant to this Section 2.1.1, the Company shall notify the Holders of the effectiveness of such Registration Statement. The Company’s obligation under this Section 2.1.1 shall, for the avoidance of doubt be subject to Section 3.4 hereto.

2.1.2 Subsequent Shelf Registration. If any Shelf ceases to be effective under the Securities Act for any reason at any time while Registrable Securities are still outstanding, the Company shall, subject to Section 3.4, use its commercially reasonable efforts to as promptly as is reasonably practicable cause such Shelf to again become effective under the Securities Act (including using its commercially reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness of such Shelf), and shall use its commercially reasonable efforts to as promptly as is reasonably practicable amend such Shelf in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Shelf or file an additional registration statement as a Shelf Registration (a “**Subsequent Shelf Registration**”) registering the resale of all Registrable Securities (determined as of two (2) business days prior to such filing), and pursuant to any method or combination of methods legally available to, and requested by, any Holder named therein. If a Subsequent Shelf Registration is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Shelf Registration to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof (it being agreed that the Subsequent Shelf Registration shall be an Automatic Shelf Registration statement (as defined in Rule 405 promulgated under the Securities Act) if the Company is a WSKI at the most recent applicable eligibility determination date) and (ii) keep such Subsequent Shelf Registration continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. Any such Subsequent Shelf Registration shall be on Form S-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Shelf Registration shall be on another appropriate form. The Company’s obligation under this Section 2.1.2 shall, for the avoidance of doubt be subject to Section 3.4 hereto.

2.1.3 Requests for Underwritten Shelf Takedowns. Following the expiration of the Lock-Up Period (as defined in Section 4.1 of this Agreement), at any time and from time to time when an effective Shelf is on file with the Commission, (i) Holders of at least a majority in interest of the then outstanding number of Registrable Securities held collectively by the Sponsor or the Sponsor Equityholders (the “**Demanding Sponsor Holders**”), or (ii) Holders of at least a majority in interest of the then outstanding number of Registrable Securities held collectively by the Eligible Equityholders (the “**Eligible Equityholder Demanding Holders**” and together with the Demanding Sponsor Holders, collectively the “**Demanding Holders**”, and each individually, a “**Demanding Holder**”) may request to sell all or any portion of their Registrable Securities in an Underwritten Offering that is registered pursuant to the Shelf (each, an “**Underwritten Shelf Takedown**”); provided that the Company shall only be obligated to effect an Underwritten Offering if such offering shall include Registrable Securities proposed to be sold by the Demanding Holder(s), either individually or together with other Demanding Holders, with a total offering price reasonably expected to exceed, in the aggregate, \$[] million (the “**Minimum Takedown Threshold**”). All requests for Underwritten Shelf Takedowns shall be made by giving written notice to the Company, which shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Offering. Subject to Section 2.3.4, the Company shall have the right to select the Underwriters for such offering (which shall consist of one or more reputable nationally recognized investment banks), subject to the initial Demanding Holder’s prior approval (which shall not be unreasonably withheld, conditioned or delayed). The Demanding Holder, may demand not more than two (2) Underwritten Offerings pursuant to this Section 2.1.3 in any 12-month period. Notwithstanding anything to the contrary in this Agreement, the Company may affect any Underwritten Offering pursuant to any then effective Registration Statement, including a Form S-3, that is then available for such offering.

2.1.4 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Shelf Takedown, in good faith, advises the Company, the Demanding Holders and Holders requesting piggyback rights pursuant to this Agreement with respect to such Underwritten Shelf Takedown (the “**Requesting Holders**”) (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other shares of Common Stock or other equity securities that the Company desires to sell and all other shares of Common Stock or other equity securities, if any, as to which a Registration has been requested pursuant to separate written contractual piggyback registration rights held by any other stockholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the “**Maximum Number of Securities**”), then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders and the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Demanding Holder and Requesting Holder (if any) has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Demanding Holders and Requesting Holders have requested be included in such Underwritten Registration (such proportion is referred to herein as “**Pro Rata**”)) that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the shares of Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the shares of Common Stock or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.5 Withdrawal. Prior to the pricing of an Underwritten Shelf Takedown, a majority-in-interest of the Demanding Holders initiating such Underwritten Offering shall have the right to withdraw from a Registration pursuant to such Underwritten Offering for any or no reason whatsoever upon written notification (a “**Withdrawal Notice**”) to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Underwritten Offering; provided that the Eligible Holders may elect to have the Company continue an Underwritten Offering if the Minimum Takedown Threshold would still be satisfied by the Registrable Securities proposed to be sold in the Underwritten Offering by the Eligible Holders. If withdrawn, a demand for an Underwritten Offering shall constitute a demand for an Underwritten Offering by the withdrawing Demanding Holder for purposes of Section 2.1.3, unless either (i) such Demanding Holder has not previously withdrawn any Underwritten Offering or (ii) such Demanding Holder reimburses the Company for all Registration Expenses with respect to such Underwritten Offering (or, if there is more than one Demanding Holder, a *pro rata* portion of such Registration Expenses based on the respective number of Registrable Securities that each Demanding Holder has requested be included in such Underwritten Offering); provided that, if the Eligible Holders elect to continue an Underwritten Offering pursuant to the proviso in the immediately preceding sentence, such Underwritten Offering shall instead count as an Underwritten Offering demanded by the Sponsor or the Eligible Holders, as applicable for purposes of Section 2.1.3. Following the receipt of any Withdrawal Notice, the Company shall promptly forward such Withdrawal Notice to any other Holders that had elected to participate in such Underwritten Shelf Takedown. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with an Underwritten Shelf Takedown prior to its withdrawal under this Section 2.1.5, other than if a Demanding Holder elects to pay such Registration Expenses pursuant to clause (ii) of the second sentence of this Section 2.1.5.

2.2 Piggyback Registration.

2.2.1 **Piggyback Rights.** If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of stockholders of the Company (or by the Company and by the stockholders of the Company including, without limitation, pursuant to Section 2.1 hereof), other than a Registration Statement (or any registered offering with respect thereto) (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing stockholders, (iii) for an offering of debt that is convertible into equity securities of the Company, (iv) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (v) for a dividend reinvestment plan, or (vi) for a Block Trade, then the Company shall give written notice of such proposed filing to all of the Eligible Holders of Registrable Securities as soon as practicable but not less than ten (10) calendar days before the anticipated filing date of such Registration Statement or, in the case of an Underwritten Offering pursuant to a Shelf Registration, the applicable "red herring" prospectus or prospectus supplement used for marketing such offering, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Eligible Holders of Registrable Securities the opportunity to register the sale of such number of Registrable Securities as such Eligible Holders may request in writing within five (5) calendar days after receipt of such written notice (such Registration a "**Piggyback Registration**"). Subject to Section 2.2.2, the Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and, if applicable, shall use its commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Eligible Holders pursuant to this Section 2.2.1 to be included in a Piggyback Registration on the same terms and conditions as any similar securities of the Company included in such registered offering and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All such Eligible Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this Section 2.2.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company.

2.2.2 **Reduction of Piggyback Registration.** If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggyback Registration, in good faith, advises the Company and the Eligible Holders of Registrable Securities participating in the Piggyback Registration in writing that the dollar amount or number of shares of Common Stock or other equity securities that the Company desires to sell, taken together with (i) the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Eligible Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.2 hereof, and (iii) the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to separate written contractual piggyback registration rights of stockholders of the Company other than the Eligible Holders of Registrable Securities, exceeds the Maximum Number of Securities, then:

(a) If the Registration or a registered offering is undertaken for the Company's account, the Company shall include in any such Registration or a registered offering (A) first, the shares of Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Eligible Holders exercising their rights to register their Registrable Securities pursuant to Section 2.2.1 hereof, Pro Rata, based on the respective number of Registrable Securities that each Eligible Holder has so requested to be included in such Registration or such registered offering, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to written contractual piggyback registration rights of stockholders of the Company other than the Eligible Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities;

(b) If the Registration or a registered offering is pursuant to a request by persons or entities other than the Eligible Holders of Registrable Securities, then the Company shall include in any such Registration or a registered offering (A) first, the shares of Common Stock or other equity securities, if any, of such requesting persons or entities, other than the Eligible Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to Section 2.2.1, Pro Rata, based on the respective number of Registrable Securities that each Eligible Holder has so requested to be included in such Registration or such registered offering, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to separate written contractual piggyback registration rights of persons or entities other than the Eligible Holders of Registrable Securities hereunder, which can be sold without exceeding the Maximum Number of Securities; and

(c) If the Registration or registered offering is pursuant to a request by Eligible Holder(s) of Registrable Securities pursuant to Section 2.1 hereof, then the Company shall include in any such Registration or registered offering securities in the priority set forth in Section 2.1.4.

2.2.3 Piggyback Registration Withdrawal. Any Eligible Holder of Registrable Securities (other than a Demanding Holder, whose right to withdraw from an Underwritten Shelf Takedown, and related obligations, shall be governed by Section 2.1.5) shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggyback Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration or, in the case of a Piggyback Registration pursuant to a Shelf Registration, the filing of the applicable “red herring” prospectus or prospectus supplement with respect to such Piggyback Registration used for marketing such transaction. The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons or entities pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration at any time prior to the effectiveness of such Registration Statement or abandon the Underwritten Shelf Takedown in connection with a Piggyback Registration at any time prior to the launch of such Underwritten Shelf Takedown. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this Section 2.2.3.

2.2.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Piggyback Registration effected pursuant to Section 2.2 hereof shall not be counted as a Registration pursuant to a Underwritten Shelf Takedown effected under Section 2.1 hereof.

2.3 Block Trades.

2.3.1 Notwithstanding the foregoing, at any time and from time to time when an effective Shelf is on file with the Commission, if a Demanding Holder wishes to engage in a Block Trade, (x) with a total offering price reasonably expected to exceed \$[75] million in the aggregate or (y) with respect to all remaining Registrable Securities held by the Demanding Holder, then such Demanding Holder only needs to notify the Company of the Block Trade at least five (5) business days prior to the day such offering is to commence and the Company shall as expeditiously as possible use its commercially reasonable efforts to facilitate such Block Trade; provided that the Demanding Holders representing a majority of the Registrable Securities wishing to engage in the Block Trade shall use commercially reasonable efforts to work with the Company and any Underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the Block Trade.

2.3.2 Prior to the filing of the applicable “red herring” prospectus or prospectus supplement used in connection with a Block Trade, a majority-in-interest of the Demanding Holders initiating such Block Trade shall have the right to submit a Withdrawal Notice to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Block Trade. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Block Trade prior to its withdrawal under this Section 2.3.2.

2.3.3 Notwithstanding anything to the contrary in this Agreement, Section 2.2 hereof shall not apply to a Block Trade initiated by a Demanding Holder pursuant to this Agreement.

2.3.4 The Demanding Holder in a Block Trade shall have the right to select the Underwriters for such Block Trade (which shall consist of one or more reputable nationally recognized investment banks).

2.3.5 The Eligible Holders may each demand no more than one (1) Block Trade pursuant to this Section 2.3 in any twelve (12) month period. For the avoidance of doubt, any Block Trade effected pursuant to this Section 2.3 shall not be counted as a demand for an Underwritten Shelf Takedown pursuant to Section 2.1.3 hereof.

2.4 Restrictions on Registration Rights. If (A) during the period starting with the date sixty (60) calendar days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) calendar days after the effective date of, a Company initiated Registration and provided that the Company continues to actively employ, in good faith, all commercially reasonable efforts to cause the applicable Registration Statement to become effective; (B) the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (C) in the good faith judgment of the Board such Registration would be seriously detrimental to the Company and the Board concludes as a result that it is essential to defer the filing of such Registration Statement at such time, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board it would be seriously detrimental to the Company for such Registration Statement to be filed in the near future and that it is therefore essential to defer the filing of such Registration Statement. In such event, the Company shall have the right to defer such filing for a period of not more than ninety (90) consecutive days; or more than one hundred and twenty (120) total calendar days, in each case, during any 12-month period.

ARTICLE III

COMPANY PROCEDURES

3.1 General Procedures. If the Company is required to effect the Registration of Registrable Securities pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall:

3.1.1 prepare and file with the Commission within the time frame required by Section 2.1.1 (to the extent applicable) a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective, until all Registrable Securities covered by such Registration Statement have been sold or have ceased to be Registrable Securities;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be reasonably requested by (i) the Sponsor or any Holder holding at least 5% of the Registrable Securities or (ii) any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus or have ceased to be Registrable Securities;

3.1.3 at least five (5) days prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto (or such shorter period of time as may be (a) necessary in order to comply with the Securities Act, the Exchange Act and the rules and regulations promulgated thereunder or (b) advisable in order to reduce the number of days that sales are suspended pursuant to Section 3.4), furnish without charge to the Underwriters, if any, and each Holder of Registrable Securities included in such Registration, and each such Holder's legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and each Holder of Registrable Securities included in such Registration or the legal counsel for any such Holders may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holders; provided, that the Company shall have no obligation to furnish any documents publicly filed or furnished with the Commission pursuant to the Electronic Data Gathering Analysis and Retrieval System ("EDGAR") and provided further, the Company shall provide each Holder and their legal counsel with a reasonable opportunity to review such documents and comment thereon, and the Company shall consider in good faith any comments provided by such Holder or their legal counsel;

3.1.4 prior to any public offering of Registrable Securities, use its commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or “blue sky” laws of such jurisdictions in the United States as any Holder of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request (or provide evidence reasonably satisfactory to such Holders that the Registrable Securities are exempt from such registration or qualification) and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the Holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5 use its commercially reasonable efforts to cause all Registrable Securities included in any Registration to be listed on such exchanges or otherwise designated for trading in the same manner as similar securities issued by the Company are then listed or designated;

3.1.6 provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 [reserved]

3.1.9 notify the Holders at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.4 hereof;

3.1.10 in the event of an Underwritten Offering, a Block Trade, or sale by a broker, placement agent or sales agent pursuant to such Registration, in each of the cases to the extent customary for a transaction of its type, permit a representative of the Holders (such representative to be selected by a majority of the participating Holders), the Underwriters or other financial institutions facilitating such Underwritten Offering, Block Trade or other sale pursuant to such Registration, if any, and any attorney, consultant or accountant retained by such Holders or Underwriters to participate, at each such person’s or entity’s own expense, in the preparation of the Registration Statement, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any such representative, Underwriter, financial institution, attorney, consultant or accountant in connection with the Registration; provided, however, that such representatives, Underwriters or financial institutions enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information;

3.1.11 obtain a “comfort” letter from the Company’s independent registered public accountants in the event of an Underwritten Offering, a Block Trade or sale by a broker, placement agent or sales agent pursuant to such Registration in customary form and covering such matters of the type customarily covered by “comfort” letters for a transaction of its type as the managing Underwriter may reasonably request, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.12 in the event of an Underwritten Offering, a Block Trade or sale by a broker, placement agent or sales agent pursuant to such Registration, on the date the Registrable Securities are delivered for sale pursuant to such Registration, to the extent customary for a transaction of its type, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the participating Holders, the broker, placement agents or sales agent, if any, and the Underwriters, if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the participating Holders, broker, placement agents, sales agent, or Underwriter may reasonably request and as are customarily included in such opinions and negative assurance letters;

3.1.13 in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriter of such offering;

3.1.14 make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule then in effect), and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

3.1.15 if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of \$[____], use its commercially reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter in such Underwritten Offering; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the participating Holders, consistent with the terms of this Agreement, in connection with such Registration.

Notwithstanding the foregoing, the Company shall not be required to provide any documents or information to an Underwriter, broker, sales agent or placement agent if such Underwriter, broker, sales agent or placement agent has not then been named with respect to the applicable Underwritten Offering or other offering involving a registration as an Underwriter, broker, sales agent or placement agent, as applicable.

3.2 Registration Expenses. Except as otherwise provided herein, the Registration Expenses of all Registrations shall be borne by the Company. It is acknowledged by the Holders that each Holder shall bear, with respect to such Holder's Registrable Securities being sold, all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriter marketing costs and, other than as set forth in the definition of "Registration Expenses," all reasonable fees and expenses of any legal counsel representing the Holders.

3.3 Requirements for Participation in Underwritten Offerings. Notwithstanding anything in this Agreement to the contrary, if any Holder does not provide the Company with its requested Holder Information (as defined in Section 5.1.2), the Company may exclude such Holder's Registrable Securities from the applicable Registration Statement or Prospectus if the Company determines, based on the advice of counsel, that it is necessary or advisable to include such information in the applicable Registration Statement or Prospectus and such Holder continues thereafter to withhold such information. In addition, no person or entity may participate in any Underwritten Offering or other offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person or entity (i) agrees to sell such person's or entity's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements. For the avoidance of doubt, the exclusion of a Holder's Registrable Securities as a result of this Section 3.3 shall not affect the registration of the other Registrable Securities to be included in such Registration.

3.4 Suspension of Sales; Adverse Disclosure.

3.4.1 Upon receipt of written notice from the Company that a Registration Statement or Prospectus contains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until it has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as reasonably practicable after the time of such notice), or until it is advised in writing by the Company that the use of the Prospectus may be resumed.

3.4.2 If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would (a) require the Company to make an Adverse Disclosure, (b) require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, or (c) in the good faith judgment of the majority of the Board such Registration, be seriously detrimental to the Company and the majority of the Board concludes as a result that it is essential to defer such filing, initial effectiveness or continued use at such time, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time, but in no event more than ninety (90) consecutive days, during any 12-month period. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities until such Holder receives written notice from the Company that such sales or offers of Registrable Securities may be resumed, and in each case maintain the confidentiality of such notice and its contents. The Company shall as promptly as reasonably practicable notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.4.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act and to promptly furnish the Holders with true and complete copies of all such filings; provided that any documents publicly filed or furnished with the Commission pursuant to EDGAR shall be deemed to have been furnished or delivered to the Holders pursuant to this Section 3.5. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Section 4(a)(1) of the Securities Act or Rule 144 promulgated under the Securities Act (or any successor rule then in effect), including providing any legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE IV

LOCK-UP

4.1 Lock-up.

4.1.1 Except as permitted by Section 4.2, an Eligible Holder (each, a "**Lock-up Party**") shall not Transfer any shares of Common Stock or any security convertible into or exercisable or exchanged for Common Stock beneficially owned or owned of record by such Holder (the "**Lock-up**") until the date that is the earlier of (i) one year from the date hereof or (ii) the date on which the Company completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property (the "**Lock-up Period**").

4.2 Exceptions. The provisions of Section 4.1 shall not apply to:

4.2.1 transactions relating to shares of Common Stock or warrants acquired in open market transactions;

4.2.2 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock as a bona fide gift or charitable contribution;

4.2.3 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to a trust, family limited partnership or other entity formed for estate planning purposes for the primary benefit of the spouse, domestic partner, parent, sibling, child or grandchild of a Holder or any other person with whom a Holder has a relationship by blood, marriage or adoption not more remote than first cousin and Transfers to any such family member;

4.2.4 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock by will or intestate succession or the laws of descent and distributions upon the death of a Holder (it being understood and agreed that the appointment of one or more executors, administrators or personal representatives of the estate of a Holder shall not be deemed a Transfer hereunder to the extent that such executors, administrators and/or personal representatives comply with the terms of this Article IV on behalf of such estate);

4.2.5 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock pursuant to a qualified domestic order or in connection with a divorce settlement;

4.2.6 if a Holder is a corporation, partnership (whether general, limited or otherwise), limited liability company, trust or other business entity, (i) Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to another corporation, partnership, limited liability company, trust or other business entity that controls, is controlled by or is under common control or management with a Holder (including, for the avoidance of doubt, where such Holder is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (ii) Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock as part of a dividend, distribution, transfer or other disposition of shares of Common Stock to partners, limited liability company members, direct or indirect stockholders or other equity holders of a Holder, including, for the avoidance of doubt, where such Holder is a partnership, to its general partner or a successor partnership, fund or investment vehicle, or any other partnerships, funds or investment vehicles controlled or managed by such partnership;

4.2.7 if the Holder is a trust, Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to a trustor or beneficiary of such trust or to the estate of a beneficiary of such trust;

4.2.8 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to the Company's or the Holder's officers, directors, members, consultants or their affiliates;

4.2.9 pledges of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock as security or collateral in connection with any borrowing or the incurrence of any indebtedness by any Holder (provided such borrowing or incurrence of indebtedness is secured by a portfolio of assets or equity interests issued by multiple issuers) or pledges of shares by DIH Technology Ltd. in connection with settlement agreements it has or may enter into;

4.2.10 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock pursuant to a *bona fide* third-party tender offer, merger, asset acquisition, stock sale, recapitalization, consolidation, business combination or other transaction or series of related transactions involving a Change in Control of the Company, provided that in the event that such tender offer, merger, asset acquisition, stock sale, recapitalization, consolidation, business combination or other such transaction is not completed, the securities subject to this Agreement shall remain subject to this Agreement;

4.2.11 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to the Company in connection with the liquidation or dissolution of the Company by virtue of the laws of the state of the Company's organization and the Company's organizational documents;

4.2.12 the establishment of a trading plan pursuant to Rule 10b5-1 promulgated under the Exchange Act, provided that such plan does not provide for the Transfer of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock during the Lock-Up Period; and

4.2.13 Transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to satisfy any U.S. federal, state, or local income tax obligations of the Lock-up Party (or its direct or indirect owners) arising from a change in the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"), or the U.S. Treasury Regulations promulgated thereunder (the "*Regulations*") after the date on which the BCA was executed by the parties, and such change prevents the Merger from qualifying as a "reorganization" pursuant to Section 368 of the Code (and the Merger does not qualify for similar tax-free treatment pursuant to any successor or other provision of the Code or Regulations taking into account such changes), in each case solely and to the extent necessary to cover any tax liability as a direct result of the transaction;

PROVIDED, THAT IN THE CASE OF ANY TRANSFER OR DISTRIBUTION PURSUANT TO SECTIONS 4.2.2 THROUGH 4.2.8 AND 4.2.13, EACH DONEE, DISTRIBUTE OR OTHER TRANSFEREE SHALL AGREE IN WRITING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT.

4.3 Null and Void. If any Transfer of shares of Common Stock prior to the end of the Lock-up Period is made or attempted contrary to the provisions of this Agreement, such purported Transfer shall be null and void *ab initio*, and the Company shall refuse to recognize any such purported transferee of the Common Stock as one of its equityholders for any purpose.

4.4 Legend. During the Lock-up Period, each certificate evidencing any Common Stock shall be stamped or otherwise imprinted with a legend in substantially the following form, in addition to any other applicable legends:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN AN AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT, DATED AS OF NOVEMBER 10, 2022 (AS MAY BE AMENDED OR RESTATED FROM TIME TO TIME), A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH AGREEMENT."

Promptly upon the expiration of the Lock-up Period, the Company shall use commercially reasonable efforts to cause the removal of such legend and, if determined appropriate by the Company, any restrictive legend related to compliance with the federal securities laws from the certificates evidencing the Common Stock.

ARTICLE V

INDEMNIFICATION AND CONTRIBUTION

5.1 Indemnification.

5.1.1 The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers, directors and agents and each person or entity who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and out-of-pocket expenses (including without limitation actual, reasonable and documented attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained or incorporated by reference in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information or affidavit so furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each person or entity who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder.

5.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish (or cause to be furnished) to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus (the “**Holder Information**”) and, to the extent permitted by law, shall indemnify the Company, its directors, officers and agents and each person or entity who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and out-of-pocket expenses (including without limitation actual, reasonable and documented attorneys’ fees) resulting from any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in (or not contained in, in the case of an omission) the Holder Information; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person or entity who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

5.1.3 Any person or entity entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person’s or entity’s right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (ii) unless in such indemnified party’s reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one (1) counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement includes a statement or admission of fault and culpability on the part of such indemnified party or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

5.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person or entity of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company’s or such Holder’s indemnification is unavailable for any reason.

5.1.5 If the indemnification provided under Section 5.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and out-of-pocket expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and out-of-pocket expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by (or not made by, in the case of an omission), or relates to information supplied by (or not supplied by, in the case of an omission), such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action and the benefits received by such indemnified party or indemnifying party; provided, however, that the liability of any Holder under this Section 5.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 5.1.1, 5.1.2 and 5.1.3 above, any legal or other fees, charges or out-of-pocket expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.1.5 were determined by pro rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this Section 5.1.5. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 5.1.5 from any person or entity who was not guilty of such fraudulent misrepresentation.

ARTICLE VI

MISCELLANEOUS

6.1 Notices. Any notice hereunder shall be sent in writing, addressed as specified below, and shall be deemed given: (a) if by hand or recognized courier service, by 4:00PM on a business day, addressee's day and time, on the date of delivery, and otherwise on the first business day after such delivery; (b) if by fax or email, on the date that transmission is confirmed electronically, if by 4:00PM on a business day, addressee's day and time, and otherwise on the first business day after the date of such confirmation; or (c) five (5) days after mailing by certified or registered mail, return receipt requested. Notices shall be addressed to the respective parties as follows, or to such other address as a party shall specify to the others in accordance with this Section 6.1: if to the Company, to: DIH Holding US, Inc., 77 Accord Park Drive, Suite D-1, Norwell, MA 02061, Attn: Jason Chen, email: jason.chen@dih.com, with a copy to Loeb & Loeb LLP, 345 Park Avenue, New York, NY10154, Attn: Mitchell Nussbaum, Esq.; and, if to any Holder, at such Holder's address or contact information as set forth in the Company's books and records.

6.2 Assignment; No Third Party Beneficiaries.

6.2.1 This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part.

6.2.2 Subject to Section 6.2.4 and Section 6.2.5, this Agreement and the rights, duties and obligations of a Holder hereunder may be assigned in whole or in part to such Holder's Permitted Transferees; provided that with respect to the Eligible Holders, the rights hereunder that are personal to such Holders may not be assigned or delegated in whole or in part, except that the Sponsor Equityholders shall be permitted to transfer their rights hereunder as the Sponsor Equityholders to one or more of their respective affiliates or any direct or indirect partners, members or equity holders of the Sponsor Equityholders (it being understood that no such transfer shall reduce any rights of the Sponsor Equityholders or such transferees).

6.2.3 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees.

6.2.4 This Agreement shall not confer any rights or benefits on any persons or entities that are not parties hereto, other than as expressly set forth in this Agreement and Section 6.2 hereof.

6.2.5 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 6.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). Any transfer or assignment made other than as provided in this Section 6.2 shall be null and void.

6.3 Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one agreement. This Agreement shall become effective upon delivery to each party of an executed counterpart or the earlier delivery to each party of original, photocopied, or electronically transmitted signature pages that together (but need not individually) bear the signatures of all other parties.

6.4 Governing Law; Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without giving effect to the conflict of laws principles thereof. Any Action based upon, arising out of or related to this Agreement or the transactions contemplated hereby must be brought in the Court of Chancery of the State of Delaware (or, to the extent such court does not have subject matter jurisdiction, the Superior Court of the State of Delaware), or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each of the parties irrevocably (i) submits to the exclusive jurisdiction of each such court in any such proceeding or Action, (ii) waives any objection it may now or hereafter have to personal jurisdiction, venue or to convenience of forum, (iii) agrees that all claims in respect of the proceeding or Action shall be heard and determined only in any such court, and (iv) agrees not to bring any proceeding or Action arising out of or relating to this Agreement or the transactions contemplated hereby in any other court. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by Law or to commence Proceedings or otherwise proceed against any other party in any other jurisdiction, in each case, to enforce judgments obtained in any Action brought pursuant to this Section 6.4.

6.5 Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT EACH SUCH PARTY MAY HAVE TO TRIAL BY JURY IN ANY ACTION OF ANY KIND OR NATURE, IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY ADDITIONAL AGREEMENT, OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PARTIES TO THIS AGREEMENT OF ANY KIND OR NATURE. NO PARTY SHALL BE AWARDED PUNITIVE OR OTHER EXEMPLARY DAMAGES RESPECTING ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY ADDITIONAL AGREEMENT.

6.6 Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority in interest of the Registrable Securities at the time in question, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one Holder, solely in its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected. No course of dealing between any Holder or the Company and any other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party.

6.7 Other Registration Rights. The Company represents and warrants that no person or entity, other than a Holder of Registrable Securities, has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other person or entity. Further, the Company represents and warrants that this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail. This Agreement supersedes, and amends and restates in its entirety, the Prior Agreement.

6.8 Term. Following the Closing Date, this Agreement shall terminate upon the earlier of (i) the tenth (10th) anniversary of the date of this Agreement, (ii) the date as of which all of the Registrable Securities have been sold or disposed of or (iii) with respect to any particular Holder, on the date such Holder no longer holds Registrable Securities. The provisions of Section 3.5 and Article IV shall survive any termination.

6.9 Holder Information. Each Holder agrees, if requested in writing, to represent to the Company the total number of Registrable Securities held by such Holder in order for the Company to make determinations hereunder.

6.10 Severability. A determination by a court or other legal authority that any provision that is not of the essence of this Agreement is legally invalid shall not affect the validity or enforceability of any other provision hereof. The parties shall cooperate in good faith to substitute (or cause such court or other legal authority to substitute) for any provision so held to be invalid a valid provision, as alike in substance to such invalid provision as is lawful.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Amended and Restated Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

Aurora Technology Acquisition Corp.

a Delaware corporation

By: _____
Name: Zachary Wang
Title: Chief Executive Officer

HOLDERS:

ATAC Sponsor LLC

a Delaware limited liability company

By: _____
Name: Zachary Wang
Title: Manager

MAXIM GROUP LLC,

By: _____
Name:
Title:

[Signature pages continue]

IN WITNESS WHEREOF, the parties have caused this Amended and Restated Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER

[HOLDER]

By: _____
Print Name:
Title (if applicable):

[Signature Page to Registration Rights Agreement]

EXHIBIT A

Sponsor Equityholders

EXHIBIT B

Eligible Equityholders

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
AURORA TECHNOLOGY ACQUISITION CORP.**

Aurora Technology Acquisition Corp., a corporation organized and existing under the laws of the State of Delaware (the “**Corporation**”), DOES HEREBY CERTIFY AS FOLLOWS:

1. The name of the Corporation is “Aurora Technology Acquisition Corp.” The original certificate of incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on February 6, 2024 (such original certificate of incorporation, the “**Original Certificate**”).

2. This Amended and Restated Certificate of Incorporation (the “**Amended and Restated Certificate**”), which both restates and amends the provisions of the Original Certificate, was duly adopted in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, as amended from time to time (the “**DGCL**”).

3. This Amended and Restated Certificate shall become effective on the date of filing with Secretary of State of Delaware.

4. This Amended and Restated Certificate is being amended and restated in connection with the transactions contemplated by that certain Business Combination Agreement, dated February 26, 2023 (as may be amended, the “**Business Combination Agreement**”), by and among the Corporation, DIH Holding US, Inc., a Nevada corporation and Aurora Technology Merger Sub Corp., a Nevada corporation.

5. The text of the Original Certificate is hereby restated and amended in its entirety to read as follows:

FIRST. The name of the corporation is “**DIH HOLDING US, INC.**” (the “**Corporation**”).

SECOND. The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, State of Delaware 19801. The name of the Corporation’s registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under DGCL.

FOURTH.

A. Authorized Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is one hundred ten million (110,000,000) shares, consisting of:

- i. One hundred million (100,000,000) shares of Class A Common Stock, \$0.0001 par value per share (the “**Common Stock**”); and
- ii. ten million (10,000,000) shares of Preferred Stock, \$0.00001 par value per share (the “**Preferred Stock**”).

B. Common Stock. The powers (including voting powers), if any, and the preferences and relative, participating, optional, special or other rights, if any, and the qualifications, limitations or restrictions, if any, of the shares of Common Stock are as follows (references to Sections in this Article FOURTH Part B without reference to this Article FOURTH Part B are to Sections of this Article FOURTH Part B):

1. *Voting Rights*. Except as otherwise provided in this certificate of incorporation, by applicable law or the rules or regulations of any stock exchange applicable to the Corporation or by or pursuant to the provisions of this Certificate of Incorporation, (a) the holders of shares of Common Stock shall exclusively possess all voting power with respect to the Corporation and (b) each holder of outstanding shares of Common Stock, as such, shall be entitled to one (1) vote for each outstanding share of Common Stock held of record by such holder.

2. *Dividend and Distribution Rights.* Subject to applicable law and the rights, if any, of the holders of any series of Preferred Stock then outstanding, each holder of outstanding shares of Common Stock, as such, shall be entitled to receive dividends or distributions when, as and if declared thereon by the Board of Directors of the Corporation (the “**Board of Directors**”) in its discretion.

3. *Liquidation, Dissolution or Winding Up.* Subject to applicable law and the rights, if any, of the holders of any series of Preferred Stock then outstanding, in the event of any liquidation, dissolution or winding up of the Corporation, the holders of outstanding shares of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of outstanding shares of Common Stock held by them. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale, lease, exchange or other disposition of all or substantially all of the Corporation’s property and assets (which shall not, in fact, result in the liquidation, dissolution or winding up of the Corporation and the distribution of the Corporation’s property and assets to its stockholders) shall not be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 3.

4. *Certificated or Uncertificated Shares of Common Stock.* If at any time the Board of Directors shall have adopted a resolution or resolutions providing that shares of Common Stock shall be uncertificated shares, such resolution or resolutions shall not apply to a share of Common Stock represented by a certificate until such certificate is surrendered to the Corporation, and, from and after the effectiveness of such resolution or resolutions as to a share of Common Stock, provisions of this Certificate of Incorporation requiring the delivery of a certificate or certificates representing such shares by the Corporation shall instead require the delivery of the notice contemplated by Section 151(f) of the DGCL.

C. Series of Preferred Stock. The Board of Directors is hereby expressly authorized, by resolution or resolutions thereof, to provide from time to time out of the unissued shares of Preferred Stock for one or more series of Preferred Stock, and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the powers (including voting powers), if any, of the shares of such series and the preferences and relative, participating, optional, special or other rights, if any, and the qualifications, limitations or restrictions, if any, of the shares of such series. The designations, powers (including voting powers), preferences and relative, participating, optional, special and other rights, if any, of each series of Preferred Stock and the qualifications, limitations or restrictions, if any, thereof, may differ from those of any and all other series of Preferred Stock at any time outstanding. Except as may otherwise be provided by applicable law or the rules or regulations of any stock exchange applicable to the Corporation or by or pursuant to the provisions of this Certificate of Incorporation, no holder of any series of Preferred Stock, as such, shall be entitled to any voting powers in respect thereof. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote irrespective of the provisions of Section 242(b)(2) of the DGCL, without the separate vote of the holders of outstanding shares of Preferred Stock voting as a single class.

D. Rights and Options. The Corporation has the authority to create and issue rights, warrants and options entitling the holders thereof to acquire from the Corporation any shares of its capital stock of any class or classes, with such rights, warrants and options to be evidenced by or in instrument(s) approved by the Board of Directors. The Board of Directors is empowered to set the exercise price, duration, times for exercise and other terms and conditions of such rights, warrants or options; provided, however, that the consideration to be received for any shares of capital stock issuable upon exercise thereof may not be less than the par value thereof.

FIFTH. Board of Directors.

1. *Management.* The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and duties expressly conferred upon the Board of Directors by the DGCL or by this Certificate of Incorporation or the bylaws of the Corporation, the Board of Directors is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

2. *Classified Board.* Except for those directors, if any, elected by the holders of any series of Preferred Stock then outstanding pursuant to the provisions of this Certificate of Incorporation (such directors, the “**Preferred Directors**” and each, a “**Preferred Director**”), the Board of Directors shall be divided into three (3) classes, as nearly equal in number as possible, designated as Class I, Class II and Class III. The Class I directors shall initially serve until the first annual meeting of stockholders following the effectiveness of this certificate of incorporation of the Corporation in accordance with the DGCL (the “**Classification Effective Time**”); the Class II directors shall initially serve until the second annual meeting of stockholders following the Classification Effective Time; and the Class III directors shall initially serve until the third annual meeting of stockholders following the Classification Effective Time. Commencing with the first annual meeting of stockholders following the Classification Effective Time, directors of each class the term of which shall then expire shall be elected to hold office for a three (3) year term and until the election and qualification of their respective successors in office, subject to such directors’ respective earlier death, resignation or removal. From and after the Classification Effective Time, in case of any increase or decrease, from time to time, in the number of directors (other than in the number of Preferred Directors), the number of directors in each class shall be apportioned by resolution of the Board of Directors as nearly equal as possible. The Board of Directors is hereby authorized to assign members of the Board of Directors already in office to such classes as of the time such classification becomes effective.

3. *Removal of Directors.* Except for any Preferred Directors, for so long as the Board of Directors shall be classified as provided in Section 2 of this Article FIFTH, any director or the entire Board of Directors may be removed only for cause, and only by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote at an election of directors, voting together as a single class.

4. *Newly Created Directorships and Vacancies.* Subject to applicable law and the rights, if any, of the holders of any class of capital stock of the Corporation then outstanding to elect one or more directors by or pursuant to the provisions of this Certificate of Incorporation (such directors, the “**Class Directors**” and each, a “**Class Director**”) or the holders of any series of Preferred Stock then outstanding to elect one or more Preferred Directors, newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely and exclusively by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Any director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced and until his or her successor shall be elected and qualified, subject to such director’s earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director.

5. *Automatic Increase/Decrease in Authorized Directors.* During any period when the holders of any class of capital stock of the Corporation then outstanding have the right to elect one or more Class Directors by or pursuant to the provisions of this Certificate of Incorporation or the holders of any series of Preferred Stock then outstanding have the right to elect one or more Preferred Directors by or pursuant to the provisions of this Certificate of Incorporation, then upon commencement of, and for the duration of, the period during which such right continues: (a) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of Class Directors and/or Preferred Directors, and the holders of such outstanding class of stock of the Corporation shall be entitled to elect the Class Director or Class Directors and/or the holders of such outstanding series of Preferred Stock shall be entitled to elect the Preferred Director or Preferred Directors; and (b) each such Class Director or Preferred Director shall serve until such director’s successor shall have been duly elected and qualified, or until such director’s right to hold such office terminates by or pursuant to the provisions of this Certificate of Incorporation, whichever occurs earlier, subject to such director’s earlier death, resignation, disqualification or removal. Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, whenever the holders of any outstanding class of stock of the Corporation having the right to elect one or more Class Directors by or pursuant to the provisions of this Certificate of Incorporation or the holders of any outstanding series of Preferred Stock having the right to elect one or more Preferred Directors by or pursuant to the provisions of this Certificate of Incorporation, in either case, are divested of such right by or pursuant to the provisions of this Certificate of Incorporation governing such class or series, as applicable, the term of office of each such director or any director elected to fill any vacancy resulting from the death, resignation, disqualification or removal of such director, shall forthwith terminate and the total authorized number of directors of the Corporation shall automatically be decreased by such specified number of directors.

6. *No Written Ballot.* Unless and except to the extent that the bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

7. *No Cumulative Voting.* To the fullest extent permitted by applicable law, cumulative voting shall be eliminated.

8. *Special Meetings of Stockholders.* Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, special meetings of stockholders for any purpose or purposes (a) may be called solely by, and shall be held at such time and date as determined solely by, either (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer of the Corporation, (iii) the President of the Corporation or (iv) the Board of Directors (pursuant to a resolution or resolutions adopted by the Board of Directors) and shall be held at such place, if any, either within or without the State of Delaware, as may be designated by resolution or resolutions of the Board of Directors, and (b) shall be called by the Board of Directors (pursuant to a resolution or resolutions adopted by the Board of Directors) and held as provided in the bylaws of the Corporation upon the written request of the holders of not less than sixty-six and two-thirds percent (66⅔%) of voting power of the outstanding shares of capital stock of the Corporation generally entitled to vote on the nomination, question or business for which such special meeting is requested to be called (each of which nomination, question or business must constitute a proper matter for stockholder action), voting together as a single class, delivered to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with in the bylaws of the Corporation. Except as provided in the foregoing sentence, special meetings of stockholders may not be called by any other person or persons. Any special meeting of stockholders may be postponed by action of the Board of Directors or by the person calling such meeting (if other than the Board of Directors) at any time in advance of such meeting.

9. *Amendment of Bylaws.* In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter, amend and repeal the bylaws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any bylaw whether adopted by them or otherwise. In addition to any affirmative vote required by or pursuant to the provisions of this Certificate of Incorporation, any bylaw of the Corporation that is to be made, altered, amended or repealed by the stockholders of the Corporation shall receive the affirmative vote of the holders of at least sixty-six and two-thirds percent (66⅔%) of the voting power of the then outstanding shares of capital stock of the Corporation generally entitled to vote, voting together as a single class.

SIXTH. Stockholder Action. Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by consent of stockholders in lieu of a meeting of stockholders.

SEVENTH. Exculpation. A director or officer of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or an officer, as applicable, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Any amendment, modification, repeal or elimination of the foregoing sentence shall not adversely affect any right or protection of a director or officer of the Corporation under this Article SEVENTH in respect of any act or omission occurring prior to the time of such amendment, modification, repeal or elimination.

EIGHTH. Forum for Adjudication of Certain Disputes.

1. *Delaware Courts.* Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (c) any civil action to interpret, apply or enforce any provision of the DGCL, (d) any civil action to interpret, apply, enforce or determine the validity of the provisions of this Certificate of Incorporation or the Corporation's bylaws or (e) any action asserting a claim governed by the internal affairs doctrine; provided, however, that in the event that the Court of Chancery of the State of Delaware lacks jurisdiction over such action, the sole and exclusive forum for such action shall be another state or federal court located within the State of Delaware, in all cases, subject to the court having personal jurisdiction over the indispensable parties named as defendants. For avoidance of doubt, this Section 1 shall not apply to the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the "**Securities Act**").

2. *Federal Courts.* Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

3. *Application.* Failure to enforce the provisions of this Article EIGHTH would cause the Corporation irreparable harm and the Corporation shall, to the fullest extent permitted by applicable law, be entitled to equitable relief, including injunctive relief and specific performance, to enforce the provisions of this Article EIGHTH. Any person or entity purchasing or otherwise acquiring any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article EIGHTH. For the avoidance of doubt, this Article EIGHTH shall not apply to any action asserting claims arising under the Securities Exchange Act of 1934, as amended.

NINTH. Amendment. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation are granted subject to the rights reserved in this Article NINTH; subject, however, to the requisite votes or consents set forth in Article FOURTH Part B, Article FOURTH Part C and the next sentence. In addition to any affirmative vote required by applicable law and/or this Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66⅔%) of the voting power of the then outstanding shares of capital stock of the Corporation generally entitled to vote, voting together as a single class, shall be required to amend, alter, repeal or adopt any provision inconsistent with Articles FIFTH, SIXTH or SEVENTH or this sentence.

TENTH. Severability. If any provision or provisions (or any part thereof) of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any person, entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby, and (ii) the provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

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The undersigned authorized officer hereby acknowledges that the forgoing Amended and Restated Certificate of Incorporation is his or her act and deed on this, the 7th day of February, 2024.

Name: Jason Chen
Title: Chief Executive Officer

DIH Holding US, Inc. and Subsidiaries

Unaudited Interim Condensed Combined Financial Statements as of and for the six months ended September 30, 2023 and 2022.

DIH HOLDING US, INC. AND SUBSIDIARIES
INDEX TO CONDENSED COMBINED FINANCIAL STATEMENTS

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DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED BALANCE SHEETS
(UNAUDITED) (in thousands)

	As of September 30,	As of March 31, 2023
	2023	
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,987	\$ 5,560
Restricted cash	501	415
Accounts receivable, net of allowances of \$901 and \$1,771, respectively	4,891	6,079
Inventories, net	8,170	6,121
Promissory note - related party	405	—
Due from related party	119	7,400
Other current assets	5,611	5,210
Total current assets	<u>21,684</u>	<u>30,785</u>
Property, and equipment, net	632	826
Capitalized software, net	2,293	2,203
Other intangible assets, net	380	380
Operating lease, right-of-use assets, net	4,887	3,200
Deferred tax assets	—	1
Other assets	46	39
Total assets	<u>\$ 29,922</u>	<u>\$ 37,434</u>
Liabilities and Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 5,638	\$ 3,200
Employee compensation	3,684	3,678
Due to related party	—	7,322
Current maturities of long-term debt	1,472	1,514
Revolving credit facilities	10,931	12,976
Current portion of deferred revenue	8,992	9,374
Current portion of long-term operating lease	1,675	1,255
Advance payments from customers	9,918	6,878
Accrued expenses and other current liabilities	12,692	12,411
Total current liabilities	<u>55,002</u>	<u>58,608</u>
Long-term debt, net of current maturities	—	489
Non-current deferred revenues	3,906	2,282
Long-term operating lease	3,238	1,970
Deferred tax liabilities	409	391
Other non-current liabilities	3,281	2,748
Total liabilities	<u>\$ 65,836</u>	<u>\$ 66,488</u>
Commitments and contingencies (Note 15)		
Equity (Deficit):		
Net parent company investment	(39,093)	(32,977)
Accumulated other comprehensive income	3,179	3,923
Total (deficit)	<u>\$ (35,914)</u>	<u>\$ (29,054)</u>
Total liabilities and (deficit)	<u>\$ 29,922</u>	<u>\$ 37,434</u>

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF OPERATIONS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Revenue	\$ 27,314	\$ 17,325
Cost of sales	14,736	7,028
Gross profit	12,578	10,297
Operating expenses:		
Selling, general, and administrative expense	13,713	11,837
Research and development	3,763	3,857
Total operating expenses	17,476	15,694
Operating loss	(4,898)	(5,397)
Other income (expense):		
Interest expense	(500)	(411)
Other income (expense), net	(430)	325
Total other income (expense)	(930)	(86)
Loss before income taxes	(5,828)	(5,483)
Income tax expense (benefit)	278	(34)
Net loss	\$ (6,106)	\$ (5,449)

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Net loss	\$ (6,106)	\$ (5,449)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	(314)	1,486
Pension liability adjustments	(430)	(226)
Other comprehensive (loss) income	(744)	1,260
Comprehensive loss	\$ (6,850)	\$ (4,189)

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(UNAUDITED) (in thousands)

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
Balance, March 31, 2022	\$ (30,503)	\$ 4,081	\$ (26,422)
Net loss	(5,449)	-	(5,449)
Other comprehensive income, net of tax	-	1,260	1,260
Net transactions with parent	(4)	-	(4)
Balance, September 30, 2022	<u>\$ (35,956)</u>	<u>\$ 5,341</u>	<u>\$ (30,615)</u>

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
Balance, March 31, 2023	\$ (32,977)	\$ 3,923	\$ (29,054)
Net loss	(6,106)	-	(6,106)
Other comprehensive loss, net of tax	-	(744)	(744)
Net transactions with parent	(10)	-	(10)
Balance, September 30, 2023	<u>\$ (39,093)</u>	<u>\$ 3,179</u>	<u>\$ (35,914)</u>

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (6,106)	\$ (5,449)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	211	235
Allowance for doubtful accounts	(870)	97
Allowance for inventory obsolescence	708	(121)
Gain on disposal of fixed assets	-	(3)
Pension contributions	(324)	(296)
Pension (income) expense	136	(245)
Foreign exchange (gain) loss	428	(320)
Noncash lease expense	1,000	935
Noncash interest expense	2	68
Deferred income tax	12	(89)
Changes in operating assets and liabilities:		
Accounts receivable	2,004	1,996
Inventories	(2,470)	(1,568)
Due from related parties	-	(60)
Due to related parties	-	(1)
Other assets	(150)	(916)
Operating lease liabilities	(898)	(798)
Accounts payable	1,840	754
Employee compensation	(81)	316
Other liabilities	74	424
Deferred revenue	1,604	206
Advance payments from customers	2,992	7,847
Accrued expense and other current liabilities	(2)	735
Net cash provided by operating activities	<u>110</u>	<u>3,747</u>
Cash flows from investing activities:		
Purchases of property and equipment	(49)	(15)
Proceeds from sale of property and equipment	62	-
Payments to related party for promissory note	(405)	-
Net cash used in investing activities	<u>(392)</u>	<u>(15)</u>
Cash flows from financing activities:		
Payments on credit facilities	(2,679)	(1,462)
Payments on long term debt	(625)	(465)
Net cash used in financing activities	<u>(3,304)</u>	<u>(1,927)</u>
Effect of currency translation on cash and cash equivalents	<u>99</u>	<u>(262)</u>
Net decrease in cash, and cash equivalents, and restricted cash	(3,487)	1,543
Cash, and cash equivalents, and restricted cash - beginning of year	5,975	3,687
Cash, and cash equivalents, and restricted cash - end of year	<u>\$ 2,488</u>	<u>\$ 5,230</u>
Cash and cash equivalents - end of year	<u>\$ 1,987</u>	<u>\$ 4,832</u>
Restricted cash - end of year	<u>501</u>	<u>398</u>
Total cash, and cash equivalents, and restricted cash - end of year	<u>\$ 2,488</u>	<u>\$ 5,230</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 498	\$ 346
Supplemental disclosure of non-cash investing and financing activity:		
Settlement of related party receivables and payables	\$ 7,322	\$ -

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(UNAUDITED) (in thousands)

1. Business and Organization

Description of Business

DIH Holding US, Inc. and its subsidiaries (the “Company” or “DIH”), is a global solution provider in blending innovative robotic and virtual reality (“VR”) technologies with clinical integration and insights. Built through the mergers of global-leading niche technologies, DIH is positioning itself as a transformative total smart solutions provider and consolidator in a largely fragmented and manual-labor-driven industry. The Company’s fiscal year ends on March 31.

Merger / Business Combination with Aurora Tech Acquisition Corp.

On February 26, 2023, the Company and Aurora Tech Acquisition Corp. (“ATAK”), a special purpose acquisition company (“SPAC”), entered into a definitive business combination agreement (“Business Combination Agreement”) under which ATAK will combine with the Company to which is expected to be listed on Nasdaq.

Prior to the closing, ATAK will re-domesticate from the Cayman Islands to become a Delaware corporation. At the closing, ATAK will acquire all of the outstanding equity interests of DIH, and stockholders of DIH will receive \$250 million in aggregate consideration (the “Aggregate Base Consideration”) in the form of newly-issued shares of New DIH Class A Common Stock, calculated based on a price of \$10.00 per share.

In addition to the Aggregate Base Consideration, DIH stockholders may be entitled to receive up to 6,000,000 additional shares of New DIH Class A Common Stock (the “Earnout Shares”), as additional consideration upon satisfaction of the following milestones, during the period beginning on the Closing Date and expiring on the fifth anniversary of the closing date (the “Earnout Period”):

- 1,000,000 Earnout Shares if the volume-weighted average price (“VWAP”) of New DIH Class A Common Stock is equal to or exceeds \$12.00 for any 20 trading days during the Earnout Period;
- 1,333,333 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$13.50 for any 20 trading days during the Earnout Period;
- 1,666,667 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$15.00 for any 20 trading days during the Earnout Period; and
- 2,000,000 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$16.50 for any 20 trading days during the Earnout Period.

The transaction, which has been approved by the boards of directors of both the Company and ATAK, is expected to close in the fourth calendar quarter of 2023 and is subject to approval of ATAK shareholders as well as other customary closing conditions and regulatory approvals.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Liquidity and Capital Resources

As of September 30, 2023, the Company had \$1,987 in cash and cash equivalents. The Company's sources of liquidity have been predominantly from fees received from product sales, services provided, proceeds from lines of credit and long term debt. The Company's sources of liquidity have enabled the Company to expand the physical footprint, capacity and grow its personnel to expand capabilities and enter new markets.

The Company's net losses began in 2020 and continued through the six months ended September 30, 2023. The Company's historical operating losses resulted in an accumulated deficit of \$(35,914) as of September 30, 2023. Operating losses were mainly driven by decreased sales during the COVID-19 pandemic due to social distancing measures that affected demand for rehabilitation services, increased expenditures in connection with its implementation of a new financial system (Oracle) and increased compliance costs associated with the European Union Medical Device Regulation (EU MDR). Additionally, DIH had elevated costs related to efforts of adopting to public company standards. During the six months ended September 30, 2023, the Company had negative cash flows from operating activities and operating results. The Company continues to take steps to streamline its organization and cost structure as well as improve future revenue growth.

The Company's gross revenue has increased by 57.7%, from \$17,325 to \$27,314, for the six months ended September 30, 2022 and 2023, respectively. The Company plans to continue to fund its growth through cash flows from operations and future debt and equity financing. In addition, the Company may receive additional financing specifically through the potential business combination with ATAK as discussed above. The Company believes that its current cash and cash equivalents, together with cash provided by operating activities will provide adequate liquidity through one year from the date that these combined financial statements are issued. The Company is in the process of obtaining debt and equity financing.

The Company's future liquidity needs may vary materially from those currently planned and will depend on many factors, including the more aggressive and expansive growth plan in the case of becoming a public company, or for any unforeseen reductions in demand.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company has historically existed and functioned as part of the business of DIH Technology Ltd. ("DIH Cayman" or the "Parent"). The accompanying condensed combined financial statements are prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The condensed combined financial statements reflect the results of certain DIH Cayman legal entities subject to the potential business combination with ATAK, as explicitly stated in the Business Combination Agreement. These legal entities include DIH Holding US (which is prepared on a consolidated basis), Hocoma AG and Motekforce Link BV and their respective subsidiaries. Each of these legal entities' respective historical operations, including results of operations, assets and liabilities, and cash flows have been fully reflected in these condensed combined financial statements.

While the Company's businesses have historically functioned together with the other businesses controlled by DIH Cayman, the Company's businesses are largely isolated and not dependent on corporate or other support functions. DIH Cayman does not have significant corporate or operational activity and does not have shared services that it provides to its subsidiaries. The Company considered allocations from the Parent and its subsidiaries but they are insignificant because of the organizational structure such that these condensed combined financial statements are comprised of legal entities that had complete standalone financial statements available.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

During the six months ended September 30, 2023 and 2022, the Company and DIH International (“DIH Hong Kong”) were subsidiaries of DIH Cayman and were under common control of DIH Cayman. Significant intercompany transactions and balances have been eliminated on combination. In preparation of the condensed combined financial statement information presented herein, the Company evaluated its transactions with DIH Cayman to determine if they are to be included in the condensed combined financial statement information presented. Transactions with DIH China, a subsidiary of DIH Hong Kong, related to distribution services provided to the Company are disclosed as related party transactions in Note 12.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the condensed combined financial statements from the date that control commences until the date that control ceases. These companies are controlled by common owners and management.

The deficit balance in these condensed combined financial statements represents the excess of total liabilities over total assets, including intercompany balances between us and related parties (net parent company investment) and accumulated other comprehensive loss. Net parent company investment is primarily impacted by contributions from related parties which are the result of net funding provided by or distributed to related parties. The total net effect of the settlement of related party intercompany transactions is reflected in the condensed combined statements of cash flows as a financing activity and in the condensed combined balance sheets as net parent company investment.

Unaudited Interim Condensed Combined Financial Information

The accompanying condensed combined balance sheet as of September 30, 2023, the condensed combined statements of operations for the six months ended September 30, 2023 and 2022, the condensed combined statements of comprehensive loss for the six months ended September 30, 2023 and 2022, the condensed combined statements of cash flows for the six months ended September 30, 2023 and 2022 and the condensed combined statements of changes in equity (deficit) for the six months ended September 30, 2023 and 2022 are unaudited. The financial data and other information contained in the notes thereto as of and for the six months ended September 30, 2023 and 2022 are also unaudited.

The unaudited interim condensed combined financial statements have been prepared on the same basis as the audited annual combined financial statements, and in the opinion of management, reflect all normal recurring adjustments necessary for the fair presentation of the Company’s financial position as of September 30, 2023, the results of its operations for the six months ended September 30, 2023 and 2022 and its cash flows for the six months ended September 30, 2023 and 2022. These unaudited condensed combined financial statements should be read in conjunction with the audited combined financial statements as of and for the years ended March 31, 2023 and 2022, and the notes thereto, included elsewhere in this proxy statement/prospectus.

The results for the six months ended September 30, 2023 are not necessarily indicative of results to be expected for the year ended March 31, 2024, or any other interim periods, or any future year or period.

The significant accounting policies used in preparation of these unaudited interim condensed combined financial statements are consistent with those described in the Company’s audited combined financial statements as of and for the years ended March 31, 2023 and 2022 included elsewhere in this proxy statement/prospectus and are updated below as necessary.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Foreign Currency Reporting

The functional currency for the Company's non-U.S. subsidiaries is the local currency. The assets and liabilities of foreign subsidiaries are translated into U.S. dollars using the exchange rate in effect as of the balance sheet date. Revenues and expenses are translated at the average exchange rates for each respective reporting period. Adjustments resulting from translating local currency financial statements into U.S. dollars are reflected in accumulated other comprehensive loss in equity (deficit).

Transactions denominated in currencies other than the functional currency are remeasured based on the exchange rates at the time of the transaction. Foreign currency gains and losses arising primarily from changes in exchange rates on foreign currency denominated intercompany transactions and balances between foreign locations are recorded in the condensed combined statements of operations. Realized and unrealized gains (losses) resulting from transactions conducted in foreign currencies for the six months ended September 30, 2023 and 2022 were \$(428) and \$320, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates made by management in connection with the preparation of the accompanying condensed combined financial statements include the useful lives of long-lived assets, inventory valuations, the allocation of transaction price among various performance obligations, the allowance for doubtful accounts, the fair value of financial assets, liabilities, actuarial valuation of pensions and realizability of deferred income tax asset or liabilities. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk primarily consists of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with highly-rated financial institutions and limits the amount of credit exposure to any one entity. We believe we do not have any significant credit risk on our cash and cash equivalents. For accounts receivable, the Company is exposed to credit risk in the event of nonpayment by customers which is limited to the amounts recorded on the condensed combined balance sheets. The risk associated with this concentration is mitigated by our ongoing credit-review procedures and letters of credit or payment prior to shipment.

Major customers are defined as those individually comprising more than 10% of our trade accounts receivable or revenues. As of September 30, 2023, one customer comprised 10.5% of total trade accounts receivables. As of March 31, 2023, one customer comprised 11.1% of total trade accounts receivables. For the six months ended September 30, 2023, one customer comprised 15.9% of total revenue. For the six months ended September 30, 2022, no customer represented more than 10% of revenue.

Accounting Pronouncements Recently Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326"). ASC 326 provides more decision-useful information about the expected credit losses on financial instruments, other commitments to extend credit held by a reporting entity at each reporting date, and requires the entity to estimate its credit losses as far as it can reasonably estimate. This update became effective for the Company on April 1, 2023. The adoption of this guidance did not have a material impact on the Company's condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Recent Accounting Pronouncements Not Yet Adopted

In August 2020, the FASB issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP and simplifies the diluted earnings per share (“EPS”) calculation in certain areas. Under the new guidance there will be no separate accounting for embedded conversion features. It removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception. The amendments in this update are effective for the Company on April 1, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this guidance its financial statements.

3. Revenue Recognition

The Company’s revenues are derived from the sales of medical rehabilitation devices and technology services. The Company’s primary customers include healthcare systems, clinics, third-party healthcare providers, distributors, and other institutions, including governmental healthcare programs and group purchasing organizations.

Disaggregation of Revenue

The Company disaggregates its revenue with customers by category and by geographic region based on customer location, see Note 4 for further information. The following represents the net revenue for the six months ended September 30, 2023 and 2022, based on revenue category:

	For the Six Months Ended September 30,	
	2023	2022
Devices	\$ 21,190	\$ 12,187
Services	5,659	4,874
Other	465	264
Total revenue, net	\$ 27,314	\$ 17,325

The majority of the revenue that is recognized at a point in time was primarily related to the revenues from devices and the majority of the revenue that is recognized over time was related to revenue from services. Other revenue primarily relates to freight and packaging on devices and recognized at a point in time.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Deferred Revenue and Remaining Performance Obligations

Deferred revenue as of September 30, 2023 and March 31, 2023 was \$12,898 and \$11,656, respectively. During the six months ended September 30, 2023 and 2022, the Company recognized \$1,605 and \$1,276 of revenue that was included in deferred revenue as of March 31, 2023 and March 31, 2022, respectively. Remaining performance obligations include goods and services that have not yet been delivered or provided under existing, noncancelable contracts with minimum purchase commitments. As of September 30, 2023 and March 31, 2023, the aggregate amount of the contracted revenue allocated to unsatisfied performance obligations was approximately \$4,303 and \$3,119, respectively. As of September 30, 2023 and March 31, 2023, the Company expects to recognize revenue on the majority of these remaining performance obligations over the next two years and four years, respectively.

4. Geographical Information

The following represents revenue attributed to geographic regions based on customer location:

	For the Six Months Ended September 30,	
	2023	2022
Europe, Middle East and Africa (“EMEA”)	\$ 14,027	\$ 8,728
Americas	6,793	5,055
Asia Pacific (“APAC”)	6,494	3,542
Total revenue	\$ 27,314	\$ 17,325

Long-lived assets shown below include property and equipment, net. The following represents long-lived assets where they are physically located:

	As of September 30,	As of March 31, 2023
	2023	
EMEA	\$ 291	\$ 320
Americas	232	390
APAC	109	116
Total property and equipment, net	\$ 632	\$ 826

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

5. Inventories, Net

As of September 30, 2023 and March 31, 2023, inventories, net, consisted of the following:

	As of September 30, 2023	As of March 31, 2023
Raw materials and spare parts	\$ 5,188	\$ 5,908
Work in process	4,028	1,146
Finished goods	1,188	593
Less: reserves	(2,234)	(1,526)
Total inventories, net	\$ 8,170	\$ 6,121

6. Property and Equipment, Net

Property and equipment, net as of September 30, 2023 and March 31, 2023 consisted of the following:

	As of September 30, 2023	As of March 31, 2023
Computer software and hardware	\$ 1,103	\$ 1,033
Machinery and equipment	1,381	1,320
Leasehold improvements	1,500	1,436
Furniture and fixtures	897	858
Vehicles	70	55
Demonstration units	500	654
Property and equipment	5,451	5,356
Less: accumulated depreciation	(4,819)	(4,530)
Property and equipment, net	\$ 632	\$ 826

Depreciation expense totaled \$188 and \$212 for the six months ended September 30, 2023 and 2022, respectively.

7. Capitalized software, net and other intangible assets, net

Capitalized software, net and other intangible assets, net as of September 30, 2023 and March 31, 2023 consisted of the following:

	As of September 30, 2023			As of March 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Capitalized software	\$ 2,441	\$ (148)	\$ 2,293	\$ 2,326	\$ (123)	\$ 2,203
Other intangible assets	\$ 380	\$ -	\$ 380	\$ 380	\$ -	\$ 380

Substantially all capitalized software, net and other intangible assets, net are subject to amortization when they are available for their intended use. For the six months ended September 30, 2023 and 2022, amortization expense was \$23 and \$22, respectively.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Estimated annual amortization for intangible assets over the next five years are as follows:

	<u>Remainder of</u> <u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Estimated annual amortization	\$ 52	\$ 261	\$ 474	\$ 463	\$ 463

8. Other current assets

Other current assets as of September 30, 2023 and March 31, 2023 consisted of the following:

	<u>As of September 30,</u> <u>2023</u>	<u>As of March 31, 2023</u>
Other receivables	\$ 1,837	\$ 1,963
Other current assets	3,774	3,247
Total other current assets	<u>\$ 5,611</u>	<u>\$ 5,210</u>

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities as of September 30, 2023 and March 31, 2023 consisted of the following:

	<u>As of September 30,</u> <u>2023</u>	<u>As of March 31, 2023</u>
Taxes payable	3,838	3,823
Other payables and current liabilities	8,854	8,588
Total accrued expenses and other current liabilities	<u>\$ 12,692</u>	<u>\$ 12,411</u>

10. Other Non-Current Liabilities

Other non-current liabilities as of September 30, 2023 and March 31, 2023 consisted of the following:

	<u>As of September 30,</u> <u>2023</u>	<u>As of March 31, 2023</u>
Provisions	\$ 1,272	\$ 1,071
Pension liabilities	2,009	1,677
Total other non-current liabilities	<u>\$ 3,281</u>	<u>\$ 2,748</u>

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

11. Lines of Credit and Long-Term Debt

Lines of Credit

On July 23, 2020, the Company entered into a framework agreement for a CHF 7,600 revolving credit facility with Credit Suisse (Switzerland) Ltd. (the "Credit Suisse Credit Facility"). Interest rates on advances on the Credit Suisse Credit Facility are agreed upon with Credit Suisse. For the six months ended September 30, 2023 and 2022, the weighted average rates were 4.91% and 3.60%, respectively. Advances have maximum terms up to twelve months and are subject to extension. The Company is subject to certain covenants under the terms of the Credit Suisse Credit Facility including minimum EBITDA covenants and financial reporting requirements. Additionally, the Credit Suisse Credit Facility contains a subjective acceleration clause in the event that the lender determines that a material adverse change has occurred within the business, operations, or financial condition of the Company. On February 1, 2023, the Company and Credit Suisse entered into an amendment to the Credit Suisse framework agreement that provided a waiver of the Company's failure to comply with the EBITDA covenant and financial reporting obligation as of March 31, 2022. Additionally, the amendment to the Credit Suisse framework agreement reduced the credit line to CHF 100 monthly payments starting January 31, 2023 and increasing to CHF 200 monthly payments starting April 30, 2023. In connection with the February 1, 2023 amendment, the Company paid CHF 33 in fees to Credit Suisse in the fourth quarter of fiscal 2023. The balance on the Credit Suisse Credit Facility was \$5,807 and \$6,813 as of September 30, 2023 and March 31, 2023, respectively. Based on the stated terms and the existence of the subjective acceleration clause, the Credit Suisse Credit Facility is reflected in the current liabilities section of the condensed combined balance sheets.

On July 12, 2016, the Company entered into a framework agreement for a CHF 7,000 revolving credit facility with UBS Switzerland AG (the "UBS Credit Facility"). The Company can draw on the facility in various forms including fixed advances and Secured Overnight Financing Rate ("SOFR") loans. Interest rates on advances on the UBS Credit Facility are based on the type of draw and can be adjusted at any time based on current market conditions. For the six months ended September 30, 2023 and 2022, the weighted average interest rates on the UBS Credit Facility were 4.98% and 4.75%, respectively. Additionally, the Company must pay a 0.25% quarterly commission on average borrowings and a 0.75% fixed commitment fee on the undrawn portion of the UBS Credit Facility. Advances have maximum terms up to twelve months and are subject to extension. The Company is subject to certain covenants under the terms of the UBS Credit Facility including financial reporting requirements. Additionally, the UBS Credit Facility contains a subjective acceleration clause in the event that the lender determines that a material adverse change has occurred within the business, operations, or financial condition of the Company. On March 1, 2022, the Company and UBS entered into an amendment to the UBS framework agreement that reduced the credit line to CHF 200 one-time payment as of April 31, 2022 and reduced the credit line to CHF 100 monthly payments starting May 31, 2022. On February 2, 2023, the Company and UBS entered into an amendment to increase the monthly payments to CHF 200 starting April 30, 2023. On March 29, 2023, UBS provided the Company a waiver for the Company's failure to comply with the financial reporting obligation as of March 31, 2022. The balance on the UBS Credit Facility was \$5,124 and \$6,163 as of September 30, 2023 and March 31, 2023, respectively. Based on the stated terms and the existence of the subjective acceleration clause, the UBS Credit Facility is reflected in the current liabilities section of the condensed combined balance sheets.

As of November 30, 2023, Credit Suisse and UBS each has agreed to certain amendments to the Credit Suisse Credit Facility and the UBS Credit Facility. Specifically, the scheduled repayments of CHF 200 for each bank due at the end of November 2023 and December 2023 have been suspended and will now be paid on January 31, 2024 together with the scheduled January monthly repayment. The monthly repayments of CHF 200 for each bank from February 29, 2024 and subsequent periods remain unchanged.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

COVID-19 Loan and COVID-19 Loan Plus Credit Facilities

In September 2020, the Federal COVID-19 Act was approved by the Swiss Parliament, and subsequently enacted in Switzerland. Under the Federal COVID-19 Act and the corresponding COVID-19 Hardship Ordinance and COVID-19 Loss of Earning Ordinance, the Swiss Federal Council was granted a number of powers to implement measures to address the consequences of the global COVID-19 pandemic including federal loans under the COVID-19 Loan and COVID-19 Loan Plus (“COVID-19 Plus”) programs for businesses meeting certain requirements.

The Company obtained a COVID-19 loan with UBS on May 19, 2020 for up to CHF 500 maturing on June 30, 2024. The COVID-19 loan does not accrue interest. On December 17, 2021, the Company and UBS entered into an amendment to the COVID-19 loan agreement that reduced the credit line by CHF 50 quarterly payments starting March 31, 2022 and five CHF 50 payments in the year ending March 31, 2024. The balance on the COVID-19 loan was \$228 and \$324 at September 30, 2023 and March 31, 2023, respectively.

The Company obtained a COVID-19 Plus credit facility with UBS on May 19, 2020 for up to CHF 2,760, maturing on June 30, 2024. The COVID-19 Plus credit facility has an 85% federal share accruing interest at 0.5% and a 15% bank share accruing interest at a rate determined by the bank based on market conditions (0.5% at March 31, 2023 and 2022, respectively). On January 7, 2022, the Company and UBS entered into an amendment to the COVID-19 Plus credit facility loan agreement that reduced the Company maximum credit limit to CHF 2,243 and reduced the credit line by CHF 173 quarterly payments starting March 31, 2022, CHF 230 quarterly payments starting March 31, 2023 and five CHF 230 payments in the year ending March 31, 2024. The balance on the COVID-19 Plus credit facility was \$1,244 and \$1,679 at September 30, 2023 and March 31, 2023, respectively.

The following table presents the aggregate annual maturities of long-term debt as of September 30, 2023:

	Amount
Remainder of 2024	\$ 957
2025	515
Total	1,472
Less: current portion	1,472
Total long-term debt	\$ —

12. Related Party Transactions

Parties are considered related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

Transactions with Parent

While the Company’s businesses have historically functioned together with the other businesses controlled by DIH Cayman, the Company’s businesses are largely isolated and not dependent on corporate or other support functions. DIH Cayman does not have significant corporate or operational activity and does not have shared services that it provides to its subsidiaries. Consistent with the basis of presentation, net parent company investment is primarily impacted by net funding provided by or distributed to DIH Cayman. For the six months ended September 30, 2023 and 2022, the net transactions with parent were \$(10) and \$(4), respectively.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

DIH Hong Kong

DIH Hong Kong is an investment holding company. DIH Hong Kong holds interests in operating entities of the Company, which include Hocoma AG, Switzerland-based global leader in robotics for rehabilitation, Motek, a Netherlands-based global leader in sophisticated VR-enabled movement platform powered by real-time integration, and DIH China. DIH Hong Kong does not have a management team or direct influence with any operating entities other than acting as shareholder of the entities listed.

Subsidiaries within DIH Hong Kong perform two lines of business including, smart pharmacy solutions and rehabilitation solutions. In the case of Motek, DIH China was Motek's authorized distributor in China before DIH Hong Kong acquired Motek in 2015. This distributor relationship and terms did not change after the acquisition. In the case of Hocoma AG, DIH China assumed the distribution agreements with third parties after DIH Hong Kong acquired Hocoma AG. The terms of the distribution agreements are the same with the third party distributor.

For the six months ended September 30, 2023 and 2022, there were no related party transactions recognized in the condensed combined statement of operations.

Payment on Behalf of DIH Cayman

On February 26, 2023, ATAC Sponsor LLC (the "Sponsor") entered a guaranty and loan agreement with DIH Cayman (the "Guarantor"). Pursuant to this agreement, DIH Cayman agreed to loan to the Sponsor an aggregate principal amount up to \$405 in three installments of \$135 each on May 1, 2023, June 1, 2023 and July 1, 2023. Repayment of the loan shall be made by the earlier of (a) the consummation of the Business Combination Agreement between the Company and ATAK (b) liquidation of ATAK or (c) the tenth day following the termination of the Business Combination Agreement between the Company and ATAK. No interest will accrue on the unpaid balance. On May 4, 2023, June 2, 2023 and July 5, 2023, the first, second and third installments of \$135 each, respectively, was paid by DIH on behalf of DIH Cayman. The Company holds a promissory note receivable of \$405 for these payments, which is reported on the Company's condensed combined balance sheet as of September 30, 2023.

Cost Sharing Agreement with ATAC Sponsor LLC

On July 27, 2023, Sponsor entered a cost sharing agreement with DIH. Pursuant to the agreement, DIH agreed to pay to the Sponsor, or to a third-party designated by the Sponsor, an aggregate amount of \$610 in five installments with \$70 on September 1, 2023 and \$135 each month from October 1, 2023 to January 1, 2024. On September 1, 2023, October 2, 2023, November 2, 2023, December 5, 2023, and January 4, 2024, the first installment of \$70 and the second, third, fourth and final installments of \$135 each, respectively, were paid by DIH to the Sponsor.

Related Party Settlement Agreement

On May 3, 2023, DIH and Cayman and its subsidiaries, including the Company, DIH China and DIH Hong Kong, entered into a cash settlement agreement in which the Company agreed to pay a net settlement amount of approximately \$93 related to an outstanding due from related party balance of \$7,185 and a due to related party balance of \$7,277, both as of December 31, 2022, for ongoing activities between the Company and DIH Hong Kong. There have been no additional transactions between the parties subsequent to the date of this settlement.

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

13. Employee Benefit Plans

Defined Contribution Plans

The Company sponsors a defined contribution plan in the United States and Netherlands. The Company's obligation is limited to its contributions made in accordance with each plan document. Employer contributions to defined contribution plans are recognized as expense.

Expenses related to the Company's plans for the six months ended September 30, 2023 and 2022 were as follows:

	For the Six Months Ended September 30,	
	2023	2022
United States	\$ 50	\$ 41
Netherlands	70	110
Total defined contribution plan expense	\$ 120	\$ 151

Defined Benefit Plans

Amounts recognized in the condensed combined statements of operations for the six months ended September 30, 2023 and 2022, in respect of the Pension Plans were as follows:

	For the Six Months Ended September 30,	
	2023	2022
Current service cost	\$ 342	\$ 340
Interest cost	126	40
Expected return on plan assets	(178)	(123)
Amortization of net gain	(81)	(89)
Settlement gain	-	(346)
Amortization of prior service credit	(73)	(67)
Net charge to statement of operations	\$ 136	\$ (245)

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

14. Income Taxes

For the six months ended September 30, 2023 and 2022, the Company recorded an income tax expense of \$278 and \$(34), respectively. The effective tax rate was approximately (4.8%) for the six months ended September 30, 2023 and 0.6% for the six months ended September 30, 2022. The effective tax rate for the six months ended September 30, 2023 and 2022 was lower than the statutory tax rate due to losses not expected to be benefited in certain jurisdictions which have a valuation allowance.

The Company prepares its financial statements on a combined worldwide basis. Income tax expense is calculated in accordance with the local tax laws of each entity in its relevant jurisdiction on a separate company basis.

The Company has not identified any uncertain tax positions in relation to its corporate income taxes. However, it has identified potential penalty exposure in relation to specific information reporting requirements in the United States. Although the Company is trying to address these issues and pursue penalty abatement, it has recorded a long-term payable for the penalties, until potential relief is granted. As of September 30, 2023 and March 31, 2023, the recorded accrual balances stand at \$1,200 and \$1,000, respectively.

15. Commitments and Contingencies

From time to time, the Company may be involved in lawsuits, claims, investigations, and proceedings, consisting of intellectual property, commercial, employment, and other matters, which arise in the ordinary course of business. In accordance with ASC 450, *Contingencies*, the Company make a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

The Company is not presently a party to any litigation the outcome of which, it believes, if determined adversely to the Company, would individually or taken together, have a material adverse effect on the Company's business, operating results, cash flows or financial condition. The Company has determined that the existence of a material loss is neither probable nor reasonably possible.

16. Leases

The Company leases office space (real estate), vehicles and office equipment under operating leases. The Company did not have any finance leases as of September 30, 2023 and March 31, 2023.

Right-of-use lease assets and lease liabilities that are reported in the Company's condensed combined balance sheet as of September 30, 2023 and March 31, 2023 are as follows:

	<u>As of September 30, 2023</u>	<u>As of March 31, 2023</u>
Operating lease, right-of-use assets, net	\$ 4,887	\$ 3,200
Current portion of long-term operating lease	1,675	1,255
Long-term operating lease	3,238	1,970
Total operating lease liabilities	<u>\$ 4,913</u>	<u>\$ 3,225</u>

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense related to the Company's lease for the six months ended September 30, 2023 and 2022 were:

	For the Six Months Ended September 30,	
	2023	2022
Fixed operating lease costs	\$ 1,000	\$ 935
Short-term lease costs	79	11
Total lease cost	\$ 1,079	\$ 946

Supplemental cash flow information related to leases was as follows:

	For the Six Months Ended September 30,	
	2023	2022
Operating cash flows included in the measurement of lease liabilities	\$ (1,013)	\$ (925)
Non-cash lease activity related to right-of-use assets obtained in exchange for new operating lease liabilities	175	156
Other non-cash changes to ROU assets due to reassessment of the lease term	2,305	-

The weighted average remaining lease term and discount rate for the Company's operating leases as of September 30, 2023 and March 31, 2023 were:

	As of September 30,	As of March 31, 2023
	2023	
Weighted-average remaining lease term (in years)	2.60	2.77
Weighted-average discount rate	4.00%	4.00%

Lease duration was determined utilizing renewal options that the Company is reasonably certain to execute.

As of September 30, 2023, maturities of operating lease liabilities for each of the following five years ending March 31 and a total thereafter were as follows:

	Operating Leases
Remainder of 2024	\$ 972
2025	1,699
2026	1,079
2027	760
2028	746
Thereafter	—
Total lease payments	5,256
Less: imputed interest	(343)
Total lease liability	\$ 4,913

DIH HOLDING US, INC. AND SUBSIDIARIES
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

17. Subsequent Events

As disclosed in detail in Note 11 - Lines of Credit and Long-Term Debt, both Credit Suisse and UBS have agreed to certain amendments to the Credit Suisse Credit Facility and the UBS Credit Facility.

As disclosed in detail in Note 12 - Related Party Transactions, the Company paid \$135 each on installment on October 2, 2023 and November 2, 2023 to Sponsor.

On February 7, 2024, the Company consummated the merger with ATAK, receiving cash held in trust account of \$899. Immediately following the completion of the Business Combination, 40,544,936 shares of the New DIH Class A Common Shares were issued and outstanding including 6,000,000 shares of New DIH Class A Common Stock in estimated potential Earnout Shares.

On February 8, 2024, the Company entered into a securities purchase agreement with OrbiMed, an existing shareholder in DIH Technologies. Pursuant to the agreement, the Company will issue 150,000 shares of New DIH Class A Common Stock in exchange for gross proceeds of \$1.5 million together with warrants to purchase an additional 300,000 shares of DIH Common Stock with an exercise price of \$10.

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that the financial statements were issued. Based on this review, other than the subsequent event disclosed above, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statement.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF DIH**

The following discussion and analysis should be read together with the historical audited annual combined financial statements and unaudited interim combined financial statements, and the related notes that are included in the final proxy statement/prospectus (the “Proxy Statement/Prospectus” or “Proxy”) relating to our business combination with ATAK, dated November 14, 2023 and filed with the Securities and Exchange Commission. The discussion and analysis should also be read together with the pro forma financial information as of September 30, 2023 and for the six months ended September 30, 2023 and the year ended March 31, 2023 that is attached to this Current Report on Form 8-K as exhibit 99.2. The following discussion may contain forward-looking statements. Actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in the Proxy, particularly in sections therein entitled “Cautionary Note Concerning Forward Looking Statements” and “Risk Factors.” References to “DIH” throughout this Management’s Discussion and Analysis of Financial Condition and Results of Operations section refers to “Legacy DIH”.

Our fiscal year ends on March 31. “Fiscal 2023” and “fiscal 2022” refer to the year ended March 31, 2023 and 2022, respectively.

Overview

DIH is a global solution provider in blending innovative robotic and VR technologies with clinical integration and insights. DIH has a focused portfolio of rehabilitation solutions, which includes both technology and products designed for the hospital, clinic, and research markets.

In fiscal 2023, DIH generated revenue of \$55.0 million compared to \$49.0 million in fiscal 2022. For the six months ended September 30, 2023, DIH generated revenue of \$27.3 million compared to \$17.3 million in the six months ended September 30, 2022.

DIH’s net loss for fiscal 2023 was \$2.4 million compared to \$12.1 million in fiscal 2022 and \$6.1 million for the six months ended September 30, 2023 compared to \$5.4 million for the six months ended September 30, 2022. DIH’s net losses in fiscal year 2023, are reduced significantly from fiscal year 2022 as the company is emerging from the COVID-19 pandemic period that depressed global sales volume due to social distancing measures, and the current year was free of additional non-recurring expenditures for the European Union Medical Device Regulation (EU MDR) and other large scale projects. Additionally, DIH had elevated costs related to efforts of adopting to public company standards. DIH’s net losses for the six months ended September 30, 2023 are slightly higher compared to the prior year period due to higher revenue partially offset by increased cost of goods sold largely driven by increased device sales volume, overhead in department and an increase in inventory reserve for slow moving parts, as well as, elevated costs related to professional service and IT costs related to audit, legal and other professional services in preparation of the potential business combination discussed in more detail below.

Recent Developments

Business Combination

On February 26, 2023, ATAK, ATAK Merger Sub and DIH entered into the Business Combination Agreement. Under the terms of the Business Combination Agreement, and following the Domestication, ATAK Merger Sub will be merged with and into DIH, with DIH surviving the merger as a wholly owned direct subsidiary of ATAK (after Domestication). In consideration for the Merger, DIH stockholders will receive shares of common stock of New DIH, as more fully described in the section in the Proxy entitled “*The Business Combination Agreement.*” On December 18, 2023, the Business Combination was approved in an ATAK shareholder vote and closed on February 7, 2024.

The Merger is anticipated to be accounted for as a reverse recapitalization, in accordance with GAAP. Under this method of accounting, ATAK will be treated as the “acquired” company for financial reporting purposes. Accordingly, the Business Combination will be treated as the equivalent of DIH issuing stock for the net assets of ATAK, accompanied by a recapitalization. The net assets of ATAK will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of DIH.

The most significant change in the successor's future reported financial position and results are expected to be an estimated increase in cash (as compared to DIH's combined balance sheet at September 30, 2023) to approximately \$2.9 million after giving effect to the redemption of 4,815,153 Class A Ordinary Shares for \$53.4 million out of the Trust Account, at a redemption price of approximately \$11.09 per share. This pro forma cash amount is net of amounts paid at Closing of \$4.6 million, including payments for acquisition-related advisory fees in connection with the Business Combination and other transaction-related costs. See "*Unaudited Pro Forma Condensed Combined Financial Information*" included as Exhibit 99.2 to the Form 8-K.

As a consequence of the merger, DIH will become the successor to an SEC-registered company, which will require DIH to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. DIH expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit and legal fees.

Key Factors Affecting the DIH's Operating Results

DIH believes that its future success and financial performance depend on a number of factors that present significant opportunities for its business, but also pose risks and challenges, including those discussed below and in the Section of this proxy statement/prospectus titled "Risk Factors."

Supply Chain and Inflation

The global supply chain and logistics challenges continue to impact DIH and the industry. As a result of these challenges, DIH has experienced cost increases for freight and logistics, raw materials and purchased components as well as increased manufacturing conversion costs. These supply chain disruptions have not materially affected DIH's business outlook and goals or its operating results, including its sales, revenue, or liquidity or capital resources and DIH has not implemented any mitigation efforts to date as a result. However, DIH cannot predict the impact to it of any future or prolonged supply chain disruptions or any mitigation efforts it may take going forward. For example as a result of these supply chain disruptions, DIH may be required to extend the overall shipment and installation timeline. In addition, DIH may consider additional or alternative third-party manufacturers and logistics providers, suppliers, vendors or distributors. Such mitigation efforts may result in cost increases and any attempts to offset such increases with price increases may result in reduced sales, increased customer dissatisfaction, or otherwise harm DIH's reputation. Further, if DIH were to elect to transition or add manufacturers or logistics providers, suppliers, vendors or distributors, it may result in temporary or additional delays in shipments of products or risks related to consistent product quality or reliability. This in turn may limit DIH's ability to fulfill customer sales orders and DIH may be unable to satisfy all of the demand for its products. DIH may in the future also purchase components further in advance, which in return can result in less capital being allocated to other activities such as marketing and other business needs. DIH cannot quantify the impact of such disruptions at this time or predict the impact of any mitigation efforts DIH may take in response to supply chain disruptions on its business, financial condition, and results of operations.

Input cost inflation historically has not been a material factor to our gross margin; however, beginning at the end of fiscal 2022 DIH began to experience increases in raw material and components costs due to inflation effects, which are expected to continue to remain at elevated levels for at least the near term.

Foreign Currency Fluctuations

DIH's business operates in three different functional currencies (Euro, Swiss Franc, Singapore Dollar). DIH's reporting currency is the U.S. Dollar. DIH's results are affected by fluctuations in currency exchange rates that give rise to translational exchange rate risks. The extent of such fluctuations is determined in part by global economic conditions and macro-economic trends. Movements in exchange rates have a direct impact on DIH's reported revenues. Generally, the impact on operating income or loss associated with exchange rate changes on reported revenues is partially offset from exchange rate impacts on operating expenses denominated in the same functional currencies. As foreign currency exchange rates change, translation of the statements of operations of DIH's international businesses into U.S. dollars may affect year-over-year comparability of DIH's operating results.

EU MDR Implementation Costs

Changes in law or regulation could make it more difficult and costly for DIH and its subsidiaries to manufacture, market and distribute its products or obtain or maintain regulatory approval of new or modified products. DIH's experience with the transition to the EU MDR, which it began in 2019, showed how complex, time-consuming and expensive a change in Medical Device Legislation can be. The EU MDR replaced the existing European Medical Devices Directive (MDD) and Active Implantable Medical Device Directive (AIMDD) regulatory frameworks, and manufacturers of medical devices were required to comply with EU MDR beginning in May 2021 for new product registrations and by May 2024 for medical devices which have a valid CE Certificate to the prior Directives (issued before May 2021). Updates to the legislative text of the EU MDR were adopted by the European Parliament and are currently being reviewed for adoption by the Council of the European Union, including an extension of the transitional period to 2027 for class IIb and III and 2028 for class I and IIa medical devices which have a valid CE Certificate to the prior Directives (issued before May 2021).

COVID-19 Pandemic and Macroeconomic Uncertainties on Future Operations

DIH continues to manage through the impacts of the COVID-19 pandemic keeping safety and community well-being a priority. The full impact of the COVID-19 pandemic on future results depends on future developments, such as the ultimate duration and scope of the pandemic including associated variants, the success of vaccination programs, the consequences of vaccine requirements, and its impact on DIH's customers, independent retail partners, distributors and suppliers. Future impacts and disruptions could have an adverse effect on production, supply chains, distribution and demand for DIH's products. Additionally, ongoing global issues may affect our business and operating results and the global economy, including the geopolitical impact of the conflict in Ukraine and any related economic or other sanctions.

Basis of Presentation

Refer to Note 2 of the Notes to Annual Combined Financial Statements for a discussion of the underlying basis used to prepare the combined financial statements.

Key Business Metrics

To analyze DIH's business performance, determine financial forecasts and help develop long-term strategic plans, management reviews the following key business metric by geography, market and distribution channel, which are important measures that represent the growth of the business:

- Sales orders – signed sales orders representing the pipeline of sales for DIH generated during a prescribed period

The following table details the key business metric amounts for the periods indicated:

	For Six months ended September 30,		For Years Ended March 31,	
	2023	2022	2023	2022
Sales orders by geography:				
EMEA	24,188	16,506	38,048	31,579
Americas	7,173	9,476	19,589	20,419
APAC	5,158	5,765	11,472	10,053
	<u>36,519</u>	<u>31,747</u>	<u>69,109</u>	<u>62,051</u>
Sales orders by market:				
Hospital	7,582	19,217	26,170	24,065
Clinic and Research	28,937	12,530	42,939	37,986
	<u>36,519</u>	<u>31,747</u>	<u>69,109</u>	<u>62,051</u>
Sales order by distribution channel:				
Direct	12,389	14,111	28,942	29,404
Indirect	24,130	17,636	40,167	32,647
	<u>36,519</u>	<u>31,747</u>	<u>69,109</u>	<u>62,051</u>

DIH believes these key business metrics provide useful information to help investors understand and evaluate DIH's business performance. Sales orders provide management with an understanding of demand for the product, the needs for investments in facilities to meet that demand, and the effect of marketing efforts by each metric. Management also uses this information to make key decisions in product investment and market expansion.

Non-GAAP Financial Measure

DIH reports its financial results in accordance with GAAP. However, management believes that EBITDA, a non-GAAP financial measure, provides investors with additional useful information in evaluating our performance.

DIH calculates EBITDA as net income (loss), adjusted to exclude: (1) taxes (2) interest expense, and (3) depreciation and amortization.

EBITDA is a financial measure that is not required by or presented in accordance with GAAP. We believe that EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of EBITDA is helpful to our investors as they are measures used by management in assessing the health of our business, and evaluating our operating performance, as well as for internal planning and forecasting purposes.

EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of EBITDA include that (1) the measures do not properly reflect capital commitments to be paid in the future, (2) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and EBITDA does not reflect these capital expenditures, (3) the measures do not reflect other non-operating expenses, including interest expense. In addition, our use of EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider EBITDA alongside other financial measures, including our net income and other results stated in accordance with GAAP.

The following table presents a reconciliation of EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP for the periods presented:

	For Six months ended September 30,		For Years Ended March 31,	
	2023	2022	2023	2022
Net loss	\$ (6,106)	\$ (5,449)	\$ (2,361)	\$ (12,053)
Adjusted to exclude the following:				
Taxes	278	(34)	2,030	696
Interest expense	500	411	780	517
Depreciation and amortization	211	235	203	1,385
EBITDA	\$ (5,117)	\$ (4,837)	\$ 652	\$ (9,455)

Components of Results of Operations

Revenue

DIH generates revenue from the sale of medical rehabilitation devices and technology. DIH's primary customers include healthcare systems, clinics, third-party healthcare providers, distributors, and other institutions, including governmental healthcare programs and group purchasing organizations. DIH records sales net of an allowance for sales returns which is calculated based on historical return experience and other known factors. Shipping and handling costs charged to customers are included in net sales. DIH expects revenue to increase sequentially in future periods as it expects the demand for its products to expand in represented markets.

Cost of Sales

Cost of sales primarily consists of direct materials, supplies, in-bound freight and labor-related costs, including salaries and benefits for our manufacturing personnel, technical support team, our professional consulting personnel and our training teams. Cost of sales also includes allocated overhead costs, including facilities costs, depreciation of manufacturing-related equipment and facilities and other direct costs. DIH expects cost of sales to increase in absolute dollars in future periods as it expects orders for its products to continue to grow and expects cost of sales per unit to decrease as leverage improves behind expected growth.

Selling, General and Administrative Expense

Selling, general and administrative expense primarily consists of personnel related expenses for DIH's corporate, executive, finance and other administrative functions, expenses for outside professional services, including legal, audit and advisory services as well as expenses for facilities, depreciation, amortization, and marketing costs. Personnel-related expenses consist of salaries and benefits.

DIH expects selling, general and administrative expenses to increase for the foreseeable future as it scales headcount, expands hiring of engineers and designers, continues to invest in development of technology in order to drive the growth of the business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities and other administrative and professional services.

Research and Development

Research and development primarily consists of research, engineering, and technical activities to develop a new product or service or make significant improvement to an existing product or manufacturing process. Research and development costs also include pre-approval regulatory and clinical trial expenses.

DIH expects research and development costs to increase as it continues to invest in product design and technology to drive the growth of the business.

Interest Expense

Interest expense primarily consists of interest expense associated with its lines of credit and long-term debt.

Other Income (Expense), Net

Other income (expense), net primarily consists of the non-service components of net periodic defined benefit plan income (costs).

Income Tax Expense

The income tax provision (benefit) consists of an estimate for U.S. federal, state and foreign income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities and changes in the tax law.

Results of Operations

Comparison of the Six Months Ended September 30, 2023 and 2022

(in thousands, except percentages)	For Six Months Ended September 30,		\$ Change	% Change
	2023	2022		
Revenue	\$ 27,314	\$ 17,325	\$ 9,989	57.7%
Costs of sales	14,736	7,028	7,708	109.7%
Gross Profit	12,578	10,297	2,281	22.2%
Operating expenses:				
Selling, general and administrative expense	13,713	11,837	1,876	15.8%
Research and development	3,763	3,857	(94)	(2.4)%
Total operating expenses	17,476	15,694	1,782	11.4%
Operating loss	(4,898)	(5,397)	499	(9.2)%
Other income (expense):				
Interest expense	(500)	(411)	(89)	21.7%
Other income (expense), net	(430)	325	(755)	(232.3)%
Total other income (expense)	(930)	(86)	(844)	(981.4)%
Profit (loss) before income taxes	(5,828)	(5,483)	(345)	6.3%
Income tax expense	278	(34)	312	(917.6)%
Net loss	\$ (6,106)	\$ (5,449)	\$ (657)	12.1%

Revenue

The following table presents net revenue by major source for the six months ended September 30, 2023 and 2022:

(in thousands, except percentages)	For Six months ended September 30,		\$ Change	% Change
	2023	2022		
Devices	\$ 21,190	\$ 12,187	\$ 9,003	73.9%
Services	5,659	4,874	785	16.1%
Other	465	264	201	76.1%
	\$ 27,314	\$ 17,325	\$ 9,989	57.7%

Revenue for the six months ended September 30, 2023 increased by \$10.0 million, or 57.7%, to \$27.3 million from \$17.3 million for the six months ended September 30, 2022. The overall increase was primarily due to a net increase in devices sold of \$9.0 million, or 73.9%, which consisted of an increase in sales to third-party customers. The increase in devices revenue was driven by higher sales volume in Europe, the Americas and Asia. Services revenue represented an increase of \$0.8 million, up 16.1% compared to the prior period. Other revenues represented an increase of \$0.2 million, up 76.1% compared to the prior period.

Changes in foreign currency exchange rates had a favorable impact on our combined net sales in six months ended September 30, 2023, resulting in an increase of approximately \$0.7 million. This was mainly driven by fluctuations in Euro valuations throughout the period.

Cost of Sales

Cost of sales for the six months ended September 30, 2023 increased by \$7.7 million, or 109.7%, to \$14.7 million from \$7.0 million for the six months ended September 30, 2022. The Cost of Goods for device sales increased by \$5.0 million, which directly correlated to the increase in device sales and related margins remained relatively constant in local currency. The additional increase in cost of sales is mainly driven by an increase of \$0.7 million in inventory reserve for slow moving parts as well as \$2 million services parts costs. The impact due to foreign currency translation losses is immaterial.

Selling, General and Administrative Expense

Selling, general and administrative expense for the six months ended September 30, 2023 increased by \$1.8 million, or 15.8%, to \$13.7 million from \$11.8 million for the six months ended September 30, 2022. The increase was primarily due to professional service and IT costs of \$2.5 million related to audit, legal and other professional services in preparation for the anticipated business combination with ATAK and becoming a publicly listed company, and investment in finance capacity in preparation for public company reporting obligations, and offset by a decrease in bad debt allowance and overhead expenses.

Research and Development

Research and development costs for the six months ended September 30, 2023 decreased by \$0.1 million, or 2.4%, to \$3.8 million from \$3.9 million for the six months ended September 30, 2022. The decrease was primarily due to a decrease in consulting costs, research and development materials and services of \$0.3 million offset by slight increase in personnel expenses of \$0.2 million.

Interest Expense

Interest expense for the six months ended September 30, 2023 increased by \$89 thousand, or 21.7%.

Other Income (Expense), Net

Other income (expense), net for the six months ended September 30, 2023 was \$0.4 million of expense compared to \$0.3 million of income for the six months ended September 30, 2022. The change was primarily driven by realized foreign exchange losses during the period.

Income Tax Expense

Income tax expense for the six months ended September 30, 2023 increased by \$0.3 million to \$0.3 million. The change was primarily driven by changes in the net results of the underlying subsidiaries across jurisdictions. While combined worldwide pre-tax book income is comparable in each period, the situs of income and losses across jurisdictions results in a small recognizable tax benefit for the sixth months ended September 30, 2022. For the six months ended September 30, 2023, a small current tax expense is provided based on current period activity, however the majority of the expense for this period is long term tax expense accrued in relation to DIH's potential penalty exposure on unfiled tax information disclosures in the United States.

Comparison of the Years Ended March 31, 2023 and 2022

(in thousands, except percentages)	For Years Ended March 31,		\$ Change	% Change
	2023	2022		
Revenue	\$ 54,998	\$ 49,038	\$ 5,960	12.2%
Costs of sales	20,456	24,264	(3,808)	(15.7)%
Gross Profit	34,542	24,774	9,768	39.4%
Operating expenses:				
Selling, general and administrative expense	26,415	27,276	(861)	(3.2)%
Research and development	8,345	7,956	389	4.9%
Total operating expenses	34,760	35,232	(472)	(1.3)%
Operating loss	(218)	(10,458)	10,240	(97.9)%
Other income (expense):				
Interest expense	(780)	(517)	(263)	50.9%
Other income (expense), net	667	(382)	1,049	(274.6)%
Total other income (expense)	(113)	(899)	786	(87.4)%
Profit (loss) before income taxes	(331)	(11,357)	11,026	(97.1)%
Income tax expense	2,030	696	1,334	191.7%
Net loss	\$ (2,361)	\$ (12,053)	\$ 9,692	(80.4)%

Revenue

The following table presents net revenue by major source for the years ended March 31, 2023 and 2022:

(in thousands, except percentages)	For Years Ended March 31,		\$ Change	% Change
	2023	2022		
Devices	\$ 43,401	\$ 39,659	\$ 3,742	9.4%
Services	10,293	8,104	2,189	27.0%
Other	1,304	1,275	29	2.3%
	<u>\$ 54,998</u>	<u>\$ 49,038</u>	<u>\$ 5,960</u>	<u>12.2%</u>

Revenue for the year ended March 31, 2023 increased by \$6.0 million, or 12.2%, to \$55.0 million from \$49.0 million for the year ended March 31, 2022. The overall increase was primarily due to a net increase in devices sold of \$3.7 million, which consisted of an increase in sales to third-party customers of \$5.5 million, partially offset by a decrease in sales through related party distributors in China of \$1.8 million. The increase in devices revenue was driven by higher sales volume in Europe and the Americas of \$8.3 million, partially offset by declining sales volumes in Asia of \$2.3 million. Services revenue represented an increase of \$2.2 million, up 27.0% compared to the prior period. This increase was primarily driven by an 8.0% expansion in our installation base year over year and a strategic focus on increasing the extended service contract base.

Other revenues represented an increase of \$29 thousand, up 2.3% compared to the prior period.

Changes in foreign currency exchange rates had an unfavorable impact on our combined net sales in fiscal year 2023, resulting in a decrease of approximately \$3.8 million. This was mainly driven by fluctuations in Euro valuations throughout the fiscal year.

Cost of Sales

Cost of sales for the year ended March 31, 2023 decreased by \$3.8 million, or 15.7%, to \$20.5 million from \$24.3 million for the year ended March 31, 2022. The decrease was primarily due to a non-recurring charge of \$2.3 million in the prior year pertaining to an initial reserve for obsolete inventory related to recently retired products. The remaining decrease can be attributed to the net impact of foreign currency translation gains of \$2.1 million. An overall increase in margin was identified by DIH, and this is largely attributable to the decrease in related party device sales, which was compensated for by larger service revenues with a greater margin.

Selling, General and Administrative Expense

Selling, general and administrative expense for the year ended March 31, 2023 decreased by \$0.9 million, or 3.2%, to \$26.4 million from \$27.3 million for the year ended March 31, 2022. The decrease was primarily due to decrease in payroll costs of \$5.0 million related to changes in headcount and decrease in travel activity. The overall decrease was partially offset by increases in professional service costs of \$2.0 million related primarily to audit, legal and other professional services in preparation of the potential business combination with ATAK and becoming a publicly listed company and for European Union Medical Device Registrations received. Additionally, the decrease was partially offset by increases in other costs related primarily to selling related expenses such as freight out and marketing costs of \$0.8 million, and other administrative expenses.

Research and Development

Research and development costs for the year ended March 31, 2023 increased by \$0.4 million, or 4.9%, to \$8.4 million from \$8.0 million for the year ended March 31, 2022. The increase was primarily due to increase in internal personnel and external consulting costs of \$0.3 million for ongoing enhancement and innovation projects, and an increase in research and development material costs of \$0.1 million pertaining to quality management and testing.

Interest Expense

Interest expense for the year ended March 31, 2023 increased by \$0.3 million, or 50.9%, to \$0.8 million from \$0.5 million for the year ended March 31, 2022. The change was primarily driven by short term note payable with the former shareholder, that was entered into April 1, 2022 for CHF 2.6 million, and incurred \$0.2 million of additional interest expense. The note was repaid on December 31, 2022. The Company also incurred \$0.1 million interest on bank accounts denominated in foreign currencies for the year ended March 31, 2023.

Other Income (Expense), Net

Other income (expense), net for the year ended March 31, 2023 was \$0.7 million of income compared to \$0.4 million of expense for the year ended March 31, 2022. The change was primarily driven by realized foreign exchange gains during the period.

Income Tax Expense

Income tax expense for the year ended March 31, 2023 increased by \$1.3 million to \$2.0 million from \$0.7 million for the year ended March 31, 2022. The change was primarily driven by the net results of the underlying subsidiaries operations and the Company's improved financial performance through device and service revenue mix and growth. The Company's pre-tax book income was close to breakeven during the current period, resulting in a highly variable overall effective tax rate and its various components. Overall tax expense increased compared to the prior year due to the increase in pre-tax book income in foreign jurisdictions, changes in the valuation allowance in various jurisdictions, and increased penalty accrual related to unfiled tax returns.

Liquidity and Capital Resources

As of September 30, 2023 and March 31, 2023, DIH's cash and cash equivalents amounted to \$2.0 million and \$5.6 million, respectively.

DIH's sources of liquidity have been predominantly from fees received from product sales, services provided, proceeds from lines of credit and long-term debt. DIH's sources of liquidity have enabled DIH to expand its physical footprint, capacity and grow its sales personnel to expand capabilities and enter new markets.

DIH's operating losses began in fiscal 2020 and continued through the six months ended September 30, 2023. DIH's historical operating losses resulted in an accumulated deficit of \$35.9 million as of September 30, 2023. Operating losses were mainly driven by decreased sales during the COVID-19 pandemic due to social distancing measures that affected demand for rehabilitation services, increased expenditures in connection with its implementation of a new financial system (Oracle) and increased compliance costs associated with the EU MDR. Additionally, DIH had elevated costs related to efforts of adopting to public company standards. During the six months ended September 30, 2023, DIH had negative cash flows from operating activities and operating results. DIH anticipates achieving positive cash flow in the future. This transition towards profitability is attributable to DIH's ongoing efforts to streamline its organizational structure and cost management enabled by digitization investments such as the Oracle system implementation, alongside anticipated revenue growth.

DIH's gross revenue has increased by 12.2%, from \$49.0 million to \$55.0 million for the years ended March 31, 2022 and 2023, respectively and has increased by 57.7%, from \$17.3 million to \$27.3 million for the six months ended September 30, 2022 and 2023, respectively. DIH plans to continue to fund its growth through cash flows from operations and future debt and equity financings. Management expects that its cash and cash equivalents, together with cash provided by our operating activities and proceeds from future debt and equity financings, will be sufficient to fund its operating expenses and capital expenditures requirements for at least the next 12 months.

In addition, DIH may receive additional financing specifically through the potential Business Combination with ATAK. On a pro forma basis, assuming the shareholder approval and consummation of the Business Combination, DIH's cash and cash equivalents would have amounted to approximately \$42.6 million based of actual shareholder redemptions permitted under the Business Combination Agreement.

DIH's material contractual operating cash commitments at September 30, 2023 relate to leases, lines of credit and long-term debt, and employee benefit plans. DIH's lines of credit and long-term debt, are discussed further below and in *Note 11* of the *Notes to Annual Combined Financial Statements*. DIH's employee benefit plans are discussed further in *Note 13* of the *Notes to Annual Combined Financial Statements*. DIH's long-term lease obligations and future payments are discussed further in *Note 16* of the *Notes to Annual Combined Financial Statements*.

Description of Indebtedness

Lines of Credit

DIH has a framework agreement for a CHF 7.6 million revolving credit facility with Credit Suisse (Switzerland) Ltd. (the "Credit Suisse Credit Facility"). For the six months ended September 30, 2023 and 2022, the weighted average interest rates on advances on the Credit Suisse Credit Facility were 4.91% and 3.60%, respectively and for the years ended March 31, 2023 and 2022, the weighted average interest rates on advances on the Credit Suisse Credit Facility were 3.79% and 2.69%, respectively. Advances have maximum terms up to twelve months and are subject to extension. DIH is subject to certain covenants under the terms of the Credit Suisse Credit Facility including minimum EBITDA covenants and financial reporting requirements. Additionally, the Credit Suisse Credit Facility contains a subjective acceleration clause in the event that the lender determines that a material adverse change has occurred within the business, operations, or financial condition of the Company.

On February 1, 2023, DIH and Credit Suisse entered into an amendment to the Credit Suisse framework agreement that provided a waiver of DIH's failure to comply with the EBITDA covenant and financial reporting obligation as of March 31, 2022. Additionally, the amendment to the Credit Suisse framework agreement reduced the credit line to CHF 0.1 million monthly payments starting January 31, 2023 and increasing to CHF 0.2 million monthly payments starting April 30, 2023.

The balance on the Credit Suisse Credit Facility was \$5.8 million and \$6.8 million as of September 30, 2023 and March 31, 2023, respectively.

Refer to *Note 11* of the *Notes to Annual Combined Financial Statements* for further discussion regarding DIH's Credit Suisse Credit Facility.

DIH has a framework agreement for a CHF 7.0 million revolving credit facility with UBS Switzerland AG (the "UBS Credit Facility"). DIH can draw on the facility in various forms including fixed advances and Secured Overnight Financing Rate ("SOFR") loans. Interest rates on advances on the UBS Credit Facility are based on the type of draw and can be adjusted at any time based on current market conditions. For the six months ended September 30, 2023 and 2022, the weighted average interest rates on advances on the UBS Credit Facility were 4.98% and 4.75%, respectively and for the years ended March 31, 2023 and 2022, the weighted average interest rates on advances on the UBS Credit Facility were 4.61% and 4.75%, respectively. Additionally, DIH must pay a 0.25% quarterly commission on average borrowings and a 0.75% fixed commitment fee on the undrawn portion of the UBS Credit Facility. Advances have maximum terms up to twelve months and are subject to extension. DIH is subject to certain covenants under the terms of the UBS Credit Facility including financial reporting requirements. Additionally, the UBS Credit Facility contains a subjective acceleration clause in the event that the lender determines that a material adverse change has occurred within the business, operations, or financial condition of the Company.

On March 1, 2022, DIH and UBS entered into an amendment to the UBS framework agreement that reduced the credit line to CHF 0.2 million one-time payment as of April 31, 2022 and reduced the credit line to CHF 0.1 million monthly payments starting May 31, 2022. On February 2, 2023, DIH and UBS entered into an amendment to increase the monthly payments to CHF 0.2 million starting April 30, 2023. On March 29, 2023, UBS provided DIH a waiver for the failure to comply with the financial reporting obligation as of March 31, 2022.

As of September 30, 2023 and March 31, 2023, DIH was in compliance with the annual financial reporting requirement.

The balance on the UBS Credit Facility was \$5.2 million and \$6.2 million as of September 30, 2023 and March 31, 2023, respectively.

Refer to *Note 11* of the *Notes to Annual Combined Financial Statements* for further discussion regarding DIH's UBS Credit Facility.

As of November 30, 2023, Credit Suisse and UBS each has agreed to certain amendments to the Credit Suisse Credit Facility and the UBS Credit Facility. Specifically, the scheduled repayments of CHF 200 for each bank due at the end of November 2023 and December 2023 have been suspended and will now be paid on January 31, 2024 together with the scheduled January monthly repayment. The monthly repayments of CHF 200 for each bank from February 29, 2024 and subsequent periods remain unchanged.

COVID-19 Loan and COVID-19 Loan Plus Credit Facilities

In September 2020, the Federal COVID-19 Act was approved by the Swiss Parliament, and subsequently enacted in Switzerland. Under the Federal COVID-19 Act and the corresponding COVID-19 Hardship Ordinance and COVID-19 Loss of Earning Ordinance, the Swiss Federal Council was granted a number of powers to implement measures to address the consequences of the global COVID-19 pandemic including federal loans under the COVID-19 Loan and COVID-19 Loan Plus ("COVID-19 Plus") programs for businesses meeting certain requirements.

DIH obtained a COVID-19 loan with UBS on May 19, 2020 for up to CHF 0.5 million maturing on June 30, 2024. The COVID-19 loan does not accrue interest. On December 17, 2021, DIH and UBS entered into an amendment to the COVID-19 loan agreement that reduced the credit line by CHF 50 thousand quarterly payments starting March 31, 2022 and five CHF 0.1 million payment in the year ending March 31, 2024.

The balance on the COVID-19 loan was \$0.2 million and \$0.3 million at September 30, 2023 and March 31, 2023, respectively.

DIH obtained a COVID-19 Plus credit facility with UBS on May 19, 2020 for up to CHF 2.8 million, maturing on June 30, 2024. The COVID-19 Plus credit facility has an 85% federal share accruing interest at 0.5% and a 15% bank share accruing interest at a rate determined by the bank based on market conditions (0.5% at March 31, 2023 and 2022, respectively). Subsequently, on January 7, 2022, DIH and UBS entered into an amendment to the COVID-19 Plus credit facility loan agreement that reduced our maximum credit limit to CHF 2.2 million and reduced the credit line by CHF 0.2 million quarterly payments starting March 31, 2022, CHF 0.2 million quarterly payments starting March 31, 2023 and five CHF 0.2 million payments in the year ending March 31, 2024. The balance on the COVID-19 Plus credit facility was \$1.2 million and \$1.7 million at September 30, 2023 and March 31, 2023, respectively.

Cash Flows

The following table summarizes DIH's cash flow activities for the periods presented:

(in thousands)	For Six months ended		For Years Ended	
	September 30,		March 31,	
	2023	2022	2023	2022
Net cash (used in) / provided by operating activities	\$ 110	\$ 3,747	\$ 6,183	\$ (744)
Net cash (used in) / provided by investing activities	(392)	(15)	(163)	(969)
Net cash (used in) / provided by financing activities	(3,304)	(1,927)	(3,659)	2,045
Effect of currency translation on cash, cash equivalents and restricted cash	99	(262)	(73)	(110)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (3,487)	\$ (1,543)	\$ 2,288	\$ 222

Net Cash Provided by / (Used in) Operating Activities

Net cash provided by operating activities decreased by \$3.6 million to \$0.1 million for the six months ended September 30, 2023 compared to \$3.7 million for the six months ended September 30, 2022. The increase in cash provided by operating activities was primarily driven by

- Increase in net loss of \$0.7 million. The primary drivers was the improved gross profit of \$2.3 million due to sales revenue increase period over period partially offset by increased cost of goods sold largely driven by increased device sales volume and an increase in inventory reserve for slow moving parts of. The increase is further offset by elevated costs related to increase in headcounts, professional service and IT costs of \$2.5 million related to audit, legal and other professional services in preparation of the potential business combination with ATAK and becoming a publicly listed company.
- Net increase of \$1.0 million in non-cash charges pertains to a \$0.7 million increase in foreign exchange gain / (losses), which is attributable to the sudden decrease of the Euro during the last part of fiscal year 2023 and the slight rebound and stabilization during fiscal year 2024, as well as, an increase in inventory reserve for slow moving parts of \$0.8 million. The increases in non-cash charges were offset by a decrease in allowance for doubtful accounts of \$1.0 million.
- Net decrease of \$4.0 million relating to changes in working capital was driven by changes in advanced payments from customer for the six months ended September 30, 2023 compared to the year ended March 31, 2023 primarily due to timing of order received. Many customers prepay a portion of each order, which supports the operations of the company in the production of the good. Additionally, the decrease is driving by the Company's focus during the period of paying off accrued expense due to increased external consultancy spend and investing in inventory to allow for growth in sales.

This decrease in working capital was partially offset by active cash management in account payable while incurring increased costs in the current year and billing in deferred revenue.

Net cash provided by / (used in) operating activities increased by \$6.9 million to \$6.2 million for the year ended March 31, 2023 compared to (\$0.7) million for the year ended March 31, 2022. The increase in cash provided by / (used in) operating activities was primarily driven by

- Decrease in net loss of \$9.7 million. The primary drivers of the improved earnings was the improved sales revenues and the decrease in headcount, year over year.
- Net decrease of \$5.6 million in non-cash charges pertains to the prior year impacts for the reserve on slow-moving and obsolete inventory related to recently retired products and then the subsequent scrapping and write off of those items in fiscal year 2023. This changed our overall reserve from \$3.2 million to \$1.5 million in fiscal years 2022 and 2023, respectively, the prior year additional reserve of \$2.3 million, and the subsequent reduction in fiscal year 2023 created a \$4.0 million impact to our changes in non-cash add backs. Each of these charges are considered to be exceptional in nature as DIH is actively monitoring slow-moving and obsolete inventory related to retiring products. The Company also notes a significant driver in non-cash changes is a \$1.2 million decrease in depreciation and amortization add backs for assets fully depreciated in the prior year or early current year. As those assets were fully depreciated, the non-cash add back is significantly reduced from the prior period.
- Net increase of \$2.8 million relating to changes in working capital was driven by DIH's continued focus on cash management, through collections and monitoring payables. Working capital was impacted by favorable changes in accrued expenses and accounts payable during the year ended March 31, 2023 compared to the year ended March 31, 2022, which was primarily due to increased external consultancy spend in fiscal 2023 in connection with the potential business combination with ATAK and DIH's focus on cash management. Additionally, working capital was impacted by favorable changes in due from and due to related parties driven by the Company's focus on reduced sales to related parties in the current fiscal year, and the collection of cash to be remitted to the related party in a net settlement transaction. Refer to *Note 17 of the Notes to Annual Combined Financial Statements* for discussion regarding DIH's subsequent events.

This positive impact on working capital was partially offset by unfavorable changes in accounts receivable and inventories during the year ended March 31, 2023 compared to the year ended March 31, 2022. The unfavorable change in accounts receivables was primarily due to increase in sales year over year and timing of receivables. The revenues in the fourth quarter of fiscal 2023 were approximately \$21.8 million, or 40% of the full year sales and up from \$14.9 million in fourth quarter of fiscal 2022, which drove receivables up towards the end of the fiscal 2023. The unfavorable change in inventories was primarily due to growth of the inventory needed consistent with the increase in sales year over year.

Net Cash (Used in) / Provided by Investing Activities

Net cash used in investing activities increased by \$377 thousand to \$392 thousand for the six months ended September 30, 2023 compared to \$(15) thousand for the six months ended September 30, 2022. The increase was primarily due to DIH's \$0.4 million payment of promissory note on behalf of DIH Cayman to ATAC Sponsor LLC pursuant to a guaranty and loan agreement. The increase is offset by net proceeds from sale and purchase of property and equipment for the six months ended September 30, 2023.

Net cash used in investing activities decreased by \$0.8 million to \$0.2 million for the year ended March 31, 2023 compared to \$1.0 million for the year ended March 31, 2022. The decrease was primarily due to decrease in purchases of property and equipment of \$0.6 million and decrease in software capitalization costs of \$0.1 million.

DIH expects to fund future cash flows used in investing activities with cash flow generated by operations and additional financing raised through the Business Combination. DIH estimates capital expenditures to be approximately \$0.4 million in fiscal 2024.

Net Cash (Used in) / Provided by Financing Activities

Net cash used in financing activities increased by \$1.4 million to \$(3.3) million for the six months ended September 30, 2023 compared to \$(1.9) million for the six months ended September 30, 2022. The increase was primarily due to increase in payments on credit facilities and long-term debt of \$1.4 million.

Net cash (used in) / provided by financing activities decreased by \$5.7 million to \$(3.7) million for the year ended March 31, 2023 compared to \$2.0 million for the year ended March 31, 2022. The decrease was primarily due to decrease in proceeds on credit facilities of \$2.7 million and increase in payments on credit facilities and long-term debt of \$3.0 million.

Critical Accounting Policies and Estimates

DIH's financial statements are based on the selection and application of significant accounting policies, which require management to make significant estimates and assumptions. Management believes that the following are some of the more critical judgment areas in the application of accounting policies that currently affect DIH's financial condition and results of operations.

Revenue Recognition

Sales are recognized as the performance obligations to deliver products or services are satisfied and are recorded based on the amount of consideration DIH expects to receive in exchange for satisfying the performance obligations. DIH's sales are recognized primarily when it transfers control to the customer, which can be on the date of shipment of the product, the date of receipt of the product by the customer or upon completion of any required product installation service depending on the terms of the sales contracts and product shipping terms. The sales amount of warranties are deferred and recognized as revenue on a straight-line basis over the warranty period.

We provide a variety of products and services to our customers. Most of our contracts consist of a single, distinct performance obligation or promise to transfer goods or services to a customer. For contracts that include multiple performance obligations, we allocate the total transaction price to each performance obligation using our best estimate of the standalone selling price of each identified performance obligation.

Deferred revenue primarily represents service contracts and equipment maintenance, for which consideration is received in advance of when service for the device or equipment is provided, and a smaller component of product shipments where a residual installation service is to be completed. Revenue related to services contracts and equipment maintenance is recognized over the service period as time elapses. Revenues related to products containing an installation clause, are recognized once the item is confirmed installed. Accordingly, we do not have significant contract assets, liabilities or future performance obligations.

Employee Benefit Plans

DIH has defined contribution plans or benefit pension plans covering substantially all of its employees. We recognize a liability for the underfunded status of the single employer defined benefit plans. Actuarial gains or losses and prior service costs or credits are recorded within other comprehensive income (loss). The determination of our obligation and related expense for our sponsored pensions is dependent, in part, on management's selection of certain actuarial assumptions in calculating these amounts.

The actuarial assumptions used for the defined benefit plans are based on the economic conditions prevailing in the jurisdiction in which they are offered. Changes in the defined benefit obligation are most sensitive to changes in the discount rate. The discount rate is based on the yield of high-quality corporate bonds quoted in an active market in the currency of the respective plan. A decrease in the discount curve increases the defined benefit obligation. DIH regularly reviews the actuarial assumptions used in calculating the defined benefit obligation to determine their continuing relevance. We utilized weighted discount rates of 2.10% and 1.40% for our pension plan expenses for fiscal 2023 and fiscal 2022, respectively.

Sensitivity to changes in the discount rate used in the calculation of our pension plan liabilities is illustrated below (dollars in millions).

	Percentage Point Change	Projected Benefit Obligation (Decrease) Increase	Service Cost (Decrease) Increase
Discount rate	+/-1.00%	\$ (1.6) / 2.0	\$ (0.2) / 0.2

In fiscal 2023 and fiscal 2022, we contributed \$0.6 million and \$0.5 million, respectively, to our pension plans. We expect to contribute \$0.6 million to our pension plans in fiscal 2024.

Income Taxes

DIH accounts for income taxes in accordance with Accounting Standards Codification Topic 740, Income Taxes (Topic 740). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and other loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DIH reviews its deferred income tax asset valuation allowances on a quarterly basis or whenever events or changes in circumstances indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or combined group recording the net deferred income tax asset is considered, along with any positive or negative evidence including tax law changes. Since future financial results and tax law may differ from previous estimates, periodic adjustments to DIH's valuation allowances may be necessary. DIH has generated operating losses in each of the years presented.

DIH is subject to income taxes in the U.S. and numerous foreign jurisdictions. These tax laws and regulations are complex and significant judgment is required in determining DIH's worldwide provision for income taxes and recording the related deferred tax assets and liabilities.

In the ordinary course of DIH's business, there are transactions and calculations where the ultimate tax determination is uncertain. Accruals for unrecognized tax benefits are provided for in accordance with the requirements of Topic 740. An unrecognized tax benefit represents the difference between the recognition of benefits related to items for income tax reporting purposes and financial reporting purposes. DIH's tax returns are subject to regular review and audit by US and non-US tax authorities. Although the outcome of tax audits is always uncertain, DIH believes that it has appropriate support for the positions taken on its tax returns and that its annual tax provision includes amounts sufficient to pay any assessments. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year and would be the obligation of Parent. DIH accrues interest and penalties related to uncertain tax positions as a component of income tax expense.

Refer to Note 14 of the Notes to Annual Combined Financial Statements for further discussion regarding DIH's income taxes.

Emerging Growth Company Status

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

ATAK is an "emerging growth company" as defined in Section 2(a) of the Securities Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Following the consummation of the Business Combination, New DIH expects to remain an emerging growth company at least through the end of the 2024 fiscal year and New DIH expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare New DIH's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

New Accounting Standards Not Yet Adopted

Other than the recent accounting pronouncements disclosed in DIH's *Annual Combined Financial Statements*, there have been no new accounting pronouncements or changes in accounting pronouncements during the six months ended September 30, 2023 that are significant or potentially significant to DIH.

Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, DIH is not required to provide this information.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms used but not defined in this Exhibit 99.3 shall have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K to which this Exhibit 99.3 is attached, and, if not defined in the Current Report on Form 8-K to which this Exhibit 99.3 is attached, the Registration Statement on Form S-4 (File No. 333-271890) (the "Registration Statement"). Unless the context otherwise requires, "New DIH" refers to DIH Holding US, Inc. and its subsidiaries after the Closing, "ATAK" refers to Aurora Technology Acquisition Corp. prior to the Domestication, "Domesticated ATAK" refers to Aurora Technology Acquisition Corp. prior to Closing, and "Legacy DIH" refers to DIH Holdings US, Inc. prior to the Closing.

The following unaudited pro forma condensed combined financial information present the combination of the financial information of ATAK and Legacy DIH adjusted to give effect to the separation of the Legacy DIH business from DIH Technology Ltd. ("DIH Cayman" or the "Parent") into an independent company (the "Separation"), the Business Combination and related transactions (collectively, the "Transactions"). The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." For purposes of these unaudited pro forma condensed combined financial statements, the entity surviving the Business Combination is referred to as "New DIH."

ATAK was incorporated as a Cayman Islands exempted company on August 6, 2021. ATAK was a blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization, recapitalization or similar business combination with one or more businesses. ATAK was an "emerging growth company," as defined in the Securities Act, as modified by the JOBS Act. The registration statement for ATAK's public offering was declared effective on February 7, 2022. On February 9, 2022, ATAK consummated the public offering of 20,200,000 Units. Each Unit consists of one Class A ordinary share, one redeemable warrant, and one right to receive one-tenth of one Class A ordinary share upon the consummation of the ATAK's initial business combination. Simultaneously with the closing of the initial public offering, ATAK consummated the sale of warrants in a private placement to ATAC Sponsor LLC (the "Sponsor"). On August 7, 2021, the Sponsor was issued 5,750,000 of ATAK's Class B ordinary shares (the "Founder Shares"). Due to the underwriters partial exercise of the over-allotment option, the Sponsor forfeited 700,000 Founder Shares back to ATAK. As a result, the Sponsor currently has 5,050,000 Founder Shares.

On February 3, 2023, ATAK held the February Extraordinary General Meeting and voted to approve the First Extension Amendment, extending the date by which ATAK must complete its initial business combination from February 9, 2023 to August 9, 2023 and the proposal to approve the First Trust Amendment. All proposals were at the February Extraordinary General Meeting were approved by the shareholders of ATAK. In connection with the vote to approve the First Extension Amendment, the holders of 14,529,877 Class A Ordinary Shares elected to redeem their shares for cash at a redemption price of approximately \$10.2769 per share, for an aggregate redemption amount of approximately \$149.3 million.

On July 27, 2023, ATAK held the July Extraordinary General Meeting and voted to approve the Second Extension Amendment, extending the date by which ATAK must complete its initial business combination from August 9, 2023 to February 7, 2024 and the proposal to approve the Second Trust Amendment. All proposals were at the July Extraordinary General Meeting were approved by the shareholders of ATAK. In connection with the vote to approve the Second Extension Amendment, the holders of 362,831 Class A Ordinary Shares elected to redeem their shares for cash at a redemption price of approximately \$10.6776 per share, for an aggregate redemption amount of approximately \$3.9 million. After giving effect to the Extension Amendments Redemptions, as of July 27, 2023, there are 5,307,292 Class A Ordinary Shares issued and outstanding and \$56.7 million remaining in the Trust Account.

From February 2023 to January 2024, ATAK issued unsecured promissory notes to the Sponsor, with an aggregate principal amount equal to \$2.3 million, for the purpose of making extension payments, repaying the Sponsor or any other person with respect to funds loaned to ATAK for the purpose of paying Extension Payments, and providing ATAK with additional working capital. For more information on the Extension and Working Capital Notes, see sections entitled "Information About ATAK - Extension and Working Capital Notes" of the Proxy Statement/Prospectus. Proceeds from promissory notes of \$1.4 million received (and related uses) through September 30, 2023 are reflected in the ATAK's historical financial statements presented in the unaudited pro forma condensed combined financial information. Proceeds from promissory notes of \$0.5 million received after September 30, 2023 and deposited in the Trust Account are reflected in the unaudited pro forma condensed combined financial information.

Legacy DIH is a global solution provider in blending innovative robotic and VR technologies with clinical integration and insights. Legacy DIH has a focused portfolio of rehabilitation solutions, which includes both technology and products focused in the hospital, clinic, and research markets.

On February 8, 2024, New DIH entered into a securities purchase agreement for the private placement of New DIH Class A Common Stock resulting in gross proceeds of \$1.5 million. OrbiMed, an existing shareholder in DIH Technologies, was the sole participant in the financing. The securities purchase agreement for the financing provides for the sale of an aggregate of 150,000 shares of New DIH's Class A Common Stock at a purchase price of \$10 per share together with warrants to purchase an additional 300,000 shares of DIH Class A Common Stock with an exercise price of \$10. The financing was not contingent on the closing of the Business Combination. Proceeds from the securities purchase agreement and related stock issuances are not reflected in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is based on ATAK's historical financial statements and Legacy DIH's historical combined financial statements, as adjusted to give effect to the Transactions (summarized below). ATAK's fiscal year ends on December 31, whereas Legacy DIH's fiscal year ends on March 31. The unaudited pro forma condensed combined balance sheet and statements of operations have been prepared utilizing period ends that differ by less than 93 days, as permitted by Rule 11-02 of Regulation S-X of the Exchange Act.

The historical balance sheets presented in the unaudited pro forma condensed combined financial information reflect balances as of September 30, 2023 for Legacy DIH and for ATAK. The unaudited pro forma condensed combined balance sheet gives pro forma effect to the Transactions as if they had been consummated on September 30, 2023.

The historical statements of operations presented in the unaudited pro forma condensed combined financial information reflect:

- Legacy DIH's activity for the six months ended September 30, 2023 and ATAK's activity for the six months ended June 30, 2023; and,
- Legacy DIH's activity for the year ended March 31, 2023 and ATAK's activity for the year ended December 31, 2022

The unaudited pro forma condensed combined statements of operations gives pro forma effect to the Transactions, summarized below, as if they had been consummated on April 1, 2022, giving effect to:

- The Separation transaction accounting adjustments
 - The assets and liabilities which will remain with DIH Cayman until the Reorganization (as such term is defined in the Business Combination Agreement) is completed in accordance with the terms of the Business Combination Agreement
 - The Business Combination and related transactions transaction accounting adjustments
 - the reverse recapitalization (as described in Note 1) between ATAK and Legacy DIH; and,
 - the redemption of 4,815,153 Class A Ordinary Shares for \$53.4 million out of the Trust Account, at a redemption price of approximately \$11.09 per share;
 - the one-time expenses associated with the Business Combination.
-

The unaudited pro forma condensed combined financial information should be read in conjunction with Legacy DIH's and ATAK's unaudited and audited financial statements and related notes; the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of ATAK*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of DIH*," and other financial information included elsewhere in the Proxy Statement/Prospectus, including the Business Combination Agreement.

Description of the Business Combination

On February 26, 2023, ATAK, ATAK Merger Sub, and Legacy DIH entered into the Business Combination Agreement. On December 18, 2023, the Business Combination was approved by an ATAK shareholder vote and closed February 7, 2024. In connection with the Closing of the Business Combination and in accordance with the terms of the Business Combination Agreement, ATAK agreed to waive the closing condition that the Reorganization be completed prior to Closing. As a result, the following legal entities and assets of DIH Cayman were subject to the business combination with ATAK at Closing: DIH Holding US (which is prepared on a consolidated basis) and Hocoma Medical, as well as, the Hocoma Medical assets. Whereas, Hocoma AG and Motekforce Link BV and its subsidiaries were excluded. New DIH agreed to use its best efforts to complete the Reorganization as soon as possible thereafter.

Pursuant to the Business Combination Agreement and the transactions contemplated thereby, immediately prior to the Effective Time of the Business Combination, ATAK transferred by way of continuation from the Cayman Islands to the State of Delaware and domesticated as a Delaware corporation (the "Domestication"), upon which ATAK changed its name to "DIH Holding US, Inc." ("New DIH").

In connection with the Domestication: (i) each of the then issued and outstanding Class B ordinary shares of ATAK, par value \$0.0001 per share converted, on a one-for-one basis, into a share of Class B common stock, par value \$0.0001 per share, of ATAK (after the Domestication) (the "Domesticated Class B Common Stock"); (ii) each of the then issued and outstanding Class A ordinary shares of ATAK, par value \$0.0001 per share converted, on a one-for-one basis, into a share of Class A common stock, par value \$0.0001 per share, of ATAK (after the Domestication) (the "New DIH Class A Common Stock"); (iii) each of the then issued and outstanding warrants, each two warrants representing the right to purchase one Class A Ordinary Share converted into warrants to acquire shares of New DIH Class A Common Stock pursuant to the ATAK Warrant Agreement (each warrant, a "New DIH Warrant"); (iv) each of the then issued and outstanding rights, each ten rights representing the right to receive one share of Class A Common Stock converted into rights to receive shares of New DIH Class A Common Stock (each right, a "Domesticated Right"); and (v) each of the then issued and outstanding units of ATAK converted, on a one-for-one basis, into a unit of ATAK (after the Domestication) (each, a "Domesticated Unit"), with each Domesticated Unit representing one New DIH Class A Common Stock, one New DIH Warrant and one Domesticated Right.

At the Closing of the Business Combination, each of the then issued and outstanding shares of Domesticated Class B Common Stock converted, on a one-for-one basis, into a share of New DIH Class A Common Stock (the "Sponsor Share Conversion"). Each Domesticated Unit separated into one share of New DIH Class A Common Stock, one New DIH Warrant and one New DIH Right. Additionally, in connection with the Business Combination, each ten Domesticated Rights were exchanged for one share of New DIH Class A Common Stock.

At the Closing of the Business Combination, and following the Domestication, the Merger occurred, in which ATAK Merger Sub was merged with and into Legacy DIH, with New DIH surviving the merger as a wholly owned direct subsidiary of ATAK (after Domestication), with each share of Legacy DIH common stock issued and outstanding immediately prior to the Effective Time was canceled and converted into the right to receive, the number of shares of New DIH Class A Common Stock equal to the Exchange Ratio (as described in more detailed below).

Pursuant to the Business Combination Agreement, at the Closing, ATAK acquired all of the outstanding equity interests of Legacy DIH, and stockholders of Legacy DIH received \$250 million in aggregate consideration (the "Aggregate Base Consideration") in the form of newly-issued shares of New DIH Class A Common Stock, calculated based on a price of \$10.00 per share. Additionally, Legacy DIH equity holders have the right to receive up to an additional 6,000,000 shares of New DIH Class A Common Stock in the future (as described in more detailed below).

Legacy DIH stockholders as of immediately prior to the Effective Time may be entitled to receive up to an additional 6,000,000 shares of New DIH Class A Common Stock (the "Earnout Shares") as additional consideration, subject to the following conditions:

- 1,000,000 of the Earnout Shares will vest if and at such time as a \$12.00 or greater New DIH Class A Common Stock Price is achieved during the Earnout Period (as defined below);
 - 1,333,333 of the Earnout Shares will vest if and at such time as a \$13.50 or greater New DIH Class A Common Stock Price is achieved during the Earnout Period;
 - 1,666,667 of the Earnout Shares will vest if and at such time as a \$15.00 or greater New DIH Class A Common Stock Price is achieved during the Earnout Period; and
 - 2,000,000 of the Earnout Shares will vest if and at such time as a \$16.50 or greater New DIH Class A Common Stock Price is achieved during the Earnout Period.
-

The “*New DIH Class A Common Stock Price*” will be considered achieved only (a) when the volume-weighted average price of the shares of class A common stock of New DIH is greater than or equal to the applicable threshold for any 20 trading days during the Earnout Period or (b) the per-share price (based on a fully diluted basis, inclusive of issues of the Earnout Shares, which are expected to be classified as equity) implied in a change of control transaction is greater than or equal to the applicable threshold.

“*Earnout Period*” means the period beginning on the Closing Date and expiring at the close of business on the fifth anniversary of the Closing Date.

In connection with the Closing of the Business Combination, ATAK and Legacy DIH established a mutually agreed upon equity pool, equal to 10% of the number of shares of New DIH Class A Common Stock outstanding on a fully diluted basis (the “*Stock Incentive Plan*”). See “*Proposal No. 6 – The Stock Incentive Proposal*” of the Proxy Statement/Prospectus. The unaudited pro forma condensed combined financial information does not reflect the expense related to the Stock Incentive Plan as the terms (e.g., vesting, form of the award) for the awards are undecided.

Contingent upon the Closing, the Sponsor has agreed it will waive any anti-dilution right pursuant to the organizational documents of ATAK and that it will waive the right to redeem 5,050,000 shares of Founder Shares held. In addition, ATAK’s representative has agreed to waive the right to redeem 303,000 shares of Class A Ordinary Shares held.

The following summarizes the pro forma shares of New DIH Class A Common Stock outstanding at the Closing:

	<u>Shares</u>	<u>%</u>
Existing Legacy DIH equity holders ⁽¹⁾	26,950,000	78%
New DIH public shareholders ⁽²⁾	2,512,139	7%
ATAK founder shareholders	4,550,000	13%
Shares issued to vendors for settlement of accounts payable ⁽³⁾	32,797	-%
ATAK representative	500,000	2%
Total shares at close ⁽⁴⁾	<u>34,544,936</u>	<u>100%</u>

- 1) Excludes 6,000,000 shares of New DIH Class A Common Stock in estimated potential Earn out Shares as the price threshold for each tranche has not yet been triggered. Such shares were deposited into escrow and subject to reduction or forfeiture in accordance with the terms of the Business Combination Agreement. Includes 700,000 shares of New DIH Class A Common Stock issued to Maxim pursuant to financial advisory fees. Additionally, includes 500,000 shares of New DIH Class A Common Stock transferred from the Sponsor to DIH Cayman; 600,000 shares of New DIH Class A Common Stock allocated from Maxim to DIH Cayman; and, 150,000 New DIH Class A Common Stock allocated from certain ATAK service providers to DIH Cayman, all of which were pursuant to a side letter agreement
 - 2) Includes the issuance of 2,020,000 shares of New DIH Class A Common Stock pursuant to the public rights
 - 3) Represents shares issued to settle certain ATAK accounts payable
 - 4) Excludes 3,454,494 shares of New DIH Class A Common Stock that are available for issuance pursuant to the Stock Incentive Plan
-

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2023
(in thousands)

	<u>Separation</u>			<u>Business Combination</u>		
	<u>Legacy DIH (Historical)</u>	<u>Transaction Accounting Adjustments</u>	<u>Proforma Separation of Legacy DIH</u>	<u>ATAK (Historical)</u>	<u>Transaction Accounting Adjustments</u>	<u>Pro Forma Combined</u>
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,987	\$ (330)	\$ 1,657	\$ 29	\$ 58,867	(a2) \$ 2,582
	-	-	-	-	(3,612)	(c) -
	-	-	-	-	(50)	(d) -
	-	-	-	-	(53,409)	(h) -
	-	-	-	-	(150)	(j) -
	-	-	-	-	(750)	(k) -
Restricted cash	501	(61)	440	-	-	440
Accounts receivable, net	4,891	(108)	4,783	-	-	4,783
Inventories, net	8,170	(2,174)	5,996	-	-	5,996
Promissory note - related party	405	-	405	-	-	405
Due from related party	119	5,512	5,631	-	-	5,631
Prepaid expenses	-	-	-	26	125	(k) 151
Other current assets	5,611	(825)	4,786	-	-	4,786
Total current assets	<u>21,684</u>	<u>2,014</u>	<u>23,698</u>	<u>55</u>	<u>1,021</u>	<u>24,774</u>
Marketable securities held in Trust Account	-	-	-	57,481	1,386	(a1) -
	-	-	-	-	(58,867)	(a2) -
Property and equipment, net	632	(129)	503	-	-	503
Capitalized software, net	2,293	(80)	2,213	-	-	2,213
Other intangible assets, net	380	-	380	-	-	380
Operating lease, right-of-use assets, net	4,887	(479)	4,408	-	-	4,408
Other assets	46	-	46	-	150	(j) 821
	-	-	-	-	625	(k) -
Total assets	<u>\$ 29,922</u>	<u>\$ 1,326</u>	<u>\$ 31,248</u>	<u>\$ 57,536</u>	<u>\$ (55,685)</u>	<u>\$ 33,099</u>
Liabilities and Stockholders' (Deficit) Equity						
Current liabilities:						
Accounts payable	\$ 5,638	\$ (1,324)	\$ 4,314	\$ 1,981	\$ (955)	(c) \$ 5,340
Accrued expenses	-	-	-	215	(129)	(c) 86
Accrued offering costs	-	-	-	50	(50)	(d) -
Promissory note – related party	-	-	-	1,405	-	1,405
Employee compensation	3,684	(504)	3,180	-	-	3,180
Due to related party	-	2,687	2,687	-	-	2,687
Current maturities of long-term debt	1,472	(1,472)	-	-	-	-
Revolving credit facilities	10,931	(10,931)	-	-	-	-
Current portion of deferred revenue	8,992	(310)	8,682	-	-	8,682
Current portion of long-term operating lease	1,675	(240)	1,435	-	-	1,435
Advance payments from customers	9,918	(1,054)	8,864	-	-	8,864
Accrued expenses and other current liabilities	12,692	(2,220)	10,472	-	(178)	(c) 10,294
Total current liabilities	<u>55,002</u>	<u>(15,368)</u>	<u>39,634</u>	<u>3,651</u>	<u>(1,312)</u>	<u>41,973</u>
Warrant liabilities	-	-	-	441	-	441
Deferred underwriting commissions	-	-	-	7,070	(7,070)	(b) -
Non-current deferred revenue	3,906	(127)	3,779	-	-	3,779
Long-term operating lease	3,238	(241)	2,997	-	-	2,997
Non-current due to related party	-	16,597	16,597	-	-	16,597
Deferred tax liabilities	409	(286)	123	-	-	123

	(l)					
Other non-current liabilities	3,281	-	3,281	-	-	3,281
Total liabilities	<u>65,836</u>	<u>575</u>	<u>66,411</u>	<u>11,162</u>	<u>(8,382)</u>	<u>69,191</u>
Commitments and contingencies:						
Class A ordinary shares subject to possible redemption				57,481	1,386	(a1) -
	-	-	-	-	(58,867)	(e) -
Stockholder's Deficit:						
Class A Common Stock, \$0.0001 par value	-	-	-	-	2	(f) 4
	-	-	-	-	2	(i) -
Class B Common Stock, \$0.0001 par value	-	-	-	-	-	-
Preference shares; \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	-	-	-	-	-	-
Class A ordinary shares, \$0.0001 par value, 500,000,000 shares authorized; 303,000 shares issued and outstanding (excluding 5,307,292 subject to possible redemption)	-	-	-	-	1	(e) -
	-	-	-	-	(1)	(f) -
Class B ordinary shares, \$0.0001 par value, 50,000,000 shares authorized; 5,050,000 shares issued and outstanding	-	-	-	1	(1)	(f) -
Additional paid-in capital	-	-	-	-	14,070	(b) (39,275)
	-	-	-	-	328	(c) -
	-	-	-	-	58,866	(e) -
	-	-	-	-	(12,280)	(g) -
	-	-	-	-	(53,409)	(h) -
	-	-	-	-	(46,850)	(i) -
Accumulated deficit	-	-	-	(11,108)	(1,172)	(c) -
	-	-	-	-	12,280	(g) -
Net parent company investment	(39,093)	751(l)	(38,342)	-	(7,000)	(b) -
	-	-	-	-	(1,506)	(c) -
	-	-	-	-	46,848	(i) -
Accumulated other comprehensive income	3,179	-	3,179	-	-	3,179
Total stockholders' equity (deficit)	<u>(35,914)</u>	<u>751</u>	<u>(35,163)</u>	<u>(11,107)</u>	<u>10,178</u>	<u>(36,092)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 29,922</u>	<u>\$ 1,326</u>	<u>\$ 31,248</u>	<u>\$ 57,536</u>	<u>\$ (55,685)</u>	<u>\$ 33,099</u>

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(in thousands, except share and per share data)**

	Separation			Business Combination			
	Legacy DIH (Historical)	Transaction Accounting Adjustments	(ee)	Proforma Separation of Legacy DIH	ATAK (Historical)	Transaction Accounting Adjustments	Pro Forma Combined
Revenue	\$ 27,314	\$ (1,208)	(ee)	\$ 26,106	\$ -	\$ -	\$ 26,106
Cost of sales	14,736	181	(ee)	14,917	-	-	14,917
Gross profit	12,578	(1,389)		11,189	-	-	11,189
Operating expenses:							
Selling, general, and administrative expense	13,713	(1,314)	(ee)	12,399	-	63 (cc)	12,462
Research and development	3,763	(740)	(ee)	3,023	-	-	3,023
Formation and operating expense	-	-		-	2,389	-	2,389
Total operating expenses	17,476	(2,054)		15,422	2,389	63	17,874
Operating income (loss)	(4,898)	665		(4,233)	(2,389)	(63)	(6,685)
Other income (expense):							
Interest expense, net	(500)	389	(dd)	(111)	-	-	(111)
Change in fair value of warrant liability	-	-		-	213	-	213
Dividend income on marketable securities held in Trust Account	-	-		-	1,966	(1,966) (bb)	-
Other income (expense), net	(430)	-		(430)	-	-	(430)
Total other income (expense), net	(930)	389		(541)	2,179	(1,966)	(328)
Income (loss) before income taxes	(5,828)	1,054		(4,774)	(210)	(2,029)	(7,013)
Income tax expense	278	-		278	-	-	278 (ff)
Net income (loss)	\$ (6,106)	\$ 1,054		\$ (5,052)	\$ (210)	\$ (2,029)	\$ (7,291)
Basic and diluted weighted average shares outstanding, Class A ordinary shares subject to possible redemption					8,800,870		N/A
Basic and diluted net income (loss) per share, Class A ordinary shares subject to possible redemption					\$ (0.01)		N/A
Basic and diluted weighted average shares outstanding, non-redeemable ordinary shares					5,353,000		N/A
Basic and diluted net income (loss) per share, non-redeemable ordinary shares					\$ (0.01)		N/A
Net income (loss) per share:							
Weighted average Class A Common Stock outstanding – basic and diluted					N/A		34,544,936
Net income (loss) per Class A Common Stock – basic and diluted					N/A		\$ (0.21)

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023
(in thousands, except share and per share data)**

	Legacy DIH (Historical)	Separation			Business Combination		
		Transaction Accounting Adjustments		Proforma Separation of Legacy DIH	ATAK (Historical)	Transaction Accounting Adjustments	Pro Forma Combined
Revenue	\$ 54,998	\$ (879)	(ee)	\$ 54,119	\$ -	\$ -	\$ 54,119
Cost of sales	20,456	3,418	(ee)	23,874	-	-	23,874
Gross profit	34,542	(4,297)		30,245	-	-	30,245
Operating expenses:							
Selling, general, and administrative expense	26,415	(3,004)	(ee)	23,411	-	125	(cc) 23,536
Research and development	8,345	(1,427)	(ee)	6,918	-	-	6,918
Formation and operating costs	-	-		-	1,705	938	(aa) 2,643
Total operating expenses	34,760	(4,431)		30,329	1,705	1,063	33,097
Operating loss	(218)	134		(84)	(1,705)	(1,063)	(2,852)
Other income (expense):							
Interest expense, net	(780)	382	(dd)	(398)	-	-	(398)
Change in fair value of warrant liability	-	-		-	5,191	-	5,191
Gain on extinguishment of over-allotment liability	-	-		-	258	-	258
Dividend income on marketable securities held in Trust Account	-	-		-	2,860	(2,860)	(bb) -
Other income (expense), net	667	-		667	-	(8,506)	(aa) (7,839)
Total other income (expense), net	(113)	382		269	8,309	(11,366)	(2,788)
Income (loss) before income taxes	(331)	516		185	6,604	(12,429)	(5,640)
Income tax expense	2,030	-		2,030	-	-	(ff) 2,030
Net income (loss)	\$ (2,361)	\$ 516		\$ (1,845)	\$ 6,604	\$ (12,429)	\$ (7,670)
Basic and diluted weighted average shares outstanding, Class A ordinary shares subject to possible redemption					18,041,644		N/A
Basic and diluted net income per share, Class A ordinary shares subject to possible redemption					\$ 0.28		N/A
Basic and diluted weighted average shares outstanding, non-redeemable ordinary shares					5,315,282		N/A
Basic and diluted net income per share, non-redeemable ordinary shares					\$ 0.28		N/A
Net loss per share:							
Weighted average Class A Common Stock outstanding					N/A		34,544,936
Net loss per Class A Common Stock – basic and diluted					N/A		\$ (0.22)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses,” using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information has been adjusted to include Transaction Accounting Adjustments, which reflect the application of the accounting required by U.S. GAAP, linking the effects of the Business Combination, described above, to the ATAK and Legacy DIH historical financial statements (“Transaction Accounting Adjustments”).

The unaudited pro forma condensed combined financial information is based on ATAK’s historical financial statements and Legacy DIH’s historical combined financial statements, as adjusted to give effect to the Transactions (summarized below). ATAK’s fiscal year ends on December 31, whereas Legacy DIH’s fiscal year ends on March 31. The unaudited pro forma condensed combined balance sheet and statements of operations have been prepared utilizing period ends that differ by less than 93 days, as permitted by Rule 11-02 of Regulation S-X of the Exchange Act. The historical statement of operations of ATAK used in the unaudited pro forma condensed combined statement of operations for the six months ended September 30, 2023 was the unaudited statement of operations for the six months ended June 30, 2023. The historical statement of operations of ATAK used in the unaudited pro forma condensed combined statement of operations for the year ended March 31, 2023 was the audited statement of operations for the year ended December 31, 2022. ATAK’s net income for the three months ended September 30, 2023 was \$0.5 million.

The historical balance sheet of ATAK used in the unaudited pro forma condensed combined balance sheet as of September 30, 2023 was the unaudited combined balance sheet as of September 30, 2023.

The Business Combination will be accounted for as a reverse recapitalization, in accordance with U.S. GAAP. Under this method of accounting, ATAK will be treated as the “acquired” company for financial reporting purposes. Accordingly, the Business Combination will be treated as the equivalent of Legacy DIH issuing stock for the net assets of ATAK, accompanied by a recapitalization. The net assets of ATAK will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of Legacy DIH.

Legacy DIH has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Legacy DIH’s existing stockholders will have the largest voting interest in the combined company;
- Legacy DIH’s former executive management will make up all of the management of New DIH;
- Legacy DIH’s existing directors and individuals designated by, or representing, Legacy DIH’s stockholders will constitute a majority of the initial New DIH board of directors following the consummation of the Business Combination;
- ATAK assumed the name “DIH Holding US, Inc.” and
- Legacy DIH is the larger entity based on revenue. Additionally, Legacy DIH has a larger employee base and substantive operations

The unaudited pro forma condensed combined balance sheet as of September 30, 2023 assumes that the Business Combination occurred on September 30, 2023. The unaudited pro forma condensed combined statement of operations for the six months ended September 30, 2023 and for the year ended March 31, 2023 gives pro forma effect to the Business Combination as if it had been completed on April 1, 2022. All periods are presented on the basis of Legacy DIH as the accounting acquirer in the Business Combination.

The pro forma adjustments are based on the information currently available and reflect assumptions and estimates underlying the pro forma adjustments as described in the accompanying notes. Additionally, the unaudited pro forma condensed combined financial information is based on preliminary accounting conclusions, which are subject to change. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates and accounting, the final amounts recorded may differ materially from the information presented. The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that Legacy DIH would have achieved had ATAK and Legacy DIH been combined during the periods presented in the unaudited pro forma condensed combined financial information and is not intended to project the future results of operations that New DIH may achieve. The unaudited pro forma condensed combined financial information does not reflect any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with New DIH.

There were no intercompany balances or transactions between ATAK and Legacy DIH as of September 30, 2023 and the six months ended September 30, 2023 and the year ended March 31, 2023 of this unaudited pro forma condensed combined financial information. Accordingly, no pro forma adjustments were required to eliminate the activities between ATAK and Legacy DIH.

The pro forma condensed combined provision for income taxes does not necessarily reflect the amounts that would have resulted had ATAK and Legacy DIH filed consolidated income tax returns during the periods presented.

2. Accounting Policies

Upon consummation of the Business Combination, management will perform a comprehensive review of the two entities' accounting policies. As a result of that review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of New DIH. Based on its initial analysis, management did not identify any significant differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

3. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

- a) Reflects (1) \$1.4 million increase in the Trust Account from after September 30, 2023 through February 7, 2024, which includes extension payments of \$0.5 million and accrued interest of \$0.9 million and (2) the reclassification of \$58.9 million of cash held in the Trust Account that becomes available to consummate the Business Combination prior to redemptions described in adjustment h below
 - b) Reflects the settlement of the deferred underwriting commission of \$7.1 million owed to Maxim by ATAK and the \$8.0 million success fee owed to Maxim by DIH through the issuance of 797,000 shares of New DIH Class A Common Stock to Maxim at the Closing of the Business Combination, of which 600,000 shares of New DIH Class A Common Stock were allocated directly to DIH Cayman pursuant to a side letter agreement
-

c) Represents the adjustments for transaction costs as shown below

	<u>Cash and cash equivalents</u>	<u>Accounts payable</u>	<u>Accrued expenses</u>	<u>Accrued expenses and other current liabilities</u>	<u>APIC</u>	<u>Accumulated deficit</u>	<u>Net parent company investment</u>
(1) Payment of transaction costs incurred and accrued as of September 30, 2023 at Closing relating to:							
DIH	\$ (1,047)	\$ (869)	\$ -	\$ (178)	\$ -	\$ -	\$ -
ATAK	(1,371)	(1,371)	-	-	-	-	-
	<u>(2,418)</u>	<u>(2,240)</u>	<u>-</u>	<u>(178)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Future transaction costs incurred after September 30, 2023							
(2) Payment of future transaction costs incurred after September 30, 2023 at Closing relating to:	(1,194)	-	-	-	-	-	-
DIH	-	-	-	-	-	-	(413)
ATAK	-	-	-	-	-	(781)	-
(3) Settlement of certain ATAK transaction costs of \$0.3M with shares issued to vendors at Closing	-	(42)	(129)	-	328	(157)	-
(4) Transaction costs incurred after September 30, which will be paid from DIH's operating cash following the Closing	-	1,327	-	-	-	-	-
DIH	-	-	-	-	-	-	(1,093)
ATAK	-	-	-	-	-	(234)	-
	<u>(1,194)</u>	<u>1,285</u>	<u>(129)</u>	<u>-</u>	<u>328</u>	<u>(1,172)</u>	<u>(1,506)</u>
Total transaction accounting adjustment	<u>\$ (3,612)</u>	<u>\$ (955)</u>	<u>\$ (129)</u>	<u>\$ (178)</u>	<u>\$ 328</u>	<u>\$ (1,172)</u>	<u>\$ (1,506)</u>

- d) Reflects the payment of \$50 thousand of accrued offering costs settled at close
- e) Reflects the reclassification of Class A Ordinary Shares subject to possible redemption to permanent equity
- f) Reflects the reclassification of Class A Ordinary Shares and Class B Ordinary Shares to shares of New DIH Class A Common Stock and Domesticated Class B Common Stock, respectively, followed by the Sponsor Share Conversion at Closing
- g) Reflects the elimination of ATAK historical accumulated deficit
- h) Represents the redemption of 4,815,153 Class A Ordinary Shares for \$53.4 million allocated to Class A Ordinary Shares and additional paid-in capital using par value of \$0.0001 per share and at a redemption price of \$11.09 per share (based on the fair value of the cash and investments held in the Trust Account of \$58.9 million immediately before Closing after giving effect to the Extension Amendments Redemptions)
- i) Represents the reclassification of the parent's net investment in Legacy DIH into New DIH's common stock, no par value per share, followed by the recapitalization of DIH Holding US's outstanding equity as a result of the reverse recapitalization. This also represents the issuance of New DIH Class A Common Stock to Legacy DIH equity holders as consideration for the reverse recapitalization

The adjustment to additional paid-in capital is derived as the sum of i) Pro forma separation of Legacy DIH's net parent company investment balance at September 30, 2023 (\$38,342), ii) the impact of transaction expenses reflected in pro-forma adjustment c) (\$8,506), and iii) the issuance of 25,000,000 shares of New DIH Class A Common Stock at a par value of \$0.0001 (\$2)

- j) Reflects the reservation of cash in an escrow account at Closing to cover potential litigation costs that may occur over the next two years
- k) Reflects payment of the tail directors and officers ("D&O") insurance premium. The insurance policy is recorded as a prepaid expense and is amortized over the coverage period of six years
- l) Reflects the adjustment for assets and liabilities retained by DIH Cayman at Closing. The Reorganization was not completed at Closing which resulted in the following entities remaining with DIH Cayman at Closing: Hocoma AG and Motekforce Link BV and its subsidiaries. The historical activity on these entities is not substantive and thus will be treated as a transfer of assets and liabilities between entities under common control. The most significant liabilities retained and to be settled by Hocoma AG is third-party debt of \$12.4 million, which includes current maturities of long-term debt of \$1.5 million and revolving credit facilities of \$10.9 million. Additionally, there are adjustments to reflect related party notes payable of \$16.6 million due from Legacy DIH to Hocoma AG related to asset transfers from Hocoma AG to Legacy DIH, which historically eliminated in Legacy DIH combination and are expected to be settled in cash.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

- aa) Reflects estimated transaction-related costs to be incurred by ATAK and DIH subsequent to September 30, 2023. Pro forma transaction-related costs adjustment of \$9.4 million excludes \$4.3 million and \$1.6 million of transaction-related costs already recognized in the historical statement of operations of ATAK and Legacy DIH for the six months ended September 30, 2023 and for the year ended March 31, 2023, respectively. This is a non-recurring item
- bb) Represents the elimination of \$2.0 million and \$2.9 million of dividend income earned on marketable securities held in ATAK's Trust Account for the six months ended September 30, 2023 and for the year ended March 31, 2023, respectively
- cc) Reflects the amortization of the tail D&O insurance policy (six-year policy)
- dd) Net interest expense adjustment which includes i) the elimination of third-party interest expense for debt retained by Hocoma AG of \$0.5 million and \$0.6 million for the six months ended September 30, 2023 and for the year ended March 31, 2023, respectively and ii) the inclusion of interest expense on related party notes payable of \$0.1 million and \$0.2 million for the six months ended September 30, 2023 and for the year ended March 31, 2023, respectively
- ee) Adjustment to remove Motek's gross margin in order to reflect the current transfer pricing arrangement between Legacy DIH and Motek and to remove Motek's operating expenses
- ff) The pro forma income statement adjustments do not reflect any income tax effect because Legacy DIH has a full valuation allowance offsetting any potential tax impact

4. Net Income (Loss) per Share

Represents the net income (loss) per share calculated using outstanding shares that would result from the Transactions, assuming the shares were outstanding since April 1, 2022. As the Transactions are being reflected as if they had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Transactions have been outstanding for the entire periods presented.

The unaudited pro forma condensed combined financial information has been prepared for the six months ended September 30, 2023 and for the year ended March 31, 2023 (in thousands, except share and per share data):

	Six Months Ended September 30, 2023	Year Ended March 31, 2023
	Pro Forma Combined	Pro Forma Combined
Pro forma net income (loss)	\$ (7,291)	\$ (7,670)
Weighted average shares outstanding of Class A Common Stock (2)(3)	34,544,936	34,544,936
Net income (loss) per Class A Common Stock – basic and diluted (1)	\$ (0.21)	\$ (0.22)

- (1) For the purposes of applying the treasury method for calculating diluted earnings per share, it was assumed that all outstanding warrants sold in the IPO and in the private placement are exchanged for 13.3 million shares of New DIH Class A Common Stock. However, since this results in anti-dilution as their exercise price is \$11.50, the effect of such exchange was not included in the calculation of basic or diluted loss per share
 - (2) Excludes 6,000,000 shares of New DIH Class A Common Stock in estimated potential Earnout Shares as the price threshold for each tranche has not yet been triggered
 - (3) Includes the issuance of 2,020,000 shares of New DIH Class A Common Stock pursuant to the public rights
-

DIH Reports First Half Fiscal 2024 Financial Results

NORWELL, MA – February 20, 2024 DIH Holding US, Inc. (“DIH”)(NASDAQ:DHAI), a leading global robotics and virtual reality (“VR”) technology provider in the rehabilitation and human performance industry, today reported financial results for the six months ended September 30, 2023.

Recent Highlights

- Revenue of \$27.3 million for the 6 months end September 30, 2023, representing growth of 57.7% over the prior year period
- Revenue from device sales in the 6 months end September 30, 2023 increased by 73.9%
- Publicly listed on Nasdaq Global Markets following completion of the business combination with Aurora Technology Acquisition Corp (ATAK) on February 7, 2024
- Introduction of the Armeo®Spring Pro to the upper extremity device portfolio

“We are very pleased with the Company’s performance in the first half of Fiscal Year 2024 as we’re continuing to penetrate new and existing markets, seeing strong growth momentum throughout the first two quarters after strong growth in the prior year “ said Jason Chen, Chairman and CEO of DIH. “I’m excited by the significant growth opportunities ahead of us as we begin to operate as a publicly traded company; and look forward to connecting with the many valued stakeholders in DIH’s mission to advance our vision for a transformative rehabilitative care model.”

First Half 2024 Financial Results

Revenue for the six months ended September 30, 2023 increased by \$10.0 million, or 57.7%, to \$27.3 million from \$17.3 million for the six months ended September 30, 2022. The overall increase was primarily due to a net increase in devices sold of \$9.0 million, or 73.9%, which consisted of an increase in sales to third-party customers. The increase in devices revenue was driven by higher sales volume in Europe, the Americas and Asia. Services revenue represented an increase of \$0.8 million, up 16.1% compared to the prior period. Other revenues represented an increase of \$0.2 million, up 76.1% compared to the prior period.

Changes in foreign currency exchange rates had a favorable impact on our combined net sales in six months ended September 30, 2023, resulting in an increase of approximately \$0.7 million. This was mainly driven by fluctuations in Euro valuations throughout the period.

Cost of sales for the six months ended September 30, 2023 increased by \$7.7 million, or 109.7%, to \$14.7 million from \$7.0 million for the six months ended September 30, 2022. The Cost of Goods for device sales increased by \$5.0 million, which is directly correlates to the increase in device sales and related margins remained relatively constant in local currency. The additional increase in cost of sales is mainly driven by an increase of \$0.7 million in inventory reserve for slow moving parts as well as \$2 million services parts costs.

Selling, general and administrative expense for the six months ended September 30, 2023 increased by \$1.8 million, or 15.8%, to \$13.7 million from \$11.8 million for the six months ended September 30, 2022. The increase was primarily due to professional service and IT costs increase of \$2.5 million related to audit, legal and other professional services in preparation for the anticipated business combination with ATAK and becoming a publicly listed company, and investment in finance capacity in preparation for public company reporting obligations, and offset by decreases in bad debt allowance and overhead expenses.

Research and development costs for the six months ended September 30, 2023 decreased by \$0.1 million, or 2.4%, to \$3.8 million from \$3.9 million for the six months ended September 30, 2022. The decrease was primarily due to a decrease in consulting costs, research and development materials and services of \$0.3 million offset by slight increase in personnel expenses of \$0.2 million.

As of September 30, 2023 DIH's cash and cash equivalents amounted to \$2.0 million.

About DIH Holding US, Inc.

DIH stands for the vision to "Deliver Inspiration & Health" to improve the functioning of millions of people with disability and functional impairments. DIH is a global solution provider in blending innovative robotic and virtual reality ("VR") technologies with clinical integration and insights. Built through the mergers of global-leading niche technologies providers, DIH is positioning itself as a transformative total smart solutions provider and consolidator in a largely fragmented and manual-labor-driven industry.

Caution Regarding Forward-Looking Statements

This press release contains certain statements which are not historical facts, which are forward-looking statements within the meaning of the federal securities laws, for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These forward-looking statements include certain statements made with respect to the business combination, the services offered by DIH and the markets in which it operates, and DIH's projected future results. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions provided for illustrative purposes only, and projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties that could cause the actual results to differ materially from the expected results. These risks and uncertainties include, but are not limited to: general economic, political and business conditions; the inability of the parties to consummate the proposed business combination or the occurrence of any event, change or other circumstances that could give rise to the termination of the business combination agreement, failure to realize the anticipated benefits of the business combination, including as a result of a delay in consummating the potential transaction or difficulty in integrating the businesses of DIH; the inability to maintain the listing of the DIH's securities on Nasdaq; costs related to the proposed business combination; While DIH may elect to update these forward-looking statements at some point in the future, DIH specifically disclaims any obligation to do so.

Investor Contact

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DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED BALANCE SHEETS
(UNAUDITED) (in thousands)

	As of September 30, 2023	As of March 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,987	\$ 5,560
Restricted cash	501	415
Accounts receivable, net of allowances of \$901 and \$1,771, respectively	4,891	6,079
Inventories, net	8,170	6,121
Promissory note - related party	405	-
Due from related party	119	7,400
Other current assets	5,611	5,210
Total current assets	<u>21,684</u>	<u>30,785</u>
Property, and equipment, net	632	826
Capitalized software, net	2,293	2,203
Other intangible assets, net	380	380
Operating lease, right-of-use assets, net	4,887	3,200
Deferred tax assets	-	1
Other assets	46	39
Total assets	<u>\$ 29,922</u>	<u>\$ 37,434</u>
Liabilities and Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 5,638	\$ 3,200
Employee compensation	3,684	3,678
Due to related party	-	7,322
Current maturities of long-term debt	1,472	1,514
Revolving credit facilities	10,931	12,976
Current portion of deferred revenue	8,992	9,374
Current portion of long-term operating lease	1,675	1,255
Advance payments from customers	9,918	6,878
Accrued expenses and other current liabilities	12,692	12,411
Total current liabilities	<u>55,002</u>	<u>58,608</u>
Long-term debt, net of current maturities	-	489
Non-current deferred revenues	3,906	2,282
Long-term operating lease	3,238	1,970
Deferred tax liabilities	409	391
Other non-current liabilities	3,281	2,748
Total liabilities	<u>\$ 65,836</u>	<u>\$ 66,488</u>
Commitments and contingencies (Note 15)		
Equity (Deficit):		
Net parent company investment	(39,093)	(32,977)
Accumulated other comprehensive income	3,179	3,923
Total (deficit)	<u>\$ (35,914)</u>	<u>\$ (29,054)</u>
Total liabilities and (deficit)	<u>\$ 29,922</u>	<u>\$ 37,434</u>

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF OPERATIONS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Revenue	\$ 27,314	\$ 17,325
Cost of sales	14,736	7,028
Gross profit	12,578	10,297
Operating expenses:		
Selling, general, and administrative expense	13,713	11,837
Research and development	3,763	3,857
Total operating expenses	17,476	15,694
Operating loss	(4,898)	(5,397)
Other income (expense):		
Interest expense	(500)	(411)
Other income (expense), net	(430)	325
Total other income (expense)	(930)	(86)
Loss before income taxes	(5,828)	(5,483)
Income tax expense (benefit)	278	(34)
Net loss	\$ (6,106)	\$ (5,449)

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Net loss	\$ (6,106)	\$ (5,449)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	(314)	1,486
Pension liability adjustments	(430)	(226)
Other comprehensive (loss) income	(744)	1,260
Comprehensive loss	<u>\$ (6,850)</u>	<u>\$ (4,189)</u>

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(UNAUDITED) (in thousands)

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
Balance, March 31, 2022	\$ (30,503)	\$ 4,081	\$ (26,422)
Net loss	(5,449)	-	(5,449)
Other comprehensive income, net of tax	-	1,260	1,260
Net transactions with parent	(4)	-	(4)
Balance, September 30, 2022	<u>\$ (35,956)</u>	<u>\$ 5,341</u>	<u>\$ (30,615)</u>

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
Balance, March 31, 2023	\$ (32,977)	\$ 3,923	\$ (29,054)
Net loss	(6,106)	-	(6,106)
Other comprehensive loss, net of tax	-	(744)	(744)
Net transactions with parent	(10)	-	(10)
Balance, September 30, 2023	<u>\$ (39,093)</u>	<u>\$ 3,179</u>	<u>\$ (35,914)</u>

See accompanying notes to the condensed combined financial statements.

DIH HOLDING US, INC. AND SUBSIDIARIES
INTERIM CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED) (in thousands)

	For the Six Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (6,106)	\$ (5,449)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	211	235
Allowance for doubtful accounts	(870)	97
Allowance for inventory obsolescence	708	(121)
Gain on disposal of fixed assets	-	(3)
Pension contributions	(324)	(296)
Pension (income) expense	136	(245)
Foreign exchange (gain) loss	428	(320)
Noncash lease expense	1,000	935
Noncash interest expense	2	68
Deferred income tax	12	(89)
Changes in operating assets and liabilities:		
Accounts receivable	2,004	1,996
Inventories	(2,470)	(1,568)
Due from related parties	-	(60)
Due to related parties	-	(1)
Other assets	(150)	(916)
Operating lease liabilities	(898)	(798)
Accounts payable	1,840	754
Employee compensation	(81)	316
Other liabilities	74	424
Deferred revenue	1,604	206
Advance payments from customers	2,992	7,847
Accrued expense and other current liabilities	(2)	735
Net cash provided by operating activities	<u>110</u>	<u>3,747</u>
Cash flows from investing activities:		
Purchases of property and equipment	(49)	(15)
Proceeds from sale of property and equipment	62	-
Payments to related party for promissory note	(405)	-
Net cash used in investing activities	<u>(392)</u>	<u>(15)</u>
Cash flows from financing activities:		
Payments on credit facilities	(2,679)	(1,462)
Payments on long term debt	(625)	(465)
Net cash used in financing activities	<u>(3,304)</u>	<u>(1,927)</u>
Effect of currency translation on cash and cash equivalents	<u>99</u>	<u>(262)</u>
Net decrease in cash, and cash equivalents, and restricted cash	(3,487)	1,543
Cash, and cash equivalents, and restricted cash - beginning of year	5,975	3,687
Cash, and cash equivalents, and restricted cash - end of year	<u>\$ 2,488</u>	<u>\$ 5,230</u>
Cash and cash equivalents - end of year	<u>\$ 1,987</u>	<u>\$ 4,832</u>
Restricted cash - end of year	<u>501</u>	<u>398</u>
Total cash, and cash equivalents, and restricted cash - end of year	<u>\$ 2,488</u>	<u>\$ 5,230</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 498	\$ 346
Supplemental disclosure of non-cash investing and financing activity:		
Settlement of related party receivables and payables	\$ 7,322	\$ -

See accompanying notes to the condensed combined financial statements.