



## DIH Reports First Half Fiscal 2024 Financial Results

February 20, 2024

NORWELL, Mass., Feb. 20, 2024 (GLOBE NEWSWIRE) -- 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.

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

|   | <b>As of September 30,<br/>2023</b> | <b>As of March 31,<br/>2023</b> |
|---|-------------------------------------|---------------------------------|
| <b>Assets</b>   |                                     |                                 |
| 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  | 21,684                              | 30,785                          |
| 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  | \$ 29,922                           | \$ 37,434                       |
| <b>Liabilities and Equity (Deficit)</b>                                   |                                     |                                 |
| 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   | 55,002                              | 58,608                          |
| 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   | \$ 65,836                           | \$ 66,488                       |
| 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)   | \$ (35,914)                         | \$ (29,054)                     |
| Total liabilities and (deficit)   | \$ 29,922                           | \$ 37,434                       |

*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<br>Company<br>Investment | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total Equity<br>(Deficit) |
|--|-------------------------------------|--|---------------------------|
| <b>Balance, March 31, 2022</b>         | \$ (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)                       |
| <b>Balance, September 30, 2022</b>     | \$ (35,956)                         | \$ 5,341   | \$ (30,615)               |
|  |                                     |  |                           |
|  |                                     |  |                           |
|  |                                     |  |                           |
| <b>Balance, March 31, 2023</b>         | \$ (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)                      |
| <b>Balance, September 30, 2023</b>     | \$ (39,093)                         | \$ 3,179   | \$ (35,914)               |

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)**

|   | <b>For the Six Months Ended</b> |             |
|---|---------------------------------|-------------|
|   | <b>September 30,</b>            |             |
|   | <b>2023</b>                     | <b>2022</b> |
| <b>Cash flows from operating activities:</b>                                    |                                 |             |
| 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                                       | 110                             | 3,747       |
| <b>Cash flows from investing activities:</b>                                    |                                 |             |
| 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   | (392)                           | (15)        |
| <b>Cash flows from financing activities:</b>                                    |                                 |             |
| Payments on credit facilities   | (2,679)                         | (1,462)     |
| Payments on long term debt  | (625)                           | (465)       |
| Net cash used in financing activities   | (3,304)                         | (1,927)     |
| Effect of currency translation on cash and cash equivalents                     | 99                              | (262)       |
| 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                   | \$ 2,488                        | \$ 5,230    |
| Cash and cash equivalents - end of year   | \$ 1,987                        | \$ 4,832    |
| Restricted cash - end of year   | 501                             | 398         |
| Total cash, and cash equivalents, and restricted cash - end of year             | \$ 2,488                        | \$ 5,230    |
| <b>Supplemental disclosure of cash flow information:</b>                        |                                 |             |
| Interest paid   | \$ 498                          | \$ 346      |
| <b>Supplemental disclosure of non-cash investing and financing activity:</b>    |                                 |             |
| Settlement of related party receivables and payables                            | \$ 7,322                        | \$ -        |

See accompanying notes to the condensed combined financial statements.