

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

	<u>As of September 30,</u> <u>2023</u>	<u>As of March 31,</u> <u>2023</u>
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	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	<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	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	<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	110	3,747
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	(392)	(15)
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	(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
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.